

SOCIAL SECURITY CORPORATION –

SOCIAL SECURITY INVESTMENT FUND

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2024

**INDEPENDENT AUDITOR'S REPORT
TO HIS EXCELLENCY THE CHAIRMAN AND THE MEMBERS OF INVESTMENT BOARD
SOCIAL SECURITY CORPORATION – SOCIAL SECURITY INVESTMENT FUND
AMMAN - JORDAN**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Social Security Investment Fund (the "Fund") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of revenues and expenses, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards, are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

SOCIAL SECURITY CORPORATION – SOCIAL SECURITY INVESTMENT FUND
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024
(IN THOUSANDS OF JORDANIAN DINARS)

	Notes	2024	2023
<u>Assets</u>			
Cash and bank balances	3	17,528	22,623
Deposits at banks and financial institutions	4	2,004,504	1,921,614
Financial assets at fair value through profit and loss	5	136,354	141,795
Loans and granted debts, net	6	496,804	499,240
Financial asset at fair value through other comprehensive income	7	1,730,457	1,601,068
Investments in associates	8	636,447	542,084
Financial assets at amortized cost	9	9,805,937	8,735,986
Subscribers' contributions and rural files assets	10	212,023	205,888
Projects in progress	11	137,064	122,222
Inventories	12	35,457	33,255
Property and equipment, net	13	431,431	408,664
Investment properties	14	914,160	898,449
Investments in joint operations	15	15	15
Investments in a joint venture	16	1,379	-
Due from related parties	38/A	7,955	181
Intangible assets, net	17	61,105	65,356
Other assets	18	584,389	419,129
Total assets		17,213,009	15,617,569
<u>Liabilities and Equity</u>			
<u>Liabilities-</u>			
Subscribers' contributions and rural files liabilities	10	212,023	205,888
Electricity service subscribers' deposits	19	96,592	90,838
Advance payments from electricity subscribers	20	27,411	24,751
Due to National Electric Power Company	21	290,827	143,949
Bank loans	22	129,744	117,959
Income tax provision	45	6,394	5,914
End of service indemnity provision	23	24,498	24,078
Due to banks	24	27,683	35,692
Due to related parties	38/B	88	537
Other liabilities	25	219,522	205,026
Total liabilities		1,034,782	854,632
<u>Equity-</u>			
<u>Social Security Corporation Equity-</u>			
Social security corporation current account		7,652,546	7,349,136
Social security corporation current account – unemployment fund	28	98,838	93,573
Property and equipment revaluation reserve	26	87,804	31,812
Fair value reserve, net	27	582,475	453,487
Cash flow hedges reserve		4,371	3,860
Surplus of revenues over accumulated expenses		7,695,523	6,779,205
Net Social Security Corporation Equity		16,121,557	14,711,073
Non-controlling interest		56,670	51,864
Net Equity		16,178,227	14,762,937
Total liabilities and equity		17,213,009	15,617,569

The attached notes from 1 to 47 represent part of these consolidated financial statements

SOCIAL SECURITY CORPORATION – SOCIAL SECURITY INVESTMENT FUND
CONSOLIDATED STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED 31 DECEMBER 2024
(IN THOUSANDS OF JORDANIAN DINARS)

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
Operating revenues -			
Hotels		25,097	38,680
Press and publication		5,039	5,764
Energy		616,481	581,998
Commercial		80,476	66,821
Others		6,972	8,256
Gross revenues		734,065	701,519
Cost of revenues		(576,953)	(542,206)
Net operating revenues	30	157,112	159,313
Interest income	31	739,380	642,266
Losses on financial assets at fair value through profit and loss	32	(5,236)	(3,912)
Group's share of associates' net operating results	8	69,132	51,785
Group's share of a joint venture's operating results	16	(498)	-
(Losses) gains on investment properties, net	33	(1,017)	28,096
Cash dividends distribution	34	127,898	115,572
Other revenues		31,625	19,861
Net revenues		1,118,396	1,012,981
Expenses -			
General and administrative expenses	35	(98,122)	(90,579)
Energy and maintenance expenses		(14,489)	(15,099)
Selling and distribution expenses		(7,445)	(7,037)
Depreciation of property and equipment	13	(33,870)	(32,134)
Amortization of intangible assets	17	(4,319)	(4,316)
Provision for expected credit losses		(2,149)	(3,214)
Provision for slow-moving inventory	12	(795)	(633)
Finance costs	36	(8,926)	(7,845)
Recovered from (provision of) contingent liabilities	25	1,977	(1,092)
Other expenses		(3,271)	(2,547)
Total expenses		(171,409)	(164,496)
Surplus of revenues over expenses for the year before income tax		946,987	848,485
Income tax expense	45	(7,574)	(7,359)
Surplus of revenues over expenses for the year		939,413	841,126
Attributable to:			
Social Security Investment Fund		926,441	831,654
Non-controlling interest		12,972	9,472
		939,413	841,126

The attached notes from 1 to 47 represent part of these consolidated financial statements

SOCIAL SECURITY CORPORATION – SOCIAL SECURITY INVESTMENT FUND
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024
(IN THOUSANDS OF JORDANIAN DINARS)

	2024	2023
Surplus of revenues over expenses for the year	939,413	841,126
Add: other comprehensive income not to be reclassified to revenues and expenses in subsequent periods		
Change in fair value of financial assets through other comprehensive income	124,163	(138,803)
Group's share of net gains (losses) of hedging cash flow	730	(870)
Total comprehensive income for the year	1,064,306	701,453
Attributable to:		
Social Security Investment Fund	1,051,082	692,237
Non-controlling interest	13,224	9,216
	1,064,306	701,453

The attached notes from 1 to 47 represent part of these consolidated financial statements

SOCIAL SECURITY CORPORATION – SOCIAL SECURITY INVESTMENT FUND
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024
(IN THOUSANDS OF JORDANIAN DINARS)

	Social Security Corporation current account	Social Security Corporation current account – Unemployment Fund	Property and equipment revaluation reserve	Fair value reserve, net	Cash flow hedges reserve	Surplus of revenues over accumulated expenses	Net Social Security Corporation equity	Non-controlling interest	Net equity
2024-									
Balance as at 1 January 2024	7,349,136	93,573	31,812	453,487	3,860	6,779,205	14,711,073	51,864	14,762,937
Surplus of revenues over expenses for the year	-	-	-	-	-	926,441	926,441	12,972	939,413
Change in fair value of financial assets through other comprehensive income	-	-	-	124,130	-	-	124,130	33	124,163
Group's share of the gain from cash flow hedges reserve (Note 8)	-	-	-	-	511	-	511	219	730
Group's share of the property and equipment revaluation (Note 8)	-	-	55,992	-	-	-	55,992	-	55,992
Realized losses on sale of financial assets through other comprehensive income	-	-	-	4,858	-	(4,858)	-	(50)	(50)
Cash transferred during the year, net	303,410	-	-	-	-	-	303,410	-	303,410
Transfers to the unemployment fund, net	-	5,265	-	-	-	(5,265)	-	-	-
Net change in non-controlling interest	-	-	-	-	-	-	-	(8,368)	(8,368)
Balance as at 31 December 2024	7,652,546	98,838	87,804	582,475	4,371	7,695,523	16,121,557	56,670	16,178,227
2023-									
Balance as at 1 January 2023	6,972,968	84,910	31,812	577,896	4,469	5,966,777	13,638,832	53,427	13,692,259
Surplus of revenues over expenses for the year	-	-	-	-	-	831,654	831,654	9,472	841,126
Change in fair value of financial assets through other comprehensive income	-	-	-	(138,808)	-	-	(138,808)	5	(138,803)
Group's share of the losses from cash flow hedges reserve	-	-	-	-	(609)	-	(609)	(261)	(870)
Realized losses on sale of financial assets through other comprehensive income	-	-	-	14,399	-	(14,399)	-	-	-
Cash transferred during the year, net	376,168	3,836	-	-	-	-	380,004	-	380,004
Transfers to the unemployment fund, net	-	4,827	-	-	-	(4,827)	-	-	-
Net change in non-controlling interest	-	-	-	-	-	-	-	(10,779)	(10,779)
Balance as at 31 December 2023	7,349,136	93,573	31,812	453,487	3,860	6,779,205	14,711,073	51,864	14,762,937

The attached notes from 1 to 47 represent part of these consolidated financial statements

SOCIAL SECURITY CORPORATION – SOCIAL SECURITY INVESTMENT FUND
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024
(IN THOUSANDS OF JORDANIAN DINARS)

	Notes	2024	2023
<u>Operating activities</u>			
Surplus of revenues over expenses for the year before income tax		946,987	848,485
Adjustments -			
Depreciation of property and equipment	13	33,870	32,134
Amortization of intangible assets	17	4,319	4,316
Depreciation on right-of-use assets	35	1,024	781
Group's share of a joint venture's operating results	16	498	-
End of service indemnity provision	35	2,233	3,987
Group's share of associates' net operating results	8	(69,132)	(51,785)
Losses of valuation of financial assets at fair value through profit and loss	32	5,217	4,046
Realized losses (gains) on sale of financial assets at fair value through profit and loss	32	18	(136)
Provision for slow-moving inventory	12	795	633
Provision for expected credit losses		2,149	3,214
Losses (gains) on investment property valuation at fair value	33	9,617	(22,425)
Finance costs		8,926	7,845
(Recovered from) provision for contingent liabilities	25	(1,977)	1,092
Working capital changes -			
Deposits at banks and financial institutions with maturity of more than three months		143,145	(568,956)
Financial assets at fair value through profit and loss		206	421
Inventories		(2,997)	2,461
Other assets		(168,051)	20,457
Electricity service subscribers' deposits		5,754	5,382
Advance payments from electricity subscribers		2,660	2,201
Due to National Electric Power Company		146,878	(83,588)
Due to related parties		(449)	482
Other liabilities		16,489	2,958
Payments of end of service indemnity	23	(2,535)	(3,496)
Income tax paid	45	(7,324)	(12,004)
Net cash flows from operating activities		1,078,320	198,505
<u>Investing activities</u>			
Financial assets at fair value through other comprehensive income		(3,729)	632
Financial assets at amortized cost		(1,071,554)	(865,299)
Investments in associates	8	2,304	3,318
Dividends received from associates	8	27,640	26,580
Investment properties	14	(25,328)	(11,892)
Property and equipment and projects in progress, net		(70,757)	(66,211)
Loans and granted debts		2,366	(100,919)
Investments in a joint venture	16	(1,877)	-
Due from related parties		(7,774)	70
Intangible assets	17	(68)	(43)
Net cash flows used in investing activities		(1,148,777)	(1,013,764)
<u>Financing activities</u>			
Net amounts transferred from Social Security Corporation		303,410	380,004
Bank loans		11,785	47,330
Dividends distribution to non-controlling interest		(8,368)	(10,779)
Finance costs paid		(8,926)	(7,845)
Paid from contingent liabilities provision	25	(16)	(1,211)
Net cash flows from financing activities		297,885	407,499
Net increase (decrease) in cash and cash equivalents		227,428	(407,760)
Cash and cash equivalents at 1 January		680,829	1,088,589
Cash and cash equivalents at 31 December	37	908,257	680,829

The attached notes from 1 to 47 represent part of these consolidated financial statements

SOCIAL SECURITY CORPORATION – SOCIAL SECURITY INVESTMENT FUND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2024

(IN THOUSANDS OF JORDANIAN DINARS)

(1) GENERAL

Social Security Investment Fund was established in accordance with the Social Security Fund's Investment Law No. (111) for the year 2001 and in conjunction with article (76) of the Social Security Law No. (19) for the year 2001. The date 1 January 2003 was considered the date for commencing the Fund's activities, as the balances of investment accounts and other related accounts on that date were transferred from the records of the Social Security Corporation to the records of the Fund pursuant to the decision of the Board of Directors of the Social Security Corporation No. 1/2003 dated 2 January 2003.

In accordance with Social Security temporary law No. (7) of 2010 the name of the Investment Fund was modified to become "Social Security Investment Fund" (The Fund). The Fund's registered address Abdul Rahman Arshidat St. Shmeisani, P.O.Box 850633, Amman 11185, The Hashemite Kingdom of Jordan.

The Fund's main activity is to manage the investments of the Social Security Corporation in a manner that ensures the development of its financial resources, and in order to achieve the Social Security Corporation's objectives, the Fund undertakes the following tasks:

- Establishing projects in cooperation with the public and private sectors on corporation investments.
- Underwriting purchasing and selling of bonds, bills and other securities.
- Purchasing and selling quoted or unquoted shares in Amman Stock Exchange.
- Investing in cash deposits with the banking system with appropriate returns.
- Contributing in mutual investment funds.
- Contributing in the financing of national projects of economic feasibility by providing long-term loans and against appropriate guarantees.
- Purchase, sale and development of properties for the purpose of acquisition, participation, investment or trading.
- Carry out any investment activities approved by the Investment Board and approved by the Board of Directors of the Social Security Corporation.
- Conducting economic feasibility studies for the projects it intends to invest in, and in this field, to use the role of experts and specialists.
- Follow-up on the performance of the institutions in which the corporation contributes, and report on the performance of these companies, along with recommendations to the Board of Investment.

The Investment Fund is committed to the general investment policy of the corporation and the overall plan for investing its funds, as approved by the council, including the following:

- Maximizing the market value of assets.
- Adhering to the targeted ratios for investment portfolios and the targeted investment range approved by the council based on the recommendation of the Investment Board.
- Complying with the evaluation model approved by the Investment Board for assessing investment projects.
- Working to align the maturities of debt instruments with the results of actuarial studies.
- Reducing risks by diversifying the corporation's investments among different investment instruments.
- Adhering to quantitative restrictions on external investments classified geographically and economically, as approved by the council.
- The council issues the necessary instructions to define investment objectives, criteria, mechanisms, and investment determinants.

The consolidated financial statements of the Social Security Investment Fund for the year 2024 have been approved by the Board of Directors on its meeting held on 30 June 2025.

SOCIAL SECURITY CORPORATION – SOCIAL SECURITY INVESTMENT FUND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2024

(IN THOUSANDS OF JORDANIAN DINARS)

(2) ACCOUNTING POLICIES

(2-1) BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared in accordance with historical cost convention, except for the financial assets at fair value through profit and loss, financial assets at fair value through other comprehensive income and investment properties which have been presented at fair value at the date of these consolidated financial statements.

The consolidated financial statements have been presented in Jordanian Dinars (JD) which is the functional currency of the Fund and all amounts in Jordanian dinars are rounded to the nearest thousand unless stated otherwise.

(2-2) BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Social Security Investment Fund and the financial statements of its subsidiaries.

The consolidated financial statements comprise the financial statements of the Social Security Investment Fund and the financial statements of its subsidiaries. ("the Group") as at 31 December 2024. The subsidiaries that have been included in the consolidated financial statements are as follows:

	Sector	Paid in capital		Percentage of Ownership	
		2024	2023	2024	2023
		JD	JD	%	%
Jordan Press Foundation Public Shareholding Company / Al-Rai	Press and publication	10,000,000	10,000,000	54.9	54.9
Jordanian Duty Free Shops Public Shareholding Company	Trading	22,500,000	22,500,000	56.5	56.5
Al-Daman for Investment Public Shareholding Company	Investment and leasing	10,000,000	10,000,000	61.4	61.4
Rama for Investments and saving LLC	Investment	560,000	560,000	100	100
National Company for Touristic Development LLC	Tourism services	2,050,000	2,050,000	100	100
United Terminal Travelling Center for Foreign Travel Cars LLC	Leasing	1,500,000	1,500,000	100	100
Al Daman for Lease Financing LLC	Finance leasing	500,000	500,000	100	100
Al Daman for Hotel Transport Services LLC	Tourism services	100,000	100,000	100	100
Kingdom Electricity Company for Energy Investments Private Shareholding*	Energy investments	50,000	50,000	70	70
	Land leasing and				
Daman for Development Zones Private Shareholding **	development	40,000,000	40,000,000	100	100
Jordan Daman Company for International Business LLC***	Investment	300,000	300,000	100	100
	Agricultural				
Al-Daman Investment and Agricultural Industries Private Shareholding	investments	8,500,000	6,200,000	100	100

SOCIAL SECURITY CORPORATION – SOCIAL SECURITY INVESTMENT FUND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2024

(IN THOUSANDS OF JORDANIAN DINARS)

* The financial statements of Kingdom Electricity Company for Energy Investment Private Shareholding Company include the following subsidiaries:

	<u>Percentage of Ownership</u>	<u>Country of Incorporation</u>
Electricity Distribution Company Public Shareholding Company and its subsidiary	100%	Jordan
Irbid District Electricity Company Public Shareholding Company*	55.52%	Jordan

* Electricity Distribution Company owns 55.46% of Irbid District Electricity Company, which represents the actual ownership percentage of the Group, in addition to 0.06% of direct ownership of Kingdom Electricity Company for Energy Investment in Irbid District Electricity Company.

** The financial statements of Daman for Development Zone Private Shareholding Company include the following subsidiaries:

	<u>Percentage of Ownership</u>	<u>Country of Incorporation</u>
Al-Mafraq Development Company	80%	Jordan
North Development Company	100%	Jordan

*** The financial statements of Jordan Daman Company for International Business include the following subsidiary:

	<u>Percentage of Ownership</u>	<u>Country of Incorporation</u>
Jordan Daman Company for International Investments	100%	Jordan

Hotels and resorts that have been included in the consolidated financial statements and are fully owned by the Fund are as follows:

- Amra Crowne Plaza Hotel - Amman
- Crowne Plaza Hotel Petra and its Rest House
- Intercontinental Hotel - Aqaba
- Holiday Inn Hotel – Dead Sea
- Crowne Plaza Resort – Dead Sea

The financial statements of the Fund and its subsidiaries are prepared using the same accounting period as the Funds and using the same accounting policies, except for Investment properties for Al Daman for Investments Public Share Holding Company and National Company for Touristic Development which are presented at cost in the company's financial statements. However, they are presented at fair value and proper reconciliations are prepared in the Fund's consolidated financial statements.

Control is achieved when the Group has the rights to variable returns from its involvement with the company it has invested in and has the ability to affect those returns through its power over the investee. Control over the investee is exercised when the following factors exist:

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

(IN THOUSANDS OF JORDANIAN DINARS)

When the Group owns less than a majority of the voting rights in an investee, in this case, the Group considers all factors and circumstances to determine whether it has control over the investee, which include the following:

- Contractual agreements with shareholders that have voting rights in the investee
- Rights resulting from other contractual arrangements
- The Group's voting rights and potential voting rights

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

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

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

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group's loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of subsidiary.
- Derecognizes the carrying amount of any non-controlling interest.
- Derecognizes the cumulative translation differences recorded in equity.
- Recognizes the fair value of the consideration received.
- Recognizes the fair value of any investment retained by subsidiary.
- Recognizes any gains or losses as a result of losing control.
- Reclassifies the Group's share of components previously recognized in other comprehensive income to profit and loss.

(2-3) CHANGES IN ACCOUNTING POLICIES

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

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

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

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

(IN THOUSANDS OF JORDANIAN DINARS)

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

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

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

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

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

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

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

(2-4) MATERIAL ACCOUNTING POLICIES INFORMATION

Financial assets at amortized cost

Financial assets that the Group's management aims, according to its business model to hold to collect their contractual cash which represents the principal amount and the interest on the outstanding principal amount.

These financial assets are initially measured at cost plus transaction costs. Subsequently premium/discount is amortized using the effective interest rate method, increasing or decreasing the interest. Any provisions resulting from the impairment in their value that lead to the inability to recover the asset or a part of it shall be written-off. The losses arising from impairment are recognized in the consolidated statement of revenues and expenses.

The amount of the impairment consists of the difference between the book value and present value of the expected future cash flows discounted at the original effective interest rate.

No assets may be reclassified from/to this item except in the cases specified in IFRS and, (if any such asset is sold before its maturity date, the result of the sale is recognized in the consolidated statement of revenues and expenses in a separate line and disclosed in accordance with the requirements of International Financial Reporting Standards in particular).

Financial assets at fair value through profit and loss

These assets represent investments in companies' shares for trading purposes and are intended to generate profits from fluctuations in short-term market prices or trading profit margins.

(IN THOUSANDS OF JORDANIAN DINARS)

Financial assets at fair value through profit and loss are initially measured at fair value (transaction costs are recorded in the consolidated statement of revenues and expenses at the purchase date), subsequently, these assets are revalued at fair value. Gains or losses arising on subsequent measurement of these financial assets including the change in fair value arising from non-monetary assets in foreign currencies are recognized in the consolidated statement of revenues and expenses. When these assets or portion of these assets are sold, the gain or loss arising is recorded in the consolidated statement of revenues and expenses.

Dividends distributed or interest income are recorded in the consolidated statement of revenues and expenses.

Financial assets at fair value through other comprehensive income

These assets represent investments in equity instruments for the purpose of retention over the long-term.

These assets are recognized upon purchase at fair value plus acquisition costs, and they are subsequently revalued at fair value. The change in fair value is reflected in the consolidated statement of comprehensive income and within the consolidated statement of equity, including the change in fair value resulting from the translation differences of non-monetary assets in foreign currencies. In the event of selling these assets or part of them, the resulting gains and losses are recorded in the consolidated statement of comprehensive income and within the consolidated statement of equity. The balance of the revaluation reserve for the sold assets is directly transferred to retained earnings and not through the consolidated statement of revenues and expenses.

It is not permitted to reclassify assets from/to this item except in certain circumstances determined in IFRS.

These financial assets are not subject to impairment testing.

Dividends distributed are recognized in the consolidated statement of revenues and expenses.

Loans and granted debts

Loans are recognized at fair value, subsequently they are amortized using the effective interest rate method.

A provision for expected credit losses for loans and granted debts is recognized through reaching an estimation for the probability of default and the percentage of loss assuming default. The Fund relies on several main economic indicators in building a number of assumptions, mainly GDP growth indicators, the financial market index and debt indicators in addition to the classification issued by the credit rating institution and according to the statistical data of the global default rate of this classification.

Fair value

The Group measures its financial instruments such as financial assets at fair value through other comprehensive income at the date of the consolidated financial statements as disclosed in (note 39).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the principal market for the asset or liability.

In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Impairment of financial assets

The Group's recognizes a provision for expected credit losses for all debt instruments not held at fair value, in the consolidated of revenue or expenses. Expected credit losses rely on the difference between accrued Contractual cash flows in accordance to the contract and all cash flows the Group expects to receive, discounted at the original effective interest rate. The expected cash flows include cash flows from the sale of held collaterals or other credit enhancement that are an integral part of the contractual terms (if any).

The Group's management calculates the provision based on its historical credit loss experience adjusted for the future factors of debtors and the economic environment.

Property and equipment

Property and equipment are measured at cost less accumulated depreciation and accumulated impairment in value. Depreciation is calculated using the straight-line method, (except for lands), over the estimated useful lives of property and equipment when they are ready for use, Depreciation rates used are as follows:

	<u>%</u>
Buildings	2-10
Meters, cables, and pumps	10
Furniture and fixtures	9-25
Machinery and equipment	3-20
Vehicles	15-20
Additions and improvements	15
Computers	20-25
Electromechanical equipment	15
Sanitary extensions	15
Others	10-20

When the recoverable value of property and equipment is less than their carrying amount, assets are written down to its recoverable amount and impairment losses are recognized in the consolidated statement of revenues and expenses.

(IN THOUSANDS OF JORDANIAN DINARS)

Useful lives of property and equipment are reviewed at the end of each year. If the expectations of useful lives are different from the previous estimates, the change is accounted for as changes in estimate in future periods.

Goodwill

Goodwill is initially measured at cost which represents the excess of the cost of acquisition or purchase of investment in an associate or subsidiary company over the Group's share in the net fair value of the identifiable assets at the date of acquisition. Goodwill arising from the investment in subsidiaries is separately presented within intangible assets, while goodwill arising from the investment in associates is recognized within investment in associates and subsequently adjusted for any impairment losses.

Goodwill is allocated to each of the Group's cash-generating units, or groups of cash generating units for the purpose of impairment testing.

Goodwill is reviewed for impairment at the date of the consolidated of the financial statements, if events or conditions indicate that the estimated recoverable amount of a cash-generating unit or group of cash-generating units is less than their carrying amount, impairment losses are recognized in the consolidated statement of revenues and expenses.

Intangible assets

Intangible assets are classified based on the assessment of their useful life to definite and indefinite. Intangible assets with definite lives are amortized over the useful economic life and amortization expenses are recognized in the consolidated statement of revenues and expenses, while intangible assets with indefinite useful lives are assessed for impairment at each reporting date and impairment loss is recognized in the consolidated statement of revenues and expenses.

Internally generated intangible assets are not capitalized and are expensed in the consolidated statement of revenues and expenses during the same year.

Indications of impairment of intangible assets are reviewed and their useful economic lives are reassessed at each reporting date. Adjustments are reflected in the subsequent periods.

Investment properties

Investment properties are stated at cost including the acquisition costs and is measured subsequently at fair value which primarily reflects the conditions and market prices as of the date of the consolidated financial statements.

Gains and losses resulting from changes in the fair value of investment properties are recognized in the consolidated statement of revenues and expenses.

Investment properties are valued using assumptions that reflect market prices using the average valuation for five independent real estate experts after excluding the highest and lowest valuations. Investment properties purchased during the year are valued using the purchase price.

End of service indemnity provision

Provision for end of service indemnity is recognized when the Group is committed to providing its employees with end of service indemnities. The Group is obligated when it has a detailed formal compensation plan and there is no real prospect of withdrawing the plan. Provision for end of service indemnity is measured based on the Group's number of employees at the date of the consolidated financial position in accordance with the Group's internal policies and IAS (19) social Security Investment Fund's employees are subject to human resources rules.

(IN THOUSANDS OF JORDANIAN DINARS)

Trade payables and accruals

Liabilities are recognized for amounts to be paid in the future for services received, whether billed by the supplier or not.

Loans

After initial recognition, interest bearing loans are subsequently measured at amortized cost using the effective interest method. Profits and losses are recognized in the consolidated statement of revenues and expenses when the obligation is paid. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The finance costs are included in the consolidated statement of revenues and expenses.

Accounts receivable

Accounts receivable are stated at original invoice amount less any provision of expected credit losses. The Group applies a simplified approach in calculating estimated credit losses. The Group has historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. A balance is written off when there is no reasonable expectation of recovering the contractual cash flows.

Leases

The Group as a lessee

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

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

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

Lease contracts liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate in accordance with the terms of the contract, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

(IN THOUSANDS OF JORDANIAN DINARS)

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

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to some of its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Group as a lessor

Operating lease income is recognized as rental income in the consolidated statement of revenues and expenses on a straight-line basis over the lease term.

Revenue and expense recognition

Revenues and expenses are recognized on an accrual basis, except for interest and commissions on non-performing loans, which are not recognized as revenues and are recorded in the account of suspended interest and commissions.

Profits from the distribution of company shares are recognized when they are realized (approved by the general assembly of shareholders).

Revenues are recognized in accordance with IFRS (15) – Five step model, which specifies the contract, price, performance obligations and recognizing revenues based on the fulfillment of performance obligations.

The Group recognizes revenue from the sale of newspapers, distribution of advertisements and commercial press revenues at a certain point in time at which the control of the asset is transferred to the customer upon the delivery of goods.

Interest income is recognized on a timely basis to reflect the return on assets.

Dividends on investment securities are recognized when approved by the General Assemblies of the investees.

Revenue from the sale of energy is recognized when used by consumer and an invoice has been issued.

Hotel revenues represent revenues recognized from providing hotel rooms to customers. Hotel revenues (stay in) are recognized once the service is provided.

Food and beverage revenues represent revenues recognized from providing food and beverage to consumers through the room service department in addition to restaurants inside the hotel. Food and beverage revenues are recognized once the service is provided and an invoice is issued to the customer which usually occurs at a certain period of time.

Rent revenues represent revenues recognized through providing rental services to customers where payments from tenants are recorded as unrealized and are recognized at the start of the contract period over the life of the contract.

Revenue and expense recognitions

The Group recognizes revenues from the sale of goods at the fair value of considerations received or to be received and when there is a reasonable possibility for collection in accordance with IFRS (15). The Group recognizes revenues from the sale of goods at a certain point in time at the date in which control is transferred to the customer. Generally, when goods are delivered, and an invoice is issued to the customer.

(IN THOUSANDS OF JORDANIAN DINARS)

Recognition of financial assets

Purchases and sales of financial assets are recognized at the date of trade (that is the date the Group commits to purchase or sell the asset).

Derivative financial instruments

Trading financial derivatives are stated at fair value for trading purposes (such as future interest rates, swap agreements and foreign currency option contracts) in the consolidated statement of financial position within other assets or other liabilities. Fair value is measured according to the prevailing market prices, the change in their fair value is recognized in the consolidated statement of revenues and expenses.

Repurchase and resale agreements

Assets sold with a corresponding commitment to repurchase them at a future date continue to be recognized in the consolidated financial statements as a result of the Group's continuous control over these assets and as the related risks and rewards are transferred to the Group upon occurrence. They also continue to be measured in accordance with the adopted accounting policies. Amounts received against these contracts are recorded within liabilities under borrowed funds. The difference between the sale price and the repurchase price is recognized as an interest expense amortized over the contract period using the effective interest rate.

Purchased assets with corresponding commitment to sell at a specific future date are not recognized in the consolidated financial statements because the Group has no control over such assets and the related risks and rewards are not transferred to the Group upon occurrence. Payments related to these contracts are recorded under deposits at banks and other financial institutions or loans. The difference between the purchase price and resale price is recorded as interest revenue amortized over the life of the contract using the effective interest rate method.

Investments in associates

An affiliate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee. The Group's investments in associates are accounted for using the equity method.

Investments in affiliates appear in the consolidated statement of financial position by cost in addition to the Group's share of changes in the affiliate's net assets. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually. The consolidated statement of revenues and expenses reflects the Group's share of the results of operations of the associate. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

Inventories

Inventory is valued at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Income tax

- Income tax expense represents accrued tax and deferred tax.
- Income tax expenses are accounted for on the basis of taxable income. Taxable income differs from income declared in the consolidated financial statements as the declared income includes non-taxable revenue or non deductible expenses in the current year, but deductible in subsequent years, accumulated losses acceptable by the tax authorities, and items not accepted for tax purposes or subject to tax.

(IN THOUSANDS OF JORDANIAN DINARS)

- Taxes are calculated on the basis of tax rates prescribed according to the prevailing laws, regulations and instructions of the Hashemite kingdom of Jordan. Social Security Corporation revenues are exempted from income tax by law except for rental revenues, revenue of some hotels and foreign investments.
- Deferred taxes are taxes expected to be paid or recovered as a result of temporary differences in the value of assets or liabilities in the consolidated financial statements and the value upon which taxable income is calculated. Deferred taxes are calculated using the liability method on the consolidated statement of financial position and are calculated based on the tax rates expected to be implemented upon the settlement of a tax commitment or upon the realization of deferred tax asset.
- Deferred tax assets and liabilities are reviewed as of the date of the consolidated financial statements and reduced in case it is expected that no benefit will arise therefrom, partially or totally.

Cash and cash equivalents

Cash and cash equivalents maturing within three months net of bank overdrafts comprise: cash on hand, balances with the Central Bank of Jordan and balances with banks and financial institutions.

Subscribers' contributions assets and liabilities

These assets are stated separately based on the Energy and Mineral Regulatory Commission regulations within assets under subscribers' contributions assets, with a similar contra liability account under subscribers' contributions liabilities with the same amount.

Amortization of these assets at an annual rate of 4% along with the amortization of subscriber's contributions liabilities. The amortization of assets and liabilities of subscribers' contributions is offset, and accordingly has no impact on the consolidated statement of revenues and expenses.

Rural fils assets

This term represents the infrastructure assets used to connect the electricity network to rural areas. It is recorded under asset as rural fils assets and is offset with a liability under the term rural fils liabilities carrying the same amount, and that is to conform with the legislations.

Rural fils assets are depreciated at an annual rate of 4% and the corresponding rural fils liabilities are amortized in the same proportion so that they do not affect the consolidated statement of revenues and expenses.

Joint operations

Joint operations are a contractual agreement between the Fund and other parties in jointly controlled economic activities where financial, operational and strategic policy decisions on project activities require the unanimous approval of the parties involved in the control.

Assets, liabilities, revenues and expenses related to joint operations are recognized by the Group to its percentage of ownership in these operations.

Investments in joint ventures

Joint ventures are collaborative projects under which 'the parties exercising joint control over the rights to the net assets of that joint venture.' Joint control is the sharing of control based on a contractually agreed arrangement and occurs only when decisions about relevant activities require unanimous consent from the participating controlling parties.

The considerations used to determine joint ventures or joint control are somewhat similar to the considerations used to determine control over subsidiaries.

Under the equity method, investments in the joint venture are shown at cost, and the carrying amount of the investment in the joint venture is adjusted to reflect the group's share of changes in the net assets of the joint venture at the acquisition date. Goodwill arising from the joint venture is included as part of the investment account and is not amortized or tested for impairment separately.

The consolidated statement of revenues and expenses reflects the group's share of the joint venture's operating results. Any changes in other comprehensive income items for this investment are classified within the group's other comprehensive income items. In the event of a change in the equity of the joint venture, such changes, if any, are shown in the consolidated statement of changes in equity of the group. Unrealized gains and losses arising from transactions between the group and the joint venture are excluded to the extent of the group's share in the joint venture.

Group's share of the joint venture's profits or losses is shown in the consolidated statement of revenues and expenses and represents profit or loss after tax and non-controlling interests in the joint venture subsidiary.

The financial statements of the joint venture are prepared for the same reporting period as those of the Group. If necessary, adjustments are made to accounting policies to align with those of the Group.

After applying the equity method, the Group determines whether there is a need to recognize an impairment loss on its investment in the joint venture. At each reporting date, the group assesses whether there is objective evidence of impairment of the investment in the joint venture. If there is evidence, the Group calculates the impairment amount as the difference between the recoverable amounts of the joint venture and its carrying amount, and the losses are recognized as the share of profits in the joint venture in the consolidated statement of revenues and expenses.

Upon losing significant influence over the joint venture, the Group measures and recognizes any retained investment at fair value. Any difference between the carrying amount of the joint venture upon losing significant influence or joint control and the fair value of the retained investment and the amounts collected from the disposal is recognized in the consolidated statement of revenues and expenses.

Offsetting

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position only if there is a current enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Foreign currency

Transactions in foreign currencies during the year are recorded at the exchange rates prevailing at the date of the transaction.

Financial assets and financial liabilities denominated in foreign currencies are translated at the average rates prevailing on the date of the consolidated statement of financial position as declared by the Central Bank of Jordan.

Gains and losses resulting from foreign currency translation are recognized in the consolidated statement of revenues and expenses.

Translation differences for non-monetary assets and liabilities denominated in foreign currencies (such as financial assets at fair value through the statement of profit and loss) are recorded as part of the change in fair value.

(2-5) SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

Management has made some judgements in applying the Group's accounting policies. Judgments made by management that have the greatest impact on amounts recognized in the consolidated financial statements are disclosed in the relevant notes to the consolidated financial statements.

Key assumptions relating to future key and other sources of estimation at the date of the consolidated financial statements that may pose significant risk of material changes in the carrying amount of assets and liabilities during the next financial year are also disclosed in the relevant notes to the consolidated financial statements. The Group included its assumptions and estimates in preparing the consolidated financial statements. However, current conditions and estimates related to further developments may change as a result of market changes or circumstances that may arise outside the Group's control. The Group reflects these changes to assumptions once they occur.

Reasonable judgments used in the preparation of the consolidated financial statements are detailed as follows:

- Impairment of investment properties is recorded based on recent valuations approved by the accredited real estate experts for impairment testing purposes and are reviewed periodically.
- Fiscal year is charged with its related income tax expense in accordance with laws, regulations and accounting standards.
- Management periodically reviews the useful lives of property and equipment for the purpose of annual depreciation calculation based on the general state of those assets and expected future useful lives, impairment losses are recorded in the consolidated statement of revenues and expenses.
- A provision recognized for lawsuits raised against the Group based on a legal study prepared by Group's legal counsel and legal advisors upon which future probable risks are determined, those studies are reviewed periodically.
- Management periodically reviews financial assets stated at cost to evaluate any impairment in value, this impairment is recorded in the consolidated statement of revenues and expenses.

- Fair value levels:

The level of the fair value hierarchy in which fair value measurements are categorized is determined and disclosed, and fair value measurements are separated to the stages specified in IFRS. The difference between stage (2) and stage (3) for fair value measurements is an assessment of whether information or inputs are observed and the extent of information that is not observable, which requires careful judgment and analysis of inputs used to measure fair value including consideration of all factors that concern the asset or obligation.

- Provision for expected credit losses:

The determination of a provision for impairment of financial assets requires the Group's management to make significant judgment to estimate the amounts and timing of future cash flows, as well as to estimate any significant increase in the credit risk of financial assets after initial recognition, and to take into account further measurement information for expected credit losses.

The Group determined the value of the provision for impairment of financial assets in accordance with international financial reporting standards.

The Group's policy is to determine common elements on which credit risk and expected credit losses are measured on a (Collective Basis) or an (Individual Basis).

Methodology of application of IFRS (9) (Financial instruments):

Key concepts that have a material impact and require a high degree of management judgment and which have been considered by the Group when applying the standard include the following:

- **Assessment of significant increase in credit risk:**

An assessment is made as to whether there has been a significant increase in credit risk since inception, The Group compares the risk of default to the financial instrument at the end of each financial period with the risk of default when the financial instrument arises using key concepts of the Group's risk management processes.

The significant increase in credit risk is assessed annually and separately for each exposure to credit risk based on three factors. If one of these factors indicates a significant increase in credit risk, the financial instrument is reclassified from stage 1 to stage 2:

- 1- The Group has set limits to measure the significant increase in credit risk based on the change in the risk of default of the financial instrument as compared its date of inception.
- 2- Any reschedules or adjustments made to customer accounts during the evaluation period shall be recognized as an indication of significant increase in credit risk.
- 3- IFRS (9) (financial instruments) includes an assumption that there is a significant increase in the credit risk of financial instruments that have been impaired and have been recognized for more than 30 days. A substantial increase in the credit risk of financial instruments that have defaulted and matured for over 60 days which will be reduced to 30 days within 3 years. In this respect the Group adopted a 45 days period.

The change between stage 2 and stage 3 depends on whether the financial instruments are impaired at the end of the financial period.

- **Macrocosmic factors, expected future events and the use of more than one scenario:**

Historical information, current conditions and expected future events should be considered based on reliable information when measuring expected credit losses for each stage. The measurement and application of expected future information requires the Group's management to make substantial efforts based on cooperation with international entities with expertise in this area.

Probability of default, loss ratio assuming default, impact upon default and inputs used in stage 1 and stage 2 of the credit facility impairment are designed based on variable economic factors (or factors related to macroeconomic changes) that are directly related to the credit risk associated with the portfolio.

(IN THOUSANDS OF JORDANIAN DINARS)

Each macroeconomic scenario used to calculate the expected credit loss linked to changing macroeconomic factors.

In our estimates used to calculate expected credit losses for stages 1 and 2 discounted weighted scenarios that include future macroeconomic information for the subsequent three years.

The base line scenario is based on macroeconomic forecasts (i.e. GDP, inflation, and interest rates). The ups and downs of economic factors will be developed on the basis of possible alternative economic conditions.

- **Definition of default:**

The definition of default used to measure expected credit losses and in the assessment of change between stages is consistent with the concept of default used by the Group's internal credit risk management. The default is not defined in the standard, and there is a presumption that default occurs when the payment is ceased for 90 days or more.

- **Expected life:**

When measuring expected credit losses, the Group considers the maximum extent of expected cash flows that the Group considers to be at risk of impairment. All contractual obligations for life expectancy including prepayment options and extension options of some revolving credit facilities with no fixed repayment date is measured based on the Group's exposure to credit risk that management cannot avoid.

- **Scope of application:**

Provision for expected credit losses for all financial assets of the Group is measured as follows:

- Monetary market instruments include current accounts, deposits at banks, deposits against pledged bonds and swap contracts.
- Bonds which include Jordanian treasury bonds, government bonds denominated in US dollars, public companies' bonds and private companies' bonds and debts.
- Loans including direct loans, syndicated loans and other loans.
- Account receivables.

Hypotheses and methodology of work

Each of the above investment instruments, has been examined to determine the probability of default and the loss ratios assuming default. A number of key economic indicators have been based on the construction of a number of assumptions, most importantly GDP growth indicators, the index of the financial market, indicators of public debt of the country, in addition to the sovereign classification of Jordan issued by credit rating institutions and according to the statistical data of the cumulative global default rates of the classification. A number of scenarios have been assumed for the purpose of calculating the probability default, using available data on companies either from the outside or within the investment fund, in addition to using the self assessment system for the classification of companies and banks approved within the Investment Fund.

SOCIAL SECURITY CORPORATION – SOCIAL SECURITY INVESTMENT FUND
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(IN THOUSANDS OF JORDANIAN DINARS)

(3) CASH AND BANK BALANCES

This item consists of the following:

	<u>2024</u>	<u>2023</u>
Cash on hand	9,739	6,859
Current and on demand accounts *	<u>7,789</u>	<u>15,764</u>
	<u>17,528</u>	<u>22,623</u>

* This item includes the amount of JD 10 thousands of current accounts related to the Unemployment Fund as at 31 December 2024 (31 December 2023: JD 2 thousand).

- Current accounts do not include balances with foreign banks and financial institutions as at 31 December 2024 and 2023.
- There are no restricted balances as at 31 December 2024 and 2023.

(4) DEPOSITS AT BANKS AND FINANCIAL INSTITUTIONS

This item consists of the following:

	<u>2024</u>	<u>2023</u>
Deposits maturing within 3 months or less	918,412	693,898
Deposits maturing within 3 to 6 months	704,193	452,969
Deposits maturing within 6 to 12 months	<u>393,924</u>	<u>788,293</u>
	2,016,529	1,935,160
Less: provision for expected credit losses*	<u>(12,025)</u>	<u>(13,546)</u>
	<u>2,004,504</u>	<u>1,921,614</u>

- Interest rates on Jordanian Dinar deposits range between 5.75% to 7% for the year ended at 31 December 2024 and from 3.72% to 7% for the year ended at 31 December 2023.
- There are no balances with foreign banks and financial institutions and there are no restricted balances as at 31 December 2024 and 2023.
- Deposits include an amount of JD 166,9 million which represents deposits against the mortgage of government bonds for the benefit of the Fund held at Capital Bank (2023: JD 166,9 million).

SOCIAL SECURITY CORPORATION – SOCIAL SECURITY INVESTMENT FUND
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(IN THOUSANDS OF JORDANIAN DINARS)

* The details of the movement on the provision for impairment of loans and debts granted are as follows:

	2024	2023
Balance as at 1 January	13,546	11,194
(Recovered from) provision for the year	(1,539)	2,384
Provision for (recovered from) unemployment	18	(32)
Balance as at 31 December	12,025	13,546

The stages of the movement occurring in the expected credit losses provision for deposits with banks and financial institutions during the year are as follows:

	2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
Balance as at 1 January	13,546	-	-	13,546	11,194
(Recovered from) provision for the year	(1,539)	-	-	(1,539)	2,384
Provision for (recovered from) unemployment	18	-	-	18	(32)
Balance as at 31 December	12,025	-	-	12,025	13,546

(5) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

This item consists of the following:

Quoted shares in financial market:	2024	2023
Local	126,855	130,387
Foreign	9,499	11,408
	136,354	141,795

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(6) LOANS AND GRANTED DEBTS, NET

This item consists of the following:

	2024	2023
Direct loans	453,215	459,762
Syndicated loans	25,324	25,803
Housing loans	23,597	18,937
	502,136	504,502
Less: provision for expected credit losses*	(5,332)	(5,262)
Net loans and granted debts	496,804	499,240

The table below illustrates interest rates, maturity dates, and collaterals for the aforementioned loans:

	Balance	Interest rate	The last installment maturity date	Guarantees
		%		
Direct loans	453,215	1 – 8.916	1 January 2040	Governmental, real estate, legal Governmental, investment mortgage,
Syndicated loans	25,324	9.41 –11.06	17 February 2034	legal
Housing loans	23,597	4.75	31 March 2060	Mortgage
	<u>502,136</u>			

Non-performing loans and debts amounted to JD 1,924 thousand representing 0.34% of loans and granted debts as at 31 December 2024 compared of JD 1,924 thousand representing 0.34% of loans and granted debts at 31 December 2023. A provision was provided for those amounts in full.

* Movements on the provision for expected credit losses for loans and granted debts during the year were as follows:

	2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
Balance as at 1 January	3,218	-	2,044	5,262	5,848
Provision (recovered from) during the year	-	-	70	70	(586)
Balance as at 31 December	<u>3,218</u>	<u>-</u>	<u>2,114</u>	<u>5,332</u>	<u>5,262</u>

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(7) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

This item consists of the following:

	<u>2024</u>	<u>2023</u>
Financial assets - Quoted shares*:		
Quoted shares – local	1,614,503	1,486,825
Quoted shares – foreign	<u>78,619</u>	<u>71,615</u>
	1,693,122	1,558,440
 Financial assets - Unquoted shares:		
	<u>37,335</u>	<u>42,475</u>
 Other financial assets:		
Investments in mutual funds – USD**	<u>-</u>	<u>153</u>
Total financial assets at fair value through other comprehensive income	<u><u>1,730,457</u></u>	<u><u>1,601,068</u></u>

The fair value of unquoted shares and mutual funds is determined according to several methods that are appropriate to the nature of the Group, where net book value, discounted cash flows, and net assets were used.

* Quoted Financial Assets are distributed according to the following sectors:

	<u>Ratio</u>	<u>2024</u>	<u>Ratio</u>	<u>2023</u>
	%		%	
Manufacturing sector	45	762,345	50.6	787,969
Banking sector	53.2	900,621	47.2	736,183
Services sector	1.7	28,509	2.1	32,400
Insurance sector	0.1	<u>1,647</u>	0.1	<u>1,888</u>
		<u>1,693,122</u>		<u>1,558,440</u>

** The Catalyst Investment Management Fund/Jordan was closed on 16 January 2024, and the Fursan Capital Partners Fund 1 was closed on 1 March 2024.

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(8) INVESTMENTS IN ASSOCIATES

This item consists of the following:

														2024		2023																	
					Balance using equity method									Share of cash flow hedges reserve		Property and equipment revaluation reserve		(Decrease) increase Paid-in capital		Dividends distributed		Share of companies' results		Share of fair value reserve		Balance using equity method at year end		Fair market value at year end		Balance using equity method at year end		Fair market value at year end	
	Number of capital shares	Number of shares/ownership	Ownership percentage	Nature of business	Last issued audited financial statements	at the beginning of the year	Loans repayments	Share of cash flow hedges reserve	Property and equipment revaluation reserve	(Decrease) increase Paid-in capital	Dividends distributed	Share of companies' results	Share of fair value reserve	Balance using equity method at year end	Fair market value at year end	Balance using equity method at year end	Fair market value at year end																
	shares	ownership	percentage		statements	the year	repayments	reserve	reserve	capital			reserve	year end	year end	year end	year end																
Listed in Amman Stock																																	
Exchange			%																														
Jordan Kuwait Bank Public																																	
Shareholding	150,000,000	31,562,466	21.04	Banking	31 December 2024	110,413	-	-	-	-	(2,525)	24,688	(1,089)	131,487	90,900	110,413	81,116																
Jordan Petroleum Refinery Co.																																	
Public Shareholding	100,000,000	20,399,997	20.40	Petrochemical	31 December 2024	82,092	-	-	55,992	-	(9,180)	14,773	64	143,741	100,703	82,092	109,180																
Jordan Cement Factories Public																																	
Shareholding	60,444,460	13,197,226	21.83	Construction	31 December 2024	342	-	-	-	-	-	6,894	-	7,236	8,182	342	8,841																
Jordan Telecommunication Co.																																	
Public Shareholding	187,500,000	54,150,000	28.88	Telecommunication	31 December 2024	230,356	-	-	-	-	(11,913)	11,973	-	230,416	154,869	230,356	137,541																
Jordan Worsted Mill Factories																																	
Public Shareholding	15,000,000	3,000,000	20.00	Textiles	31 December 2024	10,258	-	-	-	(14)	(421)	428	(500)	9,751	6,060	10,258	6,480																
Al-Sharq Investment Projects																																	
Public Shareholding	16,000,000	4,164,153	26.03	Hotel services	31 December 2024	5,546	-	-	-	-	(250)	287	(22)	5,561	8,953	5,546	7,662																
Jordan Electricity Company																																	
Public Shareholding	91,761,444	19,802,902	21.58	Energy	31 December 2024	47,574	-	-	-	210	(3,351)	4,140	-	48,573	43,764	47,574	37,817																
						486,581	-	-	55,992	196	(27,640)	63,183	(1,547)	576,765	413,431	486,581	388,637																

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													2024		2023		
	Number of capital shares	Number of shares/ownership	Ownership percentage	Nature of business	Last issued audited financial statements	Balance using equity method	Share of cash flow		Property and equipment	(Decrease) increase	Share of companies' results	Share of fair value	Balance using equity method at year end	Fair market value at year end	Balance using equity method at year end	Fair market value at year end	
						at the beginning of the year	Loans repayments	hedges reserve									
Not listed in Amman Stock Exchange																	
South Dead Sea Development																	
Private Shareholding	17,000,000	5,100,000	30	Investment	31 December 2024	5,577	-	-	-	-	-	1	-	5,578	5,118	5,577	5,100
Electrical Equipment Industries																	
LLC	3,750,000	881,250	23.50	Manufacturing	31 December 2024	1,098	-	-	-	-	-	96	-	1,194	-	1,098	-
Al Zanpaq Company Private																	
Shareholding	167,000	50,100	30	Electricity generation	31 December 2024	1,294	(213)	(11)	-	-	-	202	-	1,272	-	1,294	-
Zahrat Al Salam Company																	
Private Shareholding	167,000	50,100	30	Electricity generation	31 December 2024	1,299	(213)	(11)	-	-	-	246	-	1,321	-	1,299	-
Alward Aljoury Company Private																	
Shareholding	167,000	50,100	30	Electricity generation	31 December 2024	1,391	(213)	(11)	-	-	-	313	-	1,480	-	1,391	-
Jordan Solar One Company																	
Private Shareholding	100,000	30,000	30	Electricity generation	31 December 2024	1,490	(213)	(9)	-	-	-	964	-	2,232	-	1,490	-
Al-Zarqa Station for Electrical																	
Power Generation Private																	
Shareholding	50,000	20,000	40	Electricity generation	31 December 2024	43,324	(1,654)	772	-	-	-	4,137	-	46,579	-	43,324	-
National Company for																	
Infrastructure Investment																	
Private Shareholding	80,000	39,000	48.75	Investment	31 December 2024	30	-	-	-	-	-	(4)	-	26	23	30	27
Green World for Water and																	
Energy	50,000	13,771	27.54	Investment	31 December 2024	-	-	-	-	6	-	(6)	-	-	-	-	-
						55,503	(2,506)	730	-	6	-	5,949	-	59,682	5,141	55,503	5,127
						542,084	(2,506)	730	55,992	202	(27,640)	69,132	(1,547)	636,447	418,572	542,084	393,764

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The following schedules illustrate summarized financial information for the Group's major investments in associates:

	Jordan Kuwait Bank	
	2024	2023
Statement of Financial Position		
Assets	5,630,326	5,244,402
Liabilities	(4,744,196)	(4,516,891)
Non-controlling interest	(178,013)	(112,768)
Net equity	708,117	614,743
Percentage of ownership	21.04%	21.04%
Net investment as of 31 December	131,487	110,413
 Statement of Comprehensive Income		
Net Interest revenues, commissions and foreign currency	381,458	254,777
Gain from selling subsidiary shares	-	4,779
Gain on financial assets at fair value through other comprehensive income	44	-
Gain on financial assets at fair value through profit and loss	2,464	3,219
Cash dividends at fair value through other comprehensive income	1,519	2,486
Provision for impairment of direct credit facilities	(43,553)	(37,745)
Provision for credit losses	(9,313)	(31,403)
Employees' expenditures	(48,838)	(48,714)
Other expenses, net	(89,460)	(57,362)
Profit for the year	194,321	90,037
 Attributable to Bank's shareholders	117,329	59,108
Attributable to non-controlling interests	76,992	30,929
	194,321	90,037
 Group's share of profit	24,688	12,437

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	Jordan Petroleum Refinery	
	2024	2023
Statement of Financial Position		
Current assets	1,216,802	1,138,596
Non-current assets	583,695	299,394
Current liabilities	(1,055,922)	(990,506)
Non-current liabilities	(76,370)	(79,403)
Non-controlling interest	(7,001)	(7,945)
Net equity	661,204	360,136
Percentage of ownership	20.40%	20.40%
Net investment as of 31 December	143,741	82,092
Statement of Comprehensive Income		
Sales	1,516,848	1,659,001
Cost of sales	(1,356,127)	(1,499,614)
Bank interests and commissions	(47,462)	(39,878)
Selling and distribution expenses	(46,698)	(44,287)
Other revenues, net	6,513	7,382
Profit for the year	73,074	82,604
Attributable to the Company's shareholders	72,415	81,554
Attributable to non-controlling interests	659	1,050
	73,074	82,604
Group's share of profit	14,773	16,637

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	Jordan Telecommunication Company	
	2024	2023
Statement of Financial Position		
Current assets	204,961	204,310
Non-current assets	584,814	582,647
Current liabilities	(288,203)	(357,762)
Non-current liabilities	(196,602)	(124,433)
Net equity	304,970	304,762
Percentage of ownership	28.88%	28.88%
Net investment as of 31 December	230,416	230,356
Statement of Comprehensive Income		
Revenues	361,252	360,716
Cost of services	(126,221)	(132,187)
Administrative expenses	(20,761)	(23,187)
Selling and marketing expenses	(43,995)	(43,457)
Finance income	1,796	2,947
Other expenses, net	(130,613)	(119,084)
Profit for the year	41,458	45,748
Group's share of profit	11,973	13,212

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	Jordan Worsted Mill Factory	
	2024	2023
Statement of Financial Position		
Current assets	55,333	57,777
Non-current assets	182	200
Current liabilities	(227)	(263)
Non-current liabilities	(113)	(76)
Net equity	55,175	57,638
Percentage of ownership	20%	20%
Net investment as of 31 December	9,751	10,258
Statement of Comprehensive Income		
Investment properties revenues	214	162
Administrative expenses	(855)	(860)
Other revenues, net	2,780	2,614
Profit for the year	2,139	1,916
Group's share of profit	428	383

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	Al-Sharq Investments Projects	
	2024	2023
Statement of Financial Position		
Current assets	3,140	2,921
Non-current assets	19,031	19,444
Current liabilities	(1,176)	(1,383)
Non-current liabilities	-	(44)
Net equity	20,995	20,938
Percentage of ownership	26.03%	26.03%
Net investment as of 31 December	5,561	5,546
 Statement of Comprehensive Income		
Operating revenues	7,428	7,629
Operating costs	(2,524)	(2,515)
Administrative expenses, maintenance, marketing and deprecation	(4,037)	(4,156)
Other revenues	234	143
Profit for the year	1,101	1,101
Group's share of profit	287	287

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	Jordan Electricity Company	
	2024	2023
Statement of Financial Position		
Current assets	562,151	486,636
Non-current assets	587,196	530,998
Current liabilities	(874,921)	(708,504)
Non-current liabilities	(122,914)	(160,788)
Net equity	151,512	148,342
Percentage of ownership	21.58%	21.46%
Net investment as of 31 December	48,573	47,574
 Statement of Comprehensive Income		
Operating revenues	1,067,397	1,001,491
Operating costs	(901,368)	(838,383)
Administrative expenses, maintenance, marketing, depreciation and other expenses, net	(138,623)	(140,899)
Profit for the year before tax	27,406	22,209
Income tax expense	(8,223)	(5,167)
Profit for the year	19,183	17,042
Group's share of profit	4,140	3,661

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(9) FINANCIAL ASSETS AT AMORTIZED COST

This item consists of the following:

	Average interest rates %	2024	2023
A- Government and public institution bonds			
Treasury bills	6.502 – 6.868	351,007	199,498
Treasury bonds*	3.487 – 7.999	9,230,611	8,356,599
Public institutions bonds	6.411 – 6.989	6,348	21,645
		<u>9,587,966</u>	<u>8,577,742</u>
B- Bonds, debts and other securities			
Private companies' bonds and debts	4.0 - 7.0	225,210	163,880
Less: provision for expected credit losses**		(7,239)	(5,636)
		<u>217,971</u>	<u>158,244</u>
		<u>9,805,937</u>	<u>8,735,986</u>

Financial assets at amortized cost have maturity dates ranging between 1 month and up to the year 2047.

* Treasury bonds include an amount of JD 95,507 thousand as of 31 December 2024, representing treasury bonds related to the unemployment fund (31 December 2023: JD 90,426 thousand).

** Movements on the provision for expected credit losses for financial assets at amortized cost during the year were as follows:

	2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
Balance as at 1 January	4,591	-	1,045	5,636	6,632
Provision for the year	1,523	-	80	1,603	-
Recovered from the provision during the year	-	-	-	-	(996)
Balance as at 31 December	<u>6,114</u>	<u>-</u>	<u>1,125</u>	<u>7,239</u>	<u>5,636</u>

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(10) SUBSCRIBERS' CONTRIBUTIONS AND RURAL FILS ASSETS AND LIABILITIES

This item represents the infrastructure constructed by the subsidiaries to connect customers and rural areas to electricity. The cost of infrastructures is paid by Subscribers and Jordanian Rural Fills Fund Project and recognized as assets and liabilities in the consolidated statement of financial position of the Group.

	<u>2024</u>	<u>2023</u>
Cost-		
Balance as at 1 January	432,969	413,193
Transfers from projects in progress	<u>22,918</u>	<u>19,776</u>
Balance as at 31 December	<u><u>455,887</u></u>	<u><u>432,969</u></u>
 Accumulated amortization-		
Balance as at 1 January	227,081	211,152
Depreciation for the year*	<u>16,783</u>	<u>15,929</u>
Balance as at 31 December	<u><u>243,864</u></u>	<u><u>227,081</u></u>
Net book value as at 31 December	<u><u>212,023</u></u>	<u><u>205,888</u></u>

* Subscribers contribution and rural fils assets are depreciated at a rate of 4% annually and subscribers' contribution and rural fils liabilities are depreciated at the same rate, and thus there is no effect on the financial performance of the Group. Details of subscribers' contribution and rural fils liabilities as at 31 December are as follows:

	<u>2024</u>	<u>2023</u>
Subscribers' contribution liability	150,569	148,188
Rural fils liabilities	<u>61,454</u>	<u>57,700</u>
	<u><u>212,023</u></u>	<u><u>205,888</u></u>

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(11) PROJECTS IN PROGRESS

This item consists of the following:

	2024	2023
Aqaba Touristic Beach project*	32,173	32,173
Al-Mafraq project's land infrastructure cost**	27,705	27,794
Electricity connection projects ***	38,521	31,398
Development of Duty-Free Shops on border crossings****	1,851	1,247
Crowne Plaza Resort renovation – Petra*****	23,144	18,574
Building and development of Irbid projects' Infrastructure *****	10,878	9,569
Holiday Inn Hotel renovation-Dead sea	649	294
Intercontinental Hotel renovation – Aqaba	355	211
Amra Crowne Plaza renovation – Amman	383	124
Crowne Plaza Hotel – Dead Sea	582	66
Other projects in progress	823	772
	<u>137,064</u>	<u>122,222</u>

* An amount of JD 32,173 thousand represents the value of the touristic beach project land and what is on it. In 2024, National Company for Touristic Development that is fully owned by the Social Security Corporation has conducted an economic feasibility study to determine the mechanism of benefiting from this land or completing the project that was to be built on it. A 4-star hotel has been approved to be established under the international brand (Voco), in which the final approval depends on the results of the studies that will be prepared by Arabtech Jardaneh. A letter of interest has previously been signed with Intercontinental Hotels Group to establish this hotel, and work is currently in progress to prepare the necessary designs.

The expected cost for establishing the hotel is around JD 18.8 million, and it is anticipated to start implementation by the end of 2025 for approximately two years.

** The Group updated the study of the estimated expected cost to complete the Mafraq Development Project by an engineering company on 5 February 2018. The total estimated cost to complete the project amounted to approximately JD 143 million, and the estimated cost per developed square meter reached JD 12.78 after distributing the estimated cost over the net land area of 11.3 thousand square kilometers. The construction and development are expected to be completed by 2030. Management believes that this estimate is reasonable and reflects the prices and infrastructure development costs up to the year 2024.

*** This item represents the infrastructure projects for supplying electricity to the subsidiaries of Kingdom Electricity for Energy Investments Company, which are under implementation as of 31 December 2024. The estimated cost to complete the unexecuted portion of the projects under implementation amounts to JD 29,572 thousand as of 31 December 2024 (31 December 2023: JD 25,125 thousand).

**** This item represents projects for developing markets at border crossings and the fountain project in Aqaba for the Jordanian Duty Free Shops Company. On 1 March 2023, the Group capitalized and began depreciating the Fountain Mall project located in the city of Aqaba, amounting to JD 14,722 thousand, transferring it from projects under implementation to property and equipment. The estimated cost to complete the project amounted to JD 1,494 thousand and it is expected to be completed by 2026.

***** The amount of JD 23,144 thousand represents the Crowne Plaza Petra Hotel development project. The expected cost of the project is JD 25,372 thousand, and it is expected to be completed during 2025.

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***** The Group contracted with a consulting firm to study market demand and conduct a market study after the government returned the lands to the company. The tender for preparing the new master plan for the Northern Development Company project was awarded to a specialized engineering office and was completed in 2019 and approved by the authority. The estimated cost of the infrastructure is approximately JD 68 million as of 31 December 2024, and it is expected to be completed in 2046, based on the study provided by the consulting firm.

(12) INVENTORIES

This item consists of the following:

	<u>2024</u>	<u>2023</u>
Electricity tools, material and spare parts	15,322	15,795
Finished goods	14,194	12,141
Raw materials	612	589
Food and beverage	261	257
Others	11,002	9,780
	41,391	38,562
Less: provision for slow moving inventory*	(5,934)	(5,307)
	<u>35,457</u>	<u>33,255</u>

* Movements on provision for slow moving inventory during the year were as follows:

	<u>2024</u>	<u>2023</u>
Balance as at 1 January	5,307	5,323
Provision for the year	795	633
Provision for compensation of goods from suppliers	-	3
Inventory written off during the year	(168)	(652)
Balance as at 31 December	<u>5,934</u>	<u>5,307</u>

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(13) PROPERTY AND EQUIPMENT

This item consists of the following:

	Land	Buildings	Meters, cables, and pumps	Furniture and fixtures	Machinery and equipment	Vehicles	Additions and improvements	Computers	Electro- mechanical equipment	Sanitary extensions	Others	Total
2024- Cost:												
Balance as at 1 January	27,982	194,709	818	46,197	481,075	20,270	5,103	46,573	55,737	9,566	8,214	896,244
Additions	-	799	240	494	30,833	2,214	532	2,693	117	18	1,235	39,175
Disposals	-	(8)	-	(880)	(7,367)	(312)	(74)	(310)	(958)	(127)	(126)	(10,162)
Transfers from projects in progress	-	1,243	-	20	18,863	-	-	113	-	-	-	20,239
Reclassifications	-	(417)	-	-	415	-	-	1	-	-	1	-
Transfers from advance payments for purchase property and equipment	-	-	-	-	-	-	-	82	-	-	-	82
Balance as at 31 December	27,982	196,326	1,058	45,831	523,819	22,172	5,561	49,152	54,896	9,457	9,324	945,578
Accumulated depreciation:												
Balance as at 1 January	-	71,993	176	37,860	257,279	17,020	4,018	35,246	47,642	9,556	6,790	487,580
Depreciation for the year	-	4,563	105	550	21,342	1,016	85	4,228	1,761	25	195	33,870
Disposals	-	(4)	-	(867)	(4,568)	(279)	(74)	(300)	(958)	(127)	(126)	(7,303)
Reclassifications	-	(314)	-	-	312	-	-	1	-	-	1	-
Balance as at 31 December	-	76,238	281	37,543	274,365	17,757	4,029	39,175	48,445	9,454	6,860	514,147
Net book value as of 31 December 2024	27,982	120,088	777	8,288	249,454	4,415	1,532	9,977	6,451	3	2,464	431,431
2023- Cost:												
Balance as at 1 January	27,883	182,815	743	47,791	441,721	19,062	4,746	44,273	55,511	11,359	8,663	844,567
Additions	227	943	75	855	31,498	1,605	403	2,829	528	62	126	39,151
Disposals	-	(12)	-	(470)	(5,424)	(397)	(46)	(350)	(126)	(28)	(27)	(6,880)
Transfers from projects in progress	-	14,238	-	388	14,142	-	-	2	-	-	-	28,770
Transfers to investment properties (Note 14)	(128)	(3,275)	-	(2,367)	(862)	-	-	(208)	(176)	(1,827)	(548)	(9,391)
Transfers from advance payments for purchase property and equipment	-	-	-	-	-	-	-	27	-	-	-	27
Balance as at 31 December	27,982	194,709	818	46,197	481,075	20,270	5,103	46,573	55,737	9,566	8,214	896,244
Accumulated depreciation:												
Balance as at 1 January	-	68,944	71	40,096	241,943	16,349	4,012	31,811	46,145	11,344	7,193	467,908
Depreciation for the year	-	4,640	105	535	19,821	1,031	52	3,961	1,780	38	171	32,134
Disposals	-	(1)	-	(452)	(3,653)	(360)	(46)	(336)	(108)	(28)	(27)	(5,011)
Transfers to investment properties (Note 14)	-	(1,590)	-	(2,319)	(832)	-	-	(190)	(175)	(1,798)	(547)	(7,451)
Balance as at 31 December	-	71,993	176	37,860	257,279	17,020	4,018	35,246	47,642	9,556	6,790	487,580
Net book value as of 31 December 2023	27,982	122,716	642	8,337	223,796	3,250	1,085	11,327	8,095	10	1,424	408,664

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(14) INVESTMENT PROPERTIES

This item consists of the following:

	<u>2024</u>	<u>2023</u>
Land held for investment	855,914	839,341
Buildings held for investment	56,932	58,899
Others	<u>1,314</u>	<u>209</u>
	<u>914,160</u>	<u>898,449</u>

Movements on investment properties during the year were as follows:

	<u>2024</u>	<u>2023</u>
Balance as at 1 January	898,449	862,192
Purchase of investment properties	25,328	11,892
Transfers from properties and equipment, net (Note 13)	-	1,940
(Losses) gains on valuation of investment properties at fair value (Note 33)	<u>(9,617)</u>	<u>22,425</u>
Balance as at 31 December	<u>914,160</u>	<u>898,449</u>

(15) INVESTMENTS IN JOINT OPERATIONS

This item consists of Al-Zaytuna project (1) which represent lands that the Fund invested in, jointly with Urban Development Corporation as well as other partners. These lands have been sorted and are to be distributed to the investors based on their percentage of ownership. Investments in joint operations are stated at cost as at 31 December 2024 and 2023, the details of these projects were as follows:

	<u>2024</u>	<u>2023</u>
Al-Zaytuna project (1)*	<u>15</u>	<u>15</u>
	<u>15</u>	<u>15</u>

* It is expected that during 2025, the projects' lands will be transferred to investment properties.

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(16) INVESTMENTS IN A JOINT VENTURE

On April 22, 2024, an agreement was reached to establish a founding contract between Heinemann Africa GmbH, Astra Trading and Supply Company from Saudi Arabia, and Jordanian Duty Free Shops Company (a subsidiary), with the aim of creating JAH Arabia International Duty Free Shops Limited Liability Company. This company will establish a duty free at King Abdulaziz International Airport in Jeddah, with its headquarters located in Riyadh. The company has the right to open branches both inside and outside the Kingdom of Saudi Arabia as deemed necessary for the company's interests, subject to the partners' approval.

According to the terms of the agreement, each company will own a 33% share, except for Heinemann, which will hold a 34% share.

Jordanian Duty Free Shops Company (a subsidiary) has a significant influence on the investments in the joint venture, as it has two out of six members on the board of directors of JAH Arabia International Duty Free Shops Company, and decisions are made by consensus.

Based on this, the investment has been classified as investments in a joint venture and will be accounted for using the equity method.

This item consists of the following:

Company name	Capital's number of shares	Number of shares owned by the Fund	Ownership percentage %	Nature of Business	Country of incorporation/ location	Value of investment	
						2024 Thousands of Jordanian Dinars	2023 Thousands of Jordanian Dinars
JAH Arabia International Duty Free Shops	3,000,000	990,000	33	Wholesale and retail trade	Kingdom of Saudi Arabia/Jeddah	1,379	-

The following is a summary of the movement on the investment in the joint venture for the year ended 31 December 2024:

	2024
Balance as at 22 April 2024	1,877
Group's share of a joint venture's operating results*	(498)
Balance as at 31 December	1,379

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The following is a summary of the financial data regarding the joint venture as of 31 December:

	JAH Arabia International Duty Free Shops
2024-	
Investments in a joint venture	
Current assets	26,832
Non-current assets	5,638
Current liabilities	(11,284)
Non-current liabilities	-
Equity	21,186
Percentage of ownership	33%
Investment value	1,379
Results of operations	
Revenues	10,129
Cost of sales	(5,176)
Administrative expenses	(6,462)
Loss for the period	(1,509)
Group's share of loss for the period from incorporation on 22 April to 31 December 2024	(498)

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(17) INTANGIBLE ASSETS

	Exclusive right*	License**	Right of passing***	Right to use and operate****	Goodwill*****	Computer software	Total
2024-							
Cost:							
Balance as at 1 January	17,697	39,411	8,359	4,184	28,014	417	98,082
Additions	-	-	67	1	-	-	68
Balance as at 31 December	<u>17,697</u>	<u>39,411</u>	<u>8,426</u>	<u>4,185</u>	<u>28,014</u>	<u>417</u>	<u>98,150</u>
Accumulated amortization:							
Balance as at 1 January	2,950	21,681	5,063	2,818	-	214	32,726
Amortization for the year	1,770	1,970	380	113	-	86	4,319
Balance as at 31 December	<u>4,720</u>	<u>23,651</u>	<u>5,443</u>	<u>2,931</u>	<u>-</u>	<u>300</u>	<u>37,045</u>
Net book value as of 31 December	<u>12,977</u>	<u>15,760</u>	<u>2,983</u>	<u>1,254</u>	<u>28,014</u>	<u>117</u>	<u>61,105</u>
2023-							
Cost:							
Balance as at 1 January	17,697	39,411	8,339	4,184	28,014	394	98,039
Additions	-	-	20	-	-	23	43
Balance as at 31 December	<u>17,697</u>	<u>39,411</u>	<u>8,359</u>	<u>4,184</u>	<u>28,014</u>	<u>417</u>	<u>98,082</u>
Accumulated amortization:							
Balance as at 1 January	1,180	19,711	4,687	2,704	-	128	28,410
Amortization for the year	1,770	1,970	376	114	-	86	4,316
Balance as at 31 December	<u>2,950</u>	<u>21,681</u>	<u>5,063</u>	<u>2,818</u>	<u>-</u>	<u>214</u>	<u>32,726</u>
Net book value as of 31 December	<u>14,747</u>	<u>17,730</u>	<u>3,296</u>	<u>1,366</u>	<u>28,014</u>	<u>203</u>	<u>65,356</u>

* During the year 2021, the exclusive right agreement with the Hashemite Kingdom of Jordan, represented by the Ministry of Finance, to establish duty-free shops at land crossings and seaports, signed on 30 August 2011 until 30 August 2021, expired. During 2022, the Group obtained the renewal of the exclusive right for a period of 10 years starting from 1 May 2022, provided that the Group is committed to paying an amount of JD 25 million, which will be paid over the life of the agreement. Accordingly, the agreed amount of the exclusivity agreement has been deducted to the present value and recorded as an intangible asset, as it is amortized over the life of the agreement. The Group shall be obliged to pay to the Public Treasury each of the following amounts:

- A monthly service allowance of 13.5% and a monthly customs service allowance of 1.5% of its total monthly sales realized in duty free shops that are not subject to the same duties, taxes and customs applied in the customs territory as operational costs.
- An annual allowance of 20% of the company's annual net operating profit for duty-free sales on an annual basis, starting from the fiscal year 2022 and including the full profits of 2022 and thereafter until the end of the year 2031. The value of this allowance shall be paid within three months from the date of the end of the fiscal year.

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In addition, the Jordan Duty Free Company (a subsidiary) has been exempted from income tax from income tax from its duty free activities for a period of six years starting from the date of entry into force of the agreement, and 2022 is considered the first year of exemption.

** This item includes an amount of JD 39,397 thousand, which represents the fair value of electricity distribution licenses granted by the Energy and Minerals Regulatory Authority to subsidiaries as at the date of grant, and they are amortized over the 19-year life of the licenses

*** This item represents the amount of compensation paid by the Kingdom Electricity Company for Energy Investments and its subsidiaries to land owners for damages due to the passage of power lines over their property based on a court decision or a decrease in the market value of such property. Kingdom Electricity Company for Energy Investments and its subsidiaries have since the beginning of 2014 extinguished the right of way for the remaining life of the license.

**** This item represents the amount of the amounts paid by Unified Launch Company for the construction and development of the infrastructure of the Unified Launch Complex as intangible assets in accordance with the requirements of the interpretation of financial reports No. (12) Service Concession Arrangements issued by the International Financial Reporting Interpretation Committee as the amounts paid represent a right (license) to use and operate a public facility for a period of 27 years.

***** The details of this item are as follows:

- 1- The following subsidiary has been identified as a cash-generating unit benefiting from acquisition operations for the purposes of goodwill impairment testing:

<u>Subsidiary</u>	<u>Goodwill</u>
Electricity Distribution Public Shareholding Company	<u>5,271</u>

The Group conducted an annual goodwill impairment test as of 31 December 2024 as follows:

- Electricity Distribution Public Shareholding Company

The recoverable amount of the Public shareholding Electricity Distribution Company was determined by calculating the company's expected cash flows based on the estimated budget for 2025 approved by the management. Projected cash flows after 2025 were calculated using an annual revenue growth rate of 0.3%. In the belief of the administration, the growth rate is appropriate given the nature of work and the general growth in economic activity in the region. An 11% discount rate has been used to discount projected cash flows and a final growth rate of 1%. The impairment test did not result in any impairment loss in goodwill related to the ownership of the Public Shareholding Electricity Distribution Company.

Management believes that there are no predicted changes on the basic assumptions used to determine the value in use that can reduce the recoverable amount against the net book value.

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- 2- Goodwill resulting from the acquisition of Kingdom Electricity Company for Energy Investments (previously, Al Daman for Energy Investments) by the Social Security Investment Fund with a total amount of JD 22,743 thousand in 2011, which represents the amount of revaluation difference.

The recoverable amount for Kingdom Electricity Company for Energy Investments was determined by calculating the recoverable amount based on the projected cash flows of the company. This company was identified as a cash-generating unit for the purpose of goodwill impairment testing. The impairment test utilized the following assumptions: a discount rate of 13% to discount the expected cash flows and a growth rate of 3%. The impairment testing did not result in any goodwill impairment losses.

(18) OTHER ASSETS

This item consists of the following:

	2024	2023
Trade receivables	396,103	253,836
Accrued revenues and interests*	203,463	185,340
Other debit balances	25,329	19,949
Right-of-use assets	8,005	7,089
Prepaid expenses	6,841	5,872
Deferred tax assets	4,569	4,337
Housing Fund deposits	1,987	2,233
Checks under collection	1,947	2,331
	648,244	480,987
Less: provision for expected credit losses**	(63,855)	(61,858)
	584,389	419,129

* This item includes an amount of JD 1,035 thousand as of 31 December 2024, which represents accrued interests related to the Unemployment Fund (31 December 2023: JD 920 thousand).

** Movements on the provision for expected credit losses for other assets during the year were as follows:

	2024	2023
Balance as at 1 January	61,858	59,416
Provision for the year	3,662	2,641
Recovered from provision	(1,665)	(199)
	63,855	61,858

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The stages of the movement occurring in the provision for expected credit losses for other assets during the year are as follows:

	2024				2023
	Stage 1	Stage 2	Stage 3	Total	Total
Balance as at 1 January	-	262	61,596	61,858	59,416
Provision for the year	-	-	3,662	3,662	2,641
Recovered from the provision	-	-	(1,665)	(1,665)	(199)
Balance as at 31 December	-	262	63,593	63,855	61,858

(19) ELECTRICITY SERVICE SUBSCRIBERS' DEPOSITS

This item represents amounts received by the subsidiaries of Kingdom Electricity Company for Energy Investments (subsidiary) from the subscribers as cash deposits for electricity connection services, based on the instructions of delivery costs of the Electricity and Minerals Regulatory Commission.

(20) ADVANCE PAYMENTS FROM ELECTRICITY SUBSCRIBERS

This item represents amounts received in advance by the subsidiaries of Kingdom Electricity Company for Energy Investments (subsidiary) from the subscribers for the implementation of subscribers' contributions projects. The Group closes this item after completing the project in the items of subscribers' contributions liabilities and subscribers' contributions assets excess.

(21) DUE TO NATIONAL ELECTRIC POWER COMPANY

This item represents the amounts due from the subsidiaries of Kingdom Electricity Company for Energy Investments (subsidiary), in addition to interest on late payments related to purchased energy from National Electric Power Company (NEPCO). Interest penalties amounted to JD 22,170 thousand as at 31 December 2024 (31 December 2023: JD 7,885 thousand).

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(22) BANK LOANS

This item consists of the following:

31 December 2024			
	Short term installments	Long term installments	Total
Arab Bank	540	2,817	3,357
Jordan Kuwait Bank	667	-	667
Housing Bank for Trade and Finance	6,000	2,000	8,000
Jordan Islamic Bank	3,600	10,800	14,400
Jordan Commercial Bank	11	-	11
Jordan Islamic Bank – Short-term loan	103,256	-	103,256
Cairo Amman Bank	6	47	53
	<u>114,080</u>	<u>15,664</u>	<u>129,744</u>

31 December 2023			
	Short term installments	Long term installments	Total
Arab Bank	540	2,580	3,120
Jordan Kuwait Bank	667	667	1,334
Housing Bank for Trade and Finance	6,000	6,000	12,000
Jordan Islamic Bank	3,600	14,400	18,000
Jordan Commercial Bank	68	3	71
Jordan Islamic Bank – Short-term loan	83,434	-	83,434
	<u>94,309</u>	<u>23,650</u>	<u>117,959</u>

Arab Bank

This amount represents the loan amount granted to Jordan Press Foundation / Al Rai on 13 March 2014 from Arab Bank, with a ceiling of JD 3.5 million, bearing an interest rate of 8.625% and repayable over 44 monthly installments of JD 80 thousand, except for the last installment amounting to JD 60 thousand. The first installment was due on 1 April 2015. The purpose of the loan is to repay the due payments for the previous loan from Arab Bank and to finance the remaining Al Rai printing project and support the working capital and finance some operating expenses.

The Company signed a contract with Arab Bank on 18 June 2019 to reschedule the loan payments, amending the monthly installment to become JD 25 thousand and at an interest rate of 8.875% payable over 57 installments with the first installment due 31 December 2019 until full payments. During the last quarter of 2019, the Company signed an appendix to increase the loan amount by JD 525 thousand from its overdraft bank account repayable over 45 monthly installments of JD 45 thousand at an interest rate of 9%. The first installment is due on 30 August 2021, with the last installment amounting to the remaining loan's balance.

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The Company signed a contract with Arab Bank to reschedule the loan on 29 April 2021, and on 8 July 2021 to increase the diminishing loan balance by JD 190 thousand and JD 400 thousand. Accordingly, the monthly instalment was amended to become JD 45 thousand and with an annual interest rate of 8% where the first instalment was due on 30 August 2021.

The company signed a contract with the Arab Bank to reschedule the loan on 1 October 2022, with a monthly instalment of 45 thousand, until full payment, except for the last instalment with the rest of the balance, The first instalment is due on 1 July 2023.

Jordan Kuwait Bank

Kingdom Electricity Company signed an agreement with Jordan Kuwait Bank Amman on 1 December 2023, to obtain a financing of 2,000,000 Jordanian Dinars, at an interest rate of 8.75%, provided that the loan is repaid in 3 equal installments plus interest, the first installment is due after one year from the date of grant.

Housing Bank for Trade and Finance

This item represents loan amount granted to Electricity Distribution Company (a subsidiary of Kingdom Electricity Company for Energy Investments) on 24 November 2015 from the Housing Bank for Trade and Finance with a ceiling of JD 40,000,000 with a grace period of one year, bearing an interest rates ranging between 5% to 5.4% or the rate granted to the bank's top customers less 3% whichever is lower for the first five years of the loan life, and starting from the sixth year of the loan till the maturity date an interest rate as the granted rate to the bank's top customers less 3% with a minimum rate of 5.25% annually. The loan is repayable over 20 equal semi-annual installments, the first installment was due on 31 December 2016, the interest is paid every six months.

The interest rate has been adjusted to 5.75% with a fixed rate for one year starting from 1 September 2023. Additionally, the interest rate has been adjusted to 7.75% with a fixed rate for six months from 1 September 2023. It is noted that the interest rate of 5.75% will be reinstated on 1 March 2024.

Jordan Commercial Bank

This item represents the amount of loan granted to the Jordan Press Foundation / Al Rai on 6 March 2018 from Jordan Commercial Bank with an amount of JD 500 thousand and an annual interest rate of 9.5%. The loan is repaid by an advertising agent for the advertisements that the company advertises on his behalf.

On 29 May 2019, the Company rescheduled the loan to become JD 192 thousand with an interest rate of 10.25%. The loan is repaid to 9 monthly installments of JD 22 thousand expect for last installment which represents the remaining amount of loan. The first installment was due on 30 June 2019. The loan was used to pay for incoming collection policy documents.

The Company signed a contract with the Jordan Commercial Bank to reschedule the loan on 10 March 2021. Accordingly, the loan is repaid to 24 monthly installments including interest, the value of each of which is 4 thousand, until full payment except for the last installment with the rest of the balance so that the first installment is due on 28 May 2021.

Jordan Islamic Bank

During 2023, the Irbid District Electricity Company (a subsidiary of the Kingdom Electricity Company) signed a loan agreement with Jordan Islamic Bank in the amount of JD 18,000,000, with a profit of JD 3,150,000, and with a profit rate of 3.5%, the loan will be repaid under 10 semi-annual installments of JD 1,800,000 per installment, so that the first installment is due in May 2024 and the last installment is due in November 2028, so the total amount of the loan with Murabaha is equal to JD 21,150,000.

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Jordan Islamic Bank – Short-term loan

The Electricity Distribution Company (a subsidiary of the Kingdom Electricity Company) signed an agreement for the supply of electric power (financing the price of electric power) with Jordan Islamic Bank during the years 2023 and 2024 to pay part of the bill for the purchase of electricity from the National Electric Power Company, with a credit limit including profit amounting to JD 39,850,000 (2023: JD 31,000,000) against an agreed annual profit rate of 5.5% (2023: 6.2%). The full loan amount will be repaid during the year 2025.

The Irbid District Electricity Company (a subsidiary of the Kingdom Electricity Company) signed an agreement for the supply of electric power (financing the price of electric power) with Jordan Islamic Bank and Arab Islamic Bank to pay part of the bill for the purchase of electricity from the National Electric Power Company, with credit limits including profit amounting to JD 75,000,000 and bearing an average interest rate of 5.03% annually (2023: 4.18%). The full loan amount will be repaid during the year 2025.

Cairo Amman Bank

In 2024, Al-Daman for Investment Public Shareholding Company signed a loan agreement with Cairo Amman Bank for an amount of JD 65,000 at an interest rate of 2.3%. The purpose of the loan is to finance a solar energy project to provide electricity for the Aqaba branch. On 31 October 2024, the company signed an addendum to the agreement to reduce the loan amount to JD 56,000. The loan will be repaid in 120 monthly installments of JD 466 at an interest rate of 2.3%, with the first installment due on 8 August 2024.

(23) END OF SERVICE INDEMNITY PROVISION

Movements on the end of service indemnity provision during the year were as follows:

	2024	2023
Balance as at 1 January	24,078	22,333
Provision for the year*	2,955	5,241
Paid during the year	(2,535)	(3,496)
Balance as at 31 December	24,498	24,078

* Kingdom Electricity Company for Energy Investments capitalized an amount of JD 722 thousand to projects in progress as of 31 December 2024 (31 December 2023: JD 1,254 thousand).

The employees' end of service indemnity provision during the year was distributed as follows:

	2024	2023
Expenses in the consolidated statement of revenues and expenses (Note 35)	2,233	3,987
Capitalized to projects in progress	609	1,085
Charged to salaries and wages	-	111
Transferred to the costs of the columns factory	113	58
	2,955	5,241

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The actuarial assumptions used in determining the value of employees' end of service indemnity provision are as follows:

	2024	2023
Deduction rate	6.10%	5.7%
Mortality rate	0.16%	0.19%
Annual increments to salaries rate	5.13%	5.5%
Resignation rate	3.0%	2.0%
The percentage of the Company's contribution to social security net of employees' end of service indemnity	8.0%	8.0%

The following table represents possible changes in the current value of the end of service indemnity as at 31 December driven by the change of 1% in deduction, salary increase and resignation rates:

	Impact on the current value of employees' end of service indemnity provision	
	2024	2023
Increase by a rate of 1%		
Deduction	(2,468)	(3,056)
Salaries	4,214	4,511
Resignations	987	1,222
	Impact on the current value of employees' end of service indemnity provision	
	2024	2023
Decrease by a rate of 1%		
Deduction	3,125	3,666
Salaries	(3,087)	(3,345)
Resignations	(987)	(1,222)

(24) DUE TO BANKS

Kingdom Electricity Company for Energy Investments Private Shareholding –

This item represents the balance of credit facilities granted to the Group by several local banks with a ceiling of JD 83,500,000 and an average interest rate of 7.39% (2023: ceiling of JD 138,500,000, average interest rate and 6.86% commission).

Jordan Press Foundation Public shareholding Company/ AL-Rai -

Cairo Amman Bank filed a lawsuit against the press institution in 2015, which ruled in its favor at the end of 2022 for an amount of JD 527 thousand, in addition to legal interest at a rate of JD 131.85 per day.

This item represents the utilized balance of credit facilities granted to the company by several local banks with a total ceiling of JD 200 thousand as of 31 December 2024 (2023: JD 250 thousand) and an annual interest rate ranging from 8.2% (from 2.2% to 8.75% for 2023). Facilities were granted to the company with the Company's legal guarantee. Cash deposits against these facilities amounted to JD 200 thousand as of 31 December 2024 (2023: JD 200 thousand).

On 18 July 2022, Capital Bank acquired the mortgaged land against the financing granted to the Company and settled part of the outstanding debtor account owed by the Company.

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(25) OTHER LIABILITIES

This item consists of the following:

	<u>2024</u>	<u>2023</u>
Trade payables	59,184	49,874
Revenues and grants received in advance	39,938	41,862
Lease contracts liabilities	9,274	8,318
Waste fees	11,885	12,146
Governmental provisions and fees	24,972	23,831
Contingent liabilities provision*	2,464	4,457
Rural files payable	6,056	5,667
Due to the Ministry of Finance – television fees	5,690	5,660
Projects deposits	2,957	2,957
Accrued expenses	9,853	9,592
Contractors' payables and retentions	2,891	2,031
Other credit balances	44,358	38,631
	<u>219,522</u>	<u>205,026</u>

* Movements on the provision for contingent liabilities during the year were as follows:

	<u>2024</u>	<u>2023</u>
Balance as at 1 January	4,457	4,576
(Recovered from) provision for the year	(1,977)	1,092
Paid during the year	(16)	(1,211)
Balance as at 31 December	<u>2,464</u>	<u>4,457</u>

(26) PROPERTY AND EQUIPMENT REVALUATION RESERVE

The land owned by the National Company for Touristic Development (a subsidiary) is stated at cost as part of Property and Equipment. However, it was classified in accordance with the Group's accounting policies as part of Investment Properties at fair value, and the necessary reconciliations were prepared in the consolidated financial statements. The difference between the book value and the fair value at the reclassification date on 1 January 2006, was recorded in the Equity as Property and Equipment Revaluation Reserve.

During 2024, the Jordan Petroleum Refinery Company (an associate) re-evaluated its owned lands and presented them at fair value to preserve the rights of the company's shareholders and enhance their value, based on the instructions for valuing and disposing of the surplus re-evaluation for the year 2022, issued under the provisions of Article (12) of the Securities Law No. (18) of 2017. The re-evaluation of the company's lands at fair value resulted in an increase in the assets of the Jordan Petroleum Refinery Company and the value of its shareholders' equity by approximately JD 274 million. The Group's share of the land re-evaluation amounted to JD 55,992 thousand.

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(27) FAIR VALUE RESERVE

Movements on the fair value reserve during the year were as follows:

	2024	2023
Balance as at 1 January	453,487	577,896
Change in fair value of financial assets through other comprehensive income	124,130	(138,808)
Realized gains from sale of financial assets through other comprehensive income	4,858	14,399
Balance as at 31 December	582,475	453,487

(28) SOCIAL SECURITY CORPORATION CURRENT ACCOUNT - UNEMPLOYMENT FUND

Based on the Corporation's Board of Directors' decision No. 14/2013 dated 4 February 2013, the investments related to the Unemployment Fund were separated into a safe portfolio in an independent manner of other insurance funds. Accordingly, amounts related to the Unemployment Fund were transferred from the accounts of the Corporation to a separate account within the Fund's accounts during the year 2013, those amounts shall be invested in Jordanian treasury bonds based on the decision of the Board of Investment on 26 June 2013. The Corporation's Board of Directors decided in its meeting held on 25 April 2019 to allow insured individuals to withdraw their accumulated or a portion of their savings balance, for the purposes of enrolling their children in higher education institutions or vocational institutions, or for the purpose of covering medical expenses for the individual or a family member, in accordance with the Board's issued terms and conditions.

Movements on the account during the year were as follows:

	2024	2023
Balance as at 1 January	93,573	84,910
Unemployment fund's share of the cash amounts transferred during the year from the Corporation	-	3,836
Unemployment fund's share of Investment Fund's returns for the year	5,265	4,827
Balance as at 31 December	98,838	93,573

(29) MATERIAL PARTIALLY OWNED SUBSIDIARIES

Financial information of partially owned subsidiaries with a material non-controlling interest, were as follows:

Company name	Country	Nature of activity	Percentage of non-controlling interest	
			2024	2023
Kingdom Electricity for Energy Investments	Jordan	Energy	30%	30%
Jordan Press Foundation / Al-Rai	Jordan	Press and publishing	45.07%	45.07%
Jordanian Duty Free Shops	Jordan	Trading	42.91%	42.91%
Al Daman for Investment	Jordan	Investment and renting	38.6%	38.6%

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Condensed financial information of these subsidiaries is shown below. This information is based on amounts before the elimination of intercompany transactions.

	2024	2023
Accumulated balance for non-controlling interest		
Kingdom Electricity for Energy Investments	30,226	25,370
Jordanian Duty Free Shops	18,716	19,094
Al Daman for Investment	4,285	4,194
Al Daman for Development Zones	3,443	3,206
	<u>56,670</u>	<u>51,864</u>

	2024	2023
Material gains (losses) attributable to non-controlling interests		
Kingdom Electricity for Energy Investments	5,691	3,306
Jordan Press Foundation / Al-Rai	(1,187)	(1,128)
Jordanian Duty Free Shops	4,449	3,249
Al Daman for Investment	134	199

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	Kingdom Electricity for Energy Investments	
	2024	2023
Condensed statement of financial position		
Current assets	395,431	257,239
Non-current assets	619,348	575,534
Current liabilities	(523,908)	(358,367)
Non-current liabilities	(388,940)	(385,455)
Net equity	101,931	88,951
Share of non-controlling interests in equity	30,226	25,370
Condensed statement of comprehensive income		
Operating revenues	618,865	583,998
Operating expenses	(507,819)	(479,671)
Administrative expenses	(35,067)	(33,615)
Late interest charges	(14,823)	(5,598)
Finance costs	(9,852)	(9,090)
Other expenses, net	(27,637)	(38,891)
Profit for the year before income tax	23,667	17,133
Income tax	(5,428)	(5,241)
Profit for the year	18,239	11,892
Other comprehensive income items	730	(871)
Total comprehensive income for the year	18,969	11,021
Attributable to the Company's shareholders	15,105	7,552
Attributable to non-controlling interests	3,864	3,469
Non-controlling interests' share of operating results	5,691	3,306
Condensed statement of cash flows:		
Operating activities	95,043	50,378
Investing activities	(78,106)	(84,621)
Financing activities	(8,894)	26,000
Net increase (decrease) in cash and cash equivalents	8,043	(8,243)

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	Jordan Press Foundation / AL-Rai	
	2024	2023
Condensed statement of financial position		
Current assets	4,915	4,490
Non-current assets	18,199	20,252
Current liabilities	(20,526)	(19,666)
Non-current liabilities	(6,094)	(6,076)
Net deficit in equity	(3,506)	(1,000)
Share of non-controlling interests in equity	-	-
Condensed statement of comprehensive income		
Revenues	5,039	5,765
Cost of revenues	(5,637)	(5,912)
Administrative expenses	(2,081)	(2,456)
Other revenues, net	46	1,050
Loss for the year	(2,633)	(1,553)
Other comprehensive income items	-	-
Total comprehensive income for the year	(2,633)	(1,553)
Non-controlling interests' share of operating results	(1,187)	(700)
Condensed statement of cash flows		
Operating activities	802	(972)
Investing activities	(6)	(14)
Financing activities	(408)	912
Net increase (decrease) in cash and cash equivalents	388	(74)

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	Jordanian Duty Free Shops	
	2024	2023
Condensed statement of financial position		
Current assets	36,184	31,909
Non-current assets	43,389	44,258
Current liabilities	(17,292)	(11,280)
Non-current liabilities	(18,663)	(20,387)
Net equity	43,618	44,500
Share of non-controlling interests in equity	18,716	19,094
Condensed statement of comprehensive income		
Sales	80,476	66,821
Cost of sales	(49,182)	(41,246)
Administrative expenses	(8,456)	(7,766)
Selling and distribution expenses	(6,118)	(5,403)
Other expenses, net	(6,004)	(4,350)
Profit for the year before tax	10,716	8,056
Income tax expense	(348)	(483)
Profit for the year	10,368	7,573
Other comprehensive income items	-	-
Total comprehensive income for the year	10,368	7,573
Non-controlling interests' share of operating results	4,449	3,249
Condensed statement of cash flows:		
Operating activities	16,007	8,949
Investing activities	2,840	8,432
Financing activities	(21,716)	(15,468)
Net (decrease) increase in cash and cash equivalents	(2,869)	1,913

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Condensed statement of financial position	Al Daman for Investment	
	2024	2023
Current assets	3,556	3,668
Non-current assets	9,325	8,901
Current liabilities	(1,546)	(253)
Non-current liabilities	(255)	(1,471)
Net equity	11,080	10,845
Share of non-controlling interests in equity	4,285	4,194
Condensed statement of comprehensive income		
Operating revenues	437	517
Operating expenses	(328)	(342)
Administrative expenses	(203)	(183)
Share of associate's operating results	287	287
Other revenues, net	68	225
Profit for the year	261	504
Other comprehensive income items	87	12
Total comprehensive income for the year	348	516
Non-controlling interests' share of operating results	134	199
Condensed statement of cash flows:		
Operating activities	(116)	66
Investing activities	185	(275)
Financing activities	(66)	(67)
Net increase (decrease) in cash and cash equivalents	3	(276)

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(30) NET OPERATING REVENUES

	Hotels sector*	Press and publishing sector	Power sector	Commercial sector	Other sectors	Total sectors
2024-						
Operating revenues	25,097	5,039	616,481	80,476	6,972	734,065
Operating expenses	(11,529)	(3,589)	(507,819)	(49,182)	(4,834)	(576,953)
Net operating profit	13,568	1,450	108,662	31,294	2,138	157,112
2023-						
Operating revenues	38,680	5,764	581,998	66,821	8,256	701,519
Operating expenses	(13,542)	(3,790)	(479,671)	(41,246)	(3,957)	(542,206)
Net operating profit	25,138	1,974	102,327	25,575	4,299	159,313

* The details of the operating income of the hotel sector are as follows:

	Amra Crowne Plaza – Amman	Crowne Plaza- Petra	InterContinental – Aqaba	Holiday Inn – Dead Sea	Crowne Plaza Dead Sea	Total
2024-						
Operating revenues	6,730	1,487	7,503	2,952	6,425	25,097
Operating expenses	(2,565)	(882)	(2,582)	(1,841)	(3,659)	(11,529)
Net operating profit	4,165	605	4,921	1,111	2,766	13,568
2023-						
Operating revenues	7,289	5,008	8,495	6,501	11,387	38,680
Operating expenses	(2,460)	(1,588)	(2,750)	(2,393)	(4,351)	(13,542)
Net operating profit	4,829	3,420	5,745	4,108	7,036	25,138

(31) INTEREST INCOME

This item consists of the following:

	2024	2023
Interest on bonds and treasury bills*	580,623	505,775
Interest on balances and deposits at banks and financial institutions*	126,418	109,058
Interest on loans and granted debts	32,339	27,433
	739,380	642,266

* These items contain an amount of JD 5,275 thousand as of 31 December 2024 representing interest income for the unemployment fund (31 December 2023: JD 4,799 thousand).

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(32) LOSSES ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS, NET

This item consists of the following:

	<u>2024</u>	<u>2023</u>
Realized (losses) gains	(18)	136
Unrealized valuation losses	(5,217)	(4,046)
Commissions on purchasing and selling of financial assets at fair value through the statement of revenues and expenses	(1)	(2)
	<u>(5,236)</u>	<u>(3,912)</u>

(33) (LOSSES) GAINS ON INVESTMENT PROPERTIES, NET

This item consists of the following:

	<u>2024</u>	<u>2023</u>
Revenues:		
Leased properties revenue	9,012	6,156
Expenses:		
Management fees, evaluation and other fees	(412)	(485)
Change in fair value:		
(Losses) gains on investment properties valuation at fair value (Note 14)	(9,617)	22,425
	<u>(1,017)</u>	<u>28,096</u>

(34) CASH DIVIDENDS DISTRIBUTION

This item consists of the following:

	<u>2024</u>	<u>2023</u>
Dividends from financial assets through other comprehensive income	120,652	107,584
Dividends from financial assets through profit and loss	7,246	7,988
	<u>127,898</u>	<u>115,572</u>

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(35) GENERAL AND ADMINISTRATIVE EXPENSES

This item consists of the following:

	2024	2023
Salaries, wages and employees' benefits	36,211	35,845
Subscriber services expense	16,363	15,740
Interests on late bill payments	14,823	5,598
Governmental fees and licenses	4,753	4,428
Professional and consultancy fees	4,173	2,464
End of service indemnity (Note 23)	2,233	3,987
Insurance expense	1,590	1,306
Spare parts and material	1,543	1,449
Vehicles, travel and transportation expenses	1,434	4,500
Depreciation on right-of-use asset	1,024	781
Electricity, water and fuel	898	1,110
Interest on lease contracts obligations liabilities	613	626
Training and courses expense	597	295
Board of Director's remuneration and transportation	590	594
Legal and judicial compensation and losses expense	435	421
Stationery and printings	411	510
Telephone and mail	386	512
Hotels supervision and operating fees	357	1,071
Repair and maintenance	318	320
Rent	223	344
Others	9,147	8,678
	<u>98,122</u>	<u>90,579</u>

(36) FINANCE COSTS

This item represents the financing costs related to loans and amounts due to banks for the Group.

(37) CASH AND CASH EQUIVALENTS

This item consists of the following:

	2024	2023
Cash on hand, current and on demand accounts (Note 3)	17,528	22,623
Deposits maturing within three months or less (Note 4)	918,412	693,898
	<u>935,940</u>	<u>716,521</u>

Cash and cash equivalents in the consolidated statement of cash flows consist of the following:

	2024	2023
Cash and cash equivalents	935,940	716,521
Due to banks (Note 24)	(27,683)	(35,692)
	<u>908,257</u>	<u>680,829</u>

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(38) RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties represent associate companies, major shareholders in associates, directors and key management personnel and companies of which they are principal owners. The Group entered into transactions with the Social Security Corporation and associates in its normal course of business with normal pricing, policies and terms. All loans granted to related parties are considered performing loans.

The following is a summary of related parties' transactions during the year:

	2024				2023
<u>Consolidated Statements of financial position items</u>	<u>Parent</u>	<u>Associates</u>	<u>Others</u>	<u>Total</u>	<u>Total</u>
Assets and liabilities:					
Bank balances and deposits -					
Jordan Kuwait Bank (current account)	-	19	-	19	6
Jordan Kuwait Bank (deposits)	-	180,850	-	180,850	169,585
(A) - Due from related parties -					
JAH Arabia International Duty Free Shops*	-	-	7,955	7,955	-
Al-Zarqa Station for Electrical Power Generation	-	-	-	-	181
				<u>188,824</u>	<u>169,772</u>
(B) - Due to related parties -					
Related parties	-	88	-	88	537
				<u>88</u>	<u>537</u>
(C) - Liabilities -					
Unpaid contributions to the parent corporation	5,594	-	-	5,594	5,179
(D) – Loans -					
Social Security Corporation	130,000	-	-	130,000	120,000
Jordan Kuwait Bank (Note 22)	-	667	-	667	1,334
<u>Consolidated statement of revenue and expenses items</u>					
(E) - Interest-					
Interest on the current account at the Jordan Kuwait bank	-	17	-	17	15
Deposits at Jordan Kuwait Bank	-	10,366	-	10,366	7,160
Social Security Corporation	7,088	-	-	7,088	5,062
(F) – Other Items -					
Salaries and bonuses of senior executive management	-	-	728	728	766
Board of Investment Remuneration	-	-	127	127	119
(G) - Group's share of the net results of associates and the joint venture -					
Jordan Kuwait Bank	-	24,688	-	24,688	12,437
Jordan Petroleum Refinery Co.	-	14,773	-	14,773	16,637
Jordan Telecommunication Co.	-	11,973	-	11,973	13,212
Jordan Cement Factories	-	6,894	-	6,894	340
Jordanian Electric Power Co.	-	4,140	-	4,140	3,699
Al-Zarqa Station for Electrical Power Generation	-	4,137	-	4,137	4,000
The Jordan Worsted Mills Factory	-	428	-	428	384
Al-Sharq Investments Projects	-	287	-	287	287
Other associates	-	1,812	-	1,812	789
JAH Arabia International Duty Free Shops*	-	(498)	-	(498)	-

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- * A part of this item represents a performance guarantee in favor of JEDCO (King Abdulaziz International Airport – Jeddah), where the partners are required to secure the bank that will issue this guarantee with bank guarantees from the partner and at the expense of each partner, equivalent to their share in the partnership in the JAH Arabia International Duty Free Shops from the total value of this guarantee, which amounts to JD 6,898 thousand, with the share of the Jordanian Duty Free Shops (a subsidiary) being JD 2,277 thousand.

In addition, advance payments were made by the Jordanian Duty Free Shops (a subsidiary) to increase the capital of the JAH Arabia International Duty Free Shops by an amount of JD 5,678 thousand (equivalent to SAR 30 million). This has been recorded in the partner's current account under the equity section for the JAH Arabia International Duty Free Shops related to the purpose of raising capital in subsequent periods.

(39) FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash and bank balances, deposits at banks and financial institutions, financial assets at fair value through profit and loss, loans and granted debts, financial assets at fair value through other comprehensive income, investments in associates, financial assets at amortized cost, investment properties, due from related parties and some other current assets.

Financial liabilities consist of due to banks, bank loans, due to related parties and some other current liabilities.

The fair value of financial instruments is not materially different from their carrying values.

(40) RISK MANAGEMENT

The Group manages financial risks through a systematic methodology and a comprehensive strategy to identify the sources, types of risks and the mechanism of measuring, analyzing and planning to mitigate and manage the risk by reducing the effect of such risks and the probability of occurrence through available hedging instruments.

Risk management represents a continuous process where the Group monitors risks and then handles the variances that exceed allowed limits.

In addition, the Group also ensures the compliance with laws and regulations that governs the Group's activities which is reflected in its policies and procedures.

Risk management function is performed by a specialized risk management and compliance measurement department, in addition to the existing supporting committees such as the investment committee.

CREDIT RISK

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation as they fall due.

The Group performs necessary financial and credit analysis when acquiring any bonds for public or private shareholding companies or when granting loans. Moreover, the Fund sets deposits ceiling for the local banks based on a defined methodology and the credit rating of the bank in addition to setting a ceiling for the volume of transactions with brokers based on a defined methodology.

OPERATING RISK

Operating risk is the risk that may arise during the execution of transactions and may be caused by internal factors related to employees, support services or information technology systems.

The Group issues policies and procedures to ensure proper execution of transactions in addition to providing the best information systems and specialized technical personnel and to develop plans to maintain business continuity under any emergency.

MARKET RISK

Market risk arises from fluctuations in the value of investment instruments, especially the fluctuations in stock prices and investment properties value, where the Group measures the risk through known statically measures (standard deviation, variance and covariance, coherence, beta, value at risk) and thus determines levels of acceptable risks based on approved strategic investment policy.

To mitigate the impact of such risks, especially in the absence of necessary hedging instruments, the Group increases the level of diversification in its portfolio and decreases the grade of correlation between the portfolio tools through proper sector distribution, and geographical distribution through approaching markets and investments that are less correlated.

INTEREST RATE RISK

Risks arising from changes in the underlying structure of interest rates, which in turn affect the value of investment instruments linked to interest rates, the returns on these instruments, and the reinvestment of the returns of these instruments.

The Group manages such risk through increasing or decreasing the recovery period of the investment instrument portfolio which is affected directly by interest rates such as deposits and bonds based on the Fund's expectations of interest rate trends.

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The Group performs analysis on the gaps of the investment instruments maturities and links it with the investment maturities and other liabilities which is performed by assets and liabilities committee, by allocating cash market management portfolio and bonds portfolio to fit its maturities with the obligations of the Social Security Investment Fund and other liabilities.

The sensitivity of the consolidated statement of revenues and expenses is affected by the assumed changes in interest rates on the Group's profit for one year, calculated for financial assets and financial liabilities with floating rates held at 31 December.

The following table demonstrates the sensitivity of the consolidated statement of revenues and expenses to reasonable and possible changes in interest rate as of 31 December while all other variables are held constant:

	Increase in interest rate	Effect on surplus of revenues over expenses
2024- Currency	%	
JD	1	118,457
USD	1	4,791
2023- Currency		
JD	1	107,058
USD	1	4,737

The effect of the decrease in interest rates with the same percentage is expected to be equal and opposite to the effect of increase shown above.

SHARE PRICE RISK

Share price risk represents the risk resulting from changes in the fair value of investment in shares. The Group manages these risks by diversifying investments in several economic sectors and geographical areas. Investments in shares included within the consolidated financial statements are mainly listed in Amman Stock Exchange Market.

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The following table demonstrates the sensitivity of the consolidated statement of revenues and expenses (for financial assets at fair value through profit and loss) and statement of changes in equity (for financial assets at fair value through other comprehensive income) as a result of possible and reasonable changes in share prices, assuming that other variables held constant:

2024-	Change in indicator	Effect on surplus of revenues over expenses for the year	Effect on equity
	%		
Indicator			
Amman Stock Exchange	5	6,343	87,068
Palestine Stock Exchange	5	475	475
London Stock Exchange	5	-	3,931
		<u>6,818</u>	<u>91,474</u>
2023-			
Indicator			
Amman Stock Exchange	5	6,519	80,860
Palestine Stock Exchange	5	570	570
London Stock Exchange	5	-	3,581
		<u>7,089</u>	<u>85,011</u>

The effect of the decrease in share prices with the same percentage is expected to be equal and opposite to the effect of increases shown above.

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to the changes in foreign exchange rates. The Group's functional currency is the Jordanian Dinar, and US Dollar is considered as the base currency for foreign investments. Therefore, due to the fact that the Dinar is fixed against the US Dollar, the Group is not exposed to significant currencies risk in relation to the US Dollar. Furthermore, the Group does not have any obligations in foreign currencies, accordingly, no hedging was performed against their obligations.

LIQUIDITY RISK

Liquidity risk is defined as the Group's inability to cover its obligations at their respective due dates. Since the Group does not have short-term and middle term obligations, the liquidity is managed to provide the required funding for investing activities to balance the maturities of investment instruments and investment obligations.

The contractual maturity dates of assets are determined based on the remaining period of the contractual maturity date without taking into account the actual benefits reflected by the historical facts to maintain deposits and provide liquidity.

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The following table summarizes the maturities of assets, liabilities and equity:

	Up to one month	One to three months	Three to six months	More than six months up to a year	More than one year up to three years	More than three years	Without maturity	Total
2024-								
<u>Assets</u>								
Cash and bank balances	17,528	-	-	-	-	-	-	17,528
Deposits at banks and financial institutions	360,270	558,142	704,193	381,899	-	-	-	2,004,504
Financial assets at fair value through profit and loss	-	-	-	-	-	-	136,354	136,354
Loans and granted debts	9,732	13,564	34,183	30,141	163,673	245,511	-	496,804
Financial asset at fair value through other comprehensive income	-	-	-	-	-	-	1,730,457	1,730,457
Investments in associates	-	-	-	-	-	-	636,447	636,447
Financial assets at amortized cost	110,758	495,696	353,869	220,512	3,333,331	5,291,771	-	9,805,937
Subscribers' contributions and rural files assets	-	-	-	-	-	-	212,023	212,023
Projects in progress	-	-	-	-	-	-	137,064	137,064
Inventories	-	-	-	-	-	-	35,457	35,457
Property and equipment	-	-	-	-	-	-	431,431	431,431
Investment properties	-	-	-	-	-	-	914,160	914,160
Investments in joint operations	-	-	-	-	-	-	15	15
Investments in a joint venture	-	-	-	-	-	-	1,379	1,379
Due from related parties	-	-	-	-	-	-	7,955	7,955
Intangible assets	-	-	-	-	-	-	61,105	61,105
Other assets	-	-	-	-	-	-	584,389	584,389
Total Assets	498,288	1,067,402	1,092,245	632,552	3,497,004	5,537,282	4,888,236	17,213,009
<u>Liabilities and Equity</u>								
<u>Liabilities-</u>								
Subscribers' contributions and rural files liabilities	-	-	-	-	-	-	212,023	212,023
Electricity service subscribers' deposits	-	-	-	-	-	96,592	-	96,592
Advance payments from electricity subscribers	-	-	-	-	-	27,411	-	27,411
Due to National Electric Power Company	-	-	-	-	-	290,827	-	290,827
Bank loans	2,200	-	16,620	25,253	15,252	70,419	-	129,744
Income tax provision	-	-	-	-	-	6,394	-	6,394
End of service indemnity provision	-	-	-	-	-	24,498	-	24,498
Due to banks	27,683	-	-	-	-	-	-	27,683
Due to related parties	-	-	-	-	-	-	88	88
Other liabilities	-	-	-	-	-	219,522	-	219,522
Total liabilities	29,883	-	16,620	25,253	15,252	735,663	212,111	1,034,782
<u>Equity-</u>								
Social Security Corporation Equity:								
Social Security Corporation current account	-	-	-	-	-	-	7,652,546	7,652,546
Social Security Corporation current account – Unemployment Fund	-	-	-	-	-	-	98,838	98,838
Property and equipment revaluation reserve	-	-	-	-	-	-	87,804	87,804
Fair value reserve	-	-	-	-	-	-	582,475	582,475
Cash flow hedges reserve	-	-	-	-	-	-	4,371	4,371
Surplus of revenues over accumulated expenses	-	-	-	-	-	-	7,695,523	7,695,523
Total Social Security Corporation Equity	-	-	-	-	-	-	16,121,557	16,121,557
Non-controlling interests	-	-	-	-	-	-	56,670	56,670
Total liabilities and equity	29,883	-	16,620	25,253	15,252	735,663	16,390,338	17,213,009

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The following table summarizes the maturities of assets, liabilities and equity:

	Up to one month	One to three months	Three to six months	More than six months up to a year	More than one year up to three years	More than three years	Without maturity	Total
2023-								
<u>Assets</u>								
Cash and bank balances	22,623	-	-	-	-	-	-	22,623
Deposits at banks and financial institutions	192,545	501,353	452,969	774,747	-	-	-	1,921,614
Financial assets at fair value through profit and loss	-	-	-	-	-	-	141,795	141,795
Loans and granted debts	3,277	11,236	22,802	11,365	157,070	293,490	-	499,240
Financial asset at fair value through other comprehensive income	-	-	-	-	-	-	1,601,068	1,601,068
Investments in associates	-	-	-	-	-	-	542,084	542,084
Financial assets at amortized cost	307,354	183,998	166,052	299,766	2,417,279	5,361,537	-	8,735,986
Subscribers' contributions and rural files assets	-	-	-	-	-	-	205,888	205,888
Projects in progress	-	-	-	-	-	-	122,222	122,222
Inventories	-	-	-	-	-	-	33,255	33,255
Property and equipment	-	-	-	-	-	-	408,664	408,664
Investment properties	-	-	-	-	-	-	898,449	898,449
Investments in joint operations	-	-	-	-	-	-	15	15
Due from related parties	-	-	-	-	-	-	181	181
Intangible assets	-	-	-	-	-	-	65,356	65,356
Other assets	-	-	-	-	-	-	419,129	419,129
Total Assets	525,799	696,587	641,823	1,085,878	2,574,349	5,655,027	4,438,106	15,617,569
<u>Liabilities and Equity</u>								
<u>Liabilities-</u>								
Subscribers' contributions and rural files liabilities	-	-	-	-	-	-	205,888	205,888
Electricity service subscribers' deposits	-	-	-	-	-	90,838	-	90,838
Advance payments from electricity subscribers	-	-	-	-	-	24,751	-	24,751
Due to National Electric Power Company	-	-	-	-	-	143,949	-	143,949
Bank loans	2,000	-	15,110	22,959	13,867	64,023	-	117,959
Income tax provision	-	-	5,914	-	-	-	-	5,914
End of service indemnity provision	-	-	-	-	-	-	24,078	24,078
Due to banks	35,692	-	-	-	-	-	-	35,692
Due to related parties	-	-	-	-	-	-	537	537
Other liabilities	-	-	-	-	-	205,026	-	205,026
Total liabilities	37,692	-	21,024	22,959	13,867	528,587	230,503	854,632
<u>Equity-</u>								
Social Security Corporation Equity:								
Social Security Corporation current account	-	-	-	-	-	-	7,349,136	7,349,136
Social Security Corporation current account – Unemployment Fund	-	-	-	-	-	-	93,573	93,573
Property and equipment revaluation reserve	-	-	-	-	-	-	31,812	31,812
Fair value reserve	-	-	-	-	-	-	453,487	453,487
Cash flow hedges reserve	-	-	-	-	-	-	3,860	3,860
Surplus of revenues over accumulated expenses	-	-	-	-	-	-	6,779,205	6,779,205
Total Social Security Corporation Equity	-	-	-	-	-	-	14,711,073	14,711,073
Non-controlling interests	-	-	-	-	-	-	51,864	51,864
Total liabilities and equity	37,692	-	21,024	22,959	13,867	528,587	14,993,440	15,617,569

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Sensitivity of interest prices were as follows:

	Up to one month	More than one month	More than three months	More than six months up to a year	More than one year up to three years	More than three years	Non-interest bearing	Total
2024-								
Assets								
Cash and bank balances	17,528	-	-	-	-	-	-	17,528
Deposits at banks and financial institutions	360,270	558,142	704,193	381,899	-	-	-	2,004,504
Financial assets at fair value through profit and loss	-	-	-	-	-	-	136,354	136,354
Loans and granted debts	9,732	13,564	34,183	30,141	163,673	245,511	-	496,804
Financial asset at fair value through other comprehensive income	-	-	-	-	-	-	1,730,457	1,730,457
Investments in associates	-	-	-	-	-	-	636,447	636,447
Financial assets at amortized cost	110,758	495,696	353,869	220,512	3,333,331	5,291,771	-	9,805,937
Subscribers' contributions and rural files assets	-	-	-	-	-	-	212,023	212,023
Projects in progress	-	-	-	-	-	-	137,064	137,064
Inventories	-	-	-	-	-	-	35,457	35,457
Property and equipment	-	-	-	-	-	-	431,431	431,431
Investment properties	-	-	-	-	-	-	914,160	914,160
Investments in joint operations	-	-	-	-	-	-	15	15
Investments in a joint venture	-	-	-	-	-	-	1,379	1,379
Due from related parties	-	-	-	-	-	-	7,955	7,955
Intangible assets	-	-	-	-	-	-	61,105	61,105
Other assets	-	-	-	-	-	-	584,389	584,389
Total Assets	498,288	1,067,402	1,092,245	632,552	3,497,004	5,537,282	4,888,236	17,213,009
Liabilities and equity								
Liabilities-								
Subscribers' contributions and rural files liabilities	-	-	-	-	-	-	212,023	212,023
Electricity service subscribers' deposits	-	-	-	-	-	96,592	-	96,592
Advance payments from electricity subscribers	-	-	-	-	-	27,411	-	27,411
Due to National Electric Power Company	-	-	-	-	-	290,827	-	290,827
Bank loans	2,200	-	16,620	25,253	15,252	70,419	-	129,744
Income tax provision	-	-	-	-	-	6,394	-	6,394
End of service indemnity provision	-	-	-	-	-	24,498	-	24,498
Due to banks	27,683	-	-	-	-	-	-	27,683
Due to related parties	-	-	-	-	-	-	88	88
Other liabilities	-	-	-	-	-	219,522	-	219,522
Total Liabilities	29,883	-	16,620	25,253	15,252	735,663	212,111	1,034,782
Equity-								
Social Security Corporation Equity:								
Social Security Corporation current account	-	-	-	-	-	-	7,652,546	7,652,546
Social Security Corporation current account – Unemployment Fund	-	-	-	-	-	-	98,838	98,838
Property and equipment revaluation reserve	-	-	-	-	-	-	87,804	87,804
Fair value reserve	-	-	-	-	-	-	582,475	582,475
Cash flow hedges reserve	-	-	-	-	-	-	4,371	4,371
Surplus of revenues over accumulated expenses	-	-	-	-	-	-	7,695,523	7,695,523
Total Social Security Corporation Equity	-	-	-	-	-	-	16,121,557	16,121,557
Non-controlling interests	-	-	-	-	-	-	56,670	56,670
Total liabilities and equity	29,883	-	16,620	25,253	15,252	735,663	16,390,338	17,213,009
Sensitivity variance	468,405	1,067,402	1,075,625	607,299	3,481,752	4,801,619	(11,502,102)	-
Cumulative sensitivity variance	468,405	1,535,807	2,611,432	3,218,731	6,700,483	11,502,102	-	-

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	Up to one month	More than one month	More than three months	More than six months up to a year	More than one year up to three years	More than three years	Non-interest bearing	Total
2023-								
<u>Assets</u>								
Cash and bank balances	22,623	-	-	-	-	-	-	22,623
Deposits at banks and financial institutions	192,545	501,353	452,969	774,747	-	-	-	1,921,614
Financial assets at fair value through profit and loss	-	-	-	-	-	-	141,795	141,795
Loans and granted debts	3,277	11,236	22,802	11,365	157,070	293,490	-	499,240
Financial asset at fair value through other comprehensive income	-	-	-	-	-	-	1,601,068	1,601,068
Investments in associates	-	-	-	-	-	-	542,084	542,084
Financial assets at amortized cost	307,354	183,998	166,052	299,766	2,417,279	5,361,537	-	8,735,986
Subscribers' contributions and rural files assets	-	-	-	-	-	-	205,888	205,888
Projects in progress	-	-	-	-	-	-	122,222	122,222
Inventories	-	-	-	-	-	-	33,255	33,255
Property and equipment	-	-	-	-	-	-	408,664	408,664
Investment properties	-	-	-	-	-	-	898,449	898,449
Investments in joint operations	-	-	-	-	-	-	15	15
Due from related parties	-	-	-	-	-	-	181	181
Intangible assets	-	-	-	-	-	-	65,356	65,356
Other assets	-	-	-	-	-	-	419,129	419,129
Total Assets	525,799	696,587	641,823	1,085,878	2,574,349	5,655,027	4,438,106	15,617,569
<u>Liabilities and equity</u>								
<u>Liabilities-</u>								
Subscribers' contributions and rural files liabilities	-	-	-	-	-	-	205,888	205,888
Electricity service subscribers' deposits	-	-	-	-	-	90,838	-	90,838
Advance payments from electricity subscribers	-	-	-	-	-	24,751	-	24,751
Due to National Electric Power Company	-	-	-	-	-	143,949	-	143,949
Bank loans	2,000	-	15,110	22,959	13,867	64,023	-	117,959
Income tax provision	-	-	5,914	-	-	-	-	5,914
End of service indemnity provision	-	-	-	-	-	-	24,078	24,078
Due to banks	35,692	-	-	-	-	-	-	35,692
Due to related parties	-	-	-	-	-	-	537	537
Other liabilities	-	-	-	-	-	205,026	-	205,026
Total Liabilities	37,692	-	21,024	22,959	13,867	528,587	230,503	854,632
<u>Equity-</u>								
Social Security Corporation Equity:								
Social Security Corporation current account	-	-	-	-	-	-	7,349,136	7,349,136
Social Security Corporation current account – Unemployment Fund	-	-	-	-	-	-	93,573	93,573
Property and equipment revaluation reserve	-	-	-	-	-	-	31,812	31,812
Fair value reserve	-	-	-	-	-	-	453,487	453,487
Cash flow hedges reserve	-	-	-	-	-	-	3,860	3,860
Surplus of revenues over accumulated expenses	-	-	-	-	-	-	6,779,205	6,779,205
Total Social Security Corporation Equity	-	-	-	-	-	-	14,711,073	14,711,073
Non-controlling interests	-	-	-	-	-	-	51,864	51,864
Total liabilities and equity	37,692	-	21,024	22,959	13,867	528,587	14,993,440	15,617,569
Sensitivity variance	488,107	696,587	620,799	1,062,919	2,560,482	5,126,440	(10,555,334)	-
Cumulative sensitivity variance	488,107	1,184,694	1,805,493	2,868,412	5,428,894	10,555,334	-	-

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(41) SEGMENT INFORMATION

The Group mainly operates in the Hashemite Kingdom of Jordan and its assets and liabilities are distributed according to geographical regions as follows:

	31 December 2024		31 December 2023	
	Assets	Liabilities	Assets	Liabilities
Geographical region				
Inside Jordan	17,124,891	1,034,782	15,534,546	854,632
Arab countries (Note 5)	9,499	-	11,408	-
Europe (Note 7)	78,619	-	71,615	-
	<u>17,213,009</u>	<u>1,034,782</u>	<u>15,617,569</u>	<u>854,632</u>

Assets and liabilities are distributed according to economic sectors as follows:

	31 December 2024		31 December 2023	
	Assets	Liabilities	Assets	Liabilities
Economic sector				
Investment	15,844,361	21,331	14,431,179	21,825
Hotels	105,980	3,581	112,328	1,114
Energy	1,025,385	900,712	839,326	727,631
Press and publishing	23,113	26,620	23,278	25,741
Trading	79,572	35,955	76,167	31,667
Agricultural Manufacturing	9,838	2,282	9,627	2,050
Other	124,760	44,301	125,664	44,604
	<u>17,213,009</u>	<u>1,034,782</u>	<u>15,617,569</u>	<u>854,632</u>

(42) CONTINGENT LIABILITIES

The contingent liabilities of the Group as of 31 December 2024 consist of the following:

- A. As at 31 December 2024, the outstanding letters of guarantee and letters of credit were JD 13,175 thousand (31 December 2023: JD 9,937 thousand).
- B. The expected remaining obligations to complete projects in progress for subsidiaries and Hotels owned by the Fund as at 31 December 2024 amounted to JD 284,744 thousand (2023: JD 174,798 thousand).
- C. Operating lease commitment for Al Daman for Investments (Subsidiary):

On 30 September 1998, the Company signed a lease agreement for Aqaba Gate Land with an annual amount of JD 66 thousand for a period of 30 years and will be renewed twice in a row with a written request from the Company. Starting from the eleventh year, an increase of a 4% or increase equivalent to the change in living costs in accordance with the official publications of the Central Bank of Jordan for the past year will be applied, whichever is lower.

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The minimum future lease payments as at 31 December were as follows:

	31 December	
	2024	2023
Less than 1 year	258	253
1 to 5 years	1,450	1,421
Over 5 years	52,394	53,687
	<u>54,102</u>	<u>55,361</u>

(43) FAIR VALUE HIERARCHY

The following table illustrates the fair value measurement hierarchy for financial instruments. The Group uses the following methods:

- Level (1): Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level (2): Valuation techniques for which Level (1) input that is significant to the fair value measurement is directly (such as prices) or indirectly observable (any derivative of prices).
- Level (3): Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	Level (1)	Level (2)	Level (3)	Total
2024 -				
Financial assets:				
Financial assets through profit and loss	136,354	-	-	136,354
Financial assets through other comprehensive income	1,693,122	-	37,335	1,730,457
	<u>1,829,476</u>	<u>-</u>	<u>37,335</u>	<u>1,866,811</u>

2023 -

Financial assets:

Financial assets through profit and loss	141,795	-	-	141,795
Financial assets through other comprehensive income	1,558,440	-	42,628	1,601,068
	<u>1,700,235</u>	<u>-</u>	<u>42,628</u>	<u>1,742,863</u>

(44) LITIGATIONS

Social Security Investment Fund

As at 31 December 2024, the Fund was defendant in a number of lawsuits which amounted to JD 591 thousand (31 December 2023: JD 924 thousand). In the opinion of the management and the legal counselor, the Fund's position is moderate, and the allocated provision of JD 81 thousand is sufficient to cover any obligation that may arise.

Jordan Press Foundation (Al-Rai) - Subsidiary

The number of lawsuits filed by third parties against the company that have been concluded from a judicial perspective, such that no claims can be made against the company, reached 50 cases with a total amount of JD 217 thousand. Meanwhile, the number of lawsuits filed by third parties against the company that are still in the judicial authorities and are being tracked by the company's former lawyer, and whose status has not been clarified definitively, amounts to 81 cases with a total amount of JD 8,538 thousand.

Jordanian Duty Free Shops – Subsidiary

- A. There are labor-related lawsuits filed against the Group amounting to JD 35 thousand. In the opinion of the Group's management and legal consultant, the provisions taken are sufficient to cover the expected obligations arising from these lawsuits.
- B. There is a case filed by the Group against the Eastern Company for Tobacco and Cigarettes for the amount of JD 850 thousand for the damages and harm suffered by the Jordanian Duty Free Shops Company due to damaged smoke products. Additionally, the defendant (Eastern Company for Tobacco and Cigarettes) has filed a claim to demand an amount of JD 900 thousand. According to the lawyer's opinion, the position of the Jordanian Duty Free Shops Company is excellent, and it is expected that the claim of the Eastern Company for Tobacco and Cigarettes will be fully rejected, as a decision has been made to settle the case amicably between the two parties, thus considering the case concluded without any obligation on either side towards the Eastern Company for Tobacco and Cigarettes.
- C. The group has filed a lawsuit against a contractor for an amount of JD 2,834 thousand related to the contractor's breach of contract, due fines, as well as a claim for compensation for delay and damage amounting to JD 200 thousand. Similarly, the defendant has raised a claim for an amount of JD 4,516 thousand, arguing that Jordan Duty Free Shops Company owes this sum for additional work orders and work completed. According to the lawyer's opinion, arbitration proceedings are still in the expertise phase and the position of Jordan Duty Free Shops company is very good. It is expected that the claim is likely to be reduced to approximately JD 1.2 million before any offsetting is carried out with the amount being in Favor of First shop's claim. In the opinion of the Group's management and legal consultant, provisions for these lawsuits are sufficient to cover the expected obligations arising from these lawsuits.

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National Company for Tourism Development – Subsidiary

The company is a defendant in a case with an unspecified value as of 31 December 2024 (31 December 2023: JD 20 thousand).

Kingdom Electricity Company for Energy Investments – Subsidiary

The Group is defendant in a number of lawsuits in the ordinary course of business with an amount of JD 2,853 thousand as at 31 December 2024 (2023: JD 1,721 thousand). The Group management and its legal counsel believe that the provision taken against these is adequate to meet any obligations that may arise and no need to book additional provision against these lawsuits.

The dispute of Irbid Electricity Company (a subsidiary) with National Electric Power Co (NEPCO)

National Electric Power Company (IDECO power provider) has requested Irbid District Electricity Company (a subsidiary) to pay an amount of JD 717 thousand. This amount represents the interest charged on late payments. Irbid District Electricity Company (the subsidiary), along with its legal counsel, is of the opinion that they have no obligations regarding this amount, as it adheres to the electricity Tariff (Wholesale Tariff) issued by the Energy & Minerals Regulatory Commission (EMRC), which should be applicable to both parties.

Crowne Plaza Resort – Dead Sea – Fully Owned Hotel

There are lawsuits filed against the resort totaling JD 52 thousand as of 31 December 2024 (31 December 2023: JD 32 thousand). In the opinion of the resort management and its legal consultant, the provision taken is sufficient to meet any liabilities arising from these lawsuits.

Intercontinental Resort – Aqaba - Fully Owned Hotel

The resort is involved in several legal cases amounting to JD 83 thousand as of 31 December 2024 (31 December 2023: JD 277 thousand), relating to legal claims associated with its activities. Management has conducted an analysis of the risks associated with these cases and the potential outcomes. Although the exact outcomes of these cases cannot be determined with certainty, management and its legal advisors believe that the provisions taken are sufficient to address any significant liabilities arising from these cases.

Holiday Inn Resort - Dead Sea – Fully Owned Hotel

As of 31 December 2024, the resort is involved in several labor-related lawsuits, with a total value of JD 28 thousand (31 December 2023: JD 21 thousand).

Crowne Plaza Hotel – Amman – Fully Owned Hotel

There are no pending lawsuits against the Company as of 31 December 2024 (2023: JD 6 thousand), and in the opinion of management and the legal consultant, the provision taken is sufficient to meet any obligations related to these lawsuits.

Crowne Plaza Hotel Petra and its Rest House - Fully Owned Hotel

There are no lawsuits filed against the resort as of 31 December 2024 (31 December 2023: there is a labor-related case against the resort as of 31 December 2023, with a value of JD 15,703. In the opinion of the resort's management and its legal consultant, the provision taken for this case, JD 15,703 as of 31 December 2023, is sufficient to meet any obligations that may arise from that case). During the year 2024, a court decision was issued dismissing the case, and this decision has become final, leading to the closure of the case file.

Daman for Development Zones Private Shareholding and its subsidiaries

There are no lawsuits filed against the group as of 31 December 2024, whereas the value of the lawsuits filed against the group was JD 280,322 as of 31 December 2023. The risks have been analyzed in terms of their likelihood of occurrence, although it is not always possible to accurately determine the outcome of these matters. In the opinion of management and the legal advisor, the provision is sufficient to cover these obligations.

Al Daman for Lease Financing Limited Liability Company

The company was a defendant in two lawsuits related to a claim for preventing opposition to the benefit and ownership of a portion of a plot of land transferred to the company as collateral for the repayment of a loan, as well as a claim for compensation equivalent to rental value. The lawsuits were filed against the company and were under review during 2023 and 2024. A final judgment was issued on 12 February 2024, dismissing the claims against the company and ruling in its favor, including reimbursement of court fees, expenses, and attorney's fees. The amounts awarded in both enforcement cases were collected in favor of the company during 2024. It is noted that, as of 31 December 2024, there are no other lawsuits, claims, or legal proceedings pending before Jordanian courts involving the company, whether initiated by or against it.

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(45) INCOME TAX PROVISION

Movements on the provision for income tax during the year were as follows:

	2024	2023
Balance as at 1 January	5,914	10,034
Provision for the year	7,806	7,997
Income tax deposits	(2)	(113)
Income tax paid	(7,324)	(12,004)
Balance as at 31 December	6,394	5,914

Income tax presented in the consolidated statement of revenues and expenses is as follows:

	2024	2023
Income tax provision for the year	7,806	7,997
Change in deferred tax assets	(232)	(638)
	7,574	7,359

Tax Position of Social Security Corporation Group Companies – Social Security Investment Fund:

Social Security Investment Fund

Income tax provision for the years ended 31 December 2024 and 2023 have been calculated in accordance with Income Tax Law No. (34) of 2014 and its amendments. Management believes that the provision amounting to JD 542 thousand is sufficient and there is no need to recognize any additional provision. Noting that most of the Fund's activities are tax exempted in accordance with the Income Tax Law except for the net income from rents as well as dividends from foreign investments.

The Fund submitted its tax returns for the year 2023 within the legal period. The Income Tax Department did not review the Fund's records until the date of preparing the separate financial statements. There is a balance in favor of the corporation of JD 829 thousand, of which JD 621 thousand as a result of semi-annual payments for 2024.

The Fund obtained a final clearance from the Income and Sales Tax Department up to the year 2014.

The tax returns were submitted on the results of the Fund's operations for the years 2015 to 2022, and the Income Tax Department estimated tax differences of a total of JD 1,565 thousand for those years. The Fund objected to the amounts claimed and filed a lawsuit against the Department at the Court of First Instance of Income Tax. The case is still pending before the Court as of the date of preparation of the consolidated financial statements.

Kingdom Electricity Company for Energy Investments

The income tax provision for the Group for the years ended 31 December 2024 and 2023 has been calculated in accordance with the Income Tax Law No. (34) of 2014 and its amendments, which was implemented on 1 January 2019. The statutory income tax rate for KEIC (parent company) is 20% plus 1% due as national contribution tax, and for subsidiaries it is 24% plus 3% due as national contribution tax in the group areas except Aqaba where the statutory income tax rate according to the income and sales tax law of the Aqaba Special Economic Zone is 5% plus 3% due as national contribution tax.

The Company obtained a final clearance from the Income and Sales Tax Department until the end of 2023 except for 2021, and the Company submitted its tax return for the year 2021 and has not been reviewed by the Income and Sales Tax Department up to the date of these consolidated financial statements.

Irbid District Electricity Company Public Shareholding Company – subsidiary of Kingdom Electricity Company for Energy Investments

The Company has obtained the final clearance from Income Tax Department for the year 2020. The Company has submitted its self-assessment statements for the years 2021, 2022, and 2023. The company has paid the amounts due to the income tax for the period covering the first half of the year 2024. The Income and Sales Tax Department has not audited the Company's records up to the date of the consolidated financial statements.

Electricity Distribution Company Public Shareholding Company – subsidiary of Kingdom Electricity Company for Energy Investments

The company obtained a final clearance until 2022, and the company submitted the tax return for the year 2023 within the legal period. The Income and Sales Tax Department has not reviewed the Company's accounting records as of the date of preparation of these consolidated financial statements.

Electricity Distribution Company – Aqaba (subsidiary of Kingdom Electricity Company for Energy Investments)

The company has obtained the final clearance from Income tax department for all years up to 2021. The company has submitted its tax declaration for the years 2022 and 2023 which have not been reviewed by the Income and Sales Tax Department up to the date of preparation of the consolidated financial statements.

Jordan Press Foundation Public Shareholding Company / Al-Rai – Subsidiary

Income tax provisions for the years ended 31 December 2024 and 2023 have not been accrued due to the increase in tax-deductible expenses over taxable revenues according to Income Tax Law No. (34) of 2014 and its amendments.

The Company has filed tax returns for the years 2020 up to 2023. However, the Income and Sales Tax Department has not reviewed these returns as of the date of preparation of these consolidated financial statements.

The Company has received tax clearance up until the year 2019 from the Income Tax Department.

Jordanian Duty Free Shops Public Shareholding Company – Subsidiary

Income tax is calculated on interest income and other income for the year ended 31 December 2024. The income tax was adjusted starting 1 January 2019 to become 20% for income tax, in addition to 1% national contribution, to become 21% in total according to the Jordanian tax law (34) for 2014 and its amendments.

Based on the Council of Ministers decision in their meeting held on 10 April 2017, the exemption on goods and services from the main activity of the Group was renewed where income tax is calculated on interest income and other income only. Exemption from income tax on Company's activities has been extended for an additional 6 years starting from 1 May 2022 and the year 2022 is considered as the first year included in the exemption.

The Group reached a final settlement with the Income and Sales Tax Department for the years 2004 up to 2007, and for the years 2009 up to 2019.

An amount of JD 269,689 thousand was estimated as tax claim for the year 2008, whereby the Income and Sales Tax Department included the interest income and other income as part of the income tax calculation. The tax claim was rejected and the rejection was refused by the Income Tax Department, and hence the Group has filed a lawsuit against the Income and Sales Tax Department at the Tax Court of First Instance and the Court has decided to cancel the claim. The Income Tax Department appealed the judgment and a decision was issued by the Court of Appeal to transfer the case to the Court of Cassation. During 2021 the Court of Cassation returned the case to the Court of First Instance for a reassessment. The court ruled at the year end of 2022 that the company had to pay JD 145,277. The amount was fully settled during January 2023.

The Group submitted their tax returns for the years until 2023 within the legal period but they have not been audited by the Income and Sales Tax Department up to the date of these consolidated financial statements.

The Group registered in the sales tax retroactively from 1 January 2014, and the Group is committed to submitting declarations within the legal period, and its tax declarations are audited up to June 30, 2019.

The Group's share of the losses from the investment in the joint venture of the JAH Arabia International Duty Free Shops has been excluded from other revenues as it is classified as foreign investments. Income from foreign investments is subject to a 10% income tax in the case of profit, and it is treated differently and separately from other taxable income in the case of losses, as losses from foreign investments can only be offset against the profits generated from them (paragraph C of Article 3 of the law).

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National Company for Touristic Development - Subsidiary

Income tax provisions have been accrued for the years ended 31 December 2024 and 31 December 2023, in accordance with Income Tax Law No. (34) of 2014 and its amendments. The statutory income tax rate applicable to the company is 20%, and the national contribution tax rate is 1%. For the company's branch in Aqaba, the statutory income tax rate is 5%, with a national contribution tax rate of 1% in accordance with the Income Tax Law No. (32) of 2000 and its amendments.

- Income Tax Provision - Amman Branch:

The tax returns have been accepted by the Income and Sales Tax department until the end of the year 2016, while the years from 2017 to 2021 are still pending in court. The company has submitted self-assessment statements for the years 2022 and 2023, which are still under review by the Income and Sales Tax Department.

- Income Tax Provision - Aqaba Branch:

The tax returns have been accepted by the Income and Sales Tax Department until the end of the year 2023. There is an outstanding balance of JD 120 for the year 2019 and JD 300 for the year 2021 that remain unpaid.

Al-Daman for Investments Public Shareholding Company – Subsidiary

No income tax was calculated for the years ended 31 December 2024 and 2023 due to the accumulated losses from prior years in accordance with the Income Tax Law No. (34) of 2014 and its amendments and in accordance with the Income Tax Law for Aqaba Special Economic Zone Authority No. (32) of 2000 and its amendments.

The Company obtained a final clearance from the Income and Sales Tax Department for its operations in Amman up to the year 2022, and the tax return has been submitted for the year 2023.

The company obtained a final clearance from the Aqaba Special Economic Zone Authority for the company's operations in Aqaba until the end of 2021. The Company has submitted self-assessment statements for the years 2022 and 2023 within the legal deadline, and the Aqaba Special Economic Zone Authority has not reviewed it until the date of preparing the consolidated financial statements.

The Income and Sales Tax Department in the Aqaba Economic Zone has issued a claim for deductions related to professional fees, which are deductions that were imposed on unpaid amounts or transportation allowance expenses for engineers from the Social Security Corporation, and the company has appealed these claims and the case is still pending before the court.

Rama for Investing and Saving Company – Subsidiary

Income tax provision has been accrued for the years ended 31 December 2024, and 31 December 2023, in accordance with Income Tax Law No. (34) of 2014 and its amendments. The statutory income tax rate applicable to the company is 20%, plus an additional 1% as national contribution tax.

Self-assessment returns have been filed up to the year 2023 within the legal period, and the assessments have been accepted by the Income and Sales Tax Department, obtaining final tax clearance up to the year 2022.

Al-Daman for Development Zones – Subsidiary

The income tax provision has been calculated for the years ending 31 December 2024 and 31 December 2023, according to Tax Law No. (34) of 2014 and its amendments.

The Company and its subsidiaries have submitted self-assessment statements for the years 2021, 2022, and 2023. A final settlement has been reached with the Income Tax Department for Al-Mafraq Development Company Limited Liability until the end of 2020, for Al-Daman for Development Zones until the end of 2021, and for the North Development Company Limited Liability until the end of 2020.

United Travelling Center – Subsidiary

Income tax provision has not been accrued for the years ended 31 December 2024 and 31 December 2023, due to the presence of carried forward losses from previous years, in accordance with the Income Tax Law applicable in the Hashemite Kingdom of Jordan and Accounting Standard No. (12).

The Company has filed tax returns for the years 2021 and 2023. However, the Income Tax Department has not reviewed the Company's accounting records as of the date of these consolidated financial statements.

The company has obtained final tax clearance from the Income Tax Department up until the year 2020.

Al-Daman for Investment and Agricultural Industries LLC - Subsidiary Company

The company is subject to the provisions of Income Tax Law No. (34) of 2014 and its amendments. According to Article (5), the company is exempt from paying tax on the first fifty thousand dinars of income derived from agricultural activities within the kingdom, and it incurs a 20% income tax and 1% national contribution tax on the remaining income.

No provision for income tax has been accrued for the year ended 31 December 2024, due to expenses exceeding taxable income according to the Income Tax Law.

The company has submitted estimated self-assessment returns for the years 2023, 2022, and 2021. However, the Income and Sales Tax Department has not reviewed the accounting records as of the date of preparation of the company's consolidated financial statements.

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Al-Daman Jordanian International Investments LLC - Subsidiary Company

Income tax provision has been accrued for the years ended 31 December 2024 and 2023, in accordance with Income Tax Law No. (34) of 2014 and its amendments.

The Income and Sales Tax Department accepted the tax returns submitted by Al-Daman Jordanian International Investments on a sampling basis up to the year 2020. However, the Income and Sales Tax Department has not reviewed the accounting records as of the date of preparation of these consolidated financial statements.

The Income and Sales Tax Department has accepted the tax returns submitted by the Al-Daman Jordanian International Investments under the sampling system until the year 2023, during which the company submitted a self-assessment statement to the Income and Sales Tax Department for the year 2023.

Al-Daman Leasing & Finance Limited Liability Company – Subsidiary

Income tax provision has been accrued for the years ended 31 December 2024 and 2023, in accordance with Income Tax Law No. (34) of 2014 and its amendments.

The Income and Sales Tax Department accepted the tax returns submitted by the company on a sampling basis for the years since 2017 until 2020.

The company has filed tax returns for the years 2023 and 2021. However, as of the date of preparation of these consolidated financial statements, the Income and Sales Tax Department has not reviewed them, and there are no outstanding balances for the company.

Al-Daman Jordanian International Business Limited Liability Company – Subsidiary

Income tax provision has been accrued for the years ended 31 December 2024 and 2023, in accordance with Income Tax Law No. (34) of 2014 and its amendments.

The Income and Sales Tax Department accepted the tax returns submitted by Al-Daman Jordanian International Investments on a sampling basis until the year 2020. The company has filed tax returns for the years 2021 and 2023. As of the date of preparation of these consolidated financial statements, the Income and Sales Tax Department has not reviewed them.

The Income and Sales Tax Department accepted the tax returns submitted by Al-Daman Jordanian International Business on a sampling basis until the year 2023. The company has submitted a self-assessment statement to the Income and Sales Tax Department for the year 2023.

(46) STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

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

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

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

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

The Group is currently not intending to early adopt the Amendments.

Contracts Referencing Nature-dependent Electricity — Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to address the accounting and disclosure requirements for contracts referencing nature-dependent electricity, such as wind, solar, and hydro power. These amendments aim to provide clearer guidance on the classification, measurement, and recognition of these contracts, which are inherently variable due to their dependence on natural conditions. The changes seek to improve the consistency and comparability of financial statements by clarifying whether such contracts should be treated as financial instruments or executory contracts and how they should be measured. Additionally, the amendments enhance disclosure requirements to provide greater transparency about the risks and financial impacts associated with these contracts, thereby offering users more relevant and reliable information. This initiative supports the global transition to renewable energy by addressing the unique accounting challenges posed by nature-dependent electricity contracts.

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, but will need to be disclosed.

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

Lack of exchangeability – Amendments to IAS 21

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

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

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

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

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

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

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

IFRS 19 Subsidiaries without Public Accountability: Disclosures

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

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

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

(47) COMPARATIVE FIGURES

The Group have reclassified some of 2023 figures in order to conform with the presentation of figures for the year ended 31 December 2024. Such reclassification did not affect previously reported surplus of revenues over expenses or consolidated equity for the year 2023.