NATIONAL PETROLEUM PUBLIC SHAREHOLDING COMPANY

FINANCIAL STATEMENTS

31 DECEMBER 2024

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of National Petroleum Public Shareholding Company
Amman – Jordan

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of National Petroleum Public Shareholding Company which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and 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 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 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 financial statements.

Revenue recognition	**How the key audit matter was addressed in the audit**
The details of this item are described in note (16) to the financial statements. The Company recognises revenue from sale of gas in accordance with IFRS (15) at the fair value of the consideration received or receivable and when it is probable to collect such consideration. The Company sells its entire production of gas to limited number of customers. According to the Concession Agreement, the Company's share of gas sales revenue is recognized upon supply of gas and issuance of the invoice to customers. The review of the revenue recognition method of the Company's share of revenue from the sale of gas and recovered costs revenue and the accuracy of revenues recognized was a key audit matter during the course of the audit.	The audit procedures included the review of the accounting policies used in recognizing revenues in accordance with International Financial Reporting Standards. We also reviewed the Company's internal controls around revenue recognition and key controls within the revenue cycle. We have tested the accuracy of revenue recognized through matching the issued invoices with contracts and selling prices published and agreed. We also recalculated the Company's share of total gas revenue in accordance with the Concession Agreement.

Other information included in the Company's 2024 annual report

Other information consists of the information included in the Company's 2024 Annual Report other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Company's 2024 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the 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 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 thefinancial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but 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 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 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 Company'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 Company'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 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

Amman – Jordan
23 February 2025

ERNST & YOUNG
Amman - Jordan

NATIONAL PETROLEUM PUBLIC SHAREHOLDING COMPANY
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	2024	2023
		JD	JD
ASSETS			
Non-current assets -			
Property and equipment	3	2,030,040	2,428,048
Gas assets	4	4,406,548	4,975,359
Projects in progress	5	19,048,973	9,746,036
		25,485,561	17,149,443
Current assets -			
Inventories	6	21,773,290	15,178,854
Accounts receivable	7	3,894,871	5,746,941
Other current assets	8	3,399,218	1,619,392
Cash at banks	9	8,187,632	14,871,009
		37,255,011	37,416,196
Total assets		62,740,572	54,565,639
EQUITY AND LIABILITIES			
Equity -			
Paid-in capital	10	32,500,000	15,000,000
Statutory reserve	10	8,362,775	8,217,930
Retained earnings		6,081,985	20,066,975
Total equity		46,944,760	43,284,905
Liabilities -			
Non-current liabilities -			
End of service indemnity provision	11	3,022,696	2,794,017
Current liabilities -			
Due to Ministry of Finance	12	5,839,732	6,727,029
Accounts payable	13	5,873,319	15,258
Other current liabilities	14	476,843	313,541
Income tax provision	15	583,222	1,430,889
		12,773,116	8,486,717
Total liabilities		15,795,812	11,280,734
Total equity and liabilities		62,740,572	54,565,639

The attached notes 1 to 29 form part of these financial statements

NATIONAL PETROLEUM PUBLIC SHAREHOLDING COMPANY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024	2023
		JD	JD
Company's share of gas revenue	16	3,329,038	3,381,840
Recovered costs	16,17	9,987,115	10,145,521
		13,316,153	13,527,361
Hamza field project income	18	1,048,768	463,845
Al-Sarhan field project income	18	29,983	2,433,141
Interest income		421,817	690,578
Other income		334,262	226,512
		1,834,830	3,814,076
Operating expenses	19	(10,846,883)	(5,994,673)
Administrative expenses	20	(2,056,596)	(1,320,919)
Hamza field project expense	18	(760,292)	(367,974)
Al-Sarhan field project expense	18	(27,668)	(2,430,582)
Al-Safawi exploration expenses		(11,096)	(15,011)
		(13,702,535)	(10,129,159)
Profit for the year before income tax		1,448,448	7,212,278
Income tax expense	15	(288,593)	(1,201,847)
Profit for the year		1,159,855	6,010,431
Add: Other comprehensive income items		-	-
Total comprehensive income for the year		1,159,855	6,010,431
		JD / Fills	JD / Fills
Basic and diluted earnings per share	21	0/037	0/200

The attached notes 1 to 29 form part of these financial statements

National Petroleum Public Shareholding Company
Statement of Changes in Equity
For The Year Ended 31 December 2024

	Paid-in capital	Statutory reserve	Retained earnings	Total
	JD	JD	JD	JD
2024 -				
Balance as at 1 January	15,000,000	8,217,930	20,066,975	43,284,905
Total comprehensive income for the year	-	-	1,159,855	1,159,855
Transferred to statutory reserve	-	144,845	(144,845)	-
Capital increase (note 10)	17,500,000	-	(15,000,000)	2,500,000
Balance as at 31 December	32,500,000	8,362,775	6,081,985	46,944,760
2023 -				
Balance as at 1 January	15,000,000	7,496,702	14,777,772	37,274,474
Total comprehensive income for the year	-	-	6,010,431	6,010,431
Transferred to statutory reserve	-	721,228	(721,228)	-
Balance as at 31 December	15,000,000	8,217,930	20,066,975	43,284,905

The attached notes 1 to 29 form part of these financial statements

NATIONAL PETROLEUM PUBLIC SHAREHOLDING COMPANY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024	2023
		JD	JD
OPERATING ACTIVITIES			
Profit for the year before income tax		1,448,448	7,212,278
Adjustments:			
Depreciation and amortization		3,218,098	2,875,215
Interest income		(421,817)	(690,578)
End of service indemnity provision	11	315,529	444,045
Unsuccessful well amortization expenses	19	2,609,944	-
Working capital changes:			
Inventories		(9,220,736)	(2,513,538)
Accounts receivable		1,852,070	1,049,601
Other current assets		(1,779,826)	(76,962)
Due to Ministry of Finance		1,610,685	451,608
Accounts payable		5,858,061	(8,428)
Other current liabilities		163,302	(154,089)
End of service indemnity paid	11	(86,850)	(140,277)
Income tax paid	15	(1,136,260)	(483,448)
Net cash flows from operating activities		4,430,648	7,965,427
INVESTING ACTIVITIES			
Interest income received		421,817	690,578
Purchase of property and equipment		(98,580)	(187,550)
Projects in progress	5	(11,439,280)	(5,304,713)
Deposits maturing within six months		-	2,000,000
Net cash flows used in investing activities		(11,116,043)	(2,801,685)
FINANCING ACTIVITIES			
Capital increase		2,018	-
Net cash flows from financing activities		2,018	-
Net (decrease) increase in cash and cash equivalents		(6,683,377)	5,163,742
Cash and cash equivalents at 1 January		14,871,009	9,707,267
Cash and cash equivalents at 31 December	9	8,187,632	14,871,009

The attached notes 1 to 29 form part of these financial statements

(1) GENERAL

National Petroleum Company (the "Company") is a Public Shareholding Company incorporated on 21 June 1995 with paid-in capital of JD 20,000,000 divided into 20,000,000 shares of JD 1 each. The capital has been amended several times; the last amendment was on 1 November 2001, when a merger took place between Petra Drilling Company and National Petroleum Company at book value. As a result of this merger, the articles of association and bylaws were amended as per the Companies Law. The authorized and paid-in capital became JD 15,000,000 divided into 15,000,000 shares at par value of JD 1, the Company has increased its capital during 2024, the authorized and paidin capital became JD 32,500,000 divided into 32,500,000 shares with a par value of JD 1 each subscribed as follows:

	Share/ JD
Government Investment Management Company *	32,473,762
Safwa Islamic Bank	26,238

* According to the Council of Ministers decision No. (286) dated 28 June 2016 and in accordance with the letter from the Government Investment Management Company No. 47/2016 dated 1 August 2016, which included the transfer of the contribution of the Ministry of Finance in National Petroleum Company to the Government Investment Management Company.

The main objectives of the Company are to explore oil and natural gas and other hydro carbonic materials, treatment and storing of hydro carbonic materials, establish, manage and invest in specialized ports for storing, transporting and exchanging oil and gas, trading in crude and untreated oil with its derivatives inside and outside Jordan, contribute in the establishment of related projects, perform drilling activities, and establish workshops to maintain, test and provide all support services for drilling activities.

The Company sold its entire production of natural gas from Al-Risha field (located in the east of Jordan) to the Central Electricity Generating Company (CEGCO) until 17 October 2022 and started to sell its entire production to National Electric Power Company from 21 December 2022.

According to the Council of Ministers decision no. 58/11/1/25161 dated 28 May 2017, the selling price of gas has been changed from JD 0.05 per cubic meter to become 70% the average price of natural gas available to the National Electric Power Company (NEPCO) and the manufacturing sector from all available sources. The average price for the monthly production of natural gas from Al-Risha field is determined by the pricing committee appointed by the Council of Ministers.

According to the Council of Ministers decision no. 58/1/11/45109 dated 31 October 2019, the selling price of gas produced and sold by the company in excess of the first 9 million cubic foot is set at 50% the average price of natural gas available to the National Electric Power Company (NEPCO) and the manufacturing sector from all available resources with a maximum price of JD 4 for each million British Thermal Unit (BTU) and a minimum price of JD 2.5 for each million BTU.

According to the Gas agreement the Company recognizes 60% of the total gas sales as revenues from recovered costs when supplying the gas and issuing the invoice to the customer, and then the proceeds after recovering the costs of petroleum operations are shared equally between the Company and the government, whereby the company, after recovering the 60% as expenses for the recovered petroleum operations, recognizes 20% of the total gas sales as revenue represents the Company's share of gas sales. The remaining percentage, which represents 20% of the total gas sales, is recognized as an obligation on the Company, represented by the share of the government of the Hashemite Kingdom of Jordan from the total gas sales.

The Company's head office location is in, Za'al Abu Tayeeh Street, Um Al-Summaq, Amman – Jordan.

The financial statements were authorized for issuance by the Company's Board of Directors on 12 February 2025.

(2) BASIS OF PREPARATION AND ACCOUNTING POLICIES

(2-1) BASIS OF PREPARATION –

The financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

The financial statements have been prepared on a historical cost basis.

The financial statements are presented in Jordanian Dinars which represents the functional currency of the Company.

(2-2) CHANGES IN ACCOUNTING POLICIES -

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

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

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

Amendments to IAS (1) - Classification of Liabilities as Current or Non-current
The amendments to IAS (1) specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

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

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

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

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

(2-3) USE OF ESTIMATES -

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

Useful lives of property and equipment
The Company's management determines the estimated useful lives of the property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset. The assets' useful lives and the residual values are reviewed, and future depreciation charges would be adjusted where the management believes the useful lives differ from previous estimates.

Provision for expected credit losses
For all debt instruments, the Company has applied the standard's 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.

Income tax provision
The Company's management calculates income tax expense for the year based on reasonable estimates for the potential audit results through the Sales and Income Tax Department. The amount of income tax provision depends on various factors such as the Company's experience from previous years' tax audit. In addition, the Company appoints an independent tax advisor to review the income tax provision calculation.

Provision for slow moving inventories
The management of the Company estimates the provision for slow moving inventories based on a study prepared by the management and is reviewed periodically in accordance with its internal policies.

Provision for legal cases
A provision is established against court cases where the Company is the defendant, based on a legal study provided by the Company's legal advisor which determines the risk that may occur. These studies are reviewed periodically.

Capitalization of employees' salaries
The Company allocates salaries expenses for employees working on projects in progress based on the experience of the management and engineers supervising these projects.

(2-4) SUMMARY OF SIGNIFICANT ACCOUNTS

Property and equipment -
Property and equipment are stated at cost net of accumulated depreciation and any impairment in value. The cost of assets and accumulated depreciation is eliminated when the property and equipment sold or disposed, and any profit or loss is recognized in the statement of comprehensive income.

Property and equipment (excluding land) are depreciated using the straight-line method over the estimated useful life using the following rates:

	%
Buildings and construction	2-15
Production stations	15
Excavators	10
Camps	10
Workshops and laboratories	10-15
Machinery and vehicles	15
Office equipment	15
Furniture and fixtures	10

The book values of property and equipment are reviewed whether there is an indication of impairment or when the carrying values exceed the estimated recoverable amounts the carrying values decreased to rach the recoverable amounts and the impairment recorded in the statement of comprehensive income.

The useful lives of property and equipment items are reviewed at each year end to ensure that the period of depreciation is consistent with the expected pattern of economic benefits made in prior periods.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalized only when it increases future economic benefits of related items of property and equipment. All other expenditures are recognized as expenses in the statement of comprehensive income as incurred.

Exploration and evaluation costs (valuation) and Gas assets -
Exploration costs are accounted for by using the "successful efforts" method as follows:

The costs related to obtaining the exploration rights, exploratory drilling, well testing and evaluation are initially capitalized as intangible assets.

All costs of carrying and retaining undeveloped properties seismic information, and geophysical / geological studies are expensed in the statement of comprehensive income as incurred.

If it is determined that the well does not have proven reserves, the capitalized costs, net of any salvage value is fully amortized in the year that such information becomes available. If it is determined that the well has proven reserves, then all related costs are capitalized as gas properties and are amortized over the economic life of the well.

Projects in progress -
Projects in progress are shown at cost and include the cost of construction equipment and direct expenses. Projects are depreciated only when assets related to them are completed and ready for use.

An impairment study is conducted on projects in progress when there is evidence indicating the inability to recover their book value. If there are any indicators and when the book value exceeds the expected recoverable amount, the book value of the projects is reduced to the expected recoverable amount.

Inventories -
Inventories are valued at the lower of cost and net realizable value, cost of inventories represents costs incurred in bringing each product to its present location and conditions and are accounted for using weighted average costing method.

An impairment study is conducted on projects in progress when there is evidence indicating the inability to recover their book value. In the presence of such indicators and when the book value exceeds the expected recoverable amount, the book value of the projects is reduced to the expected recoverable amount.

Accounts receivable -
Accounts receivable are stated at original invoice amount less any provision for any uncollectible amounts or expected credit loss. The Company applies a simplified approach in calculating ECLs. 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.

Cash at banks -
For the purpose of preparing the statement of cash flows, cash and cash equivalents consist of cash at banks and short-term deposits maturing within three months or less.

End of service indemnity provision -
The Company calculates the end of service benefits to employees in accordance with IAS (19). It is recorded on the basis of the present value of future cash flows and using an interest rate that represents the interest rate on governmental bonds.

Long term payables -
Payments to the Ministry of finance are recognized as balances due from the Ministry of Finance and are recorded at fair value using the effective interest method. Gains or losses are recognized in the statement of comprehensive income when discounted or impaired.

Accounts payable and accruals -
Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by suppliers or not.

Provisions -
Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and the costs to settle the obligation are both probable and able to be reliably measured.

Revenue and expense recognition -
In accordance with IFRS (15), revenue recognized from the sale of gas is measured at the fair value of the consideration received or receivable and when it is probable to collect such consideration.

According to the Concession Agreement, the Company's share of total gas revenue is recognized upon dispatch of gas and issuance of the invoices to customers. Record costs of revenue is recognized upon dispatch of gas and realization of cost recovery.

Under IFRS (15), revenue from services will continue to be recognised over time, using an input method to measure progress towards complete satisfaction of the service similar to the previous accounting policy.

Interest income is recognized using the Effective Interest Rate (EIR) method.

Expenses are recognized on an accrual basis.

Income tax -
The Company provides for income tax in accordance with the Income Tax Law (34) for the year 2014 as mandated by the Concession Law No. (1) for the year 2010 which states that the statutory income tax rate for the Company is fixed at 15% as mentioned in paragraph (F) of article (6) of the concession law No. (1) of 2010 and in accordance with IAS (12).

Foreign currencies -
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the statement of comprehensive income.

Impairment of financial assets -
The Company recognizes an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms (if any).

The Company has established a provision calculation that is based on its historical credit loss experience adjusted for forward-looking factors specific to the debtors and the economic environment.

Impairment of non-financial assets -

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

Current versus non-current classification -

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

An asset is classified as current when it is:

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

All other assets are classified as non-current

A liability is current when:

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

All other liabilities are classified as non-current.

Fair value measurement -
The Company measures financial instruments such as financial assets at fair value at the financial statements date.

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 to by the Company.

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 Company 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 financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (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 financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Earnings per share -
Basic EPS amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares (after deducting treasury shares).

Contingent assets and liabilities -
Contingent liabilities are not recognized in the financial statements but are disclosed when the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefit is possible.

(3) PROPERTY AND EQUIPMENT

	Head office land	Buildings and construction	Production stations	Excavators	Camps	Workshops and laboratories	Machinery and vehicles	Office equipment	Furniture and Fixtures	Total
2024 -	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cost -										
Balance as at 1 January	234,635	2,652,070	11,171,821	9,723,040	523,920	702,017	995,724	487,655	106,084	26,596,966
Additions	-	-	-	-	35,400	-	43,953	18,494	733	98,580
Disposals	-	-	-	-	-	-	(13,700)	-	-	(13,700)
Balance as at 31 December	234,635	2,652,070	11,171,821	9,723,040	559,320	702,017	1,025,977	506,149	106,817	26,681,846
Accumulated depreciation -										
Balance as at 1 January	-	1,607,093	11,157,668	9,024,427	381,782	697,090	782,867	431,351	86,640	24,168,918
Depreciation for the year	-	78,339	5,613	300,077	23,437	1,648	59,032	24,327	4,115	496,588
Disposals	-	-	-	-	-	-	(13,700)	-	-	(13,700)
Balance as at 31 December	-	1,685,432	11,163,281	9,324,504	405,219	698,738	828,199	455,678	90,755	24,651,806
Net book value -										
At 31 December	234,635	966,638	8,540	398,536	154,101	3,279	197,778	50,471	16,062	2,030,040

	Head office land	Buildings and construction	Production stations	Excavators	Camps	Workshops and laboratories	Machinery and vehicles	Office equipment	Furniture and Fixtures	Total
2023 -	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cost -										
Balance as at 1 January	234,635	2,255,572	11,171,121	9,688,929	463,920	702,017	978,824	461,988	98,364	26,055,370
Additions	-	-	700	76,563	60,000	-	16,900	25,667	7,720	187,550
Transferred from projects in progress (note 5)	-	396,498	-	-	-	-	-	-	-	396,498
Disposals	-	-	-	(42,452)	-	-	-	-	-	(42,452)
Balance as at 31 December	234,635	2,652,070	11,171,821	9,723,040	523,920	702,017	995,724	487,655	106,084	26,596,966
Accumulated depreciation -										
Balance as at 1 January	-	1,543,987	11,146,533	8,755,297	361,128	695,293	725,600	404,951	82,589	23,715,378
Depreciation for the year	-	63,106	11,135	311,582	20,654	1,797	57,267	26,400	4,051	495,992
Disposals	-	-	-	(42,452)	-	-	-	-	-	(42,452)
Balance as at 31 December	-	1,607,093	11,157,668	9,024,427	381,782	697,090	782,867	431,351	86,640	24,168,918
Net book value -										
At 31 December	234,635	1,044,977	14,153	698,613	142,138	4,927	212,857	56,304	19,444	2,428,048

(4) GAS ASSETS

This amount represents the re-entry costs of Al Risha wells (Well 50, well 51, well 53, well 54, well 55 and well 59) as at 31 December 2024.

Movements on gas assets during the year were as follows:

	2024	2023
	JD	JD
Balance as at 1 January	4,975,359	7,335,631
Transferred from projects in progress (note 5)	2,152,699	-
Amortization during the year	(2,721,510)	(2,360,272)
Balance as at 31 December	4,406,548	4,975,359

(5) PROJECTS IN PROGRESS

This amount represents the cost of drilling new wells (Well 56, well 57, well 58, well 60, well 61, well 62, well 63, well 64, well 65, well 66, well 67, and well 68). In addition to other construction projects in progress as at 31 December 2024.

Movements on projects in progress during the year were as follows:

	2024	2023
	JD	JD
Balance as at 1 January	9,746,036	3,744,036
Additions during the year	11,439,280	5,304,713
Transferred from inventories	2,626,300	1,093,785
Transferred to gas assets (note 4)	(2,152,699)	-
Unsuccessful gas well amortization expenses (note 19)	(2,609,944)	-
Transferred to property and equipment (note 3)	-	(396,498)
Balance as at 31 December	19,048,973	9,746,036

Total estimated cost to complete the remaining projects in progress as of 31 December 2024 is approximately JD 11,700,000 and it is estimated to be completed during the second quarter of 2025. Some projects will be postponed within 2026's plan.

(6) INVENTORIES

	2024	2023
	JD	JD
Gas station spare parts and supplies	5,145,128	4,917,412
Spare parts, wells equipment and excavators	13,195,046	9,282,951
Goods in transit	3,953,116	1,498,491
	22,293,290	15,698,854
Provision for slow-moving spare parts and supplies	(520,000)	(520,000)
	21,773,290	15,178,854

There were no movements on the provision for slow-moving spare parts and supplies during 2024 and 2023.

(7) ACCOUNTS RECEIVABLE

	2024	2023
	JD	JD
National Electric Power Company (note 23)	3,786,140	5,682,953
Trans-Global International Company	927,340	927,340
Reda Kannan & Sons Company	46,222	46,222
Ministry of Energy and Mineral Resources (note 23)	35,545	8,159
Others	73,186	55,829
	4,868,433	6,720,503
Less: Provision for expected credit losses	(973,562)	(973,562)
	3,894,871	5,746,941

National Electric Power Company settle their outstanding balances every (45) days after the end of each month according to its agreements. Accordingly, receivables do not exceed (90) days from the due date.

Expected credit losses in the amount of JD 973,562 as at 31 December 2024 and 2023 and have been fully provisioned for.

The Company expects unimpaired receivables to be fully recoverable. The Company does not obtain collateral against accounts receivable.

(8) OTHER CURRENT ASSETS

	2024	2023
	JD	JD
Advances to contractors	1,863,189	-
Employees' receivables	1,251,743	1,258,676
Income and Sales tax deposits	132,133	93,883
Refundable deposits	60,887	194,110
Work injury claims	24,340	38,123
Former Board of Directors' receivables (recoverable remunerations)	9,191	9,591
Prepaid Expenses	7,000	7,000
Others	50,735	18,009
	3,399,218	1,619,392

(9) CASH AT BANKS

	2024	2023
	JD	JD
Deposits maturing within three months*	5,000,000	12,000,000
On-demand deposits**	3,187,632	2,871,009
	8,187,632	14,871,009

* Time deposits are held in Jordanian Dinars for periods not exceeding 3 months and bear an interest rate 6.4%. (2023: 6.56%).

** On-demand deposits held in Jordanian Dinar bear an interest rate between 1% to 2.5%. (2023: between 1% to 2.5%).

(10) SHAREHOLDERS' EQUITY

Paid-in capital -

The Company's authorized and paid-in capital amounts to JD 32,500,000, divided into 32,500,000 shares with a par value of JD 1 each as of 31 December 2024.

The Company's General Assembly approved in its extraordinary meeting held on 17 April 2024 to capitalize an amount of JD 15 million, which represent approximately 75% of the Company's retained earnings amounted JD 20 million. It was also approved to capitalize approximately 50% of the amount due to Ministry of Finance, where the General Assembly approved the capitalization of an amount of JD 2,497,982 out of the total amount due to Ministry of Finance of JD 5,021,388 which represents the Share of Ministry of Finance of Gas revenues for the years 2020 and 2021, and Safwa Islamic Bank will pay an amount of JD 2,018, representing its contribution for the capital increase account, therefore the total capitalized amount is JD 2,500,000. The shareholding percentages of the shareholders (Government Investment Management Company and Safwa Islamic Bank) in the new capital of the National Petroleum Company remain unchanged. Legal procedures have been completed during the second quarter of 2024.

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

(11) END OF SERVICE INDEMNITY PROVISION

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

	2024	2023
	JD	JD
Balance as at 1 January	2,794,017	2,490,249
Provision during the year (notes 19 and 20)*	315,529	444,045
Paid during the year	(86,850)	(140,277)
Balance as at 31 December	3,022,696	2,794,017

* The provision for end of service indemnity is calculated for all employees based on one month salary for each year of service using the employee's salary at the last day of service.

The principal actuarial assumptions used to determine the provision of end of service benefits plan obligations as of 31 December were as follows:

	2024	2023
Discount rate	6.1%	6%
Resignation rate	1%	2%
Annual salaries increase rate	1%	1%

(12) DUE TO MINISTRY OF FINANCE

According to the Council of Ministers decision no. 58/1/11/28800 dated 15 July 2020, an agreement was reached for the Company to retain the Ministry of Finance's share of Company revenues for the years 2020 and 2021 as part of the Company's budget, as well as to undertake the necessary procedures to provide the Company with the facilities, for the purpose of exploration and to reach the excavation stage.

The Company had addressed the Minister of Finance through letter no. 32/3/237 dated 2 February 2020 requesting that the revenues which were retained as part of the agreement to be considered as non-refundable grant. There has been no response to the Company's request as of the date of preparation these financial statements. The Ministry of Finance has used 50% of its share in Gas revenues to increase its shareholding percentage in the capital of the Company.

(13) ACCOUNTS PAYABLE

	2024	2023
	JD	JD
Kuwait Drilling Company	5,615,057	-
Others	258,262	15,258
	5,873,319	15,258

(14) OTHER CURRENT LIABILITIES

	2024	2023
	JD	JD
Contractors' retention	232,112	-
Provision for legal cases (note 24)	97,042	153,900
Accrued expenses	61,387	34,402
Board of Directors' remuneration (note 23)	35,000	35,000
Sales tax payable	-	8,872
Others	51,302	81,367
	476,843	313,541

(15) INCOME TAX

The income tax provision for the years ended 31 December 2024 and 2023 was calculated in accordance with the Income Tax Law number (34) for the year 2014 and its amendments as mandated by the Concession Law No. (1) for the year 2010 which states that the statutory income tax rate for the Company is fixed at 15% of taxable income related to its operations under the concession in addition to a national contribution at a rate of 1% of taxable income for each year.

Movements on the provision for income tax were as follows:

	2024	2023
	JD	JD
Balance as at 1 January	1,430,889	712,490
Income tax expense during the year	259,243	1,201,847
Prior years' income tax expense	29,350	-
Paid during the year	(1,136,260)	(483,448)
Balance as at 31 December	583,222	1,430,889

Details of the income tax expense recorded in the statement of comprehensive income is as follows:

	2024	2023
	JD	JD
Income tax expense during the year	243,040	1,126,732
Prior years' income tax expense	29,350	-
National contribution expense	16,203	75,115
	288,593	1,201,847

Reconciliation between accounting profit and taxable profit is as follows:

	2024	2023
	JD	JD
Accounting profit	1,448,448	7,212,278
Add:		
Non-deductible expenses:		
End of service indemnity expense	315,529	444,045
Less		
Paid from end of service	(86,850)	(140,277)
Paid from labor's legal cases provision	(56,858)	(4,500)
Taxable profit	1,620,269	7,511,546
Legal tax rate (according to the concession law)	15%	15%
National contribution rate	1%	1%
Actual tax rate	19.92%	16.66%

The Company submitted its tax declarations to the Income and Sales Tax Department up to 2023. The Company obtained final clearance from the Income Tax Department up to 2022.

(16) COMPANY'S SHARE OF GAS REVENUE

	2024	2023
	JD	JD
Gross gas revenue during the year (note 23)	16,645,191	16,909,201
-Recovered costs (note 17)	9,987,115	10,145,521
-Jordanian Government share (note 23)	3,329,038	3,381,840
-Company's share of gas revenue	3,329,038	3,381,840

(17) RECOVERED COSTS

The Petroleum Operations Cost Reimbursement Committee (the "Committee") formed by the Minister of Energy and Mineral Resources, approved petroleum operations costs of JD 126,767,316 for the period from 1 May 2002 to 31 December 2023 as reimbursable operational costs. The Company was reimbursed the following costs:

Period	Amount
	JD
2005	1,769,570
2010	5,538,635
2011	5,437,738
2012	4,909,185
2013	4,529,903
2014	4,116,873
2015	3,687,713
2016	3,493,253
2017	5,070,370
2018	7,405,606
2019	6,626,857
2020	8,340,151
2021	10,099,015
2022	9,016,423
2023	10,145,521
2024	9,987,115
Total	100,173,928

The remaining and approved balance by the formed committee is JD 26,593,388 as at 31 December 2024.

The Committee reviewed the petroleum operations cost for the period between 1 January 2024 to 30 September 2024 is JD 11,322,395 The Committee has not issued their reports up to the date of these financial statements.

The Committee did not review the petroleum operations costs for the period from 1 October 2024 to 31 December 2024 in the amount of JD 977,274.

(18) HAMZA/AL-SARHAN FIELD PROJECT

These items consist of revenues and expenses for providing services, operating and managing Hamza and Al-Sarhan fields, performed during the year ended 31 December 2024 for the Ministry of Energy and Mineral Resources based on the Council of Ministers decision No. 58/11/1/18026 and 22/9/06192.

(19) OPERATING EXPENSES

	2024					2023
	Excavators	Gas Station	Exploration	Al Risha Wells	Total	Total
	JD	JD	JD	JD	JD	JD
Salaries, wages and other benefits	1,974,189	881,802	362,442	-	3,218,433	2,734,385
Capitalization of salaries	(468,486)	(40,272)	(40,435)	-	(549,193)	(1,830,000)
End of service indemnity (note 11)	85,894	54,057	31,268	-	171,219	156,569
Successful gas wells amortization	-	-	-	2,721,510	2,721,510	2,360,272
Unsuccessful well amortization expenses (note 5)	-	-	-	2,609,944	2,609,944	-
Spare parts and maintenance	792,937	362,588	51,467	767,016	1,974,008	1,799,017
Depreciation and amortization	370,928	39,075	632	-	410,635	426,806
Gas well completion costs	-	-	-	249,538	249,538	310,181
Insurance expenses	29,529	10,900	360	-	40,789	37,443
	2,784,991	1,308,150	405,734	6,348,008	10,846,883	5,994,673

(20) ADMINISTRATIVE EXPENSES

	2024	2023
	JD	JD
Salaries, wages, and other benefits	1,798,228	1,670,679
Capitalization of salaries	(840,345)	(1,500,000)
End of service indemnity (note 11)	144,310	287,476
Government fees, licenses, and penalties	179,923	31,724
Vehicles and fuel expenses	168,901	179,048
Travel and transportation expenses	103,599	127,760
Depreciation	85,953	88,137
Insurance and Building services	64,759	62,606
Employee incentives	60,138	69,281
Board of Directors' fees, remuneration and transportation (note 23)	81,207	99,233
Consultancy fees	44,944	59,419
Bank charges	37,981	29,103
General Safety	32,808	8,353
IT Support and programs	31,919	16,481
Maintenance expenses	28,159	52,965
Telephone expenses	15,751	18,696
Hospitality expenses	11,031	8,399
Stationery, printings, and subscriptions	7,330	10,059
Board of Directors' travel expenses (note 23)	-	1,500
	2,056,596	1,320,919

(21) BASIC AND DILUTED EARNINGS PER SHARE

	2024	2023
Profit for the year (JD)	1,159,855	6,010,431
Weighted average number of shares (Share)*	31,737,500	30,000,000
	JD / Fills	JD / Fills
Basic and diluted earnings per share	0/037	0/200

* The weighted average number of shares as of 31 December 2023, represents the number of shares as of 31 December 2023, in addition to the capitalized shares to increase the capital during 2024.
* The weighted average number of shares as of 31 December 2024, represents 30,000,000 shares in addition to 2,500,000 shares multiplied by time-weighting factor.

(22) CONTINGENT LIABILITIES

As at the date of the financial statements, the Company had the following contingent liabilities:

	2024		2023	
	Amount	Cash margin	Amount	Cash margin
	JD	JD	JD	JD
Letters of guarantee	1,043,000	53,100	1,143,000	58,100
Letters of credit	101,248	3,037	4,375,347	131,260

(23) RELATED PARTY TRANSACTIONS

Related parties represent, major shareholders, board of directors and high key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of the transactions with related parties are approved by the Company's board of directors.

Statement of financial position items as at 31 December:

	2024	2023
Current Assets -	JD	JD
Accounts receivable -		
National Electric Power Company (Subsidiary of Government Investment Management Company) (note 7)	3,786,140	5,682,953
Ministry of Energy and Mineral Resources (note 7)	35,545	8,159

	2024	2023
	JD	JD
Current Liabilities -		
Due to Ministry of Finance (note 12)	5,839,732	6,727,029
Board of Directors' remuneration (note 14)	35,000	35,000

Statement of comprehensive income items for the year ended 31 December:

	2024	2023
	JD	JD
Total gas invoices billed to National Electric Power Company (Subsidiary of Government Investment Management Company) (note 16)	16,645,191	16,909,201
Hashemite Kingdom of Jordan – Ministry of Energy and Mineral Resources (Hamza's Field project income) (note 18)	1,048,768	463,845
Hashemite Kingdom of Jordan – Ministry of Energy and Mineral Resources (Al-Sarhan's Field project income) (note 18)	29,983	2,433,141
Jordanian Government share for the year (note 16)	3,329,038	3,381,840
Key management salaries and other benefits	420,946	408,192
Board of Directors' remuneration (note 20)	35,000	35,000
Board of Directors' fees (note 20)	14,400	18,000
Board of Directors' transportation (note 20)	23,400	39,500
Board of Directors' committee remuneration (note 20)	-	2,325
Board of Directors' travel expenses (note 20)	8,407	1,500

(24) LITIGATIONS

The Company is a defendant in a number of lawsuits totaling JD 423,641 as at 31 December 2024 (2023: JD 159,869). The management and legal consultant believe that the provision booked is sufficient to meet the obligations that may result from these cases and claims. The Company has a total lawsuit of JD 425,469 held against others as at 31 December 2024. (31 December 2023: 1,000).

(25) GAS RESERVES

Based on the latest comprehensive study conducted to estimate the gas reserves in Al-Risha's field, which took thirty months to be completed and whose results were released in 2024, the assessment was carried out by WesternGeco/Schlumberger and audited, reviewed, and certified by the global consulting firm Beicip-Franlab. The estimates were updated in accordance with international petroleum resource management standards (PRMS), covering a study area of 3,400 km² within the total Risha concession area. The key findings were as follows:

- **Gas Initially in Place (GIIP):**
  The estimated quantities of gas in place (GIIP) are at least 9,39 trillion cubic feet, with a best estimate of 11,99 trillion cubic feet, and a high estimate of 14,6 trillion cubic feet.

- **Recoverable gas quantities:**
  Based on the recovery factor, the estimated recoverable gas quantities are at least 2,852 trillion cubic feet, with a best estimate of 4,660 trillion cubic feet, and a high estimate of 6,360 trillion cubic feet.

- **Proven Gas Reserves**
  The estimated proven gas reserves According to the PRMS are as follows: the minimum proven reserves (1P) are 307 billion cubic feet, the best estimate proven plus probable reserves (2P), 411 billion cubic feet, and the highest estimate for the proven plus probable plus possible reserves (3P): 541 billion cubic feet. These figures represent the targeted production over a five year period, based on developing 26 well, excluding the exploration of wells according to the Company's strategic plans and programs.

(26) FAIR VALUE FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash at banks, accounts receivable and other current assets. Financial liabilities consist of accounts payable, due to Ministry of Finance and some other current liabilities.

The fair value of the financial instruments is not materially different from their carrying values as of the financial statements date.

(27) RISK MANAGEMENT

Interest rate risk -
The Company is exposed to interest rate risk on its interest-bearing assets and liabilities such as deposits at banks.

The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the Company's profit for one year, based on the floating rate financial assets and financial liabilities held at 31 December.

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

	Increase (Decrease) in interest rates	Effect on profit before tax for the year
2024 –	Basis Points	JD
Currency -		
JD	50	40,938
JD	(50)	(40,938)

	Increase (Decrease) in interest rates	Effect on profit before tax for the year
2023 –	Basis Points	JD
Currency -		
JD	50	74,355
JD	(50)	(74,355)

Credit risk -
Credit risk is the risk that counterparty will not meet its obligations to the Company.

The Company believes that it is not subject to high credit risk as it constantly monitors its receivables. The Company also maintains balances and deposits with reputable banking institutions.

Liquidity risk -
The Company monitors its liquidity by ensuring availability of funds to meet its obligations at their maturity dates through using the generated revenues of the Company. The Company limits its liquidity risk by ensuring bank facilities are available and monitoring the collection of accounts receivable.

The table below summarizes the maturities of the Company's undiscounted financial liabilities at 31 December, based on contractual payment dates and current market interest rates:

	Less than one year	Total
	JD	JD
As at 31 December 2024 -		
Due to Ministry of Finance	5,839,732	5,839,732
Accounts payable	5,873,319	5,873,319
Other current liabilities	476,843	476,843
Total	12,189,894	12,189,894
As at 31 December 2023 -		
Due to Ministry of Finance	6,727,029	6,727,029
Accounts payable	15,258	15,258
Other current liabilities	313,541	313,541
Total	7,055,828	7,055,828

Foreign currency risk -
Most of the Company's transactions are in Jordanian Dinars and US Dollars. The Jordanian Dinar exchange rate is fixed against the US Dollar (USD 1.41 for JD 1). Accordingly, currency risk has no material impact on the financial statements.

(28) CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the current year and prior year.

Capital comprises paid-in capital, statutory reserves, and retained earnings, and is measured at JD 46,944,760 as at 31 December 2024 against JD 43,284,905 as at 31 December 2023.

(29) STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company 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 Company is currently not intending to early adopt these Amendments.

Lack of exchangeability – Amendments to IAS (21)

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

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

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

IFRS (18) Presentation and Disclosure in Financial Statements

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

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

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

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

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

IFRS (19) Subsidiaries without Public Accountability: Disclosures

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

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

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