

THE JORDAN CEMENT FACTORIES COMPANY

PUBLIC SHAREHOLDING COMPANY

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of the Jordan Cement Factories Company
Amman – Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Jordan Cement Factories Company (the Company) and its subsidiaries (the Group) which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2025, 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), as applicable to audits of consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the consolidated financial statements of public interest entities in Jordan. We have also 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.

Material Uncertainty Related to Going Concern

We draw attention to note (30) to the consolidated financial statements, which discloses that, as of 31 December 2025, the Group's current liabilities exceeded its current assets by JD 59,561,953 and accumulated losses of JD 103,083,967 exceeded its paid-in capital of JD 60,444,460. Article (266) of the Jordanian Companies Law No. (22) of 1997, as amended, requires that where accumulated losses of a public shareholding company exceed 75% of its capital, the Company shall be liquidated unless the General Assembly resolves, in an extraordinary meeting, to increase capital or otherwise address the accumulated losses. As at the date of issuance of the financial statements, the extraordinary general meeting required under Article (266) has not yet been held.

The Group's ability to continue as a going concern is therefore dependent on the continued financial support of its controlling shareholder, which has provided a written undertaking to support the Group for a period of at least twelve months from the date of approval of the financial statements. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current year. In addition to the matter described in the Material Uncertainty Related to Going Concern section. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context.

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

Revenue Recognition

The disclosures related to revenues are presented in note (23) to the consolidated financial statements

Key Audit Matter

The Group focuses on revenues as one of its key performance measures and given the importance of amounts and the geographical diversity of the Group's operations and the exposure of these revenues to the risks of overstatement and fraud, we consider revenue recognition to be a key audit matter.

Revenue is recognized when the Group fulfills performance obligations in accordance with the contracts entered into with customers, when the goods are delivered to customers and the invoice is issued, which usually occurs at a certain point in time.

How the key audit matter was addressed in the audit

The audit procedures included the following:

- Evaluated the accounting policies followed by the Group to recognize revenues in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).
- Obtained an understanding of the Group's internal control system regarding revenue recognition, including the main internal control elements within the revenue recognition cycle.
- Tested the accuracy of revenue recognition by selecting a sample of invoices and matching them with the announced and agreed upon contracts and prices.
- Tested a representative sample of revenue related accounting entries recorded during the year based on criteria specified by us.
- Selected a sample before and after the end of the current year to evaluate whether revenue was recognized in the correct period.
- Performed detailed revenue analysis using financial and non-financial information.

Other information included in the Group's 2025 annual report

Other information consists of the information included in the Group's 2025 Annual Report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2025 Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Group maintains proper books of accounts which are in agreement with the financial statements, taking into consideration the matters described in the Material Uncertainty Related to Going Concern section.

The partner in charge of the audit resulting in this auditor's report was Ahmad Mahmoud Abu Asabeh, license number 1155.



ERNST & YOUNG
Amman - Jordan

Amman - Jordan
31 March 2026

THE JORDAN CEMENT FACTORIES COMPANY – PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Notes	2025 JD	2024 JD
ASSETS			
Non-current assets -			
Property, plant and equipment	4	39,885,802	40,719,913
Investment properties	5	8,254,131	8,846,789
Intangible assets		23,288	30,145
Goodwill	3	2,495,945	2,495,945
Right-of-use assets	6	160,347	408,686
Financial assets at fair value through other comprehensive income	7	306,622	294,286
Employees' housing and car loans	8	65,030	149,592
Deferred tax assets	17	1,598,741	1,693,389
		<u>52,789,906</u>	<u>54,638,745</u>
Current assets -			
Inventory and spare parts	9	12,683,429	14,113,113
Accounts receivable and checks under collection	10	13,926,401	16,169,660
Other current assets	11	11,869,373	9,916,050
Cash on hand and at banks	12	1,003,139	7,711,302
		<u>39,482,342</u>	<u>47,910,125</u>
TOTAL ASSETS		<u>92,272,248</u>	<u>102,548,870</u>
EQUITY AND LIABILITIES			
Shareholders' equity			
Paid-in capital	1&13	60,444,460	60,444,460
Treasury shares		(323)	(323)
Statutory reserve	13	3,561,687	3,317,202
Fair value reserve	7	41,872	29,536
Accumulated losses	13	(103,083,967)	(103,936,396)
		<u>(39,036,271)</u>	<u>(40,145,521)</u>
Non-controlling interests	21	6,990,524	7,097,554
Deficit in Shareholders' equity		<u>(32,045,747)</u>	<u>(33,047,967)</u>
Liabilities -			
Non-current liabilities -			
Long-term lease liabilities	6	21,792	180,298
Provisions for employees' post-retirement health insurance benefits	16	25,251,908	24,478,958
		<u>25,273,700</u>	<u>24,659,256</u>
Current liabilities -			
Accounts payable	14	25,783,973	32,665,462
Other current liabilities	15	12,030,631	16,176,899
Provision for income tax	17	1,028,041	1,089,189
Short-term lease liabilities	6	160,515	259,908
Restructuring provision	20	296,420	1,200,000
Due to banks	12	1,757,189	23,820
Insolvency debts	30	57,987,526	59,522,303
		<u>99,044,295</u>	<u>110,937,581</u>
Total liabilities		<u>124,317,995</u>	<u>135,596,837</u>
TOTAL EQUITY AND LIABILITIES		<u>92,272,248</u>	<u>102,548,870</u>

The accompanying notes from 1 to 33 form part of these consolidated financial statements

THE JORDAN CEMENT FACTORIES COMPANY – PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 JD	2024 JD
Sales		65,630,503	75,496,133
Cost of sales		(55,165,979)	(64,663,518)
Gross profit	23	10,464,524	10,832,615
Selling and marketing expenses	18	(1,459,391)	(1,453,210)
Administrative expenses	19	(3,967,352)	(4,198,595)
Operating income		5,037,781	5,180,810
Recovered from employees' housing and car loans provision		28,518	16,873
Interests income		33,767	73,330
Depreciation of investment properties	5	(338,341)	(497,368)
Finance costs		(308,035)	(142,836)
Lease finance costs	6	(30,257)	(53,334)
Depreciation of right of use assets	6	(248,339)	(248,344)
Provision for employees' post-retirement health insurance benefits	16	(1,118,064)	(704,757)
Provision for restructuring	20	(522,300)	(3,183,301)
Provision for slow moving items and spare parts	9	(705,000)	(177,000)
Recovered from provision for lawsuits	15	2,796,902	442,819
Provision for rehabilitation of quarries and environment protection	15	(12,540)	(13,524)
(Recovered from) provision for expected credit losses, net	10	18,342	(400,000)
Provision for (recovered from) employees' vacations		(782)	31,796
Amortization of intangible assets		(6,857)	(6,857)
Gain (loss) from foreign currency revaluation		11,305	(2,398)
Gain from sale of property, plant and equipment and investment in properties, net		489,510	431,798
Witten off debts resulted from ownership of major creditors	30	-	10,719,221
Gain resulted from loan settlements and liabilities	30	-	31,015,604
Other revenues, net		435,643	318,628
Profit for the year before income tax		5,561,253	42,801,160
Income tax expense, net	17	(1,392,425)	(8,991,867)
Profit for the year		4,168,828	33,809,293
Attributable to:			
Shareholders of the Company		2,315,858	31,575,766
Non-controlling-interests	21	1,852,970	2,233,527
		4,168,828	33,809,293
		Fils / JD	Fils / JD
Basic and diluted profit per share for the year attributable to the shareholders of the Company	22	0,038	0,522

The accompanying notes from 1 to 33 form part of these consolidated financial statements

THE JORDAN CEMENT FACTORIES COMPANY – PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	<u>Notes</u>	<u>2025</u> JD	<u>2024</u> JD
Profit for the year		4,168,828	33,809,293
Other comprehensive income items that will not be reclassified to profit or loss in subsequent periods after tax:			
Changes in fair value resulted from financial assets at fair value through other comprehensive income	7	12,336	27,467
Actuarial (losses) gains resulted from revaluation of post-retirement health insurance benefits	16	<u>(1,218,944)</u>	<u>1,914,710</u>
		<u>(1,206,608)</u>	<u>1,942,177</u>
Total comprehensive income for the year		<u><u>2,962,220</u></u>	<u><u>35,751,470</u></u>
Attributable to:			
Shareholders of the Company		1,109,250	33,517,943
Non-controlling interests		<u>1,852,970</u>	<u>2,233,527</u>
		<u><u>2,962,220</u></u>	<u><u>35,751,470</u></u>

The accompanying notes from 1 to 33 form part of these consolidated financial statements

THE JORDAN CEMENT FACTORIES COMPANY – PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

	Paid-in capital	Treasury shares	Statutory reserve	Fair value reserve	Accumulated losses	Total	Non- controlling interests	Deficit in shareholders' equity
	JD	JD	JD	JD	JD	JD	JD	JD
2025 -								
Balance as at 1 January	60,444,460	(323)	3,317,202	29,536	(103,936,396)	(40,145,521)	7,097,554	(33,047,967)
Profit for the year	-	-	-	-	2,315,858	2,315,858	1,852,970	4,168,828
Other comprehensive income items	-	-	-	12,336	(1,218,944)	(1,206,608)	-	(1,206,608)
Total comprehensive income for the year	-	-	-	12,336	1,096,914	1,109,250	1,852,970	2,962,220
Transfer to statutory reserve	-	-	244,485	-	(244,485)	-	-	-
Dividend distribution to non-controlling interest (note 13)	-	-	-	-	-	-	(1,960,000)	(1,960,000)
Balance as at 31 December	<u>60,444,460</u>	<u>(323)</u>	<u>3,561,687</u>	<u>41,872</u>	<u>(103,083,967)</u>	<u>(39,036,271)</u>	<u>6,990,524</u>	<u>(32,045,747)</u>
2024 -								
Balance as at 1 January	60,444,460	(323)	239,094	2,069	(134,348,764)	(73,663,464)	6,334,027	(67,329,437)
Profit for the year	-	-	-	-	31,575,766	31,575,766	2,233,527	33,809,293
Other comprehensive income items	-	-	-	27,467	1,914,710	1,942,177	-	1,942,177
Total comprehensive income for the year	-	-	-	27,467	33,490,476	33,517,943	2,233,527	35,751,470
Transfer to statutory reserve	-	-	3,078,108	-	(3,078,108)	-	-	-
Dividend distribution to non-controlling interest (note 13)	-	-	-	-	-	-	(1,470,000)	(1,470,000)
Balance as at 31 December	<u>60,444,460</u>	<u>(323)</u>	<u>3,317,202</u>	<u>29,536</u>	<u>(103,936,396)</u>	<u>(40,145,521)</u>	<u>7,097,554</u>	<u>(33,047,967)</u>

The accompanying notes from 1 to 33 form part of these consolidated financial statements

THE JORDAN CEMENT FACTORIES COMPANY – PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 JD	2024 JD
<u>Operating Activities</u>			
Profit for the year before income tax		5,561,253	42,801,160
<u>Adjustments-</u>			
Depreciation	4&5	3,032,802	3,078,715
Amortization of intangible assets		6,857	6,857
Depreciation of right-of-use-assets	6	248,339	248,344
(Recovered from) provision for expected credit losses	10	(18,342)	400,000
Gain from sale of property, plant and equipment and investment in properties, net		(489,510)	(431,798)
Recovered from provision for lawsuits	15	(2,796,902)	(442,819)
Provision for employees' post-retirement health insurance benefits	16	1,118,064	704,757
Provision for rehabilitation of quarries and environment protection	15	12,540	13,524
Provision for slow moving items and spare parts	9	705,000	177,000
Recovered from employees' housing and car loans provision		(28,518)	(16,873)
Finance costs		308,035	142,836
Finance costs on lease liabilities	6	30,257	53,334
Provision for restructuring	20	522,300	3,183,301
Interests income		(33,767)	(73,330)
Other provisions		218,033	883,586
Witten off debts resulted from ownership of major creditors	30	-	(10,719,221)
Gain resulted from loan settlements and liabilities	30	-	(31,015,604)
<u>Changes in working capital-</u>			
Accounts receivable, other current assets, checks under collection		392,840	(1,006,743)
Inventory and spare parts		724,684	3,448,387
Accounts payable and other current liabilities		(9,938,061)	(2,889,454)
Paid from post-retirement health insurance benefits	16	(1,564,058)	(1,862,467)
Paid from provision for lawsuits	15	(353,098)	(324,758)
Paid from other provisions		(506,158)	(610,189)
Income tax paid	17	(1,358,925)	(1,140,621)
Paid from restructuring provision	20	(301,440)	(554,499)
Net cash flows (used in) from operating activities		(4,507,775)	4,053,425
<u>Investing Activities</u>			
Purchase of property, plant and equipment and projects in progress	4	(2,088,003)	(1,759,213)
Proceeds from sale of property, plant and equipment		648,152	1,657,612
Proceeds from employees' housing and car loans		28,518	16,873
Net cash flows used in investing activities		(1,411,333)	(84,728)
<u>Financing Activities</u>			
Dividends paid		(1,960,000)	(1,470,000)
Paid finance costs		(308,035)	(142,836)
Payments of lease liabilities	6	(288,156)	(287,926)
Proceeds from interest income		33,767	73,330
Net cash flows used in financing activities		(2,522,424)	(1,827,432)
Net (decrease) increase from cash and cash equivalents		(8,441,532)	2,141,265
Cash and cash equivalents at the beginning of the year		7,687,482	5,546,217
Cash and cash equivalents at the end of the year	12	(754,050)	7,687,482

The accompanying notes from 1 to 33 form part of these consolidated financial statements

(1) GENERAL

The Jordan Cement Factories Company ("the Company") was established in 1951 as a Jordanian Public Shareholding Company and was registered at the Ministry of Industry and Trade during the year 1964. The Company's paid-in capital is JD 60,444,460 consisting of 60,444,460 shares of JD 1 par value each as at 31 December 2025.

The Company's main objectives are the production and manufacturing of Portland cement.

On 23 December 2025, Lafarge Financière S.A.- France, sold its entire controlling interest of 50.27% in the Company to Xenoria Co. Ltd and Ondaro Co. Ltd, representing 39% and 11.27%, respectively. Both acquiring companies are wholly owned subsidiaries of Manaseer Industrial Complex Company by 100%.

In light of the current financial conditions of the Group, the Company's Board of Directors resolved to submit an application in order for insolvency declaration in accordance with the Jordanian Insolvency Law No. (21) of 2018 in order to restructure the Company's capital and operations to maintain its business continuity. Accordingly, a decision was issued by Salt Court of First Instance approving the declaration of insolvency of the Company on 26 July 2020. The General Assembly of Creditors meeting was held on 10 August 2022 to discuss the reorganization plan, where the plan and the approved proposals were approved and voted on by the majority of the creditors' representatives present at the meeting, and the court's decision was issued on 28 August 2022 which included the adoption of the reorganization plan and the end of the insolvency procedures (note 30).

The consolidated financial statements were approved for issuance by the Board of Directors in its meeting held on 29 March 2026 and it is subject to the approval of the General Assembly of the shareholders.

(2) BASIS OF PREPARATION AND ACCOUNTING POLICIES

(2-1) BASIS OF PREPARATION

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

The consolidated financial statements are prepared under the historical cost convention, except for financial assets at fair value through other comprehensive income which have been measured at fair value as of the date of the consolidated financial statements.

The consolidated financial statements have been presented in Jordanian Dinar which represents the functional currency of the company.

BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Jordan Cement Factories (the “Company”) and its following subsidiaries (collectively referred to as the “Group”) as at 31 December 2025 and 2024:

	<u>Ownership Interest</u>	<u>Country</u>
Arabian Concrete Supply Company Limited *	51%	Jordan
Al Fuheis Green Heights Real Estate Development Company **	100%	Jordan

* Arabian Concrete Supply Company (a Subsidiary) owns 100% (2024: 100%) of the capital of the Arabian Transport Specialized Company, with a paid in capital amounted JD 1,000,000 as at 31 December 2025 (2024: JD 1,000,000). Its main objectives include specialized land transport for the transportation of construction materials and ready-mixed concrete, as well as importing what is necessary to achieve the Company's goals.

** Jordan Cement Factories Company established Al Fuheis Green Heights Real Estate Development Company on 30 July 2018 with an authorized capital of JD 30,000 and a paid-in capital of JD 15,000 as at 31 December 2025. The Company has not conducted any operational activity since its inception date until the date of these consolidated financial statements. Subsequent to the date of the consolidated financial statements, the Company was recorded in the register of suspended companies on 12 February 2024. The Company's registration was subsequently suspended in accordance with the provisions of Article (285) on 2 February 2026.

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

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

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

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

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

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, revenues and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Company 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 in line with the Group's accounting policies. All intra-group assets, liabilities, equity, revenues, expenses and profit or loss 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 loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary.
- Derecognizes the carrying amount of any non-controlling interests.
- Derecognizes the cumulative translation differences recorded in equity.
- Recognizes the fair value of the consideration received.
- Recognizes the fair value of any investment retained.
- Recognizes any surplus or deficit in profit or loss.
- Reclassifies the Company's share of components previously recognized in OCI to profit or loss.

(2-2) 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 2024, except for the adoption of new amendments on the standards effective as of 1 January 2025 shown below:

Lack of exchangeability - Amendments to IAS 21

For annual reporting periods beginning on or after 1 January 2025, *Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates* specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position, and cash flows.

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

(2-3) SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect revenues and expenses and the resultant provisions. Considerable judgment and assumptions by management are 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.

Useful lives of property, plant, and equipment and investment properties

The Group management determines the estimated useful lives of its property, plant and equipment and investment properties for calculating depreciation based on expected usage of the assets. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted prospectively where the management believes the useful lives differ from previous estimates.

Provision for expected credit losses

The Group uses a matrix to calculate the provision for expected credit losses for receivables. Provision ratios are calculated based on the ages of outstanding debt for customer segments groups that have common characteristics of loss patterns, considering the adjustment of these matrices to suit historical default rates and future expectations of these ratios.

The matrix of provisions for expected credit losses is initially based on the Group historical default rates. The company assesses the rate at which historical default rates are correlated with future economic conditions as if it turns out that future economic indicators (e.g. GDP coefficient) are expected to be bad in the coming years and thus an increase in future default rates, the company will adjust historical default ratios to suit these conditions.

Assessing the correlation rate of historical default rates with economic conditions and the value of provision for expected credit losses is a material estimate. The value of the provision for expected credit losses is affected by changing economic conditions and expected factors. The group experience in estimating expected credit losses and future economic conditions may not represent the actual state of debtors defaulting in the future.

Provision for slow-moving spare parts inventory

A provision for impairment is recognized for slow-moving spare parts inventory. The carrying amount of such items is reduced through the use of an allowance account, and the resulting impairment loss is recognized in the consolidated statement of income.

Impairment of goodwill

Group management performs an impairment test of goodwill at the reporting date of the consolidated financial statements. Goodwill is written down when there are indicators that goodwill may be impaired, and where the estimated recoverable amount is lower than its carrying amount. Any resulting impairment loss is recognized in the consolidated statement of income.

Income tax provision

The Group's management calculates the tax expense for the year based on reasonable estimates of potential audit outcomes by the Income and Sales Tax Department. The value of the tax provision depends on various factors, such as the company's experience with tax audits in previous years. In addition, the Group engages an independent tax advisor to review the calculation of the tax provision.

Deferred tax assets are recognized for all deductible temporary differences, such as non-tax-deductible expenses and losses, which are likely to be included in taxable profit. Determining the value of deferred tax assets that can be recognized based on the expected timing and level of future taxable profits requires the judgment and assessment of the Group's management. Details of the income tax provision are disclosed in note (17).

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) at the date of the consolidated financial statements that arose from a past event and costs to settle the obligation are probable and can be measured reliably. When it is expected to recover some or all provisions (for example, under the framework of insurance contract), the due amount will be recognized within the assets if the value can be measured reliably. The expense related to this provision is disclosed in the consolidated statement of income, net of recovery.

Estimates related to the application of International Financial Reporting Standard (16)

The application of IFRS (16) requires the Group's management to make estimates and assumptions that affect the measurement of the right-of-use assets and related liabilities. The Group's management considers all factors related to the option of extending or renewing lease contracts. Determining whether a contract is considered a lease requires testing. Management also uses estimates to determine the appropriate discount rate for measuring lease obligations.

Post-retirement health insurance obligations

The cost of the benefits determined for post-retirement health insurance as well as the present value of the liability are measured based on actuarial valuation. Actuarial valuation includes estimates regarding the discount rate, future salary increases, and mortality rates. These estimates are reviewed annually.

Quarry rehabilitation and environmental protection

The Group recognizes a provision for the cost of quarrying rehabilitation and therefore estimates are made regarding the discount price, the expected cost of rehabilitation and the expected timing of it.

(2-4) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. The Group has the option to measure the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in the consolidated statement of income.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Impairment of goodwill

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash generating unit (or group of cash generating units) to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than their carrying amount an impairment loss is recognized.

Property, plant and equipment

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

Property, plant and equipment (except for land and quarries) is depreciated using the straight-line method over their estimated useful lives using the following annual depreciation rates:

	<u>Years</u>
Buildings	6 - 50
Machinery and equipment	5 – 30
Vehicles	5 - 15
Tools and devices	5 - 15
Furniture and fixture	5 - 11
Computers	2 - 15
Others	5 - 20

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

The useful life and depreciation method are periodically reviewed to ensure that the depreciation method and period are consistent with the expected economic benefits of property, plant and equipment.

Investment properties

Investment properties are investments in land or buildings held to earn rentals or for capital appreciation, rather than land or buildings used for production or supply of goods or services or for administrative purposes or sale in the ordinary course of business.

Investment properties appear at cost after deducting accumulated depreciation and any provision against the decrease, and real estate investments (excluding land) are depreciated when they are ready for use in a straight-line manner over their expected useful life.

Investment properties (except for land and quarries) are depreciated using the straight-line method over their estimated useful lives using the following annual depreciation rates:

	<u>Years</u>
Buildings	6 - 50
Equipment	5 – 30

The cost of quarries is depreciated using the depletion method, where depreciation expense is calculated based on the estimated quantities of raw materials, adjusted by the quantities extracted.

The book value of investment properties is reviewed for impairment when events or changes in circumstances indicate that the book value may not be recoverable. When such indicators exist and when the book value exceeds the recoverable value, the value of real estate investments is reduced to their recoverable value and the impairment provision is recorded in the consolidated statement of income.

Gains or losses resulting from the exclusion of investment properties (calculated on the basis of the difference between cash receipts and the book value of the excluded asset) are recognized in the consolidated statement of income when excluding investment properties.

The useful life and method of depreciation are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected economic benefits of investment properties.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost.

Intangible assets are classified as finite or infinite. Intangible assets with finite lives are amortized over the useful economic life and the amortization expense is recognized in the consolidated statement of income. While intangible assets with indefinite useful lives are assessed for impairment at each reporting date or when there is an indication that the intangible asset may be impaired. The impairment loss is recorded in the consolidated statement of income.

Any indications of impairment of the intangible asset are reviewed at the date of the financial audit. The existing chronological age is also reviewed as new adjustments are made for subsequent periods.

The intangibles are not capitalized and begin to be recorded in the consolidated statement of income in the same year.

The Group's management estimates the useful lives of intangible assets, and such assets are amortized using the straight-line method at an annual rate of 15%.

Projects in progress

Projects under implementation are recorded at cost and when the project is ready for use, it is transferred to its item within the property, plant and equipment.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are recorded at fair value plus acquisition costs at the date of acquisition and subsequently measured at fair value. Changes in fair value through other comprehensive income are reported within the consolidated statement of changes in equity, including the change in fair value resulting from conversion differences of non-cash items of assets at foreign currencies. In case of sale of such assets or part of it, the gain or loss is recorded in the consolidated statement of comprehensive income and in the consolidated statement of changes in equity, and the valuation reserve balance for sold assets is transferred directly to retained earnings, and not through the consolidated statement of income.

These assets are not subject to impairment testing. Dividends are recognised in the consolidated statement of income when declared.

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 obligations.

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

Lease liabilities

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

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

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease 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.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Group included the renewal period as part of the lease term for leases of property and equipment due to the significance of these assets to its operations. These leases have a short non-cancellable period and there will be a significant negative effect on production if a replacement is not readily available.

Lease contracts

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.

Inventory and spare parts

Inventories are 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 estimated costs of completion and the estimated costs necessary to make the sale.

Raw materials: Purchase cost using the weighted average cost method.

Finished goods and work in process: Cost of direct materials, labor and a proportion of manufacturing overheads based on normal operating capacity, using the weighted average cost method.

Spare parts: Cost using the weighted average cost method.

Accounts receivable

Accounts receivables are stated at original invoice amount less any provision for any uncollectible amounts related to expected credit losses (ECL). The Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Cash and cash equivalents

Cash and bank balance in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with original maturity of three months or less, which are not subject to risks of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits with original maturity of three months or less, net of outstanding bank overdrafts.

Loans

Loans are initially recognized at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans are subsequently measured at amortized cost using the effective interest method.

Interest on long-term loans is recorded during the year in which it is incurred, whereas interest on long-term loans used to finance projects under construction is capitalized as part of the expenses of these projects.

Accounts payable and accruals

Accounts payables are obligations to pay for goods and services that have been acquired from suppliers, whether or not such obligations have been claimed.

Impairment of financial assets

IFRS 9 requires the Company to record an allowance for ECL for all debt instruments measured at amortized cost.

For all debt instruments, the Group has applied the standard simplified approach and has calculated ECL based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Impairment of non-financial assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the consolidated statement of income in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to other comprehensive income. For such properties, the impairment is recognised in the consolidated statement of comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the assets or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Revenue and expense recognition

Revenue is recorded according to the five-step model of the IFRS (15), which includes determining the contract and the price and determining the performance obligation in the contract and recognizing revenue based on the performance of the performance obligation.

Revenue is recognized when providing service which is usually done at a specific point of time.

Other revenues are recognized using the accrual basis of accounting.

Expenses are recognized using the accrual basis of accounting.

Finance costs

Finance costs are recognised as an expense when incurred. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized.

Employees' housing and car loans

Employees' housing and car loans are recognized at fair value and subsequently recorded at amortized cost using the effective interest method.

Gains or losses are recognized in the consolidated statement of income when there is a decrease in the value of loans and through the amortization of those loans.

Fair value measurement

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 either:

- In the principal market for the asset or liability, or
- 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 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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised 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

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Post-retirement health insurance obligations

The Group provides specific post-retirement health insurance benefits to eligible employees and their families.

The cost of defined benefits is measured using the actuarial valuation method and actuarial gains and losses are recognized among other comprehensive income items during the period in which they occur. The cost of the previous service is recognized as an expense using the straight-line method over the average period until the benefits become due.

Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provision for the rehabilitation of quarries and environment protection

A provision is made for quarry rehabilitation based on projected future costs deducted from their current values.

Employee termination provision

Employee termination allowance is recognized when the Group is committed to providing termination benefits. The Group is only liable when it has a detailed formal plan for termination and there is no actual possibility of withdrawing such plan. The termination allowance is measured based on the number of employees who will be affected by the severance.

Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/ non-current classification.

An asset is current when it is:

- Expected to be realized or intended to sell or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle liability for at least twelve months after the reporting period

All other assets are classified as non-current assets.

A liability is current when:

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

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

Income tax

Taxes are calculated according to the tax rates established in accordance with the tax laws applicable in the Hashemite Kingdom of Jordan.

Tax expense represents the amount of tax due and deferred tax.

The due tax expenses are calculated on the basis of the taxable profits, and the taxable profits differ from the profits declared in the consolidated financial statements because the declared profits include non-taxable revenues or expenses that are not deductible in the fiscal year but rather in subsequent years or the accumulated losses that are taxable or items that are not subject to or acceptable for tax purposes.

Deferred taxes are taxes that are expected to be paid or recovered as a result of temporary time differences between the value of assets or liabilities in the consolidated financial statements and the value on which the tax profit is calculated. Deferred taxes are calculated using the statement of financial position liability method. Deferred taxes are calculated according to the tax rates that are expected to be applied when settling the tax liability or realizing the deferred tax assets.

The balance of deferred tax assets is reviewed at the date of the consolidated financial statements and is reduced in the event that it is expected that it is not possible to benefit from those tax assets in part or in full.

Offsetting

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

Foreign currency

Transactions in foreign currencies during the year were recorded at the prevailing exchange rates on the date of the transactions, and balances of financial assets and financial liabilities in foreign currencies are converted at the prevailing exchange rates on the date of the consolidated statement of financial position.

Profits and losses resulting from foreign currency exchange are recorded in the consolidated statement of income.

Segment reporting

The business sector represents a group of assets and operations that jointly provide products or services that are subject to risks and returns that differ from those related to other business sectors, which are measured according to the reports that are used by management and the main decision maker of the Group.

The geographical sector is related to providing products or services in a specific economic environment subject to risks and returns that differ from those related to sectors operating in other economic environments.

Contingent assets and liability

Contingent assets are not recorded in the consolidated financial statements but are disclosed when the possibility of their receipt is possible.

Contingent liabilities are not recorded in the consolidated financial statements but are disclosed when the possibility of paying them is remote.

(3) GOODWILL

The goodwill in the amount of JD 2,495,945 relates to the acquisition of Al-Aloul Group of Companies that took place during the year 2008. The ready-made concrete sector was identified as the cash-generating unit benefiting from the acquisition for the purposes of goodwill impairment testing.

At 31 December 2025, the Group conducted its annual goodwill impairment test. The recoverable value of the ready-mix concrete sector was determined by calculating the value in use of the sector, which was calculated based on the expected cash flows for the sector and based on the estimated budget for 2017 that was approved by management. The expected cash flows after 2017 were calculated using a growth rate ranging from 3% to 5%. Management believes that the growth rate is appropriate given the nature of work and the general growth in economic activity in the region. A discount rate of 8% was used to discount the expected cash flows, which represents the Group weighted average cost of capital adjusted to take into account sector-specific risks.

The impairment test did not result in any impairment losses in the ready-mixed concrete sector.

The calculation of the value in use for the ready-mixed concrete sector is affected by the following assumptions:

- Gross profit
- Discount rate
- The growth rate used in calculating expected cash flows

With regard to calculating value in use, management believes that any reasonable change in the above assumptions would not result in the carrying value of the ready-mixed concrete segment materially exceeding its recoverable value.

THE JORDAN CEMENT FACTORIES COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2025

(4) PROPERTY, PLANT AND EQUIPMENT

	Land	Quarries	Buildings	Machinery and equipment	Vehicles	Tools and devices	Furniture and fixtures	Computers	Others	Projects in progress	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
2025 -											
Cost -											
Balance as at 1 January	5,411,551	8,033,408	72,814,267	117,390,093	10,042,994	6,074,886	645,394	3,323,049	10,287,386	1,066,109	235,089,137
Additions	-	-	-	209,788	1,716,397	31,195	-	-	-	130,623	2,088,003
Transfers	-	-	-	53,865	9,698	-	-	-	-	(63,563)	-
Transferred from investment properties	-	-	-	508,782	-	-	-	-	-	-	508,782
Disposals	-	-	(487,466)	(5,628,411)	(1,903,772)	(4,083,559)	(305,713)	(367,009)	(92,873)	(347,911)	(13,216,714)
Balance as at 31 December	<u>5,411,551</u>	<u>8,033,408</u>	<u>72,326,801</u>	<u>112,534,117</u>	<u>9,865,317</u>	<u>2,022,522</u>	<u>339,681</u>	<u>2,956,040</u>	<u>10,194,513</u>	<u>785,258</u>	<u>224,469,208</u>
Accumulated depreciation-											
Balance as at 1 January	-	2,262,232	65,998,818	99,348,311	6,720,237	5,901,486	640,505	3,322,972	10,174,663	-	194,369,224
Depreciation for the year	-	-	406,945	1,565,217	655,476	37,271	551	-	29,001	-	2,694,461
Transferred from investment properties	-	-	-	276,761	-	-	-	-	-	-	276,761
Disposals	-	-	(404,260)	(5,612,293)	(1,891,663)	(4,083,274)	(305,698)	(366,980)	(92,872)	-	(12,757,040)
Balance as at 31 December	<u>-</u>	<u>2,262,232</u>	<u>66,001,503</u>	<u>95,577,996</u>	<u>5,484,050</u>	<u>1,855,483</u>	<u>335,358</u>	<u>2,955,992</u>	<u>10,110,792</u>	<u>-</u>	<u>184,583,406</u>
Net book value											
as at 31 December 2025	<u>5,411,551</u>	<u>5,771,176</u>	<u>6,325,298</u>	<u>16,956,121</u>	<u>4,381,267</u>	<u>167,039</u>	<u>4,323</u>	<u>48</u>	<u>83,721</u>	<u>785,258</u>	<u>39,885,802</u>

- The cost of fully depreciated property, plant and equipment amounted to JD 34,978,007 as at 31 December 2025 (2024: JD 29,286,172).

THE JORDAN CEMENT FACTORIES COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2025

	Land	Quarries	Buildings	Machinery and equipment	Vehicles	Tools and devices	Furniture and fixtures	Computers	Others	Projects in progress	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
2024 -											
Cost -											
Balance as at 1 January	5,411,551	8,033,408	72,823,966	128,840,522	9,442,410	6,074,886	645,394	3,323,049	10,287,386	759,131	245,641,703
Additions	-	-	-	364,983	1,073,322	-	-	-	-	320,908	1,759,213
Transfers	-	-	-	6,097	7,833	-	-	-	-	(13,930)	-
Disposals	-	-	(9,699)	(11,821,509)	(480,571)	-	-	-	-	-	(12,311,779)
Balance as at 31 December	<u>5,411,551</u>	<u>8,033,408</u>	<u>72,814,267</u>	<u>117,390,093</u>	<u>10,042,994</u>	<u>6,074,886</u>	<u>645,394</u>	<u>3,323,049</u>	<u>10,287,386</u>	<u>1,066,109</u>	<u>235,089,137</u>
Accumulated depreciation-											
Balance as at 1 January	-	2,262,232	65,542,026	109,577,756	6,650,509	5,864,369	639,954	3,322,972	10,138,187	-	203,998,005
Depreciation for the year	-	-	458,977	1,545,866	502,360	37,117	551	-	36,476	-	2,581,347
Disposals	-	-	(2,185)	(11,775,311)	(432,632)	-	-	-	-	-	(12,210,128)
Balance as at 31 December	<u>-</u>	<u>2,262,232</u>	<u>65,998,818</u>	<u>99,348,311</u>	<u>6,720,237</u>	<u>5,901,486</u>	<u>640,505</u>	<u>3,322,972</u>	<u>10,174,663</u>	<u>-</u>	<u>194,369,224</u>
Net book value											
as at 31 December 2024	<u>5,411,551</u>	<u>5,771,176</u>	<u>6,815,449</u>	<u>18,041,782</u>	<u>3,322,757</u>	<u>173,400</u>	<u>4,889</u>	<u>77</u>	<u>112,723</u>	<u>1,066,109</u>	<u>40,719,913</u>

The depreciation expense included in the consolidated statement of income is as follows:

	2025	2024
	JD	JD
Cost of sales	2,669,409	2,550,013
Administrative expenses (note 19)	25,052	31,334
	<u>2,694,461</u>	<u>2,581,347</u>

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(5) INVESTMENTS PROPERTIES

	Land	Quarries	Buildings	Equipment	Total
	JD	JD	JD	JD	JD
2025 -					
Cost -					
Balance as at 1 January	2,039,864	2,949,589	13,236,187	2,858,854	21,084,494
Transferred to property, plant and equipment	-	-	-	(508,782)	(508,782)
Disposals	-	-	(87,993)	-	(87,993)
Balance as at 31 December	<u>2,039,864</u>	<u>2,949,589</u>	<u>13,148,194</u>	<u>2,350,072</u>	<u>20,487,719</u>
Accumulated depreciation -					
Balance as at 1 January	-	502,319	9,928,514	1,806,872	12,237,705
Depreciation for the year	-	-	269,001	69,340	338,341
Transferred to property, plant and equipment	-	-	-	(276,761)	(276,761)
Disposals	-	-	(65,697)	-	(65,697)
Balance as at 31 December	<u>-</u>	<u>502,319</u>	<u>10,131,818</u>	<u>1,599,451</u>	<u>12,233,588</u>
Net book value					
Balance as at 31 December 2025	<u>2,039,864</u>	<u>2,447,270</u>	<u>3,016,376</u>	<u>750,621</u>	<u>8,254,131</u>
2024 -					
Cost -					
Balance as at 1 January	2,039,950	2,955,563	13,236,187	6,030,719	24,262,419
Disposals	(86)	(5,974)	-	(3,171,865)	(3,177,925)
Balance as at 31 December	<u>2,039,864</u>	<u>2,949,589</u>	<u>13,236,187</u>	<u>2,858,854</u>	<u>21,084,494</u>
Accumulated depreciation -					
Balance as at 1 January	-	503,464	9,657,024	3,633,611	13,794,099
Disposals	-	-	271,490	225,878	497,368
Depreciation for the year	-	(1,145)	-	(2,052,617)	(2,053,762)
Balance as at 31 December	<u>-</u>	<u>502,319</u>	<u>9,928,514</u>	<u>1,806,872</u>	<u>12,237,705</u>
Net book value					
Balance as at 31 December 2024	<u>2,039,864</u>	<u>2,447,270</u>	<u>3,307,673</u>	<u>1,051,982</u>	<u>8,846,789</u>

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During 2025, the Company performed an impairment test for the fair value of the investment properties (land, quarries, and buildings), whereas the fair value amounted to JD 160,414,774 as at 31 December 2025. The impairment testing has been performed by the local appraisers who have been assigned by the court to revalue the plot of land intended to be swapped to creditors in accordance with the restructuring plan. No impairment indicators have been raised on the investment properties.

(6) RIGHT-OF-USE ASSETS AND LEASE OBLIGATIONS

The Group has different lease contracts for mixers, pumps and leased vehicles. The table below shows the book value of right-of-use assets and lease obligations and the movement on them during the years ended 31 December:

	2025		2024	
	Right-of-use assets	Lease liabilities*	Right-of-use assets	Lease liabilities *
	JD	JD	JD	JD
Beginning balance	408,686	440,206	633,648	651,418
Additions	-	-	23,382	23,380
Depreciation	(248,339)	-	(248,344)	-
Finance costs	-	30,257	-	53,334
Payments	-	(288,156)	-	(287,926)
Ending balance	<u>160,347</u>	<u>182,307</u>	<u>408,686</u>	<u>440,206</u>

* The details of the lease liabilities as at 31 December are as follows:

	Short-term	Long-term	Total
	JD	JD	JD
2025	160,515	21,792	182,307
2024	259,908	180,298	440,206

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

	<u>2025</u>	<u>2024</u>
	JD	JD
Financial assets with available market prices:		
Mining Investment Company	<u>7,120</u>	<u>14,239</u>
Financial assets with no available market prices:		
Chemical and Mining Industries Company	224,848	213,457
Jordanian Investment and South Development Company	74,654	66,090
Cement Manufacturers Association	-	500
	<u>299,502</u>	<u>280,047</u>
	<u>306,622</u>	<u>294,286</u>

The movement on financial assets at fair value through other comprehensive income is as follows:

	<u>2025</u>	<u>2024</u>
	JD	JD
Beginning balance	294,286	266,819
Change in fair value	<u>12,336</u>	<u>27,467</u>
Ending balance	<u>306,622</u>	<u>294,286</u>

The movement on fair value reserve is as follows:

	<u>2025</u>	<u>2024</u>
	JD	JD
Beginning balance	29,536	2,069
Changes during the year	<u>12,336</u>	<u>27,467</u>
Ending balance	<u>41,872</u>	<u>29,536</u>

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(8) EMPLOYEES' HOUSING AND CAR LOANS

The employees' housing and car loans are initially recognized at fair value, which is calculated by discounting the monthly payments to their present value. These loans are subsequently measured at amortized cost using the effective interest method.

	<u>2025</u>	<u>2024</u>
	JD	JD
Employees' housing loans *	<u>65,030</u>	<u>149,592</u>

* The Company granted housing loans without interest to classified employees whose service period in the Company is not less than five years, with a ceiling of JD 22,000. Loans are repaid in monthly instalments deducted from the employee's monthly salary, with a repayment period not exceeding 15 years. These loans are granted to the employees against the mortgage of the property.

(9) INVENTORY AND SPARE PARTS

	<u>2025</u>	<u>2024</u>
	JD	JD
Spare parts	14,545,767	14,077,255
Finished goods	3,620,338	4,296,259
Work in progress	3,243,815	3,500,482
Raw materials	2,645,023	2,726,045
Fuel	1,935,807	2,115,250
Others	<u>2,679</u>	<u>2,822</u>
	25,993,429	26,718,113
Provision for slow moving items and spare parts *	<u>(13,310,000)</u>	<u>(12,605,000)</u>
	<u>12,683,429</u>	<u>14,113,113</u>

* The movement on provision for slow moving items and spare parts is as follows:

	<u>2025</u>	<u>2024</u>
	JD	JD
Balance as at 1 January	12,605,000	12,428,000
Provision for the year	<u>705,000</u>	<u>177,000</u>
Balance as at 31 December	<u>13,310,000</u>	<u>12,605,000</u>

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(10) ACCOUNTS RECEIVABLE AND CHECKS UNDER COLLECTIONS

	<u>2025</u>	<u>2024</u>
	JD	JD
Local sales receivables	11,910,729	14,880,785
Foreign sales receivables	1,922,801	1,918,681
Checks under collections	<u>9,061,174</u>	<u>8,371,562</u>
	22,894,704	25,171,028
Provision for expected credit losses *	<u>(8,968,303)</u>	<u>(9,001,368)</u>
	<u>13,926,401</u>	<u>16,169,660</u>

* The movement on provision for expected credit losses is as follows:

	<u>2025</u>	<u>2024</u>
	JD	JD
Balance as at 1 January	9,001,368	9,016,859
Provision for the year	205,670	400,000
Recovered from the provision	(224,012)	-
Amounts written - off	-	(12,491)
Transfer to other debit balances	<u>(14,723)</u>	<u>(403,000)</u>
Balance as at 31 December	<u>8,968,303</u>	<u>9,001,368</u>

As at 31 December, the aging of unimpaired accounts receivable is as follows:

	<u>Neither past due nor impaired</u>	<u>1-90 days</u>	<u>91 – 180 days</u>	<u>181 – 270 days</u>	<u>271 – 365 days</u>	<u>More than 365 days</u>	<u>Total</u>
	JD	JD	JD	JD	JD	JD	JD
2025-							
Total trade receivables and checks under collection	7,409,465	4,040,735	2,392,034	745,928	406,510	7,900,032	22,894,704
Provision for expected credit losses	<u>181,357</u>	<u>195,071</u>	<u>235,555</u>	<u>84,625</u>	<u>371,663</u>	<u>7,900,032</u>	<u>8,968,303</u>
	<u>7,409,465</u>	<u>3,845,664</u>	<u>2,156,479</u>	<u>661,303</u>	<u>34,847</u>	<u>-</u>	<u>13,926,401</u>
2024-							
Total trade receivables and checks under collection	9,901,639	4,511,879	2,252,321	733,945	251,865	7,519,379	25,171,028
Provision for expected credit losses	<u>575,209</u>	<u>429,526</u>	<u>198,998</u>	<u>188,643</u>	<u>89,613</u>	<u>7,519,379</u>	<u>9,001,368</u>
	<u>9,326,430</u>	<u>4,082,353</u>	<u>2,053,323</u>	<u>545,302</u>	<u>162,252</u>	<u>-</u>	<u>16,169,660</u>

The Group's management expects unimpaired receivables to be fully recoverable.

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(11) OTHER CURRENT ASSETS

	<u>2025</u>	<u>2024</u>
	JD	JD
Receivables due from the sale of the second production line – Al Fuheis Factory *	6,711,811	6,711,811
Receivables and advance payments to contractors	2,568,727	202,092
Refundable deposits	1,729,608	1,800,691
Prepaid expenses	636,940	737,540
Receivables from a related party (note 25)	-	199,628
Others	222,287	264,288
	<u>11,869,373</u>	<u>9,916,050</u>

- * On 17 October 2022, the Jordan Cement Factories Company signed an agreement to sell the second line - Al Fuheis Factory for an amount of JD 8,875,000. The remaining balance from sale of the second line - Al Fuheis Factory for an amount of JD 6,711,811 as at 31 December 2025 (2024: JD 6,711,811). The amount has not been collected up to the date of preparation of these consolidated financial statements.

(12) CASH ON HAND AND AT BANKS

	<u>2025</u>	<u>2024</u>
	JD	JD
Cash on hand	4,820	5,540
Balance at banks	248,319	6,005,762
Short – term deposits maturing during less than 3 months *	750,000	1,700,000
	<u>1,003,139</u>	<u>7,711,302</u>

The cash and cash equivalents presented in the consolidated statement of cash flows comprise of the following:

	<u>2025</u>	<u>2024</u>
	JD	JD
Cash on hand	4,820	5,540
Balance at banks	248,319	6,005,762
Short – term deposits maturing during less than 3 months *	750,000	1,700,000
Less: due to banks **	(1,757,189)	(23,820)
	<u>(754,050)</u>	<u>7,687,482</u>

- * The annual interest rate on the deposits ranged between 5.2% to 6.35% during the year ended 31 December 2025 (2024: 6.30% to 6.35%).

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** The Group has unutilized credit facilities presented as Bank overdraft with ceilings in the amount of JD 6,250,000 as at 31 December 2025 and 31 December 2024.

	Ceiling JD	Utilized JD	Interest rate
Arab Bank	4,000,000	1,512,409	8.25%
Capital Bank	2,250,000	244,780	8.5%
	6,250,000	1,757,189	

(13) EQUITY

Paid-in Capital –

The Company's authorized, issued and paid-in capital is JD 60,444,460 consisting of 60,444,460 shares of JD 1 par value each as of 31 December 2025 and 2024.

Statutory Reserve –

As required by the Jordanian Companies Law, 10% of the annual profit before tax is to be transferred to statutory reserve. The reserve is not available for distribution to the shareholders.

Accumulated losses –

The Group's accumulated losses of JD 103,083,967 exceeded the Group's paid-in capital as of 31 December 2025. Also, the Group's current liabilities exceeded its current assets by an amount of JD 59,561,953 as of 31 December 2025. According to Article (266) of the Jordanian Company's Law No. (22) for the year 1997 and its amendments, if the accumulated losses of the Public Shareholding Company exceeded 75% of its capital, the Company shall be liquidated unless the General Assembly of the Company issues a decision on its extraordinary meeting to increase the Company's capital or to deal with the Company's losses. As of the date of preparation of the consolidated financial statements, this meeting had not yet been convened.

Dividend distribution–

The General Assembly of the subsidiary, Arab Concrete Equipment Company, decided in its extraordinary meeting held on 23 March 2025, to distribute dividends in the amount of JD 4,000,000 in cash to the partners, each according to their share of the profit of the year 2024 (2024: JD 3,000,000 in its extraordinary meeting held on 10 March 2024 for the profit of the year 2023).

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(14) ACCOUNTS PAYABLE

	<u>2025</u>	<u>2024</u>
	JD	JD
Accounts payable	25,052,190	29,631,761
Due to related parties (note 25)	<u>731,783</u>	<u>3,033,701</u>
	<u>25,783,973</u>	<u>32,665,462</u>

(15) OTHER CURRENT LIABILITIES

	<u>2025</u>	<u>2024</u>
	JD	JD
Provision for lawsuits against the Group (note 24) *	6,850,000	9,750,000
Employee's payables	1,161,041	2,099,730
Other provisions	1,377,593	1,797,678
Quarries rehabilitation and environmental protection provision**	1,459,878	1,447,338
Accrued expenses	365,223	378,415
Employee's vacations allowance	182,948	190,908
Sales tax payable	213,138	40,936
Housing and health insurance fund deposits	-	15,874
Others	<u>420,810</u>	<u>456,020</u>
	<u>12,030,631</u>	<u>16,176,899</u>

* The details of the movement on the provision for lawsuits raised against the Group is as follows:

	<u>2025</u>	<u>2024</u>
	JD	JD
Balance as at 1 January	9,750,000	10,517,577
Recovered from the provision during the year - net	(2,796,902)	(442,819)
Transferred during the year	250,000	-
Payments during the year	<u>(353,098)</u>	<u>(324,758)</u>
Balance as at 31 December	<u>6,850,000</u>	<u>9,750,000</u>

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** The movement details on provision for rehabilitation of quarries and environmental protection is as follows:

	<u>2025</u>	<u>2024</u>
	JD	JD
Balance as at 1 January	1,447,338	1,433,814
Provision for the year	<u>12,540</u>	<u>13,524</u>
Balance as at 31 December	<u>1,459,878</u>	<u>1,447,338</u>

Provision is recognized for quarry rehabilitation based on expected future costs discounted to their present values using a discount rate of 7.5%.

(16) PROVISIONS FOR EMPLOYEES' POST-RETIREMENT HEALTH INSURANCE BENEFITS

The Group provides specific post-retirement health insurance benefits to eligible employees and their families who meet certain conditions. Employees are entitled to benefit from health insurance upon reaching the retirement age, which is 55 years for females and 60 years for males. Employees are not granted any other benefits after retirement.

Pensioners (until their death) and their families (until the death of a spouse or children reach the maximum covered age) contribute the following amounts:

- A- 2.5% of the pensioner's social security salary, with a minimum of JD 6 per month.
- B- 20% of the family's medical costs, up to a maximum of JD 200 for each medical case.

The post-retirement health insurance expense shown in the consolidated statement of income is as follow:

	<u>2025</u>	<u>2024</u>
	JD	JD
Current service cost	(137,999)	(696,767)
Interest on commitment	<u>1,256,063</u>	<u>1,401,524</u>
	<u>1,118,064</u>	<u>704,757</u>

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The changes in the present value of health insurance liabilities after retirement are as follows:

	2025	2024
	JD	JD
Balance as at 1 January	24,478,958	27,551,378
Provision for the year	1,118,064	704,757
Actuarial loss (profit)	1,218,944	(1,914,710)
Payments during the year	(1,564,058)	(1,862,467)
Balance as at 31 December	<u>25,251,908</u>	<u>24,478,958</u>

The basic assumptions used in determining post-retirement health insurance liabilities are as follows:

	2025	2024
Discount rate	5,60%	5,27%
Long-term medical inflation rate	3%	3%
Expected increase in employees' salaries	3%	3%
Revaluation pension rate	2%	2%
Mortality/ disability	88-90 years old for females	88-90 years old for females
	60-64 years old for males	60-64 years old for males
Turnover rates	1% per year up to 50 years old	1% per year up to 50 years old
Retirement age:		
Males	60 years	60 years
Females	55 years	55 years
Maximum age of coverage for children:		
Females	23 years	23 years
Males	23 years	23 years
Annuity - Existing employees	JD 431 after deducting the joint insurance paid by the retirees	JD 396 after deducting the joint insurance paid by the retirees
Annuity – Retirees	Involved in the long-term health cost inflation hypothesis	Involved in the long-term health cost inflation hypothesis
Contributions for family members	JD 60,000 or 75% of the expected final salary, whichever is less	JD 60,000 or 75% of the expected final salary, whichever is less

(17) INCOME TAX

Income tax provision was calculated for the Jordan Cement Factories Company (Public Shareholding Company) for 2025 in accordance with Income Tax Law No. (34) of 2014 and its amendments at the rate of 21% (20% in addition to 1% national contribution) (2024: 21% (20% in addition to 1% national contribution)), and Aqaba Special Economic Zone Authority Law No. (32) of 2000 and its amendments for Aqaba branch at rate 6% (5% in addition to 1% national contribution).

Income tax, net -

The income tax stated on the consolidated statement of income represents the following:

	<u>2025</u>	<u>2024</u>
	JD	JD
Accrued income tax expense	1,297,777	1,416,964
Impact of deferred tax assets	94,648	7,574,903
	<u>1,392,425</u>	<u>8,991,867</u>

Provision for income tax -

The movement on provision for income tax is as follows:

	<u>2025</u>	<u>2024</u>
	JD	JD
Balance as at 1 January	1,089,189	826,733
Prior years adjustments	-	(13,887)
Accrued income tax for the year	1,297,777	1,416,964
Income tax paid	(1,358,925)	(1,140,621)
Balance as at 31 December	<u>1,028,041</u>	<u>1,089,189</u>

Tax status-

Arabian Concrete Supply Company (a Subsidiary) submitted its declaration to the Income and Sales Tax Department until the year 2024. However, as at the date of these consolidated financial statements, the Income and Sales Tax Department has not examined the records of the Jordan Cement Factories Company for the period from 2022 to 2024, nor the records of the Subsidiary for the period from 2021 to 2024.

The Company has reached a final settlement with the Income and Sales Tax Department up to the year 2021.

The subsidiary has reached a final settlement with the Income and Sales Tax Department up to the year 2020.

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Deferred tax assets –

The following table shows the deferred tax assets is as follows:

	2025	2024
	JD	JD
Balance as at 1 January	1,693,389	9,268,292
Net change during the year	(94,648)	(7,574,903)
Balance as at 31 December	<u>1,598,741</u>	<u>1,693,389</u>

Reconciliation between accounting income and taxable income is as follows:

	2025	2024
	JD	JD
Accounting income	5,561,253	42,801,160
Non-taxable income	(4,999,690)	(4,373,888)
Non-deductible expenses	8,272,618	6,515,055
Taxable income	<u>8,834,181</u>	<u>44,942,327</u>

The details of income tax expense are as follows:

	2025		2024	
	Amman	Aqaba	Amman	Aqaba
	JD	JD	JD	JD
Taxable profit - Parent Company	2,444,850	293,217	38,048,547	204,864
Taxable profit – Subsidiary	5,978,504	411,625	6,549,842	486,755
	<u>8,423,354</u>	<u>704,842</u>	<u>44,598,389</u>	<u>691,619</u>
Income tax expenses	<u>1,255,486</u>	<u>42,291</u>	<u>1,375,467</u>	<u>41,497</u>
Statutory income tax rate	21%	6%	21%	6%
Effective income tax rate	<u>23%</u>		<u>3%</u>	

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(18) SELLING AND MARKETING EXPENSE

	<u>2025</u>	<u>2024</u>
	JD	JD
Salaries and wages	924,266	1,037,669
Group contribution for Social Security	98,763	111,523
Subscriptions	61,754	61,625
Fuel	46,517	47,131
Customer compensation and discounts	-	4,145
Others	328,091	191,117
	<u>1,459,391</u>	<u>1,453,210</u>

(19) ADMINISTRATIVE EXPENSES

	<u>2025</u>	<u>2024</u>
	JD	JD
Salaries, wages, and other benefits	2,405,006	2,624,379
Professional fees	360,077	318,155
Social Security contribution	278,696	293,805
Stationery, publications, and subscriptions	163,755	84,805
Employees saving fund contribution	126,346	139,142
Computer expenses	92,430	113,395
Fuel	70,943	79,443
Rent	64,283	64,278
Hospitality	51,647	37,569
Travel and transportation	49,754	40,164
Insurance	48,180	28,703
Postage and telephone	36,712	51,740
Maintenance	29,155	22,287
Depreciation of property, plant and equipment (note 4)	25,052	31,334
Saving fund contribution	11,657	13,174
Training	11,507	5,889
Donations	9,883	16,026
Advertising and exhibitions	5,635	5,635
Others	126,634	228,672
	<u>3,967,352</u>	<u>4,198,595</u>

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(20) PROVISION FOR RESTRUCTURING

This item represents provision for restructuring human resources through an agreement to pay certain amounts as a reward to employees whose services the Group wishes to dispense and who have met the conditions for early retirement in accordance with the Social Security Law.

	<u>2025</u>	<u>2024</u>
	JD	JD
Balance as at 1 January	1,200,000	765,000
Provision for the year	522,300	3,183,301
Paid during the year	(301,440)	(554,499)
Transferred to other current liabilities	(1,124,440)	(2,193,802)
Balance as at 31 December	<u>296,420</u>	<u>1,200,000</u>

(21) SUBSTANTIAL AND PARTIALLY OWNED SUBSIDIARIES

	<u>Location</u>	<u>Nature of operations</u>	<u>Non-controlling ownership</u>	
			<u>2025</u>	<u>2024</u>
			%	%
Arabian concrete supply company	Jordan	Trade in cement and ready-made cement mixes	49	49
			<u>2025</u>	<u>2024</u>
			JD	JD

Accumulated balance for non-controlling interest

Arabian Concrete Supply Company	<u>6,990,524</u>	<u>7,097,554</u>
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Non-controlling interest profit

Arabian Concrete Supply Company	<u>1,852,970</u>	<u>2,233,527</u>
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The table below shows a summary of the subsidiaries financial. The preparation of this information before the elimination between the subsidiaries:

A. CONDENSED STATEMENT OF FINANCIAL POSITION

	2025	2024
	JD	JD
Current assets	18,188,406	24,789,581
Non-current assets	9,518,523	9,064,538
Current liabilities	16,843,360	22,655,044
Non-current liabilities	-	117,078
Total equity	10,872,569	11,081,997
Non-controlling interest shares from equity	5,327,559	5,430,179

B. CONDENSED STATEMENT OF INCOME

	2025	2024
	JD	JD
Sales	48,327,796	56,018,485
Cost of sales	(40,979,968)	(47,597,149)
Administrative expenses	(1,226,614)	(1,395,949)
Selling and marketing expenses	(863,724)	(898,384)
Other expense, net	(101,086)	(489,218)
Profit before tax	5,156,404	5,637,785
Income tax expense	(1,374,832)	(1,079,567)
Net income	3,781,572	4,558,218
Non-controlling interest shares from comprehensive	1,852,970	2,233,527

C. CONDENSED STATEMENT OF CASH FLOWS

	2025	2024
	JD	JD
Operating Activities	(1,833,605)	6,136,905
Investing Activities	(1,310,971)	(1,255,609)
Financing Activities	(4,400,306)	(3,324,283)
Net (decrease) increase in cash and cash equivalents	(7,544,882)	1,557,013

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(22) BASIC AND DILUTED PROFIT PER SHARE FOR THE YEAR

	<u>2025</u>	<u>2024</u>
Profit for the year attributable to shareholders (JD)	2,315,858	31,575,766
Weighted average number of shares (Share)	60,444,460	60,444,460
	<u>Fils / JD</u>	<u>Fils / JD</u>
Basic and diluted earnings per share attributable to the Company's shareholders for the year.	<u>0,038</u>	<u>0,522</u>

Basic and diluted profit per share for the year are equal.

(23) SEGMENT REPORTING

The Group is organized for administrative purposes so that the sectors are measured according to the reports that are used by the management and the main decision maker of the group, through the geographical information mentioned later in this clarification and through the following main business sectors:

- Cement
- Ready-mix concrete

Business information

The revenues, profits, assets, and liabilities by business segments are as follows:

	<u>2025</u>			<u>2024</u>
	<u>Cement</u>	<u>Ready-mix concrete</u>	<u>Total</u>	<u>2024</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Revenues-				
Sales	17,302,707	48,327,796	65,630,503	75,496,133
Cost of sales	(26,826,852)	(28,339,127)	(55,165,979)	(64,663,518)
Gross profit	<u>(9,524,145)</u>	<u>19,988,669</u>	<u>10,464,524</u>	<u>10,832,615</u>
Business result-				
Profit before tax	404,850	5,156,403	5,561,253	42,801,160
Income tax expense	(17,593)	(1,374,832)	(1,392,425)	(8,991,867)
Profit for the year	<u>387,257</u>	<u>3,781,571</u>	<u>4,168,828</u>	<u>33,809,293</u>

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	2025			2024
	Cement	Ready-mix concrete	Total	
	JD	JD	JD	JD
Other sectors information-				
Capital expenditures	352,867	1,735,136	2,088,003	1,759,213
Depreciation	2,322,252	965,746	3,287,998	3,333,916
Finance costs	201,234	137,058	338,292	196,170
Assets and liabilities-				
Segment assets	64,565,643	27,706,605	92,272,248	102,548,870
Segment liabilities	109,940,865	14,377,130	124,317,995	135,596,837

Geographical distribution

Revenues, profits, assets, and liabilities are distributed by geographic areas as follows:

	2025			2024
	Amman	Aqaba	Total	
	JD	JD	JD	JD
Revenues-				
Sales	61,926,185	3,704,318	65,630,503	75,496,133
Cost of sales	(52,124,608)	(3,041,371)	(55,165,979)	(64,663,518)
Gross profit	<u>9,801,577</u>	<u>662,947</u>	<u>10,464,524</u>	<u>10,832,615</u>
Business result-				
Profit before tax	4,905,088	656,165	5,561,253	42,801,160
Income tax expense	(1,350,134)	(42,291)	(1,392,425)	(8,991,867)
Profit for the year	<u>3,554,954</u>	<u>613,874</u>	<u>4,168,828</u>	<u>33,809,293</u>
Other sectors information-				
Capital expenditures	2,088,003	-	2,088,003	1,759,213
Depreciation	3,287,998	-	3,287,998	3,333,916
Finance cost	338,292	-	338,292	196,170
Assets and liabilities-				
Segment Assets	91,885,659	386,589	92,272,248	102,548,870
Segment liabilities	124,267,337	50,658	124,317,995	135,596,837

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(24) CONTINGENT LIABILITIES AND EXPENDITURES

	<u>2025</u>	<u>2024</u>
	JD	JD
Letters of guarantees and credit -		
Guarantees	<u>3,276,907</u>	<u>4,790,043</u>
Cash margins	<u>1,417,746</u>	<u>1,631,506</u>

	<u>2025</u>	<u>2024</u>
	JD	JD
Contractual obligations -		
Purchase raw material	<u>1,928,680</u>	<u>2,705,627</u>

Legal cases -

The Group is a defendant in a number of lawsuits for an amount of JD 6,996,525 as at 31 December 2025 (2024: JD 9,946,620). The Group management and their legal advisors believe that the provision is sufficient to cover these liabilities. The lawsuits filed by the Group against third parties amounted to JD 5,188,242 as at 31 December 2025 (2024: JD 5,108,838).

(25) RELATED PARTIES

Transactions with related parties consist of transactions with associated companies, major shareholders, executive management of the Group, and companies owned which they are major shareholders in.

Prices and conditions relating to the transactions with related parties are approved by the Group management.

The following is a summary of balances with related parties during the year:

	<u>2025</u>	<u>2024</u>
	JD	JD
<u>Items within the consolidated statement of financial position:</u>		
Other current assets (note 11)	<u>-</u>	<u>199,628</u>
<u>Accounts payable</u>		
Accounts payable – insolvency (note 30)	43,702,651	43,702,651
Other payables (note 14)	<u>731,783</u>	<u>3,033,701</u>
	44,434,434	46,736,352

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	<u>2025</u>	<u>2024</u>
	JD	JD

Items within the consolidated statement of income:

Expenses	<u>1,652,910</u>	<u>4,565,088</u>
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Key management personnel compensation (salaries, compensation, and other benefits) is as follows:

	<u>2025</u>	<u>2024</u>
	JD	JD
Salaries, bonuses and other compensations	<u>1,064,907</u>	<u>1,220,624</u>

(26) RISK MANAGEMENT

Interest rate risk

Interest rate risk is a risk which arises from the fluctuations in the fair values or future cash flows of financial instruments due to the changes in interest rates in the market.

The Group is exposed to interest rate risk on its interest-earning assets such as bank deposits and interest-bearing liabilities such as bank overdrafts and employee's post- retirement health insurance benefits.

The sensitivity of the consolidated statement of income is the effect of the assumed changes in interest rates on the Group profit as at 31 December 2025 and 2024, based on financial assets and liabilities with floating interest rates with all other variables held constant.

The following table demonstrates the sensitivity of the consolidated statement of income to reasonably possible changes in interest rates as at 31 December 2025 and 2024 with all other variables held constant:

	<u>Change</u> <u>in interest rate</u> (%)	<u>Effect on profit</u> JD
2025-		
Currency		
Jordanian Dinar	1	(262,591)
Jordanian Dinar	(1)	262,591

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	Change in interest rate (%)	Effect on loss JD
2024-		
Currency		
Jordanian Dinar	1	228,028
Jordanian Dinar	(1)	(228,028)

Credit risk

Credit risk is the risks that may results from the failure or inability of debtors or other parties to fulfil their obligations of the Group.

The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables. The Group maintains its bank balances and deposits with reputable financial institutions.

Currency risk

Most of the Group's transactions are in Jordanian Dinars and US Dollars. The Jordanian Dinar exchange rate is fixed against USD (US\$ 1.41 for JD 1).

Liquidity risk

Liquidity risk is represented by the possibility that the Group may not be able to meet its obligation when due. The Group manages its liquidity risk by seeking adequate funding from shareholders under normal and difficult circumstances, without incurring unacceptable losses or affecting the Group's reputation. The management plan to address the deficit in shareholders' equity and the continuity of the Group is detailed in note (30).

Equity price risk

The following table demonstrates the sensitivity of the Group's to reasonably possible changes in equity prices due to its financial assets. With all other variables held constant.

	Change in market index (%)	Effect on equity JD
2025-		
Financial assets at fair value through other comprehensive income	10	30,662
2024-		
Financial assets at fair value through other comprehensive income	10	29,429

The effect of decrease in equity prices is expected to be equal and opposite to the effect of the increase shown above.

(27) CAPITAL MANAGEMENT

The primary objective of the Group capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. The Company has prepared a detailed budget and plan until the year 2030, and it was approved by the creditors' committee on 10 August 2022. The Company's ability to continue its business depends on its ability to generate sufficient future cash flows to meet its obligations. These events and conditions indicate that there is a material doubt about the Company's ability to continue as a going concern.

The items included in the capital structure are the paid-in capital, treasury shares, statutory reserve, the cumulative change in fair value reserve, and the accumulated losses, totalling a deficit of JD 39,036,271 as of 31 December 2025 compared to a deficit of JD 40,145,521 as of 31 December 2024. The accumulated losses including the profit of the year JD 103,083,967 with represent 171% from the paid-in capital for the Company as of 31 December 2025.

The Group's ability to continue as a going concern is dependent on the ongoing financial support from the main shareholder, who has committed to providing the necessary funding to enable the Group to meet its obligations and continue its operations for at least twelve months from the date of these consolidated financial statements. These events and conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

(28) FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash and bank balances, accounts receivable, checks under collection, financial assets at fair value through other comprehensive income, employees' cars and housing loan, and some other current assets. Financial liabilities consist of accounts payable, loans, bank overdrafts and some other current liabilities.

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

(29) FAIR VALUE HIERARCHY

The following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques that 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
	JD	JD	JD	JD
31 December 2025				
Financial assets at fair value through other comprehensive income	7,120	-	299,502	306,622
31 December 2024				
Financial assets at fair value through other comprehensive income	14,239	-	280,047	294,286

(30) GOING CONCERN

The Group's total liabilities exceeded its total assets by JD 32,045,747 and its total current liabilities exceeded its total current assets by JD 59,561,953. In addition to that, the accumulated losses, including the profit for the year, amounted to JD 103,083,967 which represents 171% of the Company's paid-in capital as at 31 December 2025.

According to Article (266) of the Jordanian Company's Law No. (22) for the year 1997 and its amendments, if the accumulated losses of the Public Shareholding Company exceeded 75% of its capital, the Company shall be liquidated unless the General Assembly of the Company issues a decision on its extraordinary meeting to increase the Company's capital or to deal with the Company's losses.

The Board of Directors decided to request to declare the Company's insolvency in accordance with the Jordanian Insolvency Law No. (21) of 2018 in order to restructure the Company's capital, as the Salt Court of First Instance decided to approve the insolvency declaration on 26 July 2020, and the restructuring plan was approved on 28 August 2022.

The Group's ability to continue as a going concern is dependent on the ongoing financial support from the main shareholder, who has committed to providing the necessary funding to enable the Group to meet its obligations and continue its operations for at least twelve months from the date of these consolidated financial statements. These events and conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

The following represents the measures taken by the Board of Directors of the Jordan Cement Factories Company (Public Shareholding Company) in confronting the existing financial conditions:

A - Insolvency

In light of the Company's financial conditions, and the need to find future solutions to the difficulties experienced by the Company, and the existence of a law that simulates the concept of saving companies and provides legal protection for the economic activity of the insolvent debtor, and provides the possibility of reorganization and/or restructuring, the Company's Board of Directors decided to submit a request to declare the Company's insolvency in accordance with the Jordanian Insolvency Law No. (21) of 2018 in order to restructure the Company's capital and operations to maintain the Company's business continuity and sustainability.

B - The insolvency declaration decision

- A decision was issued by the Salt Court of First Instance approving the declaration of the insolvency of the Jordan Cement Factories Company on 26 July 2020, and the decision was published in the Official Gazette, including the appointment of an insolvency agent while maintaining the management of the Company under the supervision of the insolvency agent and the court, since the insolvency application was submitted by the debtor (Jordan Cement Factories Company).
- Following the objection and appeal of the insolvency decision from several parties (13 appeals and objections), the Court of Appeal decided to revoke the insolvency declaration decision on 28 September 2020, in form due to submission of the insolvency declaration outside the legal period.
- The decision of the Court of Appeal was discerned after granting the Company the needed permission to challenge the decision. The Court of Cassation issued its decision on 16 May 2021, which includes dismissing the appealed decision in favour of the Company and returning it to the Court of Appeal to issue its ruling of dismissing the appeal in form.

- Preparations were made for the General Assembly of Creditors' meeting to present the reorganization plan and complete the insolvency procedures. However, the meeting did not take place due to the strike of the labour and employees working in the Company, which led to the lack of a quorum, and the meeting was postponed, consequently the decision was issued by the Salt Court including halting the insolvency proceedings until the issuance of the insolvency declaration decision.
- On 14 October 2021, the decision of the Amman Rights Court of Appeal was issued in case no. 6870/2021 issued after the cassation, which included not following the cassation, insisting on its previous decision, accepting the appeal regulations as a subject matter, rescinding the decision of Salt Court, and ruling to reject the insolvency application in form for submitting it outside the legal period.
- Based on the objection submitted by some creditors, the Insolvency Court (Salt Court of First Instance) issued on 14 October 2021 its decision to suspend the insolvency proceedings until a final decision is issued in the insolvency declaration case by the Court of Cassation. The Jordan Cement Factories Company did not agree on the decision to halt the procedures, as it filed an appeal on 18 October 2021 before the Court of Appeal, which decided to rescind the decision of the Court of First Instance and affirmed the legality of continuing the insolvency proceedings, since the insolvency law confirmed the appeal of the insolvency declaration decision does not halt the insolvency proceedings.
- The Jordan Cement Factories Company did not accept this decision and submitted an appeal on 21 November 2021 for the second time before the Court of Cassation and asked to reverse the decision of appeals court.
- On 20 April 2022, a decision was issued by the Court of Cassation to set aside the contested decision issued by the Court of Appeal, confirming the correctness of submitting the application for declaring insolvency and returning the papers to their source (the Court of Appeal) to comply with the cassation decision.
- On 12 June 2022 and in line with the decision of the Court of Appeal, the decision of the insolvency court was issued to proceed with the insolvency proceedings as of the start of the reorganization phase during which the insolvency proceedings were suspended, and that this phase would begin as of 12 June 2022, and on the same date the court agreed to the request of the insolvency agent to submit the reorganization plan within 30 days from the date mentioned above.
- The insolvency agent submitted a restructuring plan to the insolvency court on 4 July 2022, which is mainly based on several options for debt repayment the option of land ownership, the option of debt capitalization, and the option of obtaining bank loans.

- A meeting of the General Assembly of Creditors was scheduled for 10 August 2022 to discuss and vote on the restructuring plan. On the specified date, this meeting was held in the presence of the insolvency agent / secretary of the meeting and the Company's executive management. The meeting was chaired by the insolvency judge, and the meeting was attended by creditors representing (91.68%) of the total debts included in the list of creditors.
- The reorganization plan and the approved proposals were approved and voted by a majority of the representatives of the creditors present at the meeting, with a rate of (97.81%) of the total creditors' debts were approved.
- The court's decision was issued on 28 August 2022, which included the approval of the restructuring plan and the completion of insolvency procedures. The following are the main results of the plan:

Debt repayment:

- Paying the debts of major creditors (banks and Lafarge Group companies) through transferring plots of land to them in Al Fuheis area, equal to the value of their debt after writing off 5% of their total unsecured debts, where the amount of discount amounted to JD 2,113,351.
- Paying the preferred debts and the rest of the unsecured debts in cash after deducting 15% of the total debt amount and within 3-5 years, where the amount of discount on these debts amounted to JD 1,613,698.
- Writing off all debts classified as debts of lower priority in the amount of JD 42,563,781.
- As a result, the total of the debts that were written off in addition to the deductions mentioned above amounted to JD 46,290,830.

Human Resources:

- Increasing the rates of health insurance contributions for employees and retirees, which contributes to alleviating the burden of health insurance on the Company.
- Restructuring human resources by agreeing to pay certain amounts as a reward to employees whose services the company wishes to dispense with who have fulfilled the conditions for early retirement in accordance with the provisions of the Social Security Law.

- The most important themes and hypotheses on which the reorganization plan that was presented by the insolvency agent was built:
 - A. Increasing the Company's share in the local market and finding export opportunities.
 - B. Searching for complementary products and/ or alternative products.
 - C. Providing alternatives in regard to the fuel used in production processes.
 - D. Follow-up procedures for the sale of the second production line.
 - E. Selling part of the Company's assets that have no impact on the Company's operational activity.
 - F. Reconsidering the matter of investing the Company's plots of land in the Al Fuheis area in cooperation and coordination with the concerned authorities.
 - G. Reviewing health insurance costs by adjusting health insurance contributions and purchasing beneficiaries' cards, which reduces the cost of health insurance, both for employees and retirees.
 - H. Reduce the number of employees within a specific plan.
 - I. Correcting the legal status of the Company by amortizing the accumulated losses through:
 - The use of surplus fair value of the assets and land of the Company.
 - Write-off and discount on debts within the reorganization plan.
 - Surplus provision for post-retirement health insurance based on the above modifications.
 - Profits from the sale of the Company's indispensable assets.

The Company began implementing the outcomes of the restructuring plan at the end of 2022 and continues to do so through the relevant departments under the supervision of the committee formed by the Board of Directors and the supervisor overseeing the execution of the restructuring plan, as follows:

- Completion of cash payment procedures for insolvency liabilities, with 9 installments paid by the end of the year 2025, in the amount of JD 5 million.
- Finalization of in-kind payment procedures for major creditors (banks), where the Company's liabilities were cleared by the banks after transferring ownership of land plots owned by the Company in the Al-Fuhais area, with a total value of JD 31 million and a total area of about 320 dunums. As a result, profits were recorded in the consolidated statement of income approximately JD 42 million due to the write-off of debts, whether classified as lower priority or unsecured debts, in addition to the settlement of unsecured debts resulting from the revaluation of the land whose ownership was transferred.

- The number of employees was reduced by 89 employees based on a collective labor agreement governed by the provisions of the Labor Law No. (8) of 1996 and its amendments. This was also based on an annex to this contract signed on 30 October 2022.
- Health insurance contributions were increased by 1% for active employees and 0.5% for retired employees.
- Procedures were initiated for the waiver of health insurance cards for post-retirement coverage in exchange for a financial amount, resulting in a reduction of 431 beneficiaries from health insurance after retirement by the end of 31 December 2025.
- Periodic reports are issued to the supervisor of the restructuring plan, detailing the progress of the implementation of the plan, which includes the main areas on which the restructuring plan was based.
- Work is currently underway to complete the in-kind settlement procedures with major creditors (Lafarge Holcim Group), which will result in the settlement of liabilities amounting to JD 10.7 million, in addition to the write-off of liabilities classified as either subordinated or unsecured, amounting to JD 33 million. In this respect, the Salt Court of First Instance has issued a decision approving the transfer of the Company's land ownership interests.
- It should be noted that the Company is evaluating multiple alternatives, including the sale of part of its assets, in order to generate the necessary cash liquidity to fully conclude the insolvency proceedings.
- Subsequent to the acquisition completed at the end of 2025, an Ordinary General Assembly meeting was held on 6 January 2026, during which the following resolutions were passed:

First: To study the rehabilitation and development of the Rashadiya plant and assess the possibility of its management and operation by a third party.

Second: To study the possibility of investment or entering into strategic or operational partnerships, or withdrawing from existing partnerships related to the Company's ownership of investments in certain companies.

Third: To prepare a plan covering the legal, regulatory, technical, and financial status of the lands owned by the Company in the Fuheis area and elsewhere, and to approve the solicitation of offers for the sale, investment, or development of such lands, as well as the execution of the necessary contracts.

The Company has commenced the necessary procedures to implement these resolutions, which is expected to enhance the Company's position in the next phase.

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The recognized and non-recognized Insolvency payables and payables raised from insolvency procedures as at 31 December 2025 and 2024 are shown as follows:

	2025	2024
	JD	JD
Insolvency payables:		
Preferred debts	197,722	197,722
Unsecured debts	23,506,338	25,041,115
Lowest priority debts	34,283,466	34,283,466
Total	<u>57,987,526</u>	<u>59,522,303</u>
Insolvency procedures:		
Payables raised from insolvency procedures	16,095,800	18,074,043
Total insolvency payables and insolvency procedures	<u>74,083,326</u>	<u>77,596,346</u>
Other debts:		
Accounts payable, other credit balances and provisions	35,856,532	39,984,112
Total	<u>109,939,858</u>	<u>117,580,458</u>

The table below illustrates the details of liabilities classified as insolvency debts as at 31 December 2025 and 2024:

	2025	2024
	JD	JD
Accounts payable *	51,626,216	53,591,877
Other current liabilities **	5,724,741	5,293,857
Banks loan ***	636,569	636,569
	<u>57,987,526</u>	<u>59,522,303</u>

* The table below illustrates the accounts payable:

	2025	2024
	JD	JD
Due to related party (note 25)	43,702,651	43,702,651
Unpaid checks	116,046	152,350
Accruals	89,026	167,228
Other accounts payable	7,718,493	9,569,648
	<u>51,626,216</u>	<u>53,591,877</u>

** The table below illustrates the other current liabilities:

	2025	2024
	JD	JD
Unpaid dividends	5,607,483	5,157,993
Employees' payables	117,258	135,864
	<u>5,724,741</u>	<u>5,293,857</u>

*** The table below illustrates the banks loan :

	2025	2024
	JD	JD
Capital Bank (formerly Societe Generale)	<u>636,569</u>	<u>636,569</u>

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

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 - Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity, the amendments include:

- Clarify the application of the 'own-use' requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a Group's financial performance and cash flows

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the IFRS 7 disclosure amendments must be implemented alongside the IFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures.

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

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the consolidated statement of income, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the consolidated statement of income 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.

The Group is currently working to identify all impacts the amendments will have on the primary consolidated financial statements and notes to the consolidated financial statements.

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.

As the Group's equity instruments are not publicly traded, it is eligible to elect to apply IFRS 19.

Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21

In November 2025, the Board issued Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21. The amendments require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate.

If an entity's functional currency is the currency of a non-hyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) and all comparatives at the closing rate at the date of the most recent statement of financial position.

An entity whose functional currency and presentation currency are the currency of a hyperinflationary economy, restates the comparative amounts of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29, to the foreign operation's comparative figures.

The amendments also introduce certain additional disclosure requirements.

The amendments apply for annual reporting periods beginning on or after 1 January 2027 and earlier application is permitted.

(32) COMPARATIVE FIGURES

Some of 2024 figures have been reclassified in order to confirm with the presentation of 2025 figures. Such reclassification did not affect previously reported profit or equity for the year 2024.

(33) SUBSEQUENT EVENTS

Subsequent to the date of the consolidated financial statements, geopolitical tensions escalated in parts of the Middle East, resulting in an impact on some economic sectors, particularly the manufacturing sector. were affected. In this context, public communication from governmental and regulatory authorities have continued to emphasize the resilience of the economy and the continuity of business operations across key sectors.

In addition to the above, the Board of Directors of Jordan Cement Factories Company resolved, in its meeting held on 9 March 2026, to sell the Company's entire shares in Arab Company for Concrete Equipment (a Subsidiary), which amounts to 976,650 shares. The sale transaction has not been completed up to the date of issuance of these consolidated financial statements.

As these events arose subsequent to the date of the consolidated financial statements, they have been assessed as non-adjusting events in accordance with IAS 10, Events after the Reporting Period. Accordingly, no adjustments have been made to the amounts recognized in the consolidated financial statements as at 31 December 2025, which reflect the conditions existing at that date.