

JORDAN PETROLEUM REFINERY COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN

CONDENSED CONSOLIDATED INTERIM FINANCIAL  
INFORMATION FOR THE THREE MONTHS  
ENDED MARCH 31, 2024  
TOGETHER WITH THE INDEPENDENT  
AUDITOR'S REVIEW REPORT

JORDAN PETROLEUM REFINERY COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – JORDAN  
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## Review Report

AM/ 000573

H.E. the Chairman and Members of the Board of Directors  
Jordan Petroleum Refinery Company  
(A Public Shareholding Limited Company)  
Amman - Jordan

### **Introduction**

We have reviewed the accompanying condensed consolidated interim statement of financial position of Jordan Petroleum Refinery Company ("the Company") and its subsidiaries ("the Group") as of March 31, 2024, and the condensed consolidated interim statement of profit or loss for the three months ended March 31, 2024, and the condensed consolidated interim statements of comprehensive income, changes in owners' equity and cash flows for the three months then ended, and a summary for the significant accounting policies and other notifying information. Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard (34) Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements No. 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Group". A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared in all material respects, in accordance with International Accounting Standard (34) Interim Financial Reporting.

### **Other Matter**

The accompanying condensed consolidated interim financial information are a translation of the statutory condensed consolidated interim financial information in the Arabic language to which reference should be made.

Amman - Jordan  
April 29, 2024

  
Deloitte & Touche (M.E.) – Jordan  
**Deloitte & Touche (M.E.)**  
ديلويت آند توش (الشرق الأوسط)  
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**JORDAN PETROLEUM REFINERY COMPANY**  
**(A PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**AMMAN - JORDAN**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**

		March 31, 2024 (Reviewed not Audited)	December 31, 2023 (Audited)
	Note	JD	JD
<b>ASSETS</b>			
Current Assets:			
Cash on hand and at banks		20,838,579	33,760,040
Receivables and other debit balances	8	694,582,276	633,901,537
Crude oil, finished oil products and supplies	9	522,963,388	470,933,996
Total Current Assets		<u>1,238,384,243</u>	<u>1,138,595,573</u>
Non-Current Assets:			
Financial assets at fair value through other comprehensive income		3,416,864	3,236,140
Deferred tax assets		10,705,283	10,170,210
Investment property - net		2,657,330	2,668,469
Property, plant, equipment and projects under construction - net		231,617,465	225,579,946
Intangible assets - net		14,422,131	14,452,949
Right of use of assets - net		42,224,851	43,286,831
Total Non-Current Assets		<u>305,043,924</u>	<u>299,394,545</u>
<b>TOTAL ASSETS</b>		<u><b>1,543,428,167</b></u>	<u><b>1,437,990,118</b></u>
<b>LIABILITIES</b>			
Current Liabilities:			
Due to banks	10	718,217,226	663,911,323
Payables and other credit balances	11	324,529,274	305,143,456
Income tax provision	12/a	23,193,542	18,995,592
Lease liabilities - current portion		2,348,641	2,455,304
Total Current Liabilities		<u>1,068,288,683</u>	<u>990,505,675</u>
Non-Current Liabilities:			
Due to death, compensation and end-of-service indemnity fund	13	37,772,864	37,900,409
End-of-service indemnity provision		41,687	41,687
Lease liabilities - non-current portion		40,647,553	41,461,022
Total Non-Current Liabilities		<u>78,462,104</u>	<u>79,403,118</u>
<b>TOTAL LIABILITIES</b>		<u><b>1,146,750,787</b></u>	<u><b>1,069,908,793</b></u>
<b>OWNERS' EQUITY</b>			
Shareholders' equity:			
Authorized and paid-up capital (100,000,000 share at JD 1 per share)	1	100,000,000	100,000,000
Statutory reserve		57,048,125	57,048,125
Voluntary reserve		66,289,408	66,289,408
Fourth expansion project reserve		36,365,235	36,600,708
Financial assets at fair value reserve - net		3,037,140	2,856,416
Retained earnings		97,577,338	97,341,865
Profit for the period		28,187,331	-
Total Equity Attributable to Owners of the Company		<u>388,504,577</u>	<u>360,136,522</u>
Non - controlling interests		8,172,803	7,944,803
Total Owners' Equity		<u>396,677,380</u>	<u>368,081,325</u>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<u><b>1,543,428,167</b></u>	<u><b>1,437,990,118</b></u>
<b>Contra Accounts</b>			
Death, compensation and end-of-service indemnity fund	13	<u>45,816,204</u>	<u>45,969,456</u>

Chairman of the Board of Directors

Chief Executive Officer

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING AUDITOR'S REVIEW REPORT.

JORDAN PETROLEUM REFINERY COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS  
(REVIEWED NOT AUDITED)

	Note	For the Three Months Ended March 31,	
		2024 (Reviewed)	2023 (Reviewed)
		JD	JD
Net Sales	14	403,985,921	457,142,428
Less: Cost of sales	15	(354,865,827)	(410,174,765)
Gross profit from sales		49,120,094	46,967,663
Add: Operating income and others		2,610,801	3,737,038
Gross profit		51,730,895	50,704,701
Less: Selling and distribution expenses		(6,433,253)	(5,799,409)
General and administrative expenses		(3,280,486)	(2,865,043)
Bank interests and commissions		(11,154,404)	(9,356,297)
Released from lawsuits provision	11	90,000	41,242
(Provision) of expected credit losses	8/J	(1,184,452)	(165,963)
(Provision) of slow-moving, obsolete and sediment inventory	9	(197,702)	(527,713)
(Provision) of storage fees	11/g	(347,160)	(252,480)
(Provision) of employees' vacations	11	(5,636)	(38,024)
Interest income from debt government's		7,618,627	6,185,575
Lease liabilities Interests		(642,444)	(657,588)
Intangible assets amortization		(31,250)	(750,000)
Profit for the Period before Income Tax		36,162,735	36,519,001
Income tax (expense) for the period	12/B	(7,747,404)	(7,723,481)
Profit for the Period		28,415,331	28,795,520
<u>Attributable to :</u>			
owners of the Company		28,187,331	28,616,120
Non-controlling interests		228,000	179,400
		28,415,331	28,795,520
Profit per share for the period attributable to the Company's shareholders - Basic & Diluted	16	-/28	-/29

  
Chairman of the Board of Directors

  
Chief Executive Officer

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JORDAN PETROLEUM REFINERY COMPANY  
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AMMAN - JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
(REVIEWED NOT AUDITED)

	<u>For the three Months Ended March 31,</u>	
	<u>2024 (Reviewed)</u>	<u>2023 (Reviewed)</u>
	JD	JD
Profit for the period	28,415,331	28,795,520
Items that can not be reclassified subsequently to the condensed consolidated interim statement of profit or loss:		
Change in financial assets valuation reserve - net	<u>180,724</u>	<u>(59,007)</u>
Total Comprehensive Income for the Period	<u>28,596,055</u>	<u>28,736,513</u>
Total Condensed Consolidated Interim Comprehensive Income Attributable to:		
Owners of the Company	28,368,055	28,557,113
Non-controlling interests	<u>228,000</u>	<u>179,400</u>
	<u>28,596,055</u>	<u>28,736,513</u>

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JORDAN PETROLEUM REFINERY COMPANY  
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AMMAN - JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY  
(REVIEWED NOT AUDITED)

	Paid-up Capital	Statutory Reserve	Voluntary Reserve	Fourth Expansion Project Reserve	Financial Assets at fair value Reserve - Net	Difference Resulting from Purchasing Non-controlling Interests	Retained Earnings *	Profit for the Period	Total Equity Attribue to the Owners' of The Company	Non-Controlling Interests	Total Equity
<b>For the Three Months Ended March 31, 2024 (Reviewed)</b>											
Balance at the beginning of the period	100,000,000	57,048,125	66,289,408	36,600,708	2,856,416	-	97,341,865	-	360,136,522	7,944,803	368,081,325
Total comprehensive income for the period	-	-	-	-	180,724	-	-	28,187,331	28,368,055	228,000	28,596,055
Transfer from fourth expansion reserve to retained earnings	-	-	-	(235,473)	-	-	235,473	-	-	-	-
Balance at the End of the Period	100,000,000	57,048,125	66,289,408	36,365,235	3,037,140	-	97,577,338	28,187,331	388,504,577	8,172,803	396,677,380
<b>For the Three Months Ended March 31, 2023 (Reviewed)</b>											
Balance at the beginning of the period	100,000,000	52,221,595	39,680,675	14,084,234	3,435,507	(326,472)	120,066,551	-	329,162,090	8,528,809	337,690,899
Total comprehensive income for the period	-	-	-	-	(59,007)	-	-	28,616,120	28,557,113	179,400	28,736,513
Transfer from fourth expansion reserve to retained earnings	-	-	-	(595,275)	-	-	595,275	-	-	-	-
Change in non - controlling interests	-	-	-	-	-	395,000	-	-	395,000	(395,000)	-
Balance at the End of the Period	100,000,000	52,221,595	39,680,675	13,488,959	3,376,500	68,528	120,661,826	28,616,120	358,114,203	8,313,209	366,427,412

\* Profit for the period and retained earnings includes an amount of JD 10,705,283 as of March 31, 2024, representing the value of deferred tax assets restricted according to the Jordan Securities Commission's instructions (JD 10,170,210 as of December 31, 2023).

- Subsequent to condensed consolidated interim financial information, in its ordinary meeting held on April 7, 2024, the General Assembly decided to distribute 45% from paid-up capital equivalent to JD 45 million. Also, they decided to allocate an amount of JD 15,924,224 to the voluntary reserve and allocate an amount of JD 21,232,299 to the fourth expansion project reserve and to deduct 10% to the statutory reserve account from net annual profit of Jordan Petroleum Products Marketing Company and Jordan Liquefied petroleum gas Manufacturing and filling Company and Jordan Lube Oil Manufacturing Company and continue to stop the deduction of 10% for statutory reserve for the remaining of company's activities and use the accumulated balance of the voluntary reserve for the purposes of the fourth expansion project.

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JORDAN PETROLEUM REFINERY COMPANY  
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AMMAN - JORDAN  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS  
(REVIEWED NOT AUDITED)

		For the Three Months Ended on March 31,	
	Note	2024 (Reviewed)	2023 (Reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES:		JD	JD
Profit for the period before income tax		36,162,735	36,519,001
Adjustments for:			
Depreciation of property, equipment, and investment property		2,837,278	2,458,454
Amortization of Intangible assets		31,250	750,000
Depreciation of right-of-use assets		642,444	809,962
Interest income from Government's delay		(7,618,627)	(6,185,575)
Provision of slow-moving and obsolete and sediments inventory	9	197,702	527,713
(Released from) lawsuits provision	11	(90,000)	(41,242)
Provision of storage fees	11/g	347,160	252,480
Provision of employee's vacations	11	5,636	38,024
Provision of expected credit losses	8/j	1,184,452	165,963
Leased liability interests		642,444	657,588
Net cash flows from operating activities before changes in working capital items		34,342,474	35,952,368
(Increase) decrease in receivables and other debit balances		(54,215,495)	18,356,195
(Increase) decrease in crude oil, finished oil products, and supplies		(52,227,094)	21,497,853
Increase (decrease) in payables and other credit balances		19,470,182	(73,403,528)
(Decrease) increase in death, compensation, and end-of-service indemnity fund		(127,545)	1,603,221
Net Cash Flows (used in) from Operating Activities before tax and provisions paid		(52,757,478)	4,006,109
Income tax paid	12/a	(4,084,527)	(2,926,363)
Paid from provision of storage fees	11/g	(347,160)	(252,480)
Paid from Provision of slow-moving and obsolete and sediments inventory		-	(40,045)
Net Cash Flows (used in) from Operating Activities		(57,189,165)	787,221
CASH FLOWS FROM INVESTING ACTIVITIES:			
Change in property, equipment, and projects under construction and investment property - net		(8,863,658)	(3,287,980)
Net Cash (used in) Investing Activities		(8,863,658)	(3,287,980)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase in due to banks		54,305,903	21,139,704
(Paid) from Lease liabilities		(1,174,541)	(1,038,285)
Net Cash Flows from Financing Activities		53,131,362	20,101,419
Net (Decrease) increase in Cash		(12,921,461)	17,600,660
Cash and cash equivalent at the beginning of the year		33,760,040	25,975,106
Cash and cash equivalent at the End of the Period		20,838,579	43,575,766
<u>Non-cash transactions</u>			
Offsetting agreements	8	10,792,990	61,121,331

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JORDAN PETROLEUM REFINERY COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN  
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

**1. Incorporation and Activities**

The Company was established during 1956 in Zarqa, It's main headquarter is in Amman as a public shareholding liability company. And it was registered with the Companies control department and a member of the Chambers of Industry and Commerce. with a capital amounted JD 4 million. This capital was increased in multiple stages, latest decision was taken by Company's general assembly extraordinary meeting held on April 28, 2016, as the capital of the Company increased by capitalizing JD (25) million and distribute it to the shareholders. As a result, the Company's authorized and paid-up capital reached JD (100) million, as the company was established to keep pace with the economic and social development witnessed by the Hashemite Kingdom of Jordan in the second decade of the first millennium in terms of the increase in the Kingdom's population, which was accompanied by the expansion of commercial, industrial and tourism activities in the Kingdom. One of the most important reasons for establishing the company was to reduce the costs of importing finished petroleum derivatives from Outside the Kingdom, which is considered cumbersome and expensive, and to be a safe and permanent source to meet the Kingdom's growing needs for finished petroleum derivatives of all kinds in all circumstances and at prices that suit all segments of the local community in order to contribute to raising the standard of living and accelerating the wheel of economic and social growth in the Kingdom.

To keep up with the growth and development of existing and new industries, the company increased its production capacity, developed and improved the quality of its products, and introduced new types of finished oil derivatives in the local market, through successive expansions in its facilities. The company witnessed three expansion projects, the last of which was in 1983, and several projects followed. Subsequently, the company's production capacity was increased several times, with self-efforts through its staff. In 1977, a factory was established for mixing lube oil and filling it, and in 1979, three liquefied gas filling stations were established and operated in the governorates of Zarqa, Amman, and Irbid. The company also established its own storage capacities in the three airports in the Kingdom and in Aqaba Governorate, and owned gas stations throughout the Kingdom.

In 1957, the company signed a concession agreement with the government of the Hashemite Kingdom of Jordan, giving the company the exclusive right to manufacture and refine crude oil and import, store, distribute and sell finished petroleum derivatives to meet the needs of the Kingdom in exchange for a specific profit. The concession agreement extended for approximately fifty years, ending in 2008. The contractual relationship between the government and the company was regulated based on the content of the concession agreement for several times and continued until the date of September 13, 2012, when the government of the Hashemite Kingdom of Jordan concluded with the company an agreement on the minutes of the meeting for the future of the company's work, which included extending the financial relationship between the company and the government for an additional five years. and that the financial relationship ends on April 30, 2018, considering the government's strategy in the field of energy aimed at opening the market for the distribution of oil derivatives ready for competition. In 2013, the government granted marketing licenses for finished oil derivatives to three marketing companies, and these companies have the right to import derivatives. The company is aware of the extent of its responsibilities and to remain the leading company in the field of energy. During 2013, it established the Jordanian Petroleum Products Marketing Company as a wholly owned subsidiary to be the marketing arm for its products. It is considered one of the three licensed marketing companies in the Kingdom, after obtaining a marketing license from the Energy and Minerals Regulatory Authority for a period of (10) years starting from the first of May 2013 were extended for an additional period of (10) years starting from the first of May 2023. Jordan Petroleum Products Marketing Company is also fully owned Hydron Energy Company at the end of the year 2018, in addition to owning subsidiary companies, which it controls, as it owns 60% or more of these companies. It also supplies A fuel station with finished oil derivatives according to agreements signed between the company and the owners of these stations.

As of the first of May 2018, the financial and contractual relationship between the company and the government of the Hashemite Kingdom of Jordan has ended, and the company started operating on a commercial basis and is not obligated to secure all of the Kingdom's needs of finished oil derivatives, in light of allowing the three marketing companies to import finished oil derivatives, which they began importing in the year 2017.

Jordan Petroleum Refinery Company is the only company in the Kingdom that produces finished petroleum products by separating and converting the components of imported crude oil into a group of different finished petroleum products. Its operations are based on a license from the American company (UOP), and it secures about half of the needs of the local market according to its capacity. Current productivity, so the company seeks to establish the fourth expansion project, which increases the company's production capacity to about (120) thousand barrels per day, at lower production costs and with low negative impacts on the environment. Also, during March 2022, the company obtained from the Energy and Minerals Regulatory Authority a license to practice the various refining and storing activities for a period of (30) years and a permit to establish the company's fourth expansion project.

Jordan Petroleum Refinery Company activated Jordan Lube Oil Manufacturing Company and it is a wholly owned subsidiary company as of April 1, 2022 and annexed the entire lube oil activities and oil factory to it, and as of July 27, 2022 it transferred the licenses to practice the various lube oil activities given to it by Energy and Minerals Regulatory Authority which has a duration of (10) years to this company.

Jordan Petroleum Refinery Company is the only company in the Kingdom that fills liquefied gas through the three gas filling stations it owns in the governorates of (Amman, Irbid, and Zarqa), and in light of the government's strategy in the field of energy aimed at opening this market to competition, the company has activated Jordan Liquefied Petroleum Gas Manufacturing and Filling Company as of the first of January 2023, which is a wholly owned subsidiary company, and has included all the various liquefied gas activities (with the exception of the liquefied gas production activity) this is due to the company's belief in the necessity of developing and modernizing this activity and maximizing its profits in light of the opening of this market. On November 2, 2022, the company transferred the licenses to practice various gas activities, which had a duration of (20) years, and the central gas distribution licenses, which had a duration of (3) years, granted to it by the Energy and Minerals Regulatory Commission for Jordan Liquefied Petroleum Gas Manufacturing and filling Company.

The company also purchased the government's share in its assets in Aqaba and the airports during April 2023, which represented 51% of it, and thus it owned the entire assets in its facilities in Aqaba and the airports, in implementation of Council Decision No. (11147) taken in its session held on March 26, 2023. It is currently seeking to develop these activities, increase the storage capacities in these facilities, reducing additional revenue from the storage process for others and reducing storage costs for others and reduce their costs to the minimum possible.

## 2. The Concession Agreement

- a. The concession agreement between the Jordanian Government and the Company has expired on March 2, 2008. Consequently, the Company signed a settlement agreement with the Jordanian Government on February 25, 2008, concerning the expiry of the concession, which was confirmed by the Company's General Assembly in its extraordinary meeting dated March 22, 2008, after that, the contractual and financial relationship between the company and the government was organized based on the concession agreement for several times and continued until the date of September 13, 2012, when the company concluded with the government of the Hashemite Kingdom of Jordan an agreement for the minutes of the company's future meeting, in which the relationship with the government was extended for an additional five years, according to which work ended on April 30, 2018, and the company began operating on a commercial basis after this date.
- b. The profits of the company were for the period ended April 30, 2018, and for the years 2011 until the end of the year 2017 according to the future operations minutes of meeting of Jordan Petroleum Refinery Company meeting that was approved upon according to the decision of the Council of Ministers no. (1329), in their meeting held on September 13, 2012, which was illustrated in the Prime Minister's Letter No. (31/17/5/24694), dated September 17, 2012, and approved by the General Assembly, in their extraordinary meeting held on November 8, 2012, which included the following:
  1. Through the oil derivatives pricing mechanism, annual net profit of JD 15 million after tax shall be achieved for the Jordan Petroleum Refinery Company while keeping the changes in the Company's expenditures within the normal rates. Otherwise, the Government should be consulted concerning any deviations in these rate.
  2. The Government has the right to appoint an external auditor (public accountant) to audit the Company's financial statements for the purposes stipulated by the Government.
  3. Profit from the Jordan Petroleum Products Marketing Company owned by Jordan Petroleum Refinery Company, and any other profit from other future companies owned by it and operating according to licenses issued by the Ministry of Energy and Mineral Resources or the sector regulator, shall be excluded from the above-mentioned profit, provided that their standalone financial statements or their own accounts are separated.
  4. The Lube-Oil Factory's profit shall be excluded from the above-mentioned profit, provided that the Lube-Oil Factory is charged with the related fixed and variable costs, whether directly or indirectly, and provided that its standalone financial statements or its own accounts are separated.
  5. The liquefied Petroleum gas (LPG) activity profit shall be excluded from the above-mentioned profit, provided that its standalone financial statements or its own accounts are separated.
  6. The profit granted to Jordan Petroleum Refinery Company of 10 cents for each barrel from refining the Iraqi crude oil shall also be excluded from the above-mentioned profit, provided that this profit is subjected to income tax.
  7. The current or future financial statements shall not be charged with any provisions expenditures or related to prior years, except for the committed provisions or expenditures (provisions and employees' rights, expected credit losses, gas cylinders write-off provisions, provisions for lawsuits raised against the Company, slow moving and obsolete inventory and sediment, self-insurance provisions, etc.), provided that these provisions and its financial statements shall be audited by the Government.

### 3. End of the Financial Relationship with the Government

According to the minutes of meeting regarding the Company's future operations signed on September 13, 2012, the financial relationship between Jordan Petroleum Refinery Company and the Government of Jordan ended on May 1, 2018 and in its meeting held on April 30, 2018, the Council of Ministers issued Decision No. (7633), which included extending the exemption of oil derivatives from Jordan Petroleum Refinery Company's refining activity from implementing the Jordanian specifications throughout the period of implementation of the Fourth Expansion Project as of May 1, 2018, provided that commitment is made regarding the project implementation stages and that Jordan Petroleum Refinery Company's production may not exceed 46% of the local market needs for non-conforming oil derivatives. The decision also mandated the Ministry of Finance to follow up on the procedures' implementation concerning the below points, and submit any related observations to the Council of Ministers:

1. The Ministry of Finance calculate the amounts due to the Jordan Petroleum Refinery Company until April 30, 2018, and such amounts shall be paid in installments during the years 2018, 2019 and 2020 with interest thereon of (30%, 40% and 30%). Moreover, these amounts shall be paid after issuance of the General Budget Law and before the end of the second quarter of each year for the same year until full repayment in the year 2020, the Ministry of Finance shall provide the Jordan Petroleum Refinery Company with a letter stating the amounts due to Jordan Petroleum Refinery Company as of April 30, 2018 and guaranteeing their payment with interest at the actual cost borne by the Company during the above period at the rates outlined above.

As a result of the Government's failure to comply with the above decision, and based on the agreement between the Company and the Government, the Council of Ministers' issued Decision No. (6399) that was adopted at its meeting held on September 9, 2019. This decision stipulated that the Company shall borrow an amount equivalent to around JD 457 million from banks to pay part of the debt balances due to the Company from the Government until December 31, 2018. In return, the Ministry of Finance will issue pledges to pay the loans and interest thereon to the assigned banks. Consequently, during the first half of October 2019, the Company withdrew an amount of JD 455,505,000 from the banks assigned by the Ministry of Finance. Accordingly, the Ministry of Finance issued pledges to these banks that it shall pay the loans installments and interest thereon to the assigned banks. As a result, the Company reduced the withdrawn amount from banks of JD 455,505,000 from receivables due from security agencies, ministries, government agencies, and departments, and part of the Ministry of Finance's debt under the signed agreement between the Company and the government on June 16, 2020, represented by the Minister of Finance , after the Council of Ministers' approval and authorization to the Minister of Finance to sign it on behalf of the Jordanian Government, in accordance with Council of Ministers' decision No. (9158) adopted at its meeting held on March 24, 2020.

Moreover, the Ministry of Finance has committed to pay all the bank loans and interests amounts, as these amounts were encumbered within the General Budget Law for the year 2020, under the item of loans' installments to address government arrears, according to the Ministry of Finance's Letter No. (18/4/9200) dated May 14, 2020. Noting that, the Jordanian government has paid all of the loans and interest due to the assigned banks on their due dates.

The Council of Ministries issued Decision No. (5011) adopted in its meeting held on December 19, 2021, which included that the Jordan Petroleum Refinery Company borrows an amount of JD 105,000,000 equivalent in US dollars, from the banks assigned by the Ministry of Finance in return for issuing Pledges to these banks by the Ministry Of Finance on behalf of the government to pay the value of the installments and interests owed on them and to guarantee the provisions that the government has allocated for this purpose in the general budget for 2022 and authorizing the Minister of Finance to sign the pledges issued to banks and authorizing him to sign an agreement to organize the payment of debts owed by the government, accordingly the Company withdrew an amount of JD 105,000,000, in the equivalent of US dollars, on December 31, 2021 from the banks assigned by the Ministry of Finance, and this amount was reduced from the receivables owed by the security authorities according to the loan payment agreement signed by the company's delegates and the Minister of Finance.

The Council of Ministries issued Decision No. (11231) adopted in its meeting held on April 2, 2023, which included the Jordanian Petroleum Refinery Company borrowing an amount of JD 105,000,000, equivalent to the US dollar, from the banks referred to by the Ministry of Finance in exchange for the Ministry of Finance issuing commitments to repay the loans and their interest for these loans. Banks on their maturity date, with guarantees of allocations allocated for this purpose in the general budget starting from the year 2023. The decision included authorizing the Minister of Finance to sign repayment pledges on behalf of the government and approving the form of the loan repayment agreement that will be signed between the company and the government and authorizing the Minister of Finance to sign it on behalf of the government. Accordingly, the company withdrew an amount of JD 105,000,000, equivalent to the US dollar, from the banks during the month of May 2023, and the loan amount was reduced as part of the indebtedness of the Jordanian Air Force and the Ministry of Finance's main account - the relationship according to the agreement signed between the company's commissioners and the government represented by the Minister of Finance.

In the opinion of the company's management and the company's legal advisors, the company does not have any obligations regarding the above loans and pledges (Note 8/e).

The company signed a financial settlement on June 23, 2022, with the National Electricity Company to pay the debt owed by it in addition to the interest of delayed payments and installments. The agreements also included that the amount due must be paid over (12) equal installments starting from July 2022. Accordingly, the National Electricity Company committed to paying the installments owed to it under the agreement on their due dates, and the last installment of the financial settlement agreement was paid during the month of June 2023, leaving an amount equivalent to JD 3.2 millions outstanding from the Samra Electricity Generating Company that has been pending for several years before the competent courts, so that it will be settled upon issuance of The final and final ruling decision. (Note 8/A).

2. Jordan Petroleum Refinery Company shall treat the sediments and water in the tanks, and it shall dispose those idle materials and spare parts that are no longer needed. Moreover, the obsolete inventory shall be valued on April 30, 2018; the cost of the sediments and water, as well as the disposal costs thereof, shall be calculated; and the surplus shall be transferred to the Ministry of Finance. As a result of the agreement between the Company and the Government, the Ministry of Finance issued Letter No. (4/18/28669), dated August 29, 2019, which included its approval for the Company to clean its tanks from sediments and water as the Government bears this cost, and the company must write off the materials, spare parts and supplies no longer needed, and transfer the surplus balance of the slow-moving and obsolete inventory and sediments and water provision to the Ministry of Finance. Accordingly, the Company tendered the treatment of sediments and water, whereby the Company which was awarded the tender cleaned the major part of the sediments and water, then the company left the kingdom and they stopped working due to covid-19 virus pandemic moreover, a specialized committee was appointed to study the stock of spare parts and other supplies and to determine the materials and supplies that could be used instead of buying similar materials, as well as the materials and supplies no longer needed in order to write them off, and this matter is still under process where the materials are written off immediately due to the large size of the company's warehouses (Note 9).
3. Jordan Petroleum Refinery Company shall maintain JD 5 million as a provision for the write-off, repair, and replacement of the gas cylinders, and transfer the remaining JD 5 million to the Ministry of Finance's account. In case the actual value of the write-off, repair, and replacement of the cylinders exceeds the said amount, the difference shall be transferred from the Ministry of Finance from the deposits item. But, if the actual value is lower, the difference shall be transferred to the Ministry of Finance, provided that this matter be addressed in the future through the pricing mechanism. Accordingly, the Company released an amount of JD 5 million during the period ended April 30, 2018, which was reversed to the Ministry of Finance's account, and the Ministry of Finance approved this action, pursuant to the Ministry of Finance's Letter No. (4/18/28669), dated August 29, 2019 (Note 11/c).

4. Jordan Petroleum Refinery Company shall delete the interest of JD 79.2 million on the National Electricity Company's borrowings, provided that settlement be implemented between the National Electricity Company and the Government, noting that the Company has deleted these amounts from the consolidated statement of financial position based on the Ministry of Finance's Letter No. (18/73/33025), dated November 25, 2018, addressed to the National Electricity Company. The letter states that the Ministry of Finance has recorded the interest as an due amount on the National Electricity Company to the Government at the Ministry of Finance until full payment is occurred. In addition, the Ministry of Finance issued its approval to delete the interest of JD 79.2 million on the National Electricity Company's borrowings, pursuant to the Ministry of Finance's Letter No. (4/18/28669), dated August 29, 2019. Accordingly, the Company has deleted the interest on the National Electricity Company's borrowings from the Company's records.
5. Jordan Petroleum Refinery Company's tax status shall be rectified, as the tax has been included in the oil derivatives selling prices bulletin (IPP) after the refinery gate price item. In this respect, the refinery gate price item does not include general and special taxes. Instead, taxes are included after this item, and it will be collected from the marketing companies and transferring it to the State Treasury. The Income and Sales Tax Department letter No. (20/4/347) dated February 16, 2021 received and included that the collection of general and special taxes on Jordan Petroleum Refinery's sales to the three marketing companies will happen only through the marketing companies and that the JPRC is not obligated to pay taxes on its sales to the marketing companies and is obligated only to Pay the tax on its sales to other customers (Note 8/f) /(Note 11/b).
6. The Government shall afford any taxes, government fees, or tax differences during its relationship with the Company, since the company profit after tax during that period was guaranteed.
7. Gasoline (95) used for the mixing process to produce gasoline (90) and (95) shall be exempted from the tax differences between import and sale in accordance with the Council of Ministries' Decision No. (6953), adopted in its meeting held on March 19, 2018. Moreover, the necessary procedures shall be facilitated concerning the implementation of the Council of Ministers' Decision No. (13363), adopted in its meeting held on January 3, 2016, related to exempting the Company's imports sold to the marketing companies inside the kingdom. The decision stipulates exempting Jordan Petroleum Refinery Company from general and special taxes on the quantities sold exclusively to the marketing companies inside the Kingdom as of May 1, 2013. The decision also prescribes resolving all pending issues with the Customs Department and completing all customs statements, whether pending at the Customs Department or the Jordan Standards and Metrology Organization before the relationship with the Government expired. Moreover, a committee was formed by the Ministry of Finance and the Ministry of Energy and Mineral Resources comprising representatives from the Jordan Customs Department, the Income and Sales Tax Department, and Jordan Petroleum Refinery Company. During October 2019, the said committee completed its work and submitted its final report to the Ministry of Finance and the Ministry of Energy and Mineral Resources. Accordingly, the Ministry of Finance and the Ministry of Energy and Mineral Resources approved the quantities stated in the committee's report, and the Customs Department prepared the customs statements and exempted the outstanding customs statements according to the above decisions. Meanwhile, the customs statements amount subject to general and special tax were determined. Moreover, the Company submitted a request to the Ministry of Finance to offset the general and special sales taxes, included in the un-exempted customs statements that are not part of the above-mentioned decision, with part of the Ministry of Finance receivables (primary account). The Customs Department approved the offset request dated March 16, 2020. Moreover, the Offsetting Committee agreed, based on the instructions, policies, procedures, and basis for performing offset No. (1) for the year 2017, on performing the offset between the amounts due to the Jordan Petroleum Refinery Company and the amount due to of the Customs Department. The offset, dated on July 6, 2020, represents the general and special sales taxes of JD (58,042,756) on Jordan Petroleum Refinery Company's imports. In the meantime, the above-mentioned offsetting was performed, and all pending customs statements at the Customs Department have been completed (Note 8/f) / (Note 11/c).

8. The Government's strategic inventory, which has been quantified and valued, shall be transferred to the Jordan Oil Terminals Company (JOTC). Accordingly, the Jordan Petroleum Refinery Company began transferring the quantities of the strategic inventory to the Jordan Oil Terminals Company (JOTC) starting April 2018, and the company completed transferring the entire remaining quantities during the 2021 to the Jordan Oil Terminals Company (JOTC) according to the quantities that It was requested by the Jordan Oil Terminals Company (JOTC) and the Ministry of Energy and Mineral Resources. In addition, the company transferred the government's aircraft fuel material to the Royal Air Force during July 2020, and it transferred the government's asphalt to the Ministry of Public Works during 2020 upon the request of the Ministry of Energy and Mineral Resources. Moreover during February 2021 the company exported fuel oil 3.5% owned by the government at the request of the Ministry of Energy and Mineral Resources, The company also received a letter from the Ministry of Finance and the Ministry of Energy and Mineral Resources includes the sale of government-owned crude oil to the company as of the beginning of March 2021 on the basis of crude oil prices issued by Aramco for March 2021, and the company purchased these quantities during June 2021, in implementation of the Council of Minister's Decision No. (1150) taken in its meeting held on February 3, 2021. In addition, the remaining amount of the strategic inventory of kerosene owned by the government was exchanged for diesel, according to the Council of Minister's Decision No. (3273) taken in its meeting held on August 11, 2021. Accordingly, the government has no quantities of the strategic inventory as deposits with the company where the transfer of the entire quantity of the strategic inventory was completed by the end of 2021, bearing in mind that the approval of the Ministry of Finance was received to finally settle the value and quantity of the inventory in accordance with the letter of the Ministry of Finance No. (4/18/28669) dated August 29, 2019.
9. The Ministry of Finance shall retain the doubtful debts provision (provision for expected credit losses). In case any debt that was raised during the relationship with the Government is written off, the Ministry of Finance is committed to pay the debt to Jordan Petroleum Refinery Company. As a result of the agreement between the Ministry of Finance and the Company, the Ministry of Finance agreed that the Company shall retain the balance of the provision for doubtful debts (provision for expected credit losses). In case the Company recovers any receivable amount recorded within the provision, the recovered amount shall be recorded in favor of the Ministry of Finance's account, Under the approval of the Ministry of Finance in its letter No. (4/18/28669), dated August 29, 2019 (Note 8/j).
10. The rate of return on investment shall be determined for liquefied petroleum gas filling stations for the purpose of calculating the commission at (12%) annually. Moreover, the commission amount for the period from May 1, 2018 to December 31, 2018 shall be set at JD 43 per ton. Any surplus/shortage arising from the increase/decrease in the rate of return on investment compared to the targeted value shall be treated when calculating the filling stations' commission amount in the subsequent period whether it increased or decreased. Meanwhile, the above mechanism may not cause any increase in the cylinder's cost charged to citizens or entail a subsidy by the Treasury / Ministry of Finance in this regard. Moreover, the Company has already provided the Energy and Minerals Regulatory Commission and the Ministry of Energy and Mineral Resources with all information and data related to the gas activity for determining the commission amount for the years 2019 and 2020 which reflect the rate of return on investment for this activity by 12% annually. In addition, the Ministry of Energy and Mineral Resources has appointed an auditor and an external studies company to determine the commission amount for the years 2019 and 2020. At the same time, the Company has provided the entities appointed by the said ministry with all the required data, and these entities provided the ministry of energy and mineral resources with their final report, but no decision has been reached by the government regarding the final commission amount that covers the rate of return on investment by 12% annually according to the above-mentioned Council of Ministers' Decision No. (7633). As a result, the company is still negotiating with the government to reach an agreement on the final commission amount and based on that a new studies the company has been appointed by the Ministry of Energy and Mineral Resources to determine the final commission amount, noting that this company has finished its work and provided the final reports to the Ministry of Energy and Mineral Resources , Accordingly, the Ministry informed the company of the value of the commission that it set, and the company objected to this value and accordingly a committee was formed from a representatives of Ministry of Energy and Mineral Resources, a representatives of Ministry of Finance, the Energy and Minerals Regulatory Commission, the Foreign Studies Company and JPRC to reach the fair commission value, which reflects a rate of return on investment for this activity at 12% annually. The committee completed its report for the related Ministries and is awaiting the recommendation for council of ministers for fair commission value. The government has not appointed auditors and study companies to determine the fair commission value for the gas activity for the years 2021, 2022 and 2023 until now and the company is still conducting vigorous meetings and negotiations with the relevant government agencies to obtain a fair commission that reflects what was stated in the Council of Ministers' Resolution No. (7633) mentioned above.

11. The rental value of the assets transferred from Jordan Petroleum Refinery Company to Jordan Petroleum Products Marketing Company (JPPMC) shall be calculated according to the Land and Survey Department's approved rate of (8%) on the land and buildings valued at JD (4.9) million from these buildings transfer date up to date. Moreover, the Company insists on rejecting the above clause, as the transferred assets are owned by the Jordan Petroleum Refinery Company under the concession expiry agreement which stipulated that the gas stations are owned by Jordan Petroleum Refinery Company and that they are transferred to the Jordan Petroleum Products Marketing Company owned by Jordan Petroleum Refinery Company. In addition, the Company has the right to dispose of its assets legally, pursuant to Article 236 of the Civil Law. Meanwhile, the assets were transferred at their net book value similar to the assets transferred at their net book value to other marketing companies under the agreement signed between the three marketing companies and the Ministry of Energy and Mineral Resources. Moreover, the concession expiry agreement stipulated that the Jordan Petroleum Products Marketing Company owned by Jordan Petroleum Refinery Company applies to other marketing companies. Moreover, negotiations took place between the Company and the Government, resulting in an agreement that the Ministry of Finance would recommend to the Council of Ministers the cancellation of this item, Accordingly, the Council of Ministers' Decision No. (1080) was issued in its meeting held on January 24, 2021, which included considering this item as canceled from the Council of Ministers' Decision No. (7633) adopted in its session held on April 30, 2018, and include that the JPRC does not require a rental return for the transferred assets of the Jordan Petroleum Products Marketing Company (a wholly owned subsidiary company).
  - In implementation of the Council of Ministers' Decision No. (11110), adopted in its meeting held on August 16, 2015, and the decision of the Company's General Assembly, adopted in its meeting held on November 8, 2012, the land swap operation between Aqaba Special Economic Zone Authority (ASEZA) and the Jordan Petroleum Refinery Company took place during September 2019. In the swap, the authority ceded (6) plots of land of an area of four hundred forty-two thousand square meters (442,000 M<sup>2</sup>) to Jordan Petroleum Refinery Company. In return, the Company ceded its own plot of land no. (23), Parcel (13), Tract (13) of an area of approximately eighty-eight thousand square meters (88,000 M<sup>2</sup>), located within the southern port tract, to Aqaba Special Economic Zone Authority (ASEZA).
  - In accordance to the Council of Minister's Decision No. (11127) taken in its session held on March 26, 2023, the company has paid and transferred an amount of JD (20.4) million to the Ministry of Finance through April 2023, which represents the Jordanian government's share in the assets of Jordan Petroleum Refinery Company in Aqaba and the Airports, which represents 51% Of these assets according to the company's concession terminating agreement signed in 2008, noting that, the value of the assets was determined at fair value (market) by the consultant appointed by the government (Chann Oil Consulting Company), accordingly, ownership of all these assets be lounged to the company, and the company began working to develop expand and diversify its activities in Aqaba and airports.
4. Commencing Operations on Commercial Terms after the End of the Financial Relationship with the Government
1. The Company recorded delay interests on the Ministry of Finance's "The Relationship" balance due and unpaid balances at the effective borrowing rate starting from May 1, 2018, according to the Council of Ministers' Decision No. (7633), adopted in its meeting held on April 30, 2018.
  2. The Company has recorded fees for storing the strategic inventory owned by the government at an amount of JD 3.5 per cubic meter according to the storage capacity for each material effective May 1, 2018 based on Ministry of Finance's approval through Letter No. (18/4/33072), dated November 25, 2018, noting that all of the strategic inventory quantities owned by the government were transferred during 2021, and according to that, no amounts were recorded during year 2022 and 2023, and the period ended March 31, 2024.



3. Profit settlement with the Government calculation item has been discontinued, and the related balance has been recognized in the consolidated statement of profit or loss up to April 30, 2018, according to the Council of Ministers' Decision No. (7633), adopted in its meeting held on April 30, 2018. The decision terminated the financial relationship between the Company and the Jordanian Government, and consequently, the Company become working on commercial terms from the first of May 2018 (Note 3).
4. During the period ended March 31, 2024 Jordan Liquefied Petroleum Gas Manufacturing and Filling Company which was activated as of January 1, 2023, recorded an amount of JD 3,084,533, after transferring all its liquefied gas activities (except for the liquefied gas production activity) as revenue against the commission difference of filling the Liquefied gas according to the Council of Ministers' Decision No. (7633), adopted in its meeting held on April 30, 2018. This decision has set the commission amount for the period from the first of May to the end of December 2018 at JD 43 per ton sold. Accordingly, the Company recorded an amount of JD 18 per ton of gas sold, representing the commission difference included in the (IPP) JD 25 and the stated commission, in the Council of Ministers Decision mentioned above JD 43 in consistency with year 2018 as a precautionary measure of raising the value of the commission before it is approved by the official authorities. Whereas the Government has not amended the oil derivatives price bulletin (IPP) up to date, and the final commission for the years 2019, 2020, 2021, 2022 and 2023 has not been determined yet which reflect the average of return on investment by 12% annually and that is according to the council of ministers decision No (7633) taken in its meeting hold on April 30, 2018. Noting that after the agreement on the final commission amount is reached, its financial impact will be reflected in the subsequent periods.

#### 5. Basis of Preparation

- The condensed consolidated interim financial information for the Company and its subsidiaries for the three months ended March 31, 2024 has been prepared in accordance with International Accounting Standard (34) (Interim Financial Reporting).
- The condensed consolidated interim financial information is stated in Jordanian Dinar, which is the functional and presentation currency of the Company and its subsidiaries.
- The condensed consolidated interim financial information does not include all information and notes required in the annual consolidated financial statements and should be read with the Company's annual consolidated financial statements for the year ended December 31, 2023. The results for the three months ended March 31, 2024 are not necessarily indicative of the expected results for The financial year ended December 31, 2024.

- The Company owns directly or indirectly the following subsidiaries as of March 31, 2024:

Company's Name	Authorized Capital	Ownership	Location	Establishment Date	Note
	JD	%			
Jordan Petroleum Products Marketing Company	65,000,000	100	Amman	February 12, 2013	Operating
Hydron Energy Company LLC	5,000,000	100	Amman	April 29, 2003	Operating
Jordan Liquefied Petroleum Gas Manufacturing and Filling Company*	4,000,000	100	Amman	May 28, 2008	Operating
Jordan Lube - Oil Manufacturing Company **	6,000,000	100	Amman	May 28, 2008	Operating
AL-Nuzha and Istiklal Gas Station for Fuel and Oil Company	5,000	60	Amman	January 8, 2014	Operating
Al-Karak Central Gas Station for Fuel Company	5,000	60	Al Karak	November 26, 2014	Operating
Rawaby Al-Queirah Gas Station for Fuel and Oil Company	5,000	60	Al Aqaba	June 22, 2015	Operating
Al-Aon for Marketing and Distribution Fuel products Company	1,005,000	60	Amman	January 10, 2016	Operating
Al-Kamel Gas Station for Oil and Fuel Company	5,000	60	Amman	February 26, 2017	Operating
Al-Wadi Al-Abiad Gas station for Fuel Company	5,000	60	Amman	August 4, 2015	Operating
Al-Tanmwieh Al-A'ola Gas Station for Fuel Company***	4,406,428	60	Amman	November 19, 2015	Operating
Al-Qastal Gas Station for Fuel and Oil Company	5,000	60	Amman	June 19, 2017	Operating
Taj Amon Gas Station for Fuel and Oil Company	5,000	90	Amman	September 20, 2017	Operating
Al-Shira' Gas Station for Fuel and Oil Company	5,000	60	Al Aqaba	February 19, 2017	Operating
Al-Failaq for Fuel and Oil Company (Paid 50%) ****	2,115,000	100	Amman	July 7, 2020	Non-Operating under renovation

\* The capital of the Jordan Liquefied Petroleum Gas Manufacturing and Filling Company was completely paid on September 7, 2022, and its commercial operations has been activated and the entire liquefied gas activity (except gas production activity), gas filling stations and repair and maintenance workshop for gas cylinders have been annexed to it, as of January 1, 2023.

\*\* The capital of the Jordan Lube Oil Manufacturing Company was increased to JD 6 million according to the company's board of directors' decision No. (97-1/2021) adopted in its meeting held on December 30, 2021, in a preparation for activating this company and annexing the entire activity and oil factory to it. In addition, capital raising procedures of Jordan Lube Oil Manufacture Company have also been completed on March 21, 2022, so that the authorized and paid-up capital of the Company became JD 6 million, noting that the company was activated and started its operations as of April 1, 2022 and annexing the entire activity and oil factory to it.

\*\*\* The company's capital was increased to JD 4,406,428 instead of JD 5,000, according to the General Assembly decision in its extraordinary meeting on September 11, 2022.

\*\*\*\* The capital of Al-Failaq for Fuel and Oil Company was increased to JD 1,513,993 instead of JD 5,000, according to the General Assembly decision in its extraordinary meeting on August 19, 2023, and the capital was increased to JD 2,115,000 instead of JD 1,513,993 according to the General Assembly decision in its extraordinary meeting on March 10, 2024.

- Jordan Petroleum Products Company sold The Jordanian German fuel company on August 23, 2023.
- During 2023, Al-Muneirah Gas Station for Fuel and Oil Company, Al-Tariq Al-Da'ari Gas Station for Fuel Company, Qaws Al-Nasser for Fuel Stations Management Company, Al-Khairat for Fuel Company, Al-Markzeya Gas Station for Fuel Trade Company, and Al Benzol Gas station for Fuel Stations Management Company, were merged with Jordan Petroleum Products Marketing Company (a subsidiary and wholly owned) noting that these companies were subsidiaries of this company.
- Jordan Petroleum Products Marketing Company receives a marketing commission of 12 fills per each liter sold from finished petroleum products and a retail commission of 15 fills per each liter sold from finished petroleum products until August 31, 2018. The retail commission has been amended to become 18 fills per each liter sold from finished petroleum products as of September 1, 2018. In addition, it receives other commissions, representing evaporation loss allowance and transport fees and that is according to the petroleum products selling prices bulletin (IPP).

## 6. Significant Accounting Policies

The accounting policies used in the preparation of the condensed consolidated interim financial information for the period ended on March 31, 2024 are consistent with those used in the preparation of the annual consolidated financial statement for the year ended December 31, 2023. However, the Company has adopted the following amendments and interpretations that apply on or after January 1, 2024 in preparation of the condensed consolidated interim financial information and have not materially affected the amounts and disclosures in the condensed consolidated interim financial information for the period and prior years, which may have an impact on the accounting treatment of future transactions and arrangements.

### **New and amended IFRS Standards that are effective for the current year:**

Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current

Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements

IFRS S1 - General Requirements for Disclosure of Sustainability – related financial information\*

IFRS S2 - Climate Related Disclosures\*

- \* Provided that the regulatory authorities in the countries in which the Company operates in to implement it, noting that no instructions have been issued regarding it until the date of the condensed consolidated interim financial statements.

### **IFRS Accounting Standards issued but not yet effective**

The Company has not applied the new and revised IFRS Accounting Standards that have been issued but are not yet effective, management is in the process of assessing the impact of the new requirements.

The new and revised (IFRS) for financial reporting preparation	Effective for annual periods beginning on or after.
Amendments to IFRS 21 - Inexchangeability of currency	January 1, 2025
Amendments to IFRS 18 - Presentation and disclosure in financial statements	January 1, 2027
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The effective date has been deferred indefinitely

The management anticipates adopting these new standards, interpretations, and amendments in the Company's condensed consolidated interim financial statements during the initial application period. Furthermore, they expect that adopting these new standards, interpretations, and amendments will not have any significant impact on the Company's condensed consolidated interim financial statements during the initial application period.

## 7. Changes in Critical Accounting Judgments and Key Sources of Estimation Uncertainty

The preparation of the condensed consolidated interim financial statements and the adoption of accounting policies require the management to make judgments, estimates, and assumptions that affect the amounts of financial assets and financial liabilities and the disclosure of contingent liabilities. These estimates and judgments also affect revenues, expenses, and provisions, in general, as well as expected credit losses, and changes in fair value shown in the condensed consolidated interim statement of comprehensive income and in owners' equity. In particular, the Company's management is required to make judgments to estimate the amounts and timing of future cash flows. The above-mentioned estimates are based on multiple hypotheses and factors with varying degrees of estimation and uncertainty. Actual results may differ from estimates as a result of changes in these conditions and circumstances in the future.

Management believes that its estimates in the condensed consolidated interim financial information are reasonable and similar to the estimates adopted in preparing the consolidated financial statements for the year 2023.

## 8. Receivables and Other Debit Balances

This item consists of the following:

	March 31, 2024 (Reviewed) JD	December 31, 2023 (Audited) JD
Ministries, Governmental entities, security authorities and electricity companies – fuel (a)	96,583,360	80,357,461
Fuel clients and others (b)	55,606,966	53,514,817
Alia Company - Royal Jordanian Airlines (c)	6,912,581	6,333,019
Checks under collection (d)	27,174,765	31,325,259
Total receivables	186,277,672	171,530,556
Ministry of Finance – the relationship (e)	365,227,204	320,091,020
General sales tax deposits (f)	140,947,296	139,469,128
Other debit balances (g)	2,472,236	2,277,063
Employees' receivables	1,895,574	1,770,520
Payments, letters of credit deposits and purchase orders – subsidiary company	1,211,211	2,348,200
Prepaid expenses (h)	9,731,057	7,652,313
Contract acquisition expenses – subsidiary company (i)	12,512,129	13,270,388
	720,274,379	658,409,188
Less: Expected credit losses provision (j)	(25,692,103)	(24,507,651)
	694,582,276	633,901,537

- The Company is adopting a policy of dealing with only creditworthy counterparties in order to reduce the risk of financial loss from credit defaults. The following table shows the aging of receivable:

	March 31, 2024 (Reviewed) JD	December 31, 2023 (Audited) JD
1 day – 119 days	121,991,323	70,696,144
120 days – 179 days	16,817,666	57,537,249
180 days – 365 days	17,081,325	7,082,726
More than a year *	30,387,358	36,214,437
Total	186,277,672	171,530,556

- The Group reviews the aging of the receivables and the adequacy of the provisions to be booked at the end of each financial period.

- \* This item includes receivables due from ministries, government authorities, security agencies guaranteed by the government whose maturity more than a year, amounting to JD 13,045,996. In management opinion, the company has the ability to collect these receivables and there is no need to allocate any additional provisions for them. Receivables also include amounts due from Partners in subsidiaries amounted of JD 2,875,971 classified as more than one year and in management opinion, there is no need to record any additional provisions for them, as agreements have been signed with these partners to pay off those receivables with real estate guarantees, with the transfer of profits resulting from the operations of the subsidiaries of the Jordanian Petroleum Products Marketing Company (a subsidiary that is wholly owned).

- a- This item includes as of March 31, 2024 receivables for fuel withdrawals by ministries, government agencies, and security agencies related to refining activity with an amount of JD 50,678,720 , an amount of JD 4,772,358 for previous receivables related to lube oil sales from the lube oil factory before first of April 2022, and an amount of JD 212,953 for Jordan Liquefied Petroleum Gas Manufacturing and Filling Company Which was activated as of January 1, 2023, after all the different liquefied gas activities have been annexed to it (except for gas production activity), and the amount of JD 37,634,893 for Jordan Petroleum Products Marketing Company and the amount of JD 3,284,436 for the Jordan Lube Oil Manufacturing Company, that was activated as of April 1, 2022 and the entire activity of lube oil and oil factory has been annexed to it.
- The company signed a financial settlement agreement on June 23, 2022, with the National Electricity Company to pay the debt owed by it in addition to the interest of delayed payments and installments. The agreements also included that the amount due must be paid over 12 equal installments starting from July 2022. Accordingly, the National Electric Power Company has committed to pay the installments on their due dates, and the last installment of the financial settlement agreement was paid during the month of June 2023, and an amount equivalent to JD 3.2 million remains due from the Samra Electricity Generating Company, which has been pending for several years by the competent courts, so that it will be settled upon the issuance of the final judgment decision.
- The Company committed to reduce the debt of Governmental departments and institutions and security authorities by JD 317,601,186 during the year 2019, according to the company's borrowing agreement from the banks by an amount of JD 455,505,000 on behalf of the government to pay part of the debt due from the government in exchange for issuing undertakings by the Ministry of Finance to pay the amount of loans and interest Due and signed between the company and the Jordanian government represented by the Minister of Finance, according to the Council of Minister's decision No. (9158) taken in its session held on March 24, 2020.
- The company committed to reduce the debt of the security authorities by an amount of JD 105,000,000 during the year 2021, according to an agreement for the company to borrow from the banks assigned by the Ministry of Finance by an amount of JD 105,000,000 on behalf of the government to pay part of the debt owed by the government in return for the Ministry of Finance issuing pledges to the banks to pay the amount of the installments and interest payable thereon, in implementation of the Council of Minister's Decision No. (5011) adopted in its meeting held on December 19, 2021.
- The company committed to reduce the debt of the Jordanian Air Force by an amount of JD 47,022,677 , and reduce the balance of the main account of the Ministry of Finance - the relationship by an amount of JD 57,977,323 during June 2023, according to an agreement for the company to borrow from the banks assigned by the Ministry of Finance by an amount of JD 105,000,000 on behalf of the government to pay part of the debt owed by the government in return for the Ministry of Finance issuing pledges to the banks to pay the amount of the installments and interest payable thereon, in implementation of the Council of Minister's Decision No. (11231) taken in its session held on April 2, 2023, which also authorized the Minister of Finance to sign the agreement between the company and the government on behalf of the government.
- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Jordanian Royal Medical Services debts in the amount of JD 506,967 against part of the special tax due from the company, the offsetting committee approved the request, and the mentioned offsetting was performed during January 2023.
- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Jordanian Armed Forces – Arab Army debts in an amount of JD 2,337,754 against part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during January 2023.

- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Ministry of Health debts in an amount of JD 3,035,697 against part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during January 2023.
- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Ministry of Education debts in an amount of JD 1,426,754 against part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during January 2023.
- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Jordanian Armed Forces – Arab Army debts in the amount of JD 4,811,919 against part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during March 2023.
- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Jordanian Royal Medical Services debts in the amount of JD 1,941,971 against part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during May 2023.
- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Ministry of Education debts in the amount of JD 1,531,569 against part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during June 2023.
- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Jordanian Armed Forces – Arab Army debts of JD 5,204,908 against part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during June 2023.
- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Ministry of Social Development debts of JD 457,308 against part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during August 2023.
- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Royal Medical Services debts of JD 1,160,770 against part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during August 2023.
- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Jordanian Armed Forces – Arab Army debts of JD 5,000,000 against part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during February 2024.
- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Public Security Directorate debts of JD 3,983,370 against part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during February 2024.

- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Royal Medical Services debts of JD 1,809,620 against part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during February 2024.
  - The company signed an agreement to provide oil derivatives to Jordanian Royal Air Force on May 26, 2021 included a payment deadline by 15 days since the day of receiving the invoices and according to that the Jordanian Royal Air Force was committed to pay its withdrawals as the due date. The agreement was also extended for another year according to the letter of the General Command of the Jordanian Armed Forces - Arab Army No. (AH 2/4/1180) dated February 14, 2022 and the agreement was automatically renewed for the three years based on the agreement of the two parties as the agreement includes automatic renewal upon approval of both parties.
- b. This item includes as of March 31, 2024 receivables of different fuel clients and other receivables in an amount of JD 6,457,510 related to the refining activities, and an amount of JD 9,060 related to Jordan Liquefied Petroleum Gas Manufacturing and Filling Company which was activated as of the beginning of January 2023 after all the different liquefied gas activities have been annexed to it (except for gas production activity), and an amount of JD 47,096,931 related to Jordan Petroleum Products Marketing Company, and an amount of JD 2,043,465 related to Jordan Lube Oil Manufacturing Company, noting that the Jordan Lube Oil Manufacturing Company was activated as of April 1, 2022 and the entire lube oil activities and oil factory has been annexed to it.
- c. This item includes as of March 31, 2024 receivables with an amount of JD 6,889,380 related to Jordan Petroleum Products Marketing Company and an amount of JD 8,710 related to the oil factory before the first of April 2022 and an amount of JD 14,491 related to Jordan Lube Oil Manufacturing Company, noting that Jordan Lube Oil Manufacturing Company was activated as of April 1, 2022, and the entire lube oil activities and oil factory has been annexed to it.
- On March 6, 2016, the Company signed a settlement agreement related to the outstanding debt with Alia Company - Royal Jordanian Airlines, whereby 10% of the debt balance was paid during March 2016. Meanwhile, Alia Company – Royal Jordanian Airlines commits to pay the remaining amount in 60 installments, the first of which is due on March 31, 2016, and the last on February 28, 2021 at the effective borrowing average rate incurred by Jordan Petroleum Refinery Company. Moreover, Alia Company – Royal Jordanian Airlines undertakes to pay all the subsequent invoices on their due date. Accordingly, Jordan Petroleum Refinery Company has not recorded any additional provisions as a result of this settlement. Furthermore, the Ministry of Finance has informed Jordan Petroleum Refinery Company through Letter No. (18/4/15391) dated September 26, 2016, that the provision recorded for Alia Company – Royal Jordanian Airlines should be reversed, since Alia Company – Royal Jordanian Airlines is committed to paying its payments, provided that Alia Company – Royal Jordanian Airlines continues to comply with the settlement according to the agreement signed with the Company on March 2016 and pay its monthly withdrawals on time. Accordingly, Jordan Petroleum Refinery Company has reversed the provision recorded for Alia Company – Royal Jordanian Airlines of about JD 31 million in year 2016.

- In accordance with the Council of Minister's Decision No. (11131), taken in its meeting held on August 16, 2015, a quantity discount was granted to jet fuel consumers on the selling price of Jet fuel approved by the monthly Fuel Pricing Committee according to the consumption segments from August 1, 2015 to December 31, 2016, provided that the said discount is calculated annually. Moreover, the Council of Ministers issued Decision No. (293), adopted in its meeting held on October 23, 2016, which stipulated amendment of the Jet fuel consumption segments for one year as of October 31, 2016. Additionally, in its meeting held on February 26, 2017, the Council of Ministers issued Decision No. (1958), which retroactively approved amendment of the implementation commencement date of the decision amending the discount segments under the Council of Ministers' Decision No. (293), retrospective effective from August 1, 2015, instead of October 31, 2016. Based on the above decisions, the discount due to Alia Company – Royal Jordanian Airlines for the period from August 1, 2015 to July 31, 2017 amounted to JD 29,947,993.
- Pursuant to the Company's Board of Directors' Decision No. (5/2/1), adopted in its meeting No. (1/2018), dated March 12, 2018, the Company reduced the amount of JD 15,523,797 from Alia Company – Royal Jordanian Airlines debt during the year 2017, provided that the remaining discount balance is reduced from the Company's monthly withdrawal invoices after deducting the outstanding and unpaid invoices from the date of signing a new agreement between the two Companies until July 31, 2018. The discount due for the period from August 1, 2017 to the expiry of the specified discount shall be treated under the Council of Ministers' decisions by reducing (40%) of Alia Company – Royal Jordanian Airlines debts, and (60%) of the Company's monthly withdrawals. In case the relationship with the Government is terminated, the discount shall be calculated up to April 30, 2018, according to the same rates stated above. After this date, the Council of Ministers' decisions shall be applied independently from Jordan Petroleum Refinery Company. Pursuant to the Council of Ministers' Decision No. (4141), adopted in its meeting held on August 20, 2017, the extension of the discount period granted to Alia Company – Royal Jordanian Airlines was approved for an additional year effective from October 31, 2017.
- Pursuant to the Council of Ministers' Decision No. (5614), adopted in its meeting held on December 17, 2017, the interest rate charged on Alia Company – Royal Jordanian Airlines' debt due to Jordan Petroleum Refinery Company, which was 4.4% per annum on December 20, 2016, has been reduced to 0.5% per annum. Moreover, interest income for the years 2015 and 2016 to has been reversed in the form of a future balance, so that the resulting financial impact will be settled within the financial relationship between the Ministry of Finance and Jordan Petroleum Refinery Company. As of May 1, 2018, the Company has calculated the effective borrowing average interest rate annually in accordance with the debt settlement agreement with Alia Company. Moreover, implementation of the above decision has been suspended.
- Pursuant to the Council of Ministers' Decision No. (1958), adopted in its meeting held on February 26, 2017, it was approved to charge the discount granted to Alia Company on the Ministry of Finance's account directly without reducing the discount from the Company's sales revenue.
- During the period ended April 30, 2018, the Company recorded an amount of JD 11,659,699 on the Ministry of Finance's account as a discount to Alia Company according to the above-mentioned Council of Ministers' decisions. The amount of JD 4,663,880 has been reduced from the balance of the debt settlement agreement, and the amount of JD 6,995,819 was recorded as deposits to Alia Company, pursuant to the Company's Board of Directors' Decision No. (5/2/1). The Company did not calculate any discounts from May 1, 2018.



- The Company addressed its Letter No. (2/25/51/1/1/6814), dated September 30, 2018, to Alia Company – Royal Jordanian Airlines, stating that if Alia Company is willing to continue to implement the decisions of the Council of Ministers regarding the discount and reduce the interest rate through Jordan Petroleum Refinery Company, the Company shall be provided with a letter from the Ministry of Finance stating its approval to record the amount of the discount and interest difference directly on the Ministry of Finance’s accounts. These amounts shall be taken within the settlement of the financial relationship between Jordan Petroleum Refinery Company and the Government, pursuant to the Council of Ministers’ Decision No. (7633), adopted in its meeting held on April 30, 2018
- Alia Company – Royal Jordanian Airlines has invited licensed Companies to tender for supplying Royal Jordanian aircraft with jet fuel according to the decision of the Ministry of Energy and Mineral Resources, which includes the decision for the licensed marketing companies to start the activity of supplying jet fuel. The tender was awarded to the Jordan Petroleum Products Marketing Company – a subsidiary. As a result, an agreement for the jet-fuel supply was signed between Alia Company – Royal Jordanian Airlines and Jordan Petroleum Products Marketing Company on November 1, 2018. Consequently, the direct supply activity to Alia Company – Royal Jordanian Airlines has been transferred from Jordan Petroleum Refinery Company to Jordan Petroleum Products Marketing Company – a subsidiary company. A new supply agreement was also signed between Alia Company - Royal Jordanian Airlines and the Jordan Petroleum Products Marketing Company - a subsidiary company that expires on February 11, 2024, it was extended for additional 3 months ending on May 11, 2024.
- Pursuant to the Council of Ministers’ Decision No. (2674), adopted in its meeting held on January 9, 2019, the quantity discount granted to Alia Company - Royal Jordanian Airlines was extended to November and December of 2018.
- Pursuant to the Council of Ministers’ Decision No. (3874), adopted in its meeting held on March 27, 2019, the quantity discount granted to Alia Company – Royal Jordanian Airlines was extended from January 1, 2019 to December 31, 2019, provided that the discount is settled on the financial relationship between the Government and the Jordan Petroleum Refinery Company.
- Pursuant to the Ministry of Finance’s Letter No. (18/4/20267), dated September 27, 2019, which included the request of the Ministry of Finance to charge the discount difference due to Alia Company - Royal Jordanian Airlines, according to the above-mentioned decisions, to the financial relationship between the Government and Jordan Petroleum Refinery Company until the end of the due discount, Jordan Petroleum Refinery Company has recalculated the due discount up to July 31, 2018, but has not calculated the discount after this date, as the direct supply relationship between Jordan Petroleum Refinery Company and Alia Company – Royal Jordanian Airlines ended on October 31, 2018. This resulted in recording an amount of JD 9,645,385 in the balance of the financial relationship between the Company and the Government, accompanied by a decrease in Alia Company - Royal Jordanian Airlines debt settlement agreement of JD 3,858,154, and the recording of an amount of JD 5,787,231, as discount deposits due to Alia Company –Royal Jordanian Airlines within accounts payable and other credit balances.
- Based on the agreement between the Jordan Petroleum Refinery Company and Alia Company - Royal Jordanian Airlines signed on November 26, 2019, and after all the balances between the two Companies have been matched, both parties agreed to offset the accrued outstanding balance due from Alia Company - Royal Jordanian Airlines related to the refining activity against the discount deposits balances and interest deposit balances of Alia Company - Royal Jordanian Airlines. Accordingly, the offsetting took place and resulted in an amount of JD 11,253,235, payable to Alia Company - Royal Jordanian Airlines, which was booked in the Company’s records for the refining (Note 11/I).

- Pursuant to the Council of Ministers' Decision No. (1976), adopted in its meeting held on April 18, 2021, It was approved that the Ministry of Finance would pay the discounts owed to Alia Company - Royal Jordanian Airlines that are not paid for its jet-fuel withdrawals according to the discount decisions granted to Alia Company - Royal Jordanian Airlines for its withdrawals according to a mechanism to be agreed upon between the Ministry of Finance and Alia Company - Royal Jordanian Airlines isolating the Jordan Petroleum Refinery Company, with the aim of not obligating the government with any additional obligations as a result of increasing the balance of the financial relationship between the JPRC and the government and the consequent interests of delayed payments.
- d. The maturity of checks under collection related to the refining activity as of March 31, 2024 extends until June 26, 2024 which amounted to JD 153,730 while the maturity of the checks related to Jordan Petroleum Products Marketing Company extends until May 30, 2026 which amounted to JD 23,897,242, and the maturity of the checks related to Jordan Liquefied Petroleum Gas Manufacturing and Filling Company which was activated as of the beginning of January 2023 after all the liquefied gas activities have been annexed to it (except for gas production activity) extends until April 17, 2025 which amounted to JD 741,631, and the maturity of the checks related to Jordan Lube Oil Manufacturing Company extends until September 1, 2024 which amounted to JD 2,382,162 noting that Jordan Lube Oil Manufacturing Company has been activated as of April 1, 2022 and the entire activity and oil factory has been annexed to it.
- e. The Ministry of Finance item (the relationship) as of March 31, 2024 includes an amount of JD 225,729,526 related to the refining activity, and an amount of JD 14,773,012 related to Jordan Petroleum Products Marketing Company, and an amount of JD 124,724,666 related to Jordan Liquefied Petroleum Gas Manufacturing and Filling which was activated as of the beginning of January 2023 after all the liquefied gas activities have been annexed to it (except for gas production activity).
- As per the Ministry of Finance's Letter No. (8AR/4/5197), dated February 18, 2020, the balance of the financial relationship between the company and the Government as of December 31, 2018 of JD 591,669,659 was confirmed, provided that the National Electricity Company match its debt as per its own records with that as per the records of Jordan Petroleum Refinery Company. Accordingly, the National Electricity Company confirmed the balance in its letter No. (7216/2503), dated March 11, 2020, and requested that it be allowed to pay the balance over three years in equal monthly installments. The company did not accept the National Electricity company's request and it did give a juridical warning to pay all the due amounts and its interest, as a result of the National Electricity Company's failure to pay the accrued amounts, the Company has filed a case against the National Electricity Company at the competent courts. Accordingly, a financial settlement agreement was signed between the two companies to pay the debt owed by the National Electricity Company in return for dropping the lawsuit, and the agreement included that the amount due in addition to the interests of the delayed payment and installments will be paid in (12) equal installments starting from July 2022 and the National Electricity Company has committed to pay the due installments and the last installment of the financial settlement agreement was paid during the month of June 2023, and an amount equivalent to JD 3.2 million remains for the Samra Electricity Generating Company, which has been pending for several years before the competent courts, so that it will be settled when the final and final ruling is issued.
- The Company has committed to reducing the Ministry of Finance's debt (the relationship) by JD 137,903,814 during the year 2019, according to the Company's borrowing agreement with banks of JD 455,505,000, on behalf of the Government to pay part of the debt owed by the Government against the issuance of pledges by the Ministry of Finance to pay the loan amount and interest thereon. The agreement was signed between the Company and the Jordanian Government at June 16, 2020 and after the Council of Ministers approved the agreement and authorized the Minister of Finance to sign it on behalf of the Jordanian Government, according to the Council of Ministers' Decision No. (9158), taken in its meeting held on March 24, 2020.

- Upon offsetting request submitted by the Jordan Petroleum Refinery Company to the Ministry of Finance for offset procedure between part of the Ministry of Finance's debt (the main account of the Ministry of Finance – The Relationship) in favor of the company and the general and special tax included in the customs statements for the benefit of the Customs Department, the Customs Department approved this procedure on March 16, 2020, and the offsetting Committee agreed this procedure on July 6, 2020, to conduct an offsetting in an amount of JD 58,042,756, and the above offsetting procedure was completed during the month of July of the year 2020.
- Upon on the offsetting request by the Jordan Petroleum Refinery Company submitted to the Ministry of Finance, for offsetting the Ministry of Finance relationship account due to the company amounted to JD 137,667,786 and the balance of the deposits differences of oil derivatives pricing and surplus due to the government in the amount of JD 44,167,683 and the balance of establishing alternative tanks deposits due to the government in the amount of JD 93,500,103 for the balances as of September 30, 2020, the Ministry of Finance letter No. (18/4/694) was received on January 10, 2021, which includes the approval of the above-mentioned offsetting based on the offsetting instructions, and that the offsetting was carried out at the Ministry of Finance on January 4, 2021, and that the offsetting is recorded in the financial statements for the year 2020, according to the balances of the financial relationship between the company and the government as of September 30, 2020 contained in the company's letter No. (2/25/51/1/8988) dated December 15, 2020.
- According to the Council of Ministers' Decision No. (5011) adopted in its meeting held on December 19, 2021, the company borrowed an amount of JD 105,000,000, equivalent in US dollars, from the banks assigned to it by the Ministry of Finance on December 31, 2021 against for the Ministry of Finance issuing pledges to repay the loan amounts and their interest to the banks, also, the receivables of the security authorities were reduced according to the agreement concluded between the company and the Ministry of Finance, as the decision authorized the Minister of Finance to sign this agreement on behalf of the government.
- According to the Council of Ministers' Decision No. (11231) taken in its meeting held on April 2, 2023, the company borrowed an amount of JD 105,000,000, equivalent in US dollars, from the banks assigned to it by the Ministry of Finance during May, 2023 against the Ministry of Finance issuing pledges to repay the loan amounts and their interest to the banks, and reduce the debt of the Jordanian Air Force by an amount of JD 47,022,677 and the balance of the main account of the Ministry of Finance - the relationship was reduced by an amount of JD 57,977,323, according to the agreement concluded between the company and the Ministry of Finance, as the decision authorized the Minister of Finance to sign this agreement on behalf of the government.
- Based on the offsetting request submitted by the Jordan Petroleum Refinery Company to the Ministry of Finance, which includes a request for a procedure between part of the accounts of the Ministry of Finance - the relationship in the amount of JD 49,002,240 and the balance of deposits of oil derivatives pricing differences and surpluses due to the government in the amount of JD 153,383 and fees and allowances according to the oil derivatives sale price bulletin (IPP) in the amount of JD 48,848,857, for the balances as of September 30, 2022, and the Ministry of Finance's issued letter No. (18/4/2068) dated January 23, 2023, containing the approval of the mentioned offsetting procedure, according to the balances of the financial relationship between the company and the government as of September 30, 2022 where it is contained in the company's letter No. (25/51/1/8969) dated November 16, 2022. The mentioned offset was made during January 2023.

- The company addressed the Ministry of Finance in its letter No. (2/25/51/1/758) dated January 29, 2024, which included the balances of the financial relationship between the company and the government regarding the refining and gas activity as of December 31, 2023, and requested an offsetting between the credit balances in favor of the government. And part of the balance of the Ministry of Finance's main account - the relationship as of December 31, 2023, and accordingly, the Ministry of Finance's letter No. (18/4/4819) dated February 21, 2024 was received, which included an apology for the current offsetting procedure and included a request from Jordan Petroleum Refinery Company to transfer the credit balances in favor of the government amounting to JD 3,688,151 to the government's treasury represented by an amount of JD 143,932 in deposits differences of oil derivatives pricing and surplus, and an amount of JD 3,544,219 in fees and allowances according to the oil derivatives pricing bulletin (IPP), and keeping the balance of the financial relationship in favor of the company in its records as of December 31, 2023. Accordingly, on February 22, 2024, the company transferred the credit balances in favor of the government to the government's treasury, and the balances of the financial relationship between the company and the government regarding the refining and gas activity were maintained as of December 31, 2023.
- During April 2024, the ministry of Finance has paid an amount of JD 17.6 to Jordan Liquefied Petroleum Gas Manufacturing and Filling (a subsidiary that is wholly owned) as part of the balance of the gas subsidy due on the government.
- The Ministry of Finance's balances related to Jordan Petroleum Products Marketing Company were confirmed as of December 31, 2021 through the Ministry of Finance's approval of the Jordan Petroleum Products Marketing Company's Letter No. (111/2/859), dated February 9, 2022.
- The balances of the Ministry of Finance for the Jordan Petroleum Products Marketing Company were approved as of December 31, 2022, through the Ministry of Finance's approval on the Jordan Petroleum Products Marketing Company's letter No. (111/3/615) dated January 29, 2023.
- The balances of the Ministry of Finance of the Jordanian Petroleum Products Marketing Company as of December 31, 2023 were confirmed through the Ministry of Finance's approval of the Jordanian Petroleum Products Marketing Company's letter No. (111/2/498) dated January 23, 2024.

- According the Council of Ministers' decision No. (5329) adopted in its session held on July 10, 2019, Jordan Petroleum Refinery Company was authorized to implement the terms of the Memorandum of Understanding for the processing and transportation of crude oil between the government of the Republic of Iraq and the government of the Hashemite Kingdom of Jordan, the company signed the agreement on August 1, 2019 and the company issued a letter of credit in favor of the Central Bank of Iraq to cover the value of the amount of 10 thousand barrels per day throughout the year according to the monthly average price of a barrel of Brent crude oil minus 16 US dollars, noting that the quantities of Iraqi oil were supplied at the end of August of 2019 and according to the record signed by the concerned parties in the Ministry of Finance, the Ministry of Energy and Mineral Resources, and the Jordan Petroleum Refinery Company on March 10, 2020, the balances and accounts of Iraqi crude oil were reconciled until December 31, 2019, and according to the record signed by those concerned in the Ministry of Finance and the Ministry of Energy and Mineral Resources And the Jordan Petroleum Refinery Company, on September 30, 2020, Iraqi crude oil balances and accounts were reconciled up to April 30, 2020, noting that Iraqi oil supply was stopped during the May and June 2020 due to the decrease in international prices and it started to be supplied again on the first of July 2020 and its supply ended by the end of November 2020 and the Iraqi oil balances and accounts were reconciled until the end of the current tender according to the minutes of meeting signed by the concerned parties in the Ministry of Finance And the Ministry of Energy and Mineral Resources and the Jordan Petroleum Refinery Company on December 20, 2020, Noting that the government of Jordan agreed with the Iraqi Ministry of Oil to renew the agreement, the supply of Iraqi oil was started under the new agreement at the beginning of September 2021, Moreover, the Jordan Petroleum Refinery Company was authorized to implement the terms of the agreement on behalf of the Jordanian government under the letter of Ministry of Energy No.(MNG/5483/8/21) dated August 12, 2021 based on Prime Minister's Decision No. (1391) adopted in its meeting held on February 17, 2021. The Iraqi oil balances and accounts for the period from the beginning of September to the end of December 2021 were also matched according to the minutes of meeting signed by the concerned parties in the Ministry of Finance, the Ministry of Energy and Mineral Resources and the Jordan Petroleum Refinery Company on February 21, 2022 The balances and accounts of Iraqi oil were reconciled for the end of the year 2022 according to the minutes of meeting signed by those concerned in the Ministry of Finance, the Ministry of Energy and Mineral Resources, and the Jordan Petroleum Refinery Company on February 27, 2023, and the balances and accounts of Iraqi oil were matched for the first quarter of 2023 according to the minutes of meeting signed by those concerned in the Ministry of Finance and the Ministry of Energy and Mineral Resources and the Jordanian Petroleum Refinery Company on June 4, 2023, a new contract was also signed to supply Iraqi oil on May 15, 2023, for a period of one year, extendable with the same previous conditions and prices, but the supply quantities were increased to 15,000 barrels per day instead of 10,000 barrels per day, as of August 2023, and the balances of Iraqi oil accounts were matched for the end of the year 2023 according to the minutes signed by those concerned in the Ministry of Finance, the Ministry of Energy and Mineral Resources, and Jordan Petroleum Refinery Company on February 1, 2024, and the balance of Iraqi oil account were matched for the period until January 2024 according to the minutes signed by those concerned in the Ministry of Finance, the Ministry of Energy and Mineral Resources, and Jordan Petroleum Refinery Company on March 13, 2024.
- The Company signed an agreement for supplying oil derivatives with Royal Jordanian Air Force on May 26, 2021 included payment deadline of 15 days starting from the invoices receiving day, and according to that Jordanian Royal Air force was committed to pay all due amounts on time. The agreement was also extended for another year according to the letter of the General Command of the Jordanian Armed Forces - Arab Army No. (AH 2/4/1180) dated February 14, 2022 and the agreement was extended automatically for the three years based on the agreements between the two parties as the agreement includes automatic renewal upon approval of both parties.

- The balance of the financial relationship between the Company and the Government related to the refining and gas activity as of April 30, 2018 (the end of the financial relationship with the Government) is as follows:

	April 30, 2018 (Audited)
<u>Amounts Owed to the Company:</u>	JD
Ministry of Finance primary account (the relationship)	220,480,978
General sales tax deposits	101,792,998
Debts of security authorities, Governmental departments and institutions, and the National Electricity Company: *	
Armed Forces / Directorate of Supply	101,513,938
Royal Air Force	136,424,517
Directorate of General Security	45,627,576
Directorate General of the Gendarmerie	9,553,718
Civil Defense	3,259,795
Departments, ministries, and Governmental agencies and Institutions	3,280,986
National Electricity Company**	76,413,291
Total Debts of Security Authorities, Governmental Departments and Institutions, and the National Electricity Company	376,073,821
Total Amounts owed to the Company	698,347,797
<u>Less: Amounts Owed to the Government:</u>	
Deposits differences of oil derivatives pricing and surplus	43,746,064
Special sales tax deposits	1,738,247
Deposits for constructing alternative tanks – the Ministry of Energy	93,500,103
Fees and allowances according to the oil derivatives pricing bulletin (IPP)	21,244,292
Total amounts due to the Government	160,228,706
Balance Owed by the Government to the Company	538,119,091

- The balance of the financial relationship between the Company and the Government related to the refining and gas activity as of December 31, 2018 (Which was confirmed by the Ministry of Finance letter No. (8AR/4/5197)) is as follows:

	December 31, 2018 (Audited)
<u>Amounts Owed to the Company:</u>	JD
Ministry of Finance primary account (the relationship)	267,790,407
General sales tax deposits	106,334,261
Debts of security authorities, Governmental departments and institutions, and the National Electricity Company: *	
Armed Forces / Directorate of Supply	88,823,533
Royal Air Force	168,094,404
Directorate of General Security	45,626,257
Directorate General of the Gendarmerie	8,425,446
Civil Defense	3,269,279
Departments, ministries, and Governmental agencies and Institutions	3,362,267
National Electricity Company**	76,378,522
Total Debts of Security Authorities, Governmental Departments and Institutions, and the National Electricity Company	393,979,708
Total Amounts owed to the Company	768,104,376
<u>Less: Amounts Owed to the Government:</u>	
Deposits differences of oil derivatives pricing and surplus	44,022,727
Special sales tax deposits	2,861,098
Deposits for constructing alternative tanks - Ministry of Energy	93,500,103
Fees and allowances according to the oil derivatives pricing bulletin (IPP)	36,050,789
Total amounts due to the Government	176,434,717
Balance Owed by the Government to the Company	591,669,659

- The balance of the financial relationship between the Company and the Government related to the refining and gas activities as of December 31, 2019 (after reducing the amount of JD 455,505,000 – government's loan) is as follows:

	December 31, 2019 (Audited)
<u>Amounts Owed to the Company:</u>	JD
Ministry of Finance primary account (the relationship)	211,997,358
General sales tax deposits	114,624,265
Debts of security authorities, Governmental departments and institutions, and the National Electricity Company: *	
Armed Forces / Directorate of Supply	1,074,301
Royal Air Force	59,938,960
Directorate of General Security	2,181
Departments, ministries, and Governmental agencies and Institutions	3,550,513
National Electricity Company**	72,147,468
Total Debts of Security Authorities, Governmental Departments and Institutions, and the National Electricity Company	136,713,423
Total Amounts owed to the Company	463,335,046
<u>Less: Amounts Owed to the Government:</u>	
Deposits differences of oil derivatives pricing and surplus	44,134,309
Special sales tax deposits	(2,189,866)
Deposits for constructing alternative tanks - Ministry of Energy	93,500,103
Fees and allowances according to the oil derivatives prices bulletin (IPP)	48,609,966
Total amounts due to the Government	184,054,512
Balance Owed by the Government to the Company	279,280,534

- The balance of the financial relationship between the Company and the Government related to the refining and gas activity as of September 30, 2020 (Which was confirmed by the Ministry of Finance according to the Ministry approval on the offsetting dated January 4, 2021) is as follows:

	September 30, 2020 (Reviewed)
<u>Amounts Owed to the Company:</u>	JD
Ministry of Finance primary account (the relationship)	194,763,517
General sales tax deposits	122,602,265
Special sales tax deposits	44,997,572
Debts of security authorities, Governmental departments and institutions, and the National Electricity Company: *	
Armed Forces / Directorate of Supply	1,325,578
Royal Air Force	92,293,727
Directorate of General Security	2,475
Departments, ministries, and Governmental agencies and Institutions	2,421,811
National Electricity Company**	72,147,468
Total Debts of Security Authorities, Governmental Departments and Institutions, and the National Electricity Company	168,191,059
Total Amounts owed to the Company	530,554,413
<u>Less: Amounts Owed to the Government:</u>	
Deposits differences of oil derivatives pricing and surplus	44,167,683
Deposits for constructing alternative tanks - Ministry of Energy	93,500,103
Fees and allowances according to the oil derivatives pricing bulletin (IPP)	50,718,837
Total amounts due to the Government	188,386,623
Balance Owed by the Government to the Company	342,167,790



- The balance of the financial relationship between the Company and the Government related to the refining and gas activities as of December 31, 2020 is as follows:

	December 31, 2020 (Audited)
<u>Amounts Owed to the Company:</u>	JD
Ministry of Finance primary account (the relationship)	68,240,240
General sales tax deposits	123,188,580
Special sales tax deposits	33,757,592
Debts of security authorities, Governmental departments and institutions, and the National Electricity Company: *	
Armed Forces / Directorate of Supply	1,374,855
Royal Air Force	103,436,845
Directorate of General Security	2,632
Departments, ministries, and Governmental agencies and Institutions	3,290,168
National Electricity Company**	72,147,468
Total Debts of Security authorities, Governmental Departments and Institutions, and the National Electricity Company	180,251,968
Total Amounts Owed to the Company	405,438,380
<u>Less: Amounts Owed to the Government:</u>	
Deposits differences of oil derivatives pricing and surplus	19,104
Deposits for constructing alternative tanks - Ministry of Energy	-
Fees and allowances according to the Oil derivatives pricing bulletin (IPP)	51,514,419
Total Amounts Owed to the Government	51,533,523
Balance Owed to the Company from the Government	353,904,857

- The balance of the financial relationship between the Company and the Government related to the refining and gas activities as of December 31, 2021 is as follows:

	December 31, 2021 (Audited)
<u>Amounts Owed to the Company:</u>	JD
Ministry of Finance primary account (the relationship)	165,747,052
General sales tax deposits	126,294,176
Special sales tax deposits	182,255
Debts of security authorities, Governmental departments and institutions, and the National Electricity Company: *	
Armed Forces / Directorate of Supply	-
Royal Air Force	13,286,270
Directorate of General Security	2,025
Departments, ministries, and Governmental agencies and Institutions	2,413,667
National Electricity Company**	72,147,468
Total Debts of Security authorities, Governmental Departments and Institutions, and the National Electricity Company	87,849,430
Total Amounts Owed to the Company	380,072,913
<u>Less: Amounts Owed to the Government:</u>	
Deposits differences of oil derivatives pricing and surplus	108,433
Deposits for constructing alternative tanks - Ministry of Energy	-
Fees and allowances according to the Oil derivatives pricing bulletin (IPP)	46,680,255
Total Amounts Owed to the Government	46,788,688
Balance Owed to the Company from the Government	333,284,225

- The balance of the financial relationship between the company and the government related to the refining and gas activity as of September 30, 2022 (confirmed by the Ministry of Finance pursuant to the Ministry's approval of the offsetting procedure on January 23, 2023) is as follows:

	September 30, 2022 (Reviewed)
<u>Amounts Owed to the Company:</u>	JD
Ministry of Finance primary account (the relationship)	266,543,378
General sales tax deposits	129,220,485
Special sales tax deposits	533,981
Debts of security authorities, Governmental departments and institutions: *	
Armed Forces / Directorate of Supply	30,109
Royal Air Force	43,149,216
Directorate of General Security	5,454
Departments, ministries, and Governmental agencies and Institutions	5,271,713
Total Debts of Security Authorities, and Governmental Departments and Institutions	48,456,492
Total Amounts owed to the Company	444,754,336
<u>Less: Amounts Owed to the Government:</u>	
Deposits differences of oil derivatives pricing and surplus	153,383
Deposits for constructing alternative tanks - Ministry of Energy	-
Fees and allowances according to the Oil derivatives pricing bulletin (IPP)	48,848,857
Total amounts due to the Government	49,002,240
Balance Owed by the Government to the Company	395,752,096
National Electricity Company **	71,158,551
Balance owed to the company by the government and the National Electricity Company	466,910,647

- The balance of the financial relationship between the Company and the Government related to the refining and gas activities as of December 31, 2022 (Confirmed pursuant to the memorandum of understanding signed between the company and the Jordanian government on June 6, 2023) is as follows:

	December 31, 2022 (Audited)
<u>Amounts Owed to the Company:</u>	<u>JD</u>
Ministry of Finance primary account (the relationship)	296,970,716
General sales tax deposits	130,914,449
Special sales tax deposits	1,779,821
Debts of security authorities, Governmental departments and institutions: *	
Armed Forces / Directorate of Supply	51,936
Royal Air Force	47,022,677
Directorate of General Security	5,454
Departments, ministries, and Governmental agencies and Institutions	<u>2,878,891</u>
Total Debts of Security Authorities, and Governmental Departments and Institutions	<u>49,958,958</u>
Total Amounts owed to the Company	<u><u>479,623,944</u></u>
<u>Less: Amounts Owed to the Government:</u>	
Deposits differences of oil derivatives pricing and surplus	178,851
Deposits for constructing alternative tanks - Ministry of Energy	-
Fees and allowances according to the Oil derivatives pricing bulletin (IPP)	<u>49,561,345</u>
Total amounts due to the Government	<u>49,740,196</u>
Balance Owed by the Government to the Company	<u>429,883,748</u>
National Electricity Company **	<u>48,255,316</u>
Balance owed to the company by the government and the National Electricity Company	<u><u>478,139,064</u></u>

- The balance of the financial relationship between the company and the government related to the refining and gas activity as of date December 31, 2023 (after reducing the amount of JD 105 million - government loan and the offsetting amounted to JD 49,002,240 which was on January 23, 2023) is as follows:

	December 31, 2023 (Audited)
<u>Amounts Owed to the Company:</u>	<u>JD</u>
Ministry of Finance primary account (the relationship)	305,789,682
General sales tax deposits	138,633,355
Debts of security authorities, Governmental departments and Institutions: *	
Armed Forces / Directorate of Supply	48,235
Royal Air Force	29,792,632
Directorate of General Security	1,695
Security Authorities (Withdrawal of Liquefied Petroleum Gas) Departments, ministries, and Governmental agencies and Institutions	139,138
	<u>4,995,782</u>
Total Debts of Security Authorities, and Governmental Departments and Institutions	<u>34,977,482</u>
Total Amounts owed to the Company	<u>479,400,519</u>
<u>Less: Amounts Owed to the Government:</u>	
Deposits differences of oil derivatives pricing and surplus	143,932
Special Sales Tax Deposits	1,445,938
Fees and allowances according to the Oil derivatives pricing bulletin (IPP)	3,544,219
Total amounts due to the Government	<u>5,134,089</u>
Balance Owed by the Government to the Company	<u>474,266,430</u>
National Electricity Company **	<u>3,200,994</u>
Balance owed to the company by the government and the National Electricity Company	<u>477,467,424</u>

- The balance of the financial relationship between the Company and the Government related to the refining and gas activities as of March 31, 2024 is as follows:

	March 31, 2024 (Reviewed)
<u>Amounts Owed to the Company:</u>	JD
Ministry of Finance primary account (the relationship)	350,454,192
General sales tax deposits	140,350,130
Debts of security authorities, Governmental departments and Institutions: *	
Armed Forces / Directorate of Supply	48,235
Royal Air Force	40,510,057
Directorate of General Security	1,695
Security Authorities (Withdrawal of Liquefied Petroleum Gas)	212,953
Departments, ministries, and Governmental agencies and Institutions	6,917,739
Total Debts of Security Authorities, and Governmental Departments and Institutions	47,690,679
Total Amounts owed to the Company	538,495,001
<u>Less: Amounts Owed to the Government:</u>	
Deposits differences of oil derivatives pricing and surplus	135
Special Sales Tax Deposits	1,897,515
Fees and allowances according to the Oil derivatives pricing bulletin (IPP)	688,081
Total amounts due to the Government	2,585,731
Balance Owed by the Government to the Company	535,909,270
National Electricity Company **	3,200,994
Balance owed to the company by the government and the National Electricity Company	539,110,264

- \* According to the minutes of the Company's meetings with the Ministry of Finance held on November 8, 9 and 16, 2017, in order to determine the balances of the financial relation between Jordan Petroleum Refinery Company and the Government (excluding Jordan Petroleum Products Marketing Company and the Lube Oil Factory) for the balances as of September 30, 2017, the Ministry of Finance committed a pledge for all of the debt balances of the Armed Authorities, Royal Air Force, Directorate of General Security, the General Directorate of Gendarmerie, other security authorities, and governmental departments, within its budget as well as the debts of the National Electric Power Company for the refining and gas activities of JD 319,468,856 as of September 30, 2017. In the meantime, the two parties have agreed that no provision would be made for the debts of Royal Jordanian Company, municipalities, governmental universities, and managerially and financially independent governmental institutions during the relationship period, provided that if those amounts are not collected through the judiciary, and the Company is required to write them off, the Ministry of Finance pledges to pay those debts and any related costs.

- \*\* The company signed a financial settlement on June 23, 2022, with the National Electricity Company to pay the debt owed by it and the interest of delayed payments and installments. The agreements also included that the amount due must be paid over (12) equal installments starting from July 2022, and the National Electricity Company has committed to pay the due installments on their due dates until the date and the last installment of the financial settlement agreement was paid during the month of June 2023, and an amount equivalent to JD 3.2 million remains for the Samra Electricity Generating Company, which has been pending for several years before the competent courts, so that it will be settled when the final and definitive ruling is issued.

- Based on the offsetting request submitted by the Jordan Petroleum Refinery Company to the Ministry of Finance, which includes a request for offsetting a procedure between part of the accounts of the Ministry of Finance - the relationship in the amount of JD 49,002,240 and the balance of deposits differences of oil derivatives pricing and surplus due to the government in the amount of JD 153,383 and fees and allowances according to the oil derivatives sale price bulletin (IPP) in the amount of JD 48,848,857, for the balances as of September 30, 2022, and the Ministry of Finance's issued letter No. (18/4/2068) dated January 23, 2023, containing the approval of the mentioned offsetting procedure, was received according to the balances of the financial relationship between the company and the government as of September 30, 2022 where it is contained in the company's letter No. (25/51/1/8969) dated November 16, 2022. The mentioned offset was made during January 2023.
  - The company addressed the Ministry of Finance in its letter No. (2/25/51/1/758) dated January 29, 2024, which included the balances of the financial relationship between the company and the government regarding the refining and gas activity as of December 31, 2023, and requested an offsetting between the credit balances in favor of the government, And part of the balance of the Ministry of Finance's main account - the relationship as of December 31, 2023, and accordingly, the Ministry of Finance's letter No. (18/4/4819) dated February 21, 2024 was received, which included an apology for the current offsetting procedure and included a request from Jordan Petroleum Refinery Company to transfer the credit balances in favor of the government amounting to JD 3,688,151 to the government's treasury represented by an amount of JD 143,932 in deposits differences of oil derivatives pricing and surplus, and an amount of JD 3,544,219 in fees and allowances according to the oil derivatives pricing bulletin (IPP), and keeping the balance of the financial relationship in favor of the company in its records as of December 31, 2023. Accordingly, on February 22, 2024, the company transferred the credit balances in favor of the government to the government's treasury, and the balances of the financial relationship between the company and the government regarding the refining and gas activity were maintained as of December 31, 2023.
  - The balances of general and special taxes included in the balance of the financial relationship between the company and the government mentioned above are matched with the records of the Income and Sales Tax Department as of March 31, 2024.
- f. The general sales tax deposits item as of March 31, 2024 includes an amount of JD 131,543,431 related to the refining activity due to the company, and an amount of JD 712,052 related to Jordan Petroleum Products Marketing Company due to the company, and an amount of JD 8,806,699 due to the company related to Jordan Liquefied Petroleum Gas Manufacturing and Filling Company which was activated as of the beginning of January 2023 after all the different liquefied gas activities have been annexed to it (except for gas production activity), and an amount of JD (114,886) due to the Income and Sales Tax Department related to Jordan Lube Oil Manufacturing Company. Noting that the Jordan Lube Oil Manufacturing Company has been activated as of April 1, 2022 and the entire oil activity and oil factory has been annexed to it.
- According with the Council of Ministers' Decision No. (6953), taken in its meeting held on March 19, 2018, approval was obtained on exempting the quantities of gasoline (95) used in the production of gasoline (90) and (95) of (2,360,253) tons from the general and special sales tax for the period from May 1, 2013, until September 30, 2017. The decision shall include any quantity of gasoline (95) used in the mixing process for the production of gasoline (90 and 95) until the end of the financial relationship between the Government and the Jordan Petroleum Refinery Company. Moreover, the outstanding customs statements at the Customs department were finalized during July 2020.
  - According to Law No. (107) for year 2019, the Amended Special Tax Law, the general and special taxes, fees and allowances have been combined in the price bulletin (IPP) under the special taxes item and have been determined for each material as per the law described above.
  - In accordance with the Council of Ministers' Decision No. (6544), adopted at its meeting held on September 23, 2019, all types of gasoline (90,95) shall be included in Schedule No. 2 annexed to the General Sales Tax Law on the sales and related to goods and services subject to the General Sales Tax at a percentage or for an amount of (Zero).

- In its meeting held on January 3, 2016, under Decision No. (13363), based on the recommendations of the Economic Development Committee in its session held on December 22, 2015, the Council of Ministers approved exempting the Company from general and special sales tax effective from May 1, 2013 on its imports for quantities sold to the marketing companies only, provided that the general sales tax and special sales tax thereon shall be paid by those companies within the pricing structure of (IPP). Moreover, the outstanding customs statements at the Jordan Customs Department were finalized during July 2020.
  - The letter of Income and Sales Tax Department No. (20/4/347) dated February 16, 2021 which included the approval of the department to collect general and special taxes on the sales of JPRC to the three marketing companies through marketing companies only, and that JPRC is not obligated to pay taxes on its sales to the marketing companies and is only obligated to pay tax on its sales to other customers.
  - Upon on the offsetting request by the Jordan Petroleum Refinery Company submitted to the Ministry of Finance, for offsetting part of the Ministry of Finance's government debt (relationship account) in favor of the Company with the general and special tax on the customs' statements held at the Customs Department, and it approved on March 16, 2020, by the Customs Department, and on July 6, 2020, by the Offsetting Committee for a total amount of JD 58,042,756. The above-mentioned offsetting was completed during July 2020.
  - Pursuant to the Council of Ministers' Decision No. (2898) adopted in its session held on July 7, 2021, they accept to exempt the company's imports of crude oil and oil derivatives from customs fees (Customs fees) until April 30, 2022.
  - Pursuant to the Council of Ministers' Decision No. (7278) adopted in its session held on June 5, 2022 the Council of Ministers' Decision No. (2898) was extended until April 30, 2023, which includes exempting the Jordan Petroleum Refinery Company's imports of crude oil and oil derivatives from customs fees (Customs fees).
  - Pursuant to the Council of Ministers' Decision No. (12135) adopted in its session held on June 18, 2023 the Council of Ministers' Decision No. (7278) was extended until April 30, 2024, which includes exempting the Jordan Petroleum Refinery Company's imports of crude oil and finished petroleum products from customs fees (Customs fees).
  - Pursuant to the Council of Decision No. (9298) adopted in its session held on November 6, 2022, imported Liquefied petroleum gas has been exempted from customs fees for a period of one year, starting from January 1, 2023.
  - Pursuant to the Council of Decision No. (10588) adopted in its session held on January 21, 2024, imported Liquefied petroleum gas has been exempted from customs fees for a period of one year, starting from January 1, 2024.
- g. This item consists mainly of the current account of Company employees' Housing Fund, deposits for the Jordan Customs Department, and other debit balances.
- h. This item consists mainly as of March 31, 2024 of prepaid expenses account related to Company's insurance, rents, marketing, security and protection; and, including an amount of JD 7,162,035 related to the refining activity, and insurance allowances of all kinds and an amount of JD 2,074,139 related to Jordan Petroleum Products Marketing Company, and an amount of JD 345,627 related to Jordan Liquefied Petroleum Gas Manufacturing and Filling Company which was activated as of the first of January 2023 after all the liquefied gas activities have been annexed to it (except for gas production activity), and an amount of JD 149,256 related to Jordan Lube Oil Manufacturing Company. Noting that the Jordan Lube Oil Manufacturing Company has been activated as of April 1, 2022 and the entire activity and oil factory has been annexed to it.

- i. This item represents what was paid to the gas stations' owners according to agreements through which Jordan Petroleum Products Marketing Company (a wholly owned subsidiary) supplies these gas stations with their fuel needs. According to these agreements, the Company shall participate in building or modernizing the gas stations and installing pumps. In addition, the gas stations shall bear the trade name for the Jordan Petroleum Products Marketing Company as their authorized distributor, and the related amounts shall be amortized over the contracts period or the useful life of the assets, whichever is lower.
- j. The movement on the provision for expected credit losses is as follows:

	March 31, 2024 (Reviewed)	December 31, 2023 (Audited)
	JD	JD
Balance at the beginning of the year	24,507,651	24,223,875
Recorded during the period/year	1,184,452	426,677
(Released) during the period/year	-	(142,901)
Balance at the End of the Period/Year	<u>25,692,103</u>	<u>24,507,651</u>

- This item includes expected credit losses provision with an amount of JD 5,138,527 related to the refining activity and an amount of JD 2,109,947 related to the oil factory before the beginning of April 2022, and an amount of JD 18,389,765 related to Jordan Petroleum Products Marketing Company, and an amount of JD 53,864 related to Jordan Lube Oil Manufacturing Company as on March 31, 2024. Noting that Jordan Lube Oil Manufacturing Company has been activated as of April 1, 2022, and the different lube oil activities an the lube oil factory were annexed to it and the provision was calculated after taking into consideration the receivables guaranteed by Jordanian Government.

#### 9. Crude Oil, Finished Oil Products, and Supplies

This item consists of the following:

	March 31, 2024 (Reviewed)	December 31, 2023 (Audited)
	JD	JD
Finished oil derivatives and lube oil	254,639,546	241,161,684
Crude oil and materials under process	124,226,813	130,577,732
Raw materials, spare parts, and other supplies	62,046,922	57,881,592
Goods in transit	90,007,420	49,075,497
<u>Less:</u> Provision of slow-moving and obsolete and sediments inventory	<u>(7,957,313)</u>	<u>(7,762,509)</u>
	<u>522,963,388</u>	<u>470,933,996</u>

- The movement on the Provision of slow-moving and obsolete and sediments inventory as follows:

	March 31, 2024 (Reviewed)	December 31, 2023 (Audited)
	JD	JD
Balance at the beginning of the year	7,762,509	8,188,645
Addition during the period/year	197,702	717,556
<u>Less:</u> written-off materials during the period/year	<u>(2,898)</u>	<u>(1,036,859)</u>
<u>Less:</u> paid during the period/year	<u>-</u>	<u>(106,833)</u>
Balance at the End of the Period/Year	<u>7,957,313</u>	<u>7,762,509</u>



#### 10. Due to Banks

This item consists of current debit accounts and short-term loans granted by several local banks to finance the Company's activities and its subsidiaries, at annual interest and murabaha rates ranging from 5,5% to 8%, during the period ended March 31, 2024, in addition to the Company's guarantee as legal personality in this regard this item includes an amount of JD 594,302,756 related to refinery activity, and an amount of JD 36,018,815 related to Jordan Petroleum Products Marketing Company and an amount of JD 87,895,655 belongs to the Jordan Liquified Petroleum Gas Manufacturing and Filling Company, as of March 31, 2024.

#### 11. Payables and Other Credit Balances

This item consists of the following:

	March 31, 2024 (Reviewed) JD	December 31, 2023 (Audited) JD
Deposits of the differences of oil derivatives pricing and surplus (a)	7,510,822	5,681,067
Special sales tax deposits on oil derivatives (b)	51,929,220	59,314,478
Suppliers and obligations from purchases ,supplies, services and others	176,773,154	147,075,963
Gas cylinders Write-off and maintenance provision (c)	5,000,000	5,000,000
Fees and allowances according to the oil derivatives price bulletin (IPP) (d)	688,081	3,544,219
Lawsuits provision (Note 17/b)	4,436,499	4,526,499
Advance payment from customers (e)	8,309,982	10,521,137
Shareholders' deposits	16,401,657	16,928,252
Creditors and other credit balances	19,397,367	18,626,313
Retention deducted from contractors	355,831	337,108
Employees' vacations provision	2,041,097	2,035,461
Subsidiary companies import pricing differences (f)	19,457,787	19,325,182
Storage fees provision (g)	115,722	115,722
Balances retained against acquisition of subsidiary (h)	858,820	858,820
Alia company deposits – Royal Jordanian Airlines (i)	11,253,235	11,253,235
	<u>324,529,274</u>	<u>305,143,456</u>

- a. This item includes deposits amounts of the differences of oil derivatives pricing and surplus amounted to JD 135, related to the refining activities, and to JD 7,510,687 related to Jordan Petroleum Products Marketing Company as of March 31, 2024.
- This item includes deposits amounts resulting from oil derivatives pricing and surplus differences between total cost including taxes, fees, and transportation charges; actual selling prices; according to oil derivatives pricing bulletin (IPP) and the published price effective from March 2, 2008. These differences are considered as the Government's right according to the Ministry of Energy and Mineral Resources' Letter No. (9/4/1/719), dated February 16, 2009 and the Ministry of Finance's Letter No. (18/4/9952), dated April 29, 2009. Consequently, the Company was obliged, effective from March 2008 to record the results of the differences of prices in favor of the Ministry of Finance. Additionally, the Government has claimed the differences in the pricing of oil derivatives effective from December 14, 2008 according to the decision of the oil derivatives pricing committee, in its meeting held on December 13, 2008 provided that the pricing surplus be recorded as deposits under the liabilities within the Company's consolidated financial statements, according of the request of Ministry of Finance.

- Upon the offsetting request of the Jordan Petroleum Refinery Company submitted to the Ministry of Finance, for offsetting part of the Ministry of Finance relationship account due to the company amounted to JD 137,667,786 and the balance of the deposit differences of oil derivatives pricing and surplus due to the government in the amount of JD 44,167,683 and the balance of establishing alternative tanks deposit due to the government in the amount of JD 93,500,103 for the balances as of September 30, 2020. the Ministry of Finance letter No. (18/4/694) was received on January 10, 2021, which includes the approval of the above-mentioned offsetting based on the offsetting instructions, and that the offsetting was carried out at the Ministry of Finance on January 4, 2021, and that the offsetting is recorded in the financial statements for the year 2020, according to the balances of the financial relationship between the company and the government contained in the company's letter No. (2/25/51/1/8988) dated December 15, 2020.
- Upon the offsetting request of Jordan Petroleum Refinery Company submitted to the Ministry of Finance, which includes offsetting part of the Ministry of Finance (the relationship) account due to the government amounted to JD 49,002,240 and the balance of deposits of the differences of oil derivatives pricing and surplus due to the government in the amount of JD 153,383, and the Fees and allowances according to oil derivatives pricing bulletin (IPP) in the amount of JD 48,848,857 for the balances as of September 30, 2022, and the Ministry of Finance's letter No. (18/4/2068) dated January 23, 2023, containing the approval of the mentioned offsetting, was received according to the balances of the financial relationship between the company and the government as of September 30, 2022 contained in the company's letter No. (25/51/1/8969) dated November 16, 2022, and the mentioned offsetting was made during January 2023.
- The company addressed the Ministry of Finance in its letter No. (2/25/51/1/758) dated January 29, 2024, which included the balances of the financial relationship between the company and the government regarding the refining and gas activity as of December 31, 2023, and requested an offsetting between the credit balances in favor of the government. And part of the balance of the Ministry of Finance's main account - the relationship as of December 31, 2023, and accordingly, the Ministry of Finance's letter No. (18/4/4819) dated February 21, 2024 was received, which included an apology for the current offsetting procedure and included a request from Jordan Petroleum Refinery Company to transfer the credit balances in favor of the government amounting to 3,688,151 JD to the government's treasury represented by an amount of 143,932 JD in deposits differences of oil derivatives pricing and surplus, and an amount of 3,544,219 JD in fees and allowances according to the oil derivatives pricing bulletin (IPP), and keeping the balance of the financial relationship in favor of the company in its records as of December 31, 2023. Accordingly, on February 22, 2024, the company transferred the credit balances in favor of the government to the government's treasury, and the balances of the financial relationship between the company and the government regarding the refining and gas activity were maintained as of December 31, 2023.
- The movement on the deposits of oil derivatives pricing differences and surplus is as follows:

	March 31, 2024 (Reviewed)	December 31, 2023 (Audited)
	JD	JD
Balance at the beginning of the year	5,681,067	1,217,882
Addition during the period/year	1,973,687	4,616,568
Paid during the period/year	(143,932)	(153,383)
Balance at the End of the Period/Year	<u>7,510,822</u>	<u>5,681,067</u>

- b. This item includes an amount of JD 1,041,987 related to the refining activity due to the income and sales tax department from the company, and an amount of JD 49,953,553 related to the Jordan Petroleum Products Marketing Company due to the income and sales tax department from the company, and an amount of JD 855,528 related to the Jordan Liquefied Petroleum Gas Manufacturing and Filling Company for Income and Sales Tax Department which was activated as of the beginning of January 2023 after all the liquefied gas activities have been annexed to it (except for gas production activity), and an amount of JD 78,152 related to Jordan Lube Oil Manufacturing Company due to the income and sales tax department from the company as of March 31, 2024. Noting that Jordan Lube Oil Manufacturing Company has been activated as of April 1, 2022, and the entire lube oil activity and oil factory has been annexed to it.
- Under Law No. (107) for the year 2019, the amended Special Tax Law, the general and special taxes, fees and stamps mentioned in the oil derivatives pricing bulletin (IPP) have been combined under special tax and specified for each item as per the above-mentioned law.
  - Upon the offsetting request of the Jordan Petroleum Refinery Company submitted to the Ministry of Finance, for offsetting part of the Ministry of Finance's debt (the Ministry of Finance relationship account) in favor of the company against the general and special tax on the customs' statements held at the Customs Department and it was approved on March 16, 2020, by the Customs Department, and on July 6, 2020, by the Offsetting Committee, for a total amount of JD 58,042,756. The above-mentioned offsetting was completed during July 2020
  - The company received a letter from Income and Sales Tax Department No. (20/4/347) dated February 16, 2021 which included the approval of the department to collect general and special taxes on the sales of the Jordan Petroleum Refinery Company to the three marketing companies through marketing companies only, and that the Jordan Petroleum Refinery Company is not obligated to pay taxes on its sales to the marketing companies and is only obligated to pay tax on its sales to other customers.

C. The movement on the Gas cylinders Write-off and maintenance provision is as follows:

	March 31, 2024 (Reviewed)	December 31, 2023 (Audited)
	JD	JD
Balance at the beginning of the year	5,000,000	5,000,000
Add: Addition during the period/year *	1,713,629	4,239,955
Less: (Released) during the period/year *	(1,713,629)	(4,239,955)
Balance at the End of the Period/Year	<u>5,000,000</u>	<u>5,000,000</u>

- \* During the period ended March 31, 2024, a provision of JD 1,713,629 was recorded through Jordan Liquefied Petroleum Gas Manufacturing and Filling Company which was activated as of the beginning of January 2023 after all the liquefied gas activities have been annexed to it (except for gas production activity), against gas cylinders write-off and repair and maintenance cost, according with oil derivatives selling prices bulletin (IPP) amounting to JD (10) for each ton of gas sold. An amount of JD 1,713,629 has been released during the same period. Moreover, the number of gas cylinders sold during the period ended March 31, 2024 was around 13.7 million cylinders.

- d. This item represents fees, allowances, and the deposits recorded for the Ministry of Finance's according to oil derivatives selling prices bulletin (IPP) relating to the refining activity only.

- The movement on this item is as follows:

	March 31, 2024 (Reviewed)	December 31, 2023 (Audited)
	JD	JD
Balance at the beginning of the year	3,544,219	49,561,345
Addition during the period/year	690,065	2,839,105
Paid during the period/year	(3,546,203)	(48,856,231)
Balance at the End of the Period/Year	<u>688,081</u>	<u>3,544,219</u>

- Upon the offsetting request of Jordan Petroleum Refinery Company submitted to the Ministry of Finance, which includes offsetting part of the Ministry of Finance (the relationship) account amounted to JD 49,002,240 and the balance of deposits of the differences of oil derivatives pricing and surplus due to the government in the amount of JD 153,383, and the Fees and allowances according to oil derivatives pricing bulletin (IPP) in the amount of JD 48,848,857 for the balances as of September 30, 2022, and the Ministry of Finance's letter No. (18/4/2068) dated January 23, 2023, containing the approval of the mentioned offsetting, was received according to the balances of the financial relationship between the company and the government as of September 30, 2022 contained in the company's letter No. (25/51/1/8969) dated November 16, 2022, and the mentioned offsetting was made during January 2023.
- The company addressed the Ministry of Finance in its letter No. (2/25/51/1/758) dated January 29, 2024, which included the balances of the financial relationship between the company and the government regarding the refining and gas activity as of December 31, 2023, and requested an offsetting between the credit balances in favor of the government. And part of the balance of the Ministry of Finance's main account - the relationship as of December 31, 2023, and accordingly, the Ministry of Finance's letter No. (18/4/4819) dated February 21, 2024 was received, which included an apology for the current offsetting procedure and included a request from Jordan Petroleum Refinery Company to transfer the credit balances in favor of the government amounting to JD 3,688,151 to the government's treasury represented by an amount of JD 143,932 in deposits differences of oil derivatives pricing and surplus, and an amount of JD 3,544,219 in fees and allowances according to the oil derivatives pricing bulletin (IPP), and keeping the balance of the financial relationship in favor of the company in its records as of December 31, 2023. Accordingly, on February 22, 2024, the company transferred the credit balances in favor of the government to the government's treasury, and the balances of the financial relationship between the company and the government regarding the refining and gas activity were maintained as of December 31, 2023.
- e. This item represents advance payments from fuel and gas and lube oil clients against finished oil derivatives purchases and liquefied petroleum gas and lube oil.
- f. This item represents pricing differences from imported finished oil derivatives between the cost of imported finished oil derivatives during the years from 2017 until the period ended March 31, 2024, and the Refinery Gate price included in the oil derivatives pricing bulletin (IPP) concerning the imports of Jordan Petroleum Products Marketing Company (a subsidiary) related to finished oil derivatives. In this regard, the Company recorded the difference between the actual import cost and the refinery gate price of oil derivatives as per the oil derivatives of prices bulletin (IPP) under the item of import pricing differences within payables and other credit balances, as the Company is uncertain as to whether it is the right for the Company or for the Ministry of Finance, and therefore, If it was the company's rights, this balance becomes a revenue for the company, and if it is the Ministry of Finance's rights, it is transferred from the deposits account without affecting the consolidated statement of profit or loss.

g. The Company has recorded a provision for storage fees against the claim of the Jordan Oil Terminals Company (JOTC) under its Letter No. (1/64/2018), dated April 3, 2018. In the letter, JOTC claimed storage fees on fuel oil at 3.5% and 1%, by JD 3.5 per cubic meter stored as of May 25, 2017. However, Jordan Petroleum Refinery Company rejected this claim. Based on this rejection, Letter No. (2/20/408), dated January 3, 2019, from the Energy & Minerals Regulatory Commission (EMRC) was received. The letter specified the initial storage fees at JD 2 per month, instead of JD 3.5 per cubic meter stored. However, the fees shall be studied by the Energy & Minerals Regulatory Commission (EMRC) during the first half of the year 2019. Moreover, the claim shall be re-examined for the period from May 25, 2017 until the end of the financial relationship between the Company and the Government, together with the related impact on the Government.

- The Company received Letter No. (18/4/12022), dated September 23, 2020, from the Ministry of Finance, which includes the Ministry of Finance's request to the Company to pay the fuel oil storage fees for JOTC for the period from May 25, 2017, until April 30, 2018, as the government has borne the cost of storage fees according to the financial relationship between the Company and the government for that period. In this respect, the Company paid the amount recorded until the end of the financial relationship with the government.
- The company signed a settlement report with the JOTC on June 6, 2021, included matching the balance between the two companies and record the due amount for the JOTC which include that it has to be paid on six equal monthly instalments, In Addition, the payment of storage fees of fuel oil 3.5% on a monthly basis. Provided that the National Electricity Company claims its right to storage for the fuel oil 1%. Moreover, the company through April 2021 exported the Fuel Oil 1% which was imported for The national Electricity Company since the Egyptian Oil was interrupted , The National Electricity pledged the Company to purchase the fuel oil and to pay all the costs , but it did not commit the pledge and as a result of that the Company sent a judicial warning including their claim for the difference of Importing and exporting values , Included in claimed costs the cost of the material storage in JOTC tanks. As a result of the non-response of the National Electric Company, the company filed a case against the National Electric Company to collect the difference in the value of fuel oil 1% exported and all the costs of importing and storing it with the competent courts, and the case is still pending for the competent courts
- The movement on this item is as follows:

	March 31, 2024 (Reviewed)	December 31, 2023 (Audited)
	JD	JD
Balance at the beginning of the year	115,722	84,162
Addition during the period/year	347,160	1,262,400
Paid during the period/year	(347,160)	(1,230,840)
Balance at the End of the Period/Year	<u>115,722</u>	<u>115,722</u>

- h. This item represents the amount retained by Jordan Petroleum Products Marketing Company (a wholly owned subsidiary) against any future liabilities that may arise on the Hydron Energy Company LLC, after wholly acquiring it in accordance with the agreement between both parties.
- i. Based on the agreement between Jordan Petroleum Refinery Company and Alia Company - Royal Jordanian Airlines signed on November 26, 2019, and after all the balances between the two Companies had been matched, both parties agreed to offset the accrued outstanding balance due from Alia Company - Royal Jordanian Airlines related to the refining activity against the discount deposits balances and interest deposit balances of Alia Company - Royal Jordanian Airlines. Accordingly, the offsetting took place and resulted in an amount of JD 11,253,235, payable to Alia Company - Royal Jordanian Airlines and booked in the Company's records for the refining activity.

## 12. Provision for Income Tax

a. The movement on the income tax provision is as follows:

	March 31, 2024 (Reviewed)	December 31, 2023 (Audited)
	JD	JD
Provision for income tax at the beginning of the year	18,995,592	22,251,354
<u>Add</u> : Income tax expense for the period/year	8,282,477	22,468,082
<u>Less</u> : Income tax paid during the period/year	(4,084,527)	(25,723,844)
Provision for Income Tax at the End of the Period/Year	<u>23,193,542</u>	<u>18,995,592</u>

b. The details of the income tax expense for the period ended March 31, 2024 and 2023 are as following:

	For the Three Months Ended March 31,	
	2024 (Reviewed)	2023 (Reviewed)
	JD	JD
Income tax for the period	8,282,477	8,086,430
Deferred taxes impact for the period	(535,073)	(362,949)
Income Tax Expense for the Period	<u>7,747,404</u>	<u>7,723,481</u>

- The company obtained a final and definitive settlement from the Income and Sales Tax Department until the end of 2021. Also, and the tax return was submitted for 2022 and 2023. The tax expense was calculated for the period ended on March 31, 2024, in accordance with the provisions of the Jordanian income tax law, and this and the management's opinion and the company's tax advisor, the provisions taken in the condensed consolidated interim financial information are sufficient for the purposes of tax obligations.
- The Jordan Petroleum Products Marketing Company (a wholly owned subsidiary) reached a final and irrevocable tax settlement with the Income and Sales Tax Department until the end of the year 2021. In addition, the company submitted its tax returns for 2022 and 2023, and the tax expense for the period ended on March 31, 2024, has been calculated in accordance with Jordanian Income Tax Law. In the opinion of the company's management and tax advisor, the provisions stated in the condensed consolidated interim financial information are sufficient to cover its tax obligations.
- Jordan Lube Oil Manufacturing Company (a wholly owned subsidiary) reached a final and irrevocable tax settlement with the Income and Sales Tax Department until the end of the year 2021. In addition, the company submitted its tax returns for 2022 and 2023, and the tax expense for the period ended on March 31, 2024, has been calculated in accordance with Jordanian Income Tax Law. In the opinion of the company's management and tax advisor, the provisions stated in the condensed consolidated interim financial information are sufficient to cover its tax obligations.
- Jordan Liquefied Petroleum Gas Manufacturing and Filling Company (a wholly owned subsidiary) reached a final and irrevocable tax settlement with the Income and Sales Tax Department until the end of 2022. In addition, the company submitted its tax returns for 2023, and the tax expense for the period ended on March 31, 2024 has been calculated in accordance with Jordanian Income Tax Law. In the opinion of the company's management and tax advisor, the provisions stated in the condensed consolidated interim financial information are sufficient to cover its tax obligations.

- The income tax rate for the refining activity and the Jordan Lube Oil Manufacturing Company and the Jordan Liquefied Petroleum Gas Manufacturing and Filling Company and Jordan Petroleum Products Marketing Company and its subsidiaries is 20% plus a national contribution of 1%.

### 13. Death, Compensation, and End-of-Service Indemnity Fund

According to the Board of Directors' resolution to merge the death, disability, and indemnity fund with the staff end-of-service indemnity into one fund, namely the (death, compensation and end-of-service indemnity fund), and according to the General Announcement No. 11/2012, issued by Jordan Petroleum Refinery Company, dated March 3, 2012, the employee shall receive, at the end of his service, 150% of their monthly gross salary based on the last salary received. However, this amount may not exceed JD 2,000 for every work year for those whose gross monthly salaries do not exceed JD 2,000. If the monthly gross salary exceeds JD 2,000, the employee shall be paid a one-month gross salary for every work year as an end-of-service compensation according to the last salary paid. The Board of Directors shall determine the amount of the provision every year, in light of the amount of this liability, to enable the Company to set up the full provision within five years according to Appendix No. (5) of the above-mentioned New Fund Law. Moreover, there is no shortage in the required provision balance as of March 31, 2024.

### 14. Net Sales

This item consists of the following:

	For the Three Months Ended March 31,	
	2024	2023
	(Reviewed)	(Reviewed)
	JD	JD
Refinery activity sales *	52,339,241	62,614,056
Jordan Petroleum Products Marketing Company sales	393,274,845	440,299,854
Jordan Lube Oil Manufacturing Company Sales	5,727,929	6,091,946
Jordan Liquefied Petroleum Gas Manufacturing and Filling Company Sales	88,761,868	88,737,096
<u>Less:</u> fees, allowances and taxes according to the oil derivatives prices bulletin (IPP)	(136,117,962)	(140,600,524)
	<u>403,985,921</u>	<u>457,142,428</u>

- \* The total sales of the Jordan Petroleum Refinery Company to the Jordan Petroleum Products Marketing Company (a wholly owned subsidiary) of finished oil derivatives amounted to JD 215,879,037 and the total sales of Jordan Liquefied Petroleum Gas Manufacturing and Filling Company (a wholly owned subsidiary) from the liquefied gas material amounted to JD 12,518,730 during the period ended on March 31, 2024.

## 15. Cost of Sales

This item consists of the following:

	For the Three Months Ended March 31,	
	2024 (Reviewed)	2023 (Reviewed)
	JD	JD
Crude oil and materials under process at the beginning of the year	130,577,732	123,503,424
Purchases of crude oil and raw materials used in production	231,560,912	209,128,635
<u>Less:</u> crude oil and materials under process at the end of the period	<u>(124,226,813)</u>	<u>(118,822,701)</u>
Cost of Materials used in Production	237,911,831	213,809,358
Industrial expenses	21,276,413	22,551,135
Total Production Cost	259,188,244	236,360,493
<u>Add:</u> Finished products at the beginning of the year	241,161,684	273,869,349
Purchases of finished products	143,088,439	218,754,350
<u>Less:</u> Finished products at the end of the period	<u>(254,639,546)</u>	<u>(279,481,297)</u>
Subsidy of products charged on the Ministry of Finance account *	(35,906,681)	(42,066,089)
<u>Add:</u> Surplus of oil derivatives pricing difference recorded to the Ministry of Finance account *	<u>1,973,687</u>	<u>2,737,959</u>
	<u>354,865,827</u>	<u>410,174,765</u>

- The average purchase cost of crude oil barrel amounted to USD 84.17 for the three months ended March 31, 2024 (USD 87.03 for the three months ended March 31, 2023).

\* This item represents the difference in selling price to consumer comparing the price specified in oil derivatives price bulletin (IPP), as it resulted in an amount of JD 50 as subsidy and an amount of JD 135 as a surplus from the sales of the refining activity, and an amount of JD 480,870 as a subsidy, and an amount of JD 1,973,552 as a surplus from the sales of the Jordan Petroleum Products Marketing Company (a wholly owned subsidiary), and an amount of JD 35,425,761 as a subsidy from the sales of Jordan Liquefied Petroleum Gas Manufacturing and Filling Company which has been activated as of the first of January 2023 after all the liquefied gas activities have been annexed to it (except for gas production activity).



#### 16. Profit Earnings per Share for the Period – Basic and Diluted

Earnings per share for the period for the Company's shareholders - basic and diluted is calculated by dividing profit for the period attributable to the Company's shareholders by the weighted-average number of shares during the period. It is calculated as follows:

	For the Three Months Ended March 31,	
	2024 (Reviewed)	2023 (Reviewed)
Profit for the period attributable to shareholders (JD)	28,187,331	28,616,120
Weighted-average number of shares (Share)	100,000,000	100,000,000
Profit Earnings per Share for the Period-Basic and Diluted (Fils/Share)	-/28	-/29

#### 17. Contingent Liabilities and Financial Commitments

- a. As of the condensed consolidated interim statement of financial position date, the Company was contingently liable and financially committed as follows:

	March 31, 2024 (Reviewed)	December 31, 2023 (Audited)
	JD	JD
Letters of credit and bills of collections*	1,038,313,494	976,878,220
Banks' letters of guarantee	10,364,860	6,340,805
Contracts for projects under construction	60,410,524	44,154,898

- \* This item includes letter of credit guarantee (standby L/Cs) in an amount of JD 163 million which is equivalent to USD 230 million in favor of Saudi Aramco Company as of March 31, 2024 (JD 163 million which is equivalent to USD 230 million as of December 31, 2023).
- b. There are lawsuits filed against the company in the courts for claims amounting in total JD 4,436,499 as of March 31, 2024, of which an amount of 3,360,000 is related to the refining activity and an amount of JD 1,076,499 is related to the Jordan Petroleum Products Marketing Company (JD 4,526,499 as of December 31, 2023). And the obligations that could ensue on the Company from the outstanding lawsuits were estimated and the required provision for the outstanding lawsuit has been recorded within payables and other credit balances item, and in the opinion of the Company's management and the legal advisor, the provisions taken are sufficient to meet any future obligations.
- c. According to the minutes of the Company's meetings with the Ministry of Finance held on November 8, 9 and 16, 2017, to determine the balances of the financial relation between Jordan Petroleum Refinery Company and the Government (excluding Jordan Petroleum Products Marketing Company and the Lube-Oil Factory) for the balances as of September 30, 2017, it was agreed as follows:
1. To confirm the balance of the Ministry of Finance's main account of JD 195,194,153, and the balance of the general sales tax deposits of JD 97,388,860, and the balance of special sales tax deposits of JD 937,034 as of September 30, 2017 as a right for Jordan Petroleum Refinery Company for the refining and gas activity. Moreover, the Ministry of Finance has also taken a pledge for all of the debt balances of the Armed Forces, Royal Air Force, Public Security Directorate, the General Directorate of the Gendarmerie, other security forces, and governmental departments, within its budget as well as the debts of the National Electric Power Company for refining and gas activities of JD 319,468,856 as of September 30, 2017. In the meantime, the two parties have agreed that no provision would be recorded for the debts of Royal Jordanian Company, municipalities, governmental universities, and administratively and financially independent governmental institutions during the relationship period, provided that if those amounts are not collected through the judiciary, and the Company is required to write them off, the Ministry of Finance pledges to pay those debts and any related costs.
  2. To confirm the deposits balances of price differences and surplus of JD 43,488,857, and deposits for setting up alternative tanks of JD 93,500,103 as well as fees, stamps and

allowances according to (IPP) of JD 9,051,757 as of September 30, 2017 as a right for the Government.

3. The two parties have not reached an agreement on the value of the strategic inventory deposits, as the Government is claiming the amount of valuation in 2008 of JD 156,787,303. Meanwhile, Jordan Petroleum Refinery Company is objecting to this amount since these quantities of inventory are deposits booked by the Company and will be refunded as quantities in case the relationship with the Government is terminated.
  4. The two parties have not reached an agreement as to which party will maintain the gas cylinders write off replacement, maintenance and repair provision balance of JD 10 million.
  5. The two parties have agreed that the provision for lawsuits and other liabilities balance of JD 6.3 million as of September 30, 2017 is a right to Jordan Petroleum Refinery Company. In this regard, if any amount for a lawsuit was won by the Company, the booked amount will be transferred to the Government. On the other hand, any judicial expense incurred by the Company during the period of its relationship with the Government will be borne by the Ministry of Finance except for the booked provision.
  6. The two parties have agreed that the other provisions balance of JD 234 thousand as of September 30, 2017 is the right of Jordan Petroleum Refinery Company.
  7. The two parties have agreed that the income tax provision as of September 30, 2017 is the right of the Government and shall be transferred to the Income and Sales Tax Department on the due date in accordance with the Income and Sales Tax Law.
  8. The two parties have agreed that the labor provisions balance (provision for work injuries compensation; provision for employees' vacation; provision for end- of- service indemnity; and provision for death, compensation, and end-of-service indemnity) as of September 30, 2017 is the right of Jordan Petroleum Refinery Company.
  9. The two parties have not reached an agreement as to which party will maintain the provision for doubtful debts balance (expected credit losses provision) of JD 10.5 million as of September 30, 2017.
  10. The two parties have agreed that the provision for the legal compensation balance of JD 6.27 million as of September 30, 2017 is a right to the Jordanian Government. Meanwhile, the full amount has been paid before the end of 2017.
  11. The two parties have agreed that the penalty and delay in payments provision balance of JD 2.74 million as of September 30, 2017 is a right to the Jordanian Government. Meanwhile, the full amount has been paid before the end of 2017.
  12. The two parties have not reached an agreement as to who will maintain the provision for slow-moving and obsolete and sediments inventory balance of JD 19.9 million as of September 30, 2017.
- d. In accordance with the Council of Ministers' Decision No. (7633), taken in its meeting held on April 30, 2018, the financial relationship between the company and the government has ended and the company has been operating on a commercial basis as of May 1, 2018 (Note 3).

#### 18. Ministry of Finance and Related Parties' Balances and Transactions

The balances and movements resulting from transactions with the Ministry of Finance and related parties are as follows:

	March 31, 2024 (Reviewed) JD	December 31, 2023 (Audited) JD
<u>Balances:</u>		
Ministry of Finance – the relationship (Note 8/e)	365,227,204	320,091,020
Ministry of Finance – deposits of oil derivatives pricing differences and surplus (Note 11/a)	(7,510,822)	(5,681,067)
	For the Three Months Ended March 31,	
	2024 (Reviewed) JD	2023 (Reviewed) JD
<u>Transactions:</u>		
Oil derivatives subsidy charged on the Ministry of Finance (Note 15)	35,906,681	42,066,089
Interest Delay Income from the Government debt	7,618,627	6,185,575
Ministry of Finance – surplus differences for oil derivatives pricing charged to the Ministry of Finance (Note 15)	(1,973,687)	(2,737,959)

Executive management and members of the Board of Directors' salaries, remuneration, and other benefits amounted total of JD 412,467 for the period ended March 31, 2024 (JD 369,762 for the period ended March 31, 2023).

#### 19. Distribution of Assets, Liabilities and Results by Sector

The information relating to the Company's disclosed segments is set out below in accordance with IFRS 8. This standard requires identifying segments that can be reported based on the internal reports that are regularly reviewed by the Company's chief operating decision maker and are used to allocate resources to segments and to assess their performance. In addition, the Company's primary activity is represented in conducting activities related to crude oil, oil derivatives, liquefied petroleum gas and lube oil. The majority of the Company's revenues, profits, and assets relate to its operations in the Hashemite Kingdom of Jordan. Inter-sectorial sales are restricted at normal selling prices.

- The Company is organized, for management purposes, into the following four major business sectors:
  - a. Refining: This sector import separates and converts the components of imported crude oil into a set of various finished oil derivatives. This sector depends on licensing from the American UOP Company in the majority of its operations. The company also imports oil derivatives and liquefied gas to meet the excess demand for production.
  - b. Distribution: Distribution links the Company's production and refining activities, on one hand, and all customers in the various areas of the Kingdom, on the other. Moreover, distribution fulfills customers' demands for the Company's Products and imports from finished oil derivatives and gas and lube oil.
  - c. Lube-oil Manufacturing: This sector includes the manufacturing, production, filling, and marketing of various types of oil required in the local and foreign markets.
  - d. Liquefied Gas Manufacturing and Filling: This sector includes producing and importing and filling liquefied gas; and manufacturing, repairing, maintaining, and filling gas cylinders through three of the Company's Gas Stations.
- All of the Company's assets, liabilities, and operations are inside the Hashemite Kingdom of Jordan.

- The following are the Company's activities distributed according to activity type:

	March 31, 2024 (Reviewed)				
	Refining Activity	Jordan Petroleum Products Marketing Company	Jordan Lube Oil Manufacturing Company*	Jordan Liquefied Petroleum Gas Manufacturing and filling Company **	Total
	JD	JD	JD	JD	JD
Total sector's assets	992,579,949	348,465,334	22,182,175	180,200,709	1,543,428,167
Total sector's liabilities	749,191,997	219,718,273	5,572,970	172,267,547	1,146,750,787

	December 31, 2023 (Audited)				
	Refining Activity	Jordan Petroleum Products Marketing Company	Jordan Lube Oil Manufacturing Company*	Jordan Liquefied Petroleum Gas Manufacturing and filling Company**	Total
	JD	JD	JD	JD	JD
Total sector's assets	928,950,520	353,161,000	18,347,543	137,531,055	1,437,990,118
Total sector's liabilities	704,881,014	229,584,374	3,438,425	132,004,980	1,069,908,793

\* The Jordan Lube Oil Manufacturing Company has been activated as of April 1, 2022, and the entire activity and oil factory has been annexed to it.

\*\* Jordan Liquefied Petroleum Gas Manufacturing and Filling Company has been activated as of the first of January 2023 after all the liquefied gas activities have been annexed to it (except for gas production activity).

## 20. Future Plan

Regarding the Fourth Expansion Project, after the Italian company withdrew from the consortium due to the Jordan Petroleum Refinery Company's refusal to increase the bid price, and after the other two companies (Chinese and Japanese) expressed their desire to continue with the project, a meeting was held on March 20, 2024. This meeting included representatives from the consortium members (Sinopec (GPEC) from China and Itochu from Japan), as well as representatives from the company management, local legal advisors, and the project management advisor from the British company Technip Energies. An agreement was reached on the mechanism for completing all technical and financial matters resulting from the Italian company's withdrawal from the consortium, ensuring the project's continuity and progression to the implementation phase. Additionally, the Jordan Petroleum Refinery Company has stipulated its fundamental condition for completing the financing procedures, which is to fix the bid price. The consortium members (Sinopec (GPEC) from China and Itochu from Japan) have promised to provide final confirmation on this matter by the end of June 2024.

Regarding the financing of the project through debt, the consortium members (Sinopec (GPEC) from China and Itochu from Japan) have affirmed their commitment to cover the amount resulting from the Italian company's withdrawal from the consortium. This will be achieved by increasing their contribution to project financing. The consortium members have indicated that the matter is currently under study, and it is expected that details related to the financing will be provided by the end of June 2024.

Regarding the activities of the consultants for due diligence studies (technical, environmental, market analysis, etc.) and updating the studies related to the economic feasibility of the project, they will continue directly after the consortium members commit to fixing the bid price and agree on the new structure of the consortium and define the methods for completing the project.

With respect to the financial relationship with the Government, the company continues to engage with relevant ministries and governmental entities to finalize matters related to the financial relationship between the company and the government, resolving all remaining obstacles, particularly settling the amounts owed to the government. As a result of these negotiations, the Ministry of Finance has allocated funds to settle gas subsidies in the general budget for the year 2024 and disbursed approximately JD (17.6) million during the month of April 2024. Negotiations with the government are ongoing to determine the value of the gas activity commission, reflecting a 12% annual return on investment rate, in accordance with the decision of the Council of Ministers No. (7633) issued during its session on April 30, 2018.

The Jordan Petroleum Products Marketing Company continues its development and expansion path after renewing its license to market petroleum products for an additional (10) years starting from May 2023. During the first quarter of 2024, the company continued opening and managing new stations. This includes the Jet/Ghor Nemerine station, the Sharah/Aqaba station, the Wadi Araba Development station, the Jawahr/Anas Al-Qudah station, the Ajlouni/Al-Sarieh station, Al Mamlakah/Al-Younis station, the Mahmoud Al-Faouri/Ain Al-Basha station, and the Mahmoud Jreid Al-Adwan/ Jordan Street station. Additionally, construction has commenced on the Mowaffaq Al-Salti Al-Azraq station.

Cameras have been installed at the transportation and maintenance gates, as well as at the Jordan Petroleum Refinery Company's site in Aqaba. This initiative aims to monitor and evaluate transportation trips, establish performance standards for carriers, and improve transportation operations in general. Cameras have also been installed on a pilot scale on mobile furnaces as a trial before installing cameras on the rest of the fleet. This installation follows approval from the Ministry of Interior and Public Security to install these cameras.

During the year 2024, there are plans to open and manage several stations, including the Abdul and Ghoussah station, the Aswar Badr station, the Basirah Cooperative Society station in Tafilah, the Khza'aleh station in Dujana, the Sharafat station in Mafraq, the Aoun station in Jubeiha, the Aoun station in Abu Alanda, and the Faisal Al-Hayari station in Beren.

It is also expected to complete the construction of the Aqaba and Hashimiyah warehouses, the Shishani station, and the Zaqiba/Al-Sarih station, and to begin the construction of the Shaydiyah station and the Jordan Street station. Additionally, there are plans to update the Yahya Al-Majali/Army Street station, along with continuing the modernization of old stations, including fifteen stations for the Royal Jordanian Air Force and General Security stations.

There are also plans to implement a television monitoring system for the fleet of domestic transportation and distribution furnaces through the central control room. Additionally, there will be automation of furnace meters and inventory, completion of inventory automation and electronic sales systems in all managed and company-supplied stations, as well as an increase in fast charging stations at company stations. Solar panels will be installed to generate electricity at several stations, and the company's fleet of petroleum derivative transportation will be increased. Furthermore, all financial information of the company will be automated for real-time display on screens.

Jordan Lube Oil Manufacturing Company continues its plan to upgrade its production lines to increase production quantity, enhance quality, and diversify its products at the mineral oils factory. This includes adding new products to meet the evolving needs of the local market, such as introducing a new line for filling barrels with a capacity of (209) liters and updating the currently operating production lines.

Additionally, the oil testing laboratory has been updated through the acquisition of three new devices. These include a Shear Stress Index tester for examining viscosity index improvers at the mineral oils factory, a Volumetric Titration-based device for testing water content in mineral oils, and a device for examining apparent viscosity (CCS).

The company is currently studying the feasibility of using solar energy to heat base oils and additives in the tanks of the mineral oils factory to minimize costs as much as possible.

There are plans to purchase modern lifts and handling equipment for mineral oil materials, as well as acquiring additional delivery trucks to improve and enhance the sales service, aiming to gain customer satisfaction.

The company has completed the installation of a system for dissolving viscosity index improvers and has successfully put it into operation. This achievement is expected to reduce production costs. Furthermore, there are plans to further develop this system to cover the complete needs of the mineral oils factory for viscosity index improvers.

There are plans to construct two new tanks at the company's site in Zarqa to increase the company's storage capacity and conduct comprehensive maintenance for the old tanks. Additionally, there are plans to begin implementing a project to construct five tanks in Aqaba with a storage capacity of approximately 5,000 metric tons each. This aims to increase storage capacities in Aqaba to reduce storage costs elsewhere and take advantage of fluctuations in mineral oil prices.

To expand the company's market share in the local market, the company will update, develop, and produce new types of mineral oils that align with market needs and global trends. Currently, the company is moving towards enhancing its products by improving oil performance and producing new types such as gasoline engine oil with API SP performance level and diesel engine oils with CK4 and CJ4 performance levels. The necessary additives for their production have been imported, and production is expected to commence during the second quarter of 2024.

Currently, work is underway to renew the accreditation of the mineral oil laboratory in the company according to ISO 17025 through the accreditation unit at the Jordan Standards and Metrology Organization and the International Laboratory Accreditation Cooperation (ILAC). Additionally, efforts are being made to pursue international accreditations for Jordan Petroleum oils such as Mercedes-Benz and API, among others, to support marketing campaigns and maintain both ISO 9001 certification and the Jordan Quality Mark.

As for exports, it is within the Jordan Lube Oil Manufacturing Company plan to continue exporting to Palestine, Iraq, Lebanon, and Chad.

Regarding the Jordan Liquefied Petroleum Gas Manufacturing and filling Company, after its activation and commencement of commercial operations from January 1, 2023, efforts are currently underway to develop and improve the performance of all activities of this company and reduce its costs to the minimum possible extent. Projects have been initiated to install solar power systems at gas stations, with implementation commencing in 2023. To increase storage capacities of the company and meet the growing demand for liquefied gas, as well as to ensure the Kingdom's needs and reduce storage costs elsewhere while achieving additional income from providing storage services, the company has initiated a tender to construct storage capacities for liquefied gas of approximately (10) thousand tons at its location in Zarqa. Construction works for these tanks began in October 2023. Additionally, the company is in the process of tendering for the construction of new storage capacities at its Aqaba site, with a storage capacity of approximately (4) thousand tons. Furthermore, the company is working on developing and implementing the centralized distribution process for liquefied gas either directly or through strategic partnerships with other companies to enhance and activate this activity within the company.

21. Fair Value Hierarchy

a. Financial Assets and Financial Liabilities for the Company Measured at Fair Value on a Recurring Basis.

Some of the financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table provides information about how the fair value of these financial assets and financial liabilities is determined (valuation techniques and key inputs):

	Fair Value as at		Fair Value	Valuation Techniques and Key Inputs	Significant Unobservable Inputs	Relationship of Unobservable Inputs and Fair Value
	March 31, 2024 (Reviewed)	December 31, 2023 (Audited)				
Financial Assets	JD	JD				
Financial assets at fair value						
Financial assets at fair value through other comprehensive income:						
Companies' shares	3,416,864	3,236,140	Level 1	Listed prices in financial markets	Not applicable	Not applicable
Total financial assets at fair value	3,416,864	3,236,140				

There were no transfers between level 1 and level 2 during the financial period.

b. The fair value of financial assets and financial liabilities of the Company not specified at fair value on an ongoing basis.

We believe that the book value of the financial assets and financial liabilities shown in the Company's condensed consolidated interim financial information approximates their fair value. Meanwhile, investment properties and gas stations were evaluated for the subsidiaries upon acquisition.

## 22. Subsequent Events

The General Assembly of Shareholders decided, in its meeting held on April 7, 2024, to distribute cash dividends to shareholders at a rate of 45% of the company's paid-up capital, at a value of JD 45 million. It also decided to allocate an amount of JD 15,924,224 to the voluntary reserve account, and allocate an amount of JD 21,232,299 to the reserve account for the fourth expansion project, and to deduct 10% for the statutory reserve account from the annual net profits of Jordan Petroleum Products Marketing Company and Jordan Lube Oil Manufacturing Company and Jordan Liquefied petroleum gas manufacturing and filling Company, and to continue to stop the deduction of 10% as a statutory reserve for the rest of the company's activities and to use of the accumulated voluntary reserve balance for the purposes of the fourth expansion project.

## 23. Approval of the condensed consolidated interim financial information

The accompanying condensed consolidated interim financial information was approved by the Board of Directors and approved for publication on April 29, 2024.