

الشرق الأوسط القابضة

التاريخ: 2026/04/29

اشارتنا: 18/القابضة/2026

السادة/ هيئة الأوراق المالية المحترمين
السادة/ بورصة عمان المحترمين
عمان-الأردن

الموضوع: البيانات المالية كما في 2025-12-31 باللغة الانجليزية

تحية وبعد،،،

بالإشارة الى الموضوع أعلاه، نرفق لكم طياً البيانات المالية المرحلية لشركة الشرق الأوسط القابضة كما
في 2025/12/31 باللغة الانجليزية والمعتمدة من قبل مدققي الحسابات حسب الأصول.

وتفضلوا بقبول الاحترام،،،

شركة الشرق الأوسط القابضة

الشرق الأوسط
القابضة



Middle East Holding Company
(Public Shareholding Limited Company)
Amman – The Hashemite Kingdom of Jordan
Consolidated Financial Statements
and Independent Auditor's Report
for the year ended December 31, 2025

Middle East Holding company
(Public Shareholding Limited Company)
Amman – The Hashemite Kingdom of Jordan
Consolidated Financial Statements and Independent Auditor's Report
for the year ended December 31, 2025

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Independent Auditor's Report

To, The Shareholders
Middle East Holding
(Public Shareholding Limited Company)
Amman - the Hashemite Kingdom of Jordan
Greetings

Opinion

We have audited the consolidated financial statement of **Middle East Holding ("the Company") and its subsidiaries** which comprises of statement of consolidated financial position as of December 31, 2025 and the statement of consolidated profit or loss, the statement of consolidated other comprehensive income, the statement of consolidated changes in shareholder's equity, and the statement of consolidated cash flows for the year then ended, and notes to the consolidated financial statements, and a summary of significant accounting policies and other explanatory.

In our opinion, the accompanying consolidated financial statements present fairly, in all material aspects, the consolidated financial position as at 31 December 2025, and its consolidated financial performance, and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

Key Audit Matters (Basic)

The key audit matters are those matters that, in our professional judgment, have received the greatest attention in our audit of the financial statements for the current year. These matters have been considered in the context of our audit of the financial statements as a whole, and when forming our opinion thereon, rather than for the purpose of expressing a separate opinion on these matters.

Significant Audit Matter	Audit scope to meet the significant audit matter
<p>The estimation of liabilities related to incurred claims and the loss component involves a high degree of judgment. This requires estimating the present value of future cash flows and adjusting for non-financial risks (which are part of the incurred claims liabilities) and the loss component (which is part of the remaining coverage liabilities). Non-financial risk adjustments are applied to the estimated present value of future cash flows and reflect the compensation required by the company for bearing uncertainty about the amount and timing of cash flows from non-financial risks when settling its liabilities under insurance contracts.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> - Understanding, evaluating, and testing key controls around claims processing operations and provisions determination. - Assessing the competence, capabilities, and objectivity of the appointed actuarial expert based on their professional qualifications, experience, and independence.

Independent Auditor's Report (continued)

Key Audit Matters (Basic) (Continued)

Significant Audit Matter	Audit scope to meet the Significant audit matter
<p><u>Assessment of incurred liabilities and Loss component (Continued).</u></p> <p>The present value of future cash flows depends on the best estimate of the ultimate cost of all incurred claims, whether reported or not settled as of the reporting date. The loss component is recognized at any time during the coverage period if facts and circumstances indicate that a group of contracts is onerous. This loss component is remeasured at each reporting date as the difference between the cash flow amounts at specified settlement under the general measurement model related to future service and the carrying amount of the remaining coverage liabilities excluding the loss component.</p> <p>The Company engages an external actuarial expert, the "appointed actuarial expert," to assist in estimating these liabilities. The expert uses a range of methodologies to determine these liabilities based on a number of explicit or implicit assumptions regarding the expected settlement amount and settlement patterns of claims.</p> <p>As of December 31, 2025, the estimated present value of future cash flows and the risk adjustment for non-financial risks amount to 65 million Jordanian Dinars, as disclosed in Note 13 of the financial statements.</p> <p>We have considered this as a key audit due to the uncertainty inherent in the estimation and subjective judgments involved in assessing estimates of the present value of future cash flows and adjusting for risks other than financial risks arising from insurance contracts.</p> <p>Refer to Note 5 for significant accounting policies, judgments, and estimates related to insurance contract liabilities.</p>	<p><u>Our audit procedures included (continued):</u></p> <ul style="list-style-type: none"> - Conducting objective tests, on a sample basis, on recorded amounts of notified and paid claims, including comparing the outstanding claims amount with appropriate source documents to assess the adequacy of reserves. - Verifying the completeness of data used as inputs in actuarial assessments and testing, on a sample basis, the accuracy of core claims data used by the appointed actuarial expert in estimating the present value of future cash flows, adjusting non-financial risks, and assessing loss components by comparing them to accounting records and other records. - Engaging our own actuarial specialists to evaluate the company's actuarial practices, adequacy of reserves held, and obtaining confirmation regarding the report issued by the appointed actuarial expert. Our actuarial specialists performed the following: <ol style="list-style-type: none"> 1- Assessing whether the company's actuarial methodologies are generally consistent with accepted actuarial practices. 2- Evaluating the appropriateness of key actuarial accounting methods and assumptions used and conducting sensitivity analysis. 3- Providing independent forecasts of the present value of future cash flows, adjusting non-financial risks and loss components for significant lines of business for comparison with amounts recorded by management. 4- Assessing the adequacy and suitability of relevant disclosures in the financial statements.

Information Enclosed in the Company's 2025 Annual Report

Other information consists of information contained in the Group's Annual Report for the year 2025 other than the financial statements and the auditor's report. The management is responsible for other information and it is expected that the Group's annual report for the year 2025 will be provided to us later to the date of our report on the financial statements. Our opinion does not include other information and we do not make any assurance about other information.

It is our responsibility to read other information when obtained, whether other information is materially inconsistent with the financial statements or from our knowledge during the audit of the financial statements.

Independent Auditor's Report (Continued)

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

The management is responsible for the preparation and fair presentation of the Consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). Additionally, the management is responsible for implementing internal control systems that it deems necessary to prepare financial statements free from material misstatement, whether due to fraud or error.

When preparing the Consolidated financial statements, management is responsible for assessing the company's ability to continue as a going concern and for making appropriate disclosures regarding matters related to going concern and the use of the going concern basis unless management intends to liquidate the company or cease its operations, or there is no realistic alternative to do so.

The governance bodies are responsible for overseeing the process of preparing the financial reports in the company.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing ("ISAs"), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

Independent Auditor's Report (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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

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

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

Report on other legal and regulatory requirements

The Middle East Holding maintains well organized accounting records as at 31 December 2025, and is consistent in all material aspects with the attached consolidated financial statements. we recommend that the General Assembly approve them.

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

Date: March 31 , 2026
Amman - Jordan



Middle East Holding Company
(Public Shareholding Limited Company)
Statement of Consolidated Financial Position
as of December 31, 2025
(Jordanian Dinars)

	Notes	2025	2024
<u>Assets</u>			
Investments:			
Deposits at banks	6	22,254,427	19,869,152
Financial assets at fair value through profit or loss	7	9,472,015	7,079,608
Financial assets at fair through other comprehensive income	8	17,369,668	13,746,207
Financial assets at amortized cost	9	10,456,724	8,856,724
Investments in an associate company	10	423,013	-
Investments properties	11	21,458,670	21,738,750
Right of use assets	12	116,597	155,464
Total investments		81,551,114	71,445,905
Cash on hand and at banks	13	4,234,532	4,395,138
Reinsurance contract assets held (Premium allocation approach)	16	26,709,819	17,963,778
Reinsurance contract assets held (General measurement model)	18	60,603	164,644
Deferred tax assets	17	-	490,912
Property and equipment- net	19	4,335,379	4,427,143
Intangible assets- net	20	-	5,950
Other assets	21	1,587,341	2,124,039
Total assets		118,478,788	101,017,509
<u>Liabilities and Shareholders' Equity</u>			
<u>Liabilities</u>			
Insurance contract liabilities (General measurement model)	14	4,350,029	4,875,027
Insurance contract liabilities (Premium allocation approach)	15	65,039,600	54,123,809
Total insurance contracts liabilities		69,389,629	58,998,836
Loans	22	875,817	-
Accrued expense		202,939	117,095
End of service provision	23	27,751	98,944
Provision for income tax	17	1,004,951	408,470
Deferred tax liabilities	17	1,326,191	313,307
Checks that have been withdrawn but not presented for payment		145,898	267,478
Lease contract liabilities	12	65,971	144,523
Other liabilities	24	3,000,770	4,268,720
Total insurance contracts liabilities and other liabilities		76,039,917	64,617,373
Shareholders' Equity:			
Authorized and paid up capital	25	17,038,971	17,038,971
Statutory reserve	26	500,187	140,987
Accumulated change in fair value	27	1,121,569	(909,364)
Impact of acquisition of a subsidiary under joint control		16,396,931	16,396,931
Retained earnings	28	6,725,051	3,140,278
Controlling Equity		41,782,709	35,807,803
Non- controlling Equity		656,162	592,333
Total Owners' equity		42,438,871	36,400,136
Total Liabilities and Owners' Equity		118,478,788	101,017,509

The accompanying notes from 1 to 43 are an integral part of these consolidated financial statements

Middle East Holding Company
(Public Shareholding Limited Company)
Statement of Consolidated Profit or Loss
for the year ended December 31, 2025
(Jordanian Dinars)

	Note	2025	2024
Revenues:			
Insurance contract revenues	30	62,725,044	52,651,806
Insurance contract expenses	31	(51,364,238)	(36,095,562)
Insurance contract service result		11,360,806	16,556,244
Reinsurance contracts expenses	33	(28,250,647)	(27,208,444)
Reinsurance contracts revenues	32	18,443,231	11,316,039
Reinsurance contract service result		(9,807,416)	(15,892,405)
Net insurance operations results		1,553,390	663,839
Finance expenses - insurance contracts	34	(380,986)	(808,009)
Finance revenues– reinsurance contracts	35	76,044	99,231
Net financing results of insurance operations		(304,942)	(708,778)
Interest income	36	1,443,084	1,544,043
Profit from financial assets and investments	37	4,227,785	686,775
Other income	38	182,602	(56,110)
Net investment revenue		7,101,919	2,174,708
Net results of insurance and investment (Total revenues)		8,350,367	2,129,769
Salaries, wages and benefits of employees		(1,439,246)	(590,308)
General and administrative expenses		-	(351,490)
Depreciation and amortization		-	(172,120)
Depreciation of investment properties		(273,093)	(361,796)
Depreciation of right of use asset		-	(38,867)
Expected credit losses provision		-	(50,000)
interest of the right to use assets		-	(13,162)
Other Expenses		(50,000)	(221,400)
		(1,762,339)	
Total expenses			(1,799,143)
Net profit before tax		5,339,580	330,626
Income tax	17	(1,618,334)	(116,247)
National contribution fees		(76,442)	(38,553)
Net profit for the year after tax		3,644,804	175,826
Return to:			
Company Shareholders		3,580,975	172,942
Not- controlling interest		63,829	2,884
total		3,644,804	175,826
Earnings per share	39	0.21	0.010

The accompanying notes from 1 to 43 are an integral part of these consolidated financial statements

Middle East Holding Company
(Public Shareholding Limited Company)
Statement of Consolidated Other Comprehensive Income
for the year ended December 31, 2025
(Jordanian Dinars)

	Note	2025	2024
Profit for the year		3,644,804	175,826
Add: Other comprehensive income items, net of tax that will not be reclassified to the statement of profit or loss in subsequent years			
Change in fair value of financial assets at fair value through the other comprehensive income		-	-
The company's share of the other comprehensive income of the subsidiary		2,030,933	(1,234,973)
Total other comprehensive income items that will not be reclassified to the statement of profit or loss in subsequent years		2,030,933	(1,234,973)
Total comprehensive income for the year		5,675,737	(1,059,147)
Return to:			
Company Shareholders		5,611,908	(1,041,777)
Right for Non-Controller		63,829	(17,370)
		5,675,737	(1,059,147)

The accompanying notes from 1 to 43 are an integral part of these consolidated financial statements

Middle East Holding company
(Public Shareholding Limited Company)
Statement of Consolidated Changes in Shareholders' Equity
for the year ended December 31, 2025
(Jordanian Dinars)

	Share Capital	Statutory Reserve	Fair value Reserve	Impact of acquisitions subsidiary under joint control	Retained Earnings	Total	Not- controlling rights	Total Owners' Equity
2024								
Balance as of December 31 2023	17,038,971	110,664	(1,491,723)	16,396,931	6,004,835	38,059,678	630,729	38,690,407
Dividends	-	-	-	-	(1,192,728)	(1,192,728)	-	(1,192,728)
Total comprehensive income for the year	-	-	(1,234,973)	-	175,826	(1,059,147)	(17,370)	(1,076,517)
Change in fair value reserve	-	-	1,817,332	-	(1,817,332)	-	-	-
Transfer to statutory reserve	-	30,323	-	-	(30,323)	-	-	-
Purchased minority rights	-	-	-	-	-	-	(21,026)	(21,026)
Balance as of December 31, 2024	17,038,971	140,987	(909,364)	16,396,931	3,140,278	35,807,803	592,333	36,400,136
2025								
Balance as of December 31 2024	17,038,971	140,987	(909,364)	16,396,931	3,140,278	35,807,803	592,333	36,400,136
Dividends	-	-	-	-	(1,022,338)	(1,022,338)	-	(1,022,338)
Total comprehensive income for the year	-	-	-	-	3,580,975	3,580,975	63,829	3,644,804
Profit from the sale of financial assets	-	-	-	-	1,385,336	1,385,336	-	1,385,336
comprehensive income	-	-	-	-	1,385,336	1,385,336	-	1,385,336
Change in fair value reserve	-	-	2,030,933	-	-	2,030,933	-	2,030,933
Transfer to statutory reserve	-	359,200	-	-	(359,200)	-	-	-
Balance as of December 31 2025	17,038,971	500,187	1,121,569	16,396,931	6,725,051	41,782,709	656,162	42,438,871

The accompanying notes from 1 to 43 are an integral part of these consolidated financial statements

Middle East Holding Company
(Public Shareholding Limited Company)
Statement of Consolidated Cash Flows
for the year ended December 31, 2025
(Jordanian Dinars)

	2025	2024
Cash flows from operating activities:		
Net income for the year before income tax	5,339,580	330,626
Adjustments to reconcile net income before tax to net cash flows provided by operating activities:		
Depreciation and amortization	464,150	533,916
Expected credit losses provision	-	50,000
Profit from the sale of financial assets through other comprehensive income	1,385,336	-
Net change in fair value of financial assets through profit or loss statement	(2,805,718)	(686,775)
Interest income	(1,443,084)	(1,544,043)
Cash flow from operating before change in the components of working capital:	2,940,264	(1,316,276)
Changes in working capital:		
Reinsurance contract assets held, net (Premium allocation approach)	(8,746,041)	286,144
Reinsurance contract assets held, net (General measurement model)	104,041	164,888
Other assets	1,169,008	397,608
Insurance contract liabilities (General measurement model)	(524,998)	643,313
Insurance contract liabilities (Premium allocation approach)	10,915,791	1,479,052
Accrued expense	85,844	7,432
Other liabilities and other provisions	(1,460,723)	(128,864)
Cash flows provided by operating activities before paid income tax	4,483,186	1,533,297
Income tax paid	(226,809)	-
Net cash flows provided by operating activities	4,256,377	1,533,297
Cash flow from Investing Activities:		
Bank deposits	(2,385,275)	4,095,659
Financial assets at fair value through profit or loss statement	413,311	(20,997)
Financial assets at fair value through other comprehensive income	(1,592,528)	446,064
Financial assets at amortized cost	(1,600,000)	(6,856,344)
Investments in an associate company	(423,013)	-
Property and equipment, net	(47,489)	(43,434)
Net cash flows (used in) / provided by investing activities	(5,634,994)	(2,379,052)
Cash flows from financing activities:		
Dividends paid	(1,022,338)	(873,223)
Lease liabilities payment	(78,552)	-
short-term loan	875,817	-
Interest received	1,443,084	1,544,043
Cash flows provided by/ (used in) financing activities	1,218,011	670,820
Net decrease in cash and cash equivalents	(160,606)	(174,935)
Net cash and cash equivalents at the beginning of the year	4,395,138	4,570,073
Net cash and cash equivalents at the end of the year	4,234,532	4,395,138

The accompanying notes from 1 to 43 are an integral part of these consolidated financial statements

Middle East Holding Company
(Public Shareholding Limited Company)
Notes to the Consolidated Financial Statements
for the year ended December 31, 2025

1- Legal Status and Activities

The Middle East Holding Company, a public shareholding limited company, was established as a Jordanian public shareholding company, headquartered in Amman - The Hashemite Kingdom of Jordan which registered under No. (471) on February 19, 2020. With a capital of 500,000 dinars.

The General Assembly decided, in its extraordinary meeting held on October 11, 2022, to raise the company's capital to 18,089,285 Jordanian dinars through offering shares for public underwriting, and an amount of 16,538,971 dinars were underwritten, so that the paid-up capital becomes 17,038,971 with a nominal value of one dinar per share.

The consolidated financial statements have been approved by the board of directors in its meeting 26 February, 2026.

2- Basis of Preparation of the financial statement

The accompanying financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted in the Hashemite Kingdom of Jordan, along with other relevant standards and pronouncements.

The financial statements are presented in Jordanian Dinar (JD), which represents the functional currency of the Company. All amounts disclosed in the financial statements are denominated in Jordanian Dinars.

The preparation of financial statements in accordance with IFRS requires the use of significant accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The significant judgments and estimates applied in the preparation of the financial statements are disclosed in a separate section below.

Functional and presentation currency

The consolidated financial statements have been prepared based on the historical cost principle, except for financial assets measured at fair value through other comprehensive income (FVOCI) and financial assets measured at fair value through profit or loss (FVTPL), which are stated at fair value as of the date of the consolidated financial statements.

The financial statements of subsidiaries are consolidated from the date on which control is obtained by the Company until the date such control ceases. The income and expenses of subsidiaries are included in the consolidated statement of comprehensive income from the date the Company gains control over the subsidiaries until the date such control is lost.

The consolidated financial statements include the financial statements of Middle East Holding Public Shareholding Company and its subsidiaries as of December 31, 2025. It should be noted that the Company holds a controlling interest of 98.36% in Middle East Insurance Company. The company did not consolidated with it due to the unavailability of financial statements.

Company's name	Company's entity	Country's incorporation	Ownership %
Middle East Insurance Company *	Public Shareholding Company	Jordan	98.36%
Levent Gate Management Consulting Company*	Private Shareholding Company	Jordan	100%
Al-Shamia Real Estate Company for Construction and Development*(Formerly Levent Gate Real Estate Investments Company)	Private Shareholding Company	Jordan	100%

Middle East Holding Company
(Public Shareholding Limited Company)
Notes to the Consolidated Financial Statements
for the year ended December 31, 2025

2- Basis of Preparation of the financial statement (Continued)

Functional and presentation currency (Continued)

*Middle East Insurance Company was established as a Jordanian public shareholding company with its headquarters in Amman - Hashemite Kingdom of Jordan under number (9) on June 28, 1962. It is 98.36% owned by Middle East Holding.

* Levant Gate for Management Consulting Company private contribution was established with a paid-up capital of 50,000 Jordanian dinars and was fully registered with the Ministry of Industry and Trade on June 21, 2022. It is wholly owned by the "Middle East Holding Company Limited" which is a public shareholding company.

* Al-Shamia Real Estate Company for Construction and Development (formerly Levant gate for property investments) was established with a paid-up capital of 50,000 Jordanian dinars and was fully registered with the Ministry of Industry and Trade on June 21, 2022. It is wholly owned by the "Middle East Holding Company Limited" which is a public shareholding company.

3- Adoption of New and Amended International Financial Reporting Standards (IFRS)

New and revised accounting standards effective for the current year :

-Amendments to International Accounting Standard (IAS) 21 – Non-Convertible Currency

-Amendments to the Sustainability Accounting Standards Board (SASB) standards to enhance their international applicability.

The company has not yet adopted the following new and revised standards, which have been issued but are not yet in effect Management is currently assessing the impact of the new requirements.

Standards issued and no longer in effect

•Amendments effective from 1 January 2026

-Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Disclosures."

-Annual Improvements to International Accounting Standards – Version 11

Amendments effective from 1 January 2027:

-IFRS 18 – Presentation and Disclosure in Financial Statements

-IFRS 19 – Disclosures of Non-Generally Responsible Subsidiaries

Management expects these new standards, interpretations, and amendments to be reflected in the financial statements during the initial application period. It also expects that the adoption of these new standards, interpretations, and amendments will not have a material impact on the financial statements during the initial application period, with the exception of IFRS 18, which relates to the reclassification and presentation of financial statements.

4-Use of Estimates and Assumptions

Preparing financial statements and applying accounting policies requires the Company's management to make estimates and judgments that affect the amounts of financial assets and financial liabilities and the disclosure of potential liabilities. These estimates and judgments also affect revenues, expenses, and allocations, as well as changes in the fair value that appear in the profit or loss statement and in shareholders' equity. In particular, it requires the Company's management to issue important judgments and judgments to estimate the amounts and times of future cash flows. The aforementioned estimates are necessarily based on multiple assumptions and factors that have varying degrees of estimation and uncertainty, and that the actual results may differ from the estimates as a result of changes resulting from the conditions and circumstances of those estimates in the future.

The nature and extent of the changes in the estimates of the amounts contained in the reports of previous financial years do not have a material impact on the current data. Our estimates in the financial statements are reasonable and detailed as follows:

Expected Credit Loss

The Company applies the simplified approach imposed by International Financial Reporting Standard No. (9) To recognize impairment by measuring expected credit losses over the life of receivables and contractual assets based on the historical cash flow ratio for collection , Financial assets are classified into three stages based on their level of credit risk. Statistical models and future economic factors are used to calculate PD, LGD, and EAD.

Expected loss rates are based on the Company's historical credit losses experienced during the prior three-year period up to the end of the current period, and historical loss rates are then adjusted for current information. Since the Company is based on historical cash flow ratios without including economic factors, Standard No. 9 does not require including these factors.

Impairment in the value of financial assets

The Company reviews the values recorded of the financial assets at the date of the financial statements to determine whether there are indications of impairment in their value individually or in the form of a Company, and in the event of such indications, the fair value is estimated in order to determine the impairment loss.

Income Tax

The financial year was charged with its income tax expense in accordance with the regulations, laws and international financial reporting standards as follows:

1-Accrued Tax

Income tax was estimated in accordance with International Financial Reporting Standard No. 17, noting that the income and sales tax law had not been amended as of the date of preparing the financial statements.

Taxes are calculated according to the tax rates established under the laws, regulations and instructions in the Hashemite Kingdom of Jordan

2- Deferred Tax

Deferred taxes are the taxes expected to be paid or recovered as a result of temporary time differences between the value of assets or liabilities in the financial statements and the value on which the tax profit is calculated. Taxes are calculated using the compliance method in the financial statements. Deferred taxes are calculated according to the tax rates that are expected to be applied upon settlement. Tax liability or realization of deferred tax assets.

The balance of deferred tax assets is reviewed at the date of the financial statements and reduced in the event that it is expected that it will not be possible to benefit from those tax assets, partially or completely, or to settle the tax liability or select the need for it.

4- Use of Estimates and Assumptions (continued)

Property, equipment and intangible assets

The management periodically reassesses the useful lives of tangible and intangible assets for the purpose of calculating annual depreciation and amortization depending on the assets and the estimated useful lives expected on the general situation in the future. Impairment loss, if any, is recorded in the profit and loss statement.

The present value of future cash flows

Flows are defined as all amounts expected to be collected and expected to be paid within the limits of the insurance contract / reinsurance contract held after adjusting them to reflect the timing and uncertainty of those amounts, based on actuarial assumptions and the Company's experience in insurance contracts and reinsurance contracts held.

Future cash flows are recognized at the current value of insurance contracts, using historical cash flows and the local rate of return on local bonds issued by the Central Bank of Jordan, as they are closest to the Company's reality. The income or expense from discounting cash flows is treated through the statement of profit or loss. Or for reinsurance contracts, the percentage of illiquidity risks is deducted.

The Company will not calculate a present value for future cash flows on insurance and reinsurance premiums whose duration is less than 12 months.

When developing assumptions regarding estimating flows for groups of insurance contracts, the Company must take into account the following:

- Inherent risks.
- Aggregation level.
- The possibility of natural disasters.
- The possibility of liquidating the contract before the expiration date of insurance coverage, and other Practices expected from the insurance contract holder.
- Factors that will affect estimates, and sources of information for these factors.

Non-insurance Components

The Company discloses the following aspects:

- Defining the insurance risks.
- Defining the insurance contract, and defining the written insurance contracts that are consistent with the definition.
- Determining the contracts issued by the Company that are consistent with the definition of the insurance contract.
- The mechanism for separating the non-insurance components (investment component, service component, etc.) from the insurance contract, and if they exist, the most specialized standard that will be applied to address those components is mentioned.
- Mechanism for determining the materiality of the risks of the insurance contract.

4-Use of Estimates and Assumptions (continued)

Lawsuits

A provision is made against cases filed against the company based on a legal study prepared by the company's lawyer according to which the risks likely to occur in the future are determined, and those studies are periodically reviewed.

Fair Value Levels

Fair value is the value that is expected to be received when selling an asset, or paid to transfer any liability in regular transactions between market participants on the measurement date under prevailing market conditions, regardless of whether that price is directly observable or estimated using another valuation method. The fair value measurement is based on the assumption that the asset or liability will be sold either:

- Through the main market for the assets or liabilities, or
- Through the most advantageous market for assets or liabilities in the absence of a primary market.

The main or most advantageous market must be accessible to the Company.

Fair value is measured using the assumptions used by market participants when pricing assets or liabilities, assuming that market participants act in a way that achieves the best economic benefits for them.

Measuring the fair value of non-financial assets takes into account the ability of market participants to provide economic benefits by using the assets in a way that achieves the best benefit from them or by selling them to another market participant to use them in a way that achieves the best benefit from them. The Company uses valuation methods that are appropriate to the existing circumstances and conditions and has sufficient data to measure fair value, makes greater use of relevant observable data, and reduces the use of unobservable data to the greatest extent.

All assets and liabilities that are measured at fair value or disclosed in the financial statements are classified within the hierarchy of fair value levels mentioned below and on the basis of the lowest level inputs that are significant to the fair value measurement as a whole:

- Level One: Prices traded in an active market for similar assets or liabilities.
- The second level: measurement methods that consider the lower-level inputs (important for measuring fair value) that are directly or indirectly observable.
- The third level: measurement methods that consider the lowest level inputs - that are significant to measuring fair value - to be unobservable.

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

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

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4-Use of Estimates and Assumptions (continued)

A. Segments Information

The business segment represents a Company of assets and operations that jointly provide products or services that are subject to risks and returns that differ from those related to other segments, which are measured according to the reports that were used by the CEO and the main decision maker of the Company.

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

B. Good will

Goodwill is recorded at cost, representing the excess of the cost of acquiring or purchasing a subsidiary or joint venture over the Company's share of the net fair value of the identifiable assets, liabilities, and contingent liabilities of that subsidiary at the acquisition date.

Goodwill is allocated to the cash-generating unit(s) for impairment testing.

Goodwill is impaired if the estimated recoverable amount of the cash-generating unit(s) to which the goodwill belongs is less than the carrying amount of the cash-generating unit(s). The impairment loss is recognized in the statement of profit or loss.

5- Significant Accounting Policies.

Insurance contracts

Definition of insurance contract

It is a contract whereby one party (the issuer) accepts a substantial insurance risk from another party (the contract holder), by agreeing to compensate the contract holder in case of the occurrence of a specific and uncertain future event (the insured event) such that this event, if it occurs, adversely affects the contract holder/beneficiary, the insurance contract is recognized according to the following deadlines, whichever is earlier:

- The beginning of the contract coverage period.
- The due date of the first contract installment.
- The date on which the insurance contract is considered a contract with an expected loss.

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5- Significant Accounting Policies (Continued)

Insurance contracts(continued)

Company's products

All contracts issued by the Company meet the definition of an insurance contract. Below is a breakdown of the insurance contracts issued by the Company that meet the definition:

Main Insurance Type	Sub-Insurance Type
Motor	Compulsory Insurance Comprehensive Insurance Buses their liability Border center
Marine	Marine Insurance Open coverage Marine Hull
Aviation	Aviation
Engineering Insurance	Contractors All risk Installation of machines Equipment and Machinery
Fire	All risks Fire
Liability	Professional Indemnity
Other Insurance	Personal accidents Travel
Medical	Individual Group
Life	Individual Group

5- Significant Accounting Policies (Continued)

Direct participating feature

The direct participation feature in IFRS 17 is defined as insurance contracts that have economic characteristics similar to an insurance contract (long term of coverage, frequent premiums and amount or timing of return at the estimate of the issuer) and are linked to a portfolio of assets. Contracts that contain this feature at the beginning of the contract, include:

- The contractual terms specify that the insurance contract holders participate in a share of the insurance contract portfolio.
- The Company expects to pay the contract holder a significant share of the fair value proceeds from the portfolio of insurance contracts.
- The Company expects that a significant proportion of any change in the amounts that will be paid to the contract holder will vary with the change in the fair value of the insurance contracts portfolio.

Types of direct participating feature

Investment contracts:

Investment contracts that have a legal form similar to an insurance contract but do not transfer significant insurance risk to the issuer and bear financial risks (embedded derivatives, change in the fair value of an instrument, change in interest rates, change in currency exchange rates, or credit rating) are classified as investment contract in accordance with IFRS (9).

Investment contracts that contain the feature of voluntary participation, which are investment contracts that have a legal form similar to an insurance contract, but do not transfer significant insurance risks to the issuer and do not meet the definition of an insurance contract, but are classified in accordance with International Financial Reporting Standard No (17).

Self-insurance:

Self-insurance (keeping the risks that could have been covered by the insurance contract within the Company, there is no other party to the contract). For example, a Company issuing an insurance contract in the name of the Company or a fellow subsidiary, which is classified in accordance with IFRS 15.

The Company issues the following contracts that are classified according to IFRS 15:

- Medical insurance contract for employees of the Middle East Insurance Company.
- Life insurance contract for employees of the Middle East Insurance Company.
- Vehicle insurance contracts owned by the Middle East Insurance Company.
- All-risk insurance contracts for buildings owned by the Middle East Insurance Company.

5- Significant Accounting Policies (Continued)

Separation of non-insurance components

The investment component

A Company is required to separate the distinct investment component distinct from the underlying insurance contract when the investment component is distinct if and only if the following two conditions are met:

- 1- The investment component and the insurance component are not closely related.
- 2- The contract is sold on equivalent terms, or may be sold, separately in the same market or Jurisdiction, either by the entities issuing the insurance contracts or by other parties.

The investment component and the insurance component are directly related if, and only if:

- 1- The Company was unable to measure one component without looking at the other. Therefore, if the value of one component varies according to the value of the other component, the Company must apply IFRS 17 to calculate the co-investment and insurance component.
- 2- The policyholder cannot benefit from one of the components unless the other is also present. Therefore, if the lapse or maturity of one component of a contract causes the lapse or maturity of the other, the Company must apply IFRS 17 to account for the investment component and the combined insurance component.
- 3- The company does not have products that contain an investment component.

Components of services and goods

The Company shall September rate any undertaking to transfer distinct goods or services to the policyholder other than insurance contract services. And it must account for these commitments by applying International Financial Reporting Standard 15. Accordingly, it is:

- 1- Separate the cash inflows between the insurance component and any promises to provide distinct goods or services other than insurance contract services;
- 2- Separate the cash outflows between the insurance component and any promised goods or services other than insurance contract services, so that:
 - The cash outflows that relate directly to each component are attributable to that component; and
 - Any cash outflows are attributed on a systematic and logical basis, reflecting the cash outflows the entity expects to arise as if this component were a Separate contract.

A good or service other than the insurance contract promised to the policyholder is not distinctive if:

- A- The cash flows and risks associated with the good or service are closely related to the cash flows and risks associated with the insurance components of the contract.
- B- The establishment provides an important service in linking the commodity or service with the components of the insurance.

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5- Significant Accounting Policies (Continued)

Components of services and goods Continued)

The Company has the following service component that is not Separated from the insurance contract under item (a + b):

<u>Service / good</u>	<u>Insurance contract that includes the service / good</u>	<u>Related to component international standard</u>
Road assistance	Comprehensive/supplementary car	IFRS 17
Transfer vehicle ownership	Motor vehicles	IFRS 17
Issuance fees service	All types	IFRS 17

Acquisition cost

An entity shall allocate acquisition costs to the acquisition of the insurance contract to groups of insurance contracts and amortize them over the term of the contract, unless the entity elects to recognize them as an expense by applying paragraph 59 (a), which states:

When applying the premium allocation approach, the entity:

It may choose to recognize any cash flows from acquiring insurance as an expense when those costs are incurred, provided that the coverage period for each contract in the Company on initial recognition does not exceed one year. The company opted to apply the mentioned exemption only on commission expenses.

Recognition of the insurance contract

The Company shall recognize the Company of insurance contracts as of the following dates, whichever is earlier:

- The beginning of the coverage period.
- Eligibility for the first payment.
- The date on which the insurance contract is considered a contract with an expected loss.

When a group of contracts becomes burdensome, the Company adopts the contract registration date instead of the payment due date, as there is no data indicating that the payment due date precedes the contract registration date, which equals the beginning of the insurance coverage.

Amending Insurance Contracts

The Company makes adjustments to the initial recognition of insurance contracts by dealing with the changes that occurred in the future cash flows to fulfill the contracts, unless the conditions for derecognition of insurance contracts apply to them.

Derecognition of insurance contracts

The Company derecognizes insurance contracts in the following cases:

- Expiration of the contract. (Expiration, fulfillment or cancellation of the obligation specified in the Insurance contract).
- In case that the insurance contracts are amended so that the contract no longer meets the requirements of the standard, then the Company cancels the contract and recognizes a new one

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5- Significant Accounting Policies (Continued)

Liabilities for remaining coverage

The amount that the Company must reserve when recognizing insurance contracts, which relates to subsequent financial years as a result of valid insurance contracts.

Liabilities for claims incurred

It is the total value of the expected costs incurred by the Company as a result of risks covered by the insurance contract that occurred before the end of the fiscal year, and includes those reported and unreported claims, in addition to the expenses related to them.

Contractual service margin

It is the unearned profit from remaining coverage that is expected to be profitable, and which is recognized in conjunction with the provision of insurance contract services.

Initial recognition of insurance contracts / general measurement approach / variable cost approach

The Company of insurance contracts is measured upon initial recognition according to the following:

1. Cash flows to fulfill obligations arising from contracts, which include:
 - Estimates of future cash flows.
 - Adjustments for the time value of money and the financial risks associated with future cash flows by not including those financial risks in future cash flow estimates.
 - Non-financial risk adjustments.
2. Contractual service margin.

Subsequent Measurement of Insurance Contracts / general measurement approach / variable cost approach

The Company recognizes the carrying amount of any group of insurance contracts at the end of each period as the sum of the following:

1. Liabilities for remaining coverage, which includes the net value of cash inflows and outflows after applying the discount rate plus non-financial risk adjustments and the contractual service margin.
2. Liabilities for claims incurred, which is calculated based on the best estimate of future cash flows to settle claims plus non-financial risk adjustments, taking into account the application of the discount rate to claims expected to be settled after more than one year.

Contracts measurement approach

The standard provides insurance companies with three approaches for measuring and processing insurance contracts and reinsurance contracts held by accounting, as follows:

1-Premium allocation approach:

It applies to the group of insurance contracts shown below:

- The duration of the insurance coverage does not exceed one year.
- In which the value of "Liabilities vs. Residual Coverage" does not substantially differ from its value when applying the requirements of the general approach.

2-General approach:

It is applied to all insurance contracts, where it is required to measure the obligations of the insurance contract groups by deducting the future cash flows "incoming and outgoing", and then subtracting from them non-financial risk adjustments to reach the contractual service margin, which represents the unearned profit from the group of insurance contracts.

5- Significant Accounting Policies (Continued)

Subsequent Measurement of Insurance Contracts /general measurement approach / variable cost approach (Continued)

3-Variable cost approach:

It is the approach through which some requirements of the general approach are modified to deal with investment contracts that include the participation feature.

The Company applies the premium allocation approach to all insurance contracts and reinsurance contracts held, as the Company does not have products or reinsurance contracts held in which the coverage period exceeds one year, unlike travel and diminishing life insurance, as the coverage period for these contracts is more than one year, and since the premiums of these products combined are less than 100,000 JD and it is immaterial when applying premium allocation approach.

Measurement approaches

Premium allocation approach

1- Initial recognition proof of insurance contracts:

- Upon initial verification, the Company records the amount of the insurance premium received as a liability, from which the acquisition costs (commissions “if any”) are subtracted and distributed throughout the year of coverage.
- The amount of insurance premium not received is not recognized upon initial recognition.

2- Subsequent measurement/premium allocation approach:

At the end of each subsequent year, the Company measures the carrying amount of the liability, taking into consideration the following adjustments to the liability balance:

- Add the insurance premiums received for the year.
- Subtract cash flows for the acquisition of insurance contracts.
- Add any amounts related to the depletion of cash flows to acquire insurance contracts recognized as an expense.
- Add emergency amendments to the financing component.
- Subtract the amount proven as insurance revenue for the coverage provided in that year.
- Subtract any paid or transferred investment component of the liability for claims incurred

The Company recognizes insurance contract assets for insurance contracts for which service is provided but has not been collected. Expected credit losses for these assets are treated under IFRS No. (9).

3 - Liabilities for claims incurred:

Which is calculated according to the best estimate of future cash flows to pay claims plus adjustments for non-financial risks, taking into account the application of the discount rate to claims.

Level of aggregation

Insurance contract portfolios are grouped by year of subscription so that they group similar risk portfolios managed together

5- Significant Accounting Policies (Continued)

The present value of future cash flows

Flows are defined as all amounts expected to be collected and expected to be paid within the limits of the insurance contract/reinsurance contract held after adjusting to reflect the timing and uncertainty of these amounts, based on actuarial assumptions and the Company's experience in managing a portfolio of contracts. Insurance/reinsurance contracts held are as follows:

- Inherent risks.
- Aggregation level.
- The possibility of natural disasters.
- The possibility of liquidating the contract before the expiration date of insurance coverage, and other practices expected from the insurance contract holder.
- Factors that will affect estimates, and sources of information for these factors.

A bottom-up approach has been applied in determining discount rates for different products. The bottom-up approach is used to derive the discount rate for cash flows that do not change based on the returns on the underlying terms in the participating contracts (except for non-DPL investment contracts that are not within the scope of IFRS 17). Under this approach, the discount rate is defined as the risk-free return adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free return and the cash flows of the related liabilities (known as the illiquidity premium). The risk-free return is derived using swap rates available in the market denominated in the same currency as the product being measured. When swap rates are not available, highly liquid sovereign bonds with a credit rating of AAA are used. Management uses judgment to evaluate the liquidity characteristics of the cash flows of liabilities. Direct participation contracts and investment contracts with the DPL are less liquid than the financial assets used to derive the risk-free return. For these contracts, the illiquidity premium is estimated based on the market-observed illiquidity premium in the financial assets adjusted to reflect the illiquidity characteristics of the cash flows of the liabilities. The top-down approach is used to derive discount rates for cash flows that do not change based on the returns on the underlying terms in all other contracts within the scope of IFRS 17. Under this approach, the discount rate is determined as the return implicit in the fair value of a reference portfolio adjusted for the differences between the reference portfolio of assets and the cash flows of the relevant liabilities. The reference portfolio consists of a mix of sovereign bonds and corporate bonds available in the markets, and assets are selected to match the cash flows of liabilities. The return from the reference portfolio is adjusted to remove expected and unforeseen credit risks and these adjustments are estimated using information from observed historical levels of credit default swaps and credit defaults related to the bonds included in the reference portfolio. For the unobservable year, the yield curve is approximated between the rate the final and last point can be observed using the Smith-Wilson method.

The Company does not calculate a present value for future cash flows on insurance and reinsurance premiums whose duration is less than 12 months.

The Company calculates a present value of future cash flows on claims incurred, recoveries and liabilities from reinsurance contracts held based on the Company's assessment if payment or collection is expected after more than 12 months.

To calculate the discount rate, a top-down approach will be used as follows:

A- Risk-free yield curve:

The risk-free yield curve will be derived as follows:

- 1- European Insurance and Occupational Pensions Authority (eiopa) rates will be used for the purposes of determining the interest rate according to the required year.
- 2- An increase margin of (1.5%) will be added to the above interest rate for the purposes of equating the interest from the dollar to the dinar, since the Company's investments are in the Jordanian dinar.

B- Market risk premium for credit risk:

The market risk premium for credit risk will be removed from the yield curves to account for "default" in insurance contracts as follows:

Discount rate = risk-free rate - market risk premium for credit risk

5- Significant Accounting Policies (Continued)

Non-financial risk adjustments

A financial amount that the Company reserves for uncertainty in the amount and timing of cash flows arising from non-financial risks based on actuarial assumptions and the Company's experience in managing the portfolio of insurance/reinsurance contracts held.

Non-financial risk adjustment is the compensation required for a Company to bear uncertainty about the amount and timing of cash flows that arise from non-financial risks in fulfilling an insurance contract. Because risk adjustment represents compensation for uncertainty, estimates of the degree of diversification benefits and expected favorable and unfavorable outcomes are made in a way that reflects the degree to which the firm reduces risk. The Company estimates an adjustment for non-financial risks separately from all other estimates. The risk adjustment is calculated at the issuer level and then distributed to each group of contracts according to their risk levels. The cost of capital method is used to derive the overall risk adjustment for non-financial risks. In the cost of capital method, the risk adjustment is determined by applying a cost rate to the present value of expected capital related to non-financial risks.

A confidence level of 75% is set and is expected to be in line with the run-off of the business and a diversification feature is included to reflect the diversity in contracts sold across geographies as this reflects the compensation required by the Company. The non-financial risk adjustments are re-evaluated annually by the actuary.

Reinsurance contracts held

Definition of reinsurance contracts held

It is an insurance contract issued by a reinsurer to compensate another facility for claims arising from one or more insurance contracts issued by that other Company (the basic contracts).

1- Recognition of reinsurance contracts held:

- If the reinsurance contracts held are proportional to a group of insurance contracts, the reinsurance contracts held are recognized at the beginning of the coverage year for the group of these contracts or at the initial confirmation of any of the base contracts, whichever is earlier.
- From the beginning of the coverage year for the group of reinsurance contracts held.

2- Level of aggregation of reinsurance contracts:

The Company segments its reinsurance contract portfolios in accordance with paragraphs 14 to 24 of IFRS 17, except that references to onerous contracts in those paragraphs should be replaced with a reference to contracts for which there is a net gain on recognition. Initial. For some reinsurance contracts held, application of paragraphs 14 to 24 of IFRS 17 will result in a group consisting of a single contract.

The Company collects reinsurance contracts held into separate portfolios (Portfolio) to be classified and processed independently for the year of underwriting (Cohort) and then profitability (Group) at the portfolio level.

A) Determine the portfolios of reinsurance contracts held:

The Company determines the portfolios of reinsurance contracts held. The portfolio consists of contracts subject to similar risks and managed together (reinsurance portfolios held follow insurance contract portfolios).

5- Significant Accounting Policies (Continued)

Reinsurance contracts held (Continued)

Definition of reinsurance contracts held (Continued)

2- Level of aggregation: (Continued)

B) Recognition of aggregation level (Cohort):

The Company details the reinsurance contract portfolios held according to the above-mentioned classifications by year of subscription on an annual basis as follows:

- 1- A group of contracts that are unlikely to generate net profit.
- 2- A group of contracts that are likely to become net profit.
- 3- A group of other contracts.

The Company evaluates the profitability of the group of reinsurance contracts held based on the evaluation of insurance contracts.

Reinsurance contract commissions

The Company records the commission on reinsurance contracts as unaccrued income and is recovered over the contract term.

Reinsurance contract assets

When measuring the assets of reinsurance contracts, the risk allowance for the default of reinsurance companies (reinsurers) is calculated outside the framework of Standard No. (17), as they are considered credit risks that are treated under Standard No. (9).

Profitability level

The contract groups referred to in the previous level are classified into the classifications shown below, according to the net cash flows expected from the contract and the accounting approach used in treating the contract groups:

- Contracts for which there is no possibility of becoming lost upon initial recognition.
- Contracts expected to be lost.

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5- Significant Accounting Policies (Continued)

Financial assets

Financial assets are classified upon initial recognition into one of the categories as follows:

- At amortized cost.
- At fair value through profit or loss.
- At fair value through the statement of other comprehensive income.

A- Financial assets at amortized cost:

The Company classifies financial assets at amortized cost based on the Company's business approach for managing financial assets and the contractual cash flow characteristics of the financial assets and when both of the following conditions are met:

- The purpose of holding these assets in the context of the business approach is to collect contractual cash flows.
- The cash flows under the contractual terms of these assets arise on specified dates and represent only Payments of the principal amount of the assets and interest accrued on the principal of those assets.

Financial assets are recorded at amortized cost using the cost method upon purchase plus acquisition expenses. The premium/discount (if any) is amortized using the effective interest method to limit or calculate interest, and any provisions resulting from a decline in the value of these investments that lead to the inability to recover this investment are deducted. Part of it, and any decrease in its value is recorded in the profit and loss statement.

The amount of impairment in financial assets at amortized cost is the difference between the recognized value and the present value of expected cash flows discounted at the base effective interest rate.

In rare cases, the standard allows these assets to be measured at fair value through the statement of profit or loss if this eliminates or significantly reduces the measurement inconsistency (sometimes called accounting mismatch) that arises from measuring the assets or liabilities or recognizing the gains and losses resulting from them on a different basis.

The value of financial assets is reduced at amortized cost by impairment losses, as interest income, gains and losses on foreign currency differences and impairment are recognized in the statement of profit or loss, and gains or losses resulting from the disposal of financial assets appear in the statement of profit or loss.

B- Financial assets at fair value through the statement of profit or loss:

- The remaining financial assets that do not meet the conditions of financial assets at amortized cost are measured as financial assets at fair value.
- Financial assets at fair value through the statement of profit or loss represent investments in equity and debt instruments for trading purposes, and the purpose of keeping them is to generate profits from short-term market price fluctuations or trading profit margin.
- Financial assets are recorded through the statement of profit or loss at fair value upon purchase (acquisition expenses are recorded in the statement of profit or loss upon purchase) and are re-evaluated at the date of the financial statements at fair value, and subsequent changes in the fair value are recorded in the statement of profit or loss at the same time. The year the change occurred, including the change in fair value resulting from translation differences on non-monetary asset items in foreign transactions. Dividends or returns are recorded in the statement of profit or loss when they are realized. (Approved by the General Assembly of Shareholders).

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5- Significant Accounting Policies (Continued)

Financial assets (Continued)

Reclassification

It is permissible to reclassify from financial assets at amortized cost to financial assets at fair value through profit or loss and vice versa only when the Company changes the business approach on the basis of which it classified those assets as mentioned above, taking into account the following:

- It is not permissible to recover any profits, losses or interests that were previously recognized.
- When financial assets are reclassified so that they are measured at fair value, their fair value is determined on the date of reclassification, and any profits or losses resulting from differences between the previously recorded value and the fair value are recorded in the statement of profit or loss.
- When financial assets are reclassified to be measured at amortized cost, they are recorded at their fair value as of the date of reclassification.

C- Financial assets at fair value through the statement of other comprehensive income:

- Upon initial recognition of investments in equity instruments that are not held for the purpose of trading, it is permitted to adopt an irrevocable option to present all changes in the fair value of these investments on an individual basis (each share separately) within the items of other comprehensive income, and it is not possible under any circumstances to In the event that at a later date, the amounts of these changes recognized in other comprehensive income are reclassified to the statement of profit or loss, while the dividends received from these investments are recognized in net investment income, unless these distributions clearly represent a partial recovery of all investments.
- In the event that these assets or part of them are sold, the profits or losses resulting from the sale are transferred from the balance of the accumulated net change in fair value through other comprehensive income to retained profits or losses and not through the statement of profit or loss.

investment property

Real estate investments are shown at cost after subtracting accumulated depreciation (excluding lands). These investments are depreciated over their useful life at a rate of 2%. Any impairment in their value is recorded in the statement of profit or loss. The operating revenues or expenses of these investments are also recorded in the statement of profit or loss.

Property and equipment

Property and equipment are stated at cost after deducting accumulated depreciation and any accumulated impairment losses. Property and equipment (except land) are depreciated when they are ready for use on a straight-line basis over their expected life using the following annual percentages. The depreciation expense is recorded in the statement of profit or loss.

Asset	Depreciation Rate (%)
Transportation	15%
Buildings	2%
Equipment and furniture	%12.5-%20
Other	2%

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5- Significant Accounting Policies (continued)

Property and equipment (continued)

Depreciation of property and equipment is calculated when these assets are ready for use for their intended use. The full value of the depreciation expense for the year is shown from the item allocated for that purpose in the statement of profit or loss. When the recoverable amount of any property and equipment is less than its net book value, its value is reduced to the recoverable amount and the impairment value is recorded in the statement of profit or loss.

Property and equipment under construction for the Company's use are stated at cost and after deducting any impairment losses. The useful life of property and equipment is reviewed at the end of each year. If the useful life expectations differ from the previously prepared estimates, the change in estimate is recorded for subsequent years as a change in estimates.

Gains or losses resulting from the exclusion or write-off of any property and equipment, which represent the difference between the amount received from the sale and the book value of the asset, appear in the statement of profit or loss. Property and equipment are eliminated when they are disposed of or when no future benefits are expected from their use.

Intangible assets

- Intangible assets obtained through the merger are recorded at fair value on the date of acquisition. Intangible assets that are acquired through a method other than a merger are recorded at cost.
- Other intangible assets are classified based on estimating their lifespan for a specific year or for specific periods. Intangible assets that have a specific lifespan are amortized during this life and are amortized in the statement of profit or loss.
- As for intangible assets whose useful life is indefinite, the decline in their value is reviewed at the date of the financial statements, and any decline in their value is recorded in the statement of profit or loss.
- Intangible assets generated internally in the Company are not capitalized and are recorded in the statement of profit or loss in the same current year.
- Any indications of impairment of the value of intangible assets at the date of the financial statements are reviewed. The estimate of the chronological life of those assets is also reviewed and any adjustments are made for subsequent periods.

Cash and cash equivalent

Cash and cash equivalents represent cash on hand, balances with banks, deposits with banks, and maturities exceeding three months after deducting bank accounts payable and restricted balances.

Offsetting

Offsetting is carried out between financial assets and financial liabilities, and the net amount is shown in the statement of financial position only when binding legal rights are available, as well as when they are settled on the basis of offsetting, or the assets are accrued and the liabilities are settled at the same time.

Date of recognition of financial assets

Purchases and sales of financial assets are recognized on the trade date (the date the Company commits to buying or selling the financial assets).

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5- Significate Accounting Policies (continued)

Fair value

The closing prices (buying assets/selling liabilities) on the date of the financial statements in active markets represent the fair value of financial instruments that have market prices.

In the event that announced prices are not available, there is no active trading in some financial instruments, or there is no market activity, their fair value is estimated in several ways, including:

- Comparing it with the current market value of a financial instrument that is very similar to it.
- Analyze future cash flows and discount the expected cash flows by a rate used in a similar financial instrument.
- Options pricing approaches.

Valuation methods aim to obtain a fair value that reflects market expectations. Market factors and any expected risks or benefits are taken into account when estimating the value of financial instruments. In the event that there are financial instruments whose fair value cannot be measured reliably, they are shown at cost after deducting any decline in their value.

Financial liabilities

The Company classifies financial liabilities based on the purpose for which this liability arises. The accounting policy for financial liabilities is as follows:

1- Creditors and liabilities of reinsurance contracts:

Accounts payable and reinsurance payables are initially recognized at fair value and subsequently stated at amortized cost using the effective interest rate method.

2- Creditor banks:

They are initially recognized at fair value, net of costs associated with obtaining the facilities. Such interest-bearing liabilities are subsequently carried at amortized cost using the effective interest rate method. The financing cost includes the initial costs and the premium paid upon settlement, in addition to the interest that accrues during the life of the obligation.

3- Provisions:

Provisions are recognized when the Company has obligations at the date of the financial statements arising from past events, and the settlement of the obligations is probable and their value can be measured reliably. The amounts recognized as provisions represent the best estimate of the amounts required to settle the obligation as of the date of the financial statements, taking into account the risks. And uncertainty associated with commitment. When the value of the provision is determined on the basis of the estimated cash flows to settle the current obligation, its book value represents the present value of these cash flows.

When it is expected that some or all of the economic benefits required from other parties will be recovered to settle a provision, the receivable is recognized as an asset if the actual receipt of compensation is certain and its value can be measured reliably.

4- End of service benefits provision:

The provision for employees' end-of-service benefits calculated in accordance with the Company's policy, which is consistent with the Jordanian Labor Law.

The annual benefits incurred for employees who leave the service is recorded at the expense of the end-of-service benefits provision when paid, and the provision for the obligations incurred by the Company for the end-of-service benefits for employees is taken in the statement of profit or loss.

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5- Significate Accounting Policies (continued)

Foreign currency

- Transactions that occur in foreign currencies during the current year are recorded at the exchange rates prevailing on the date of the transactions.
- The balances of financial assets and financial liabilities are translated at the average foreign currency rates prevailing on the date of the statement of financial position and announced by the Central Bank Of Jordan.
- Non-financial assets and non-financial liabilities denominated in foreign currencies and shown at fair Value are translated on the date their fair value is determined.
- Gains and losses resulting from foreign currency translation are recorded in the statement of profit or Loss.
- Translation differences for items of assets and liabilities denominated in non-monetary foreign currencies are recorded as part of the change in fair value.
- When consolidating the financial statements, the assets and liabilities of branches and subsidiaries abroad are translated from the average currency rates on the date of the financial statements, the main (base) currency, to the reporting currency according to that announced by the Central Bank of Jordan. As for the revenue and expense items, they are translated on the basis of the average price during the year, and the resulting currency differences appear in a separate item within equity. In the event that one of these companies or branches is sold, the amount of foreign currency translation differences related to it will be recorded within the revenues/expenses in the statement of profit or loss.

Treasury stocks

Treasury shares are stated at cost. These shares do not have any right to dividends distributed to shareholders, and do not have the right to participate. Or voting in the Company's general assembly meetings. The profits or losses resulting from the sale of treasury shares are not recognized in the profit or loss statement. Rather, the profit is shown in equity under the share issue premium item, while the loss is recorded in retained earnings in the event that the stock issue premium balance is exhausted.

Costs of issuing or purchasing insurance Company shares

Any costs resulting from the issuance or purchase of insurance Company shares are recorded in retained earnings (net after the tax impact of these costs). If the issuance or purchase process does not take place, these costs are recorded as expenses in the statement of profits or losses.

Realize revenue

1- Dividend and interest income:

Dividend income from investments is verified when the right of shareholders to receive dividend payments is established upon approval by the General Assembly of Shareholders. Interest income is calculated according to the accrual basis based on the time periods due, the original amounts and the interest rate earned.

2- Rental income:

Rental income from real estate investments under operating lease contracts is recognized on a straight-line basis over the term of those contracts and on an accrual basis.

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5- Significate Accounting Policies (continued)

Insurance contract expenses

The Company distributes general administrative expenses and direct employee expenses to the insurance portfolios related to insurance contracts over groups of insurance contracts and includes them in calculating the profitability of the contract by distributing the direct expenses to each portfolio Separately and adding the value of the undistributed expenses in proportion to the total portfolio production divided by the Company's total production. While administrative and general expenses and indirect employee expenses not related to insurance contracts are charged to the statement of profit or loss.

Acquisition costs

The acquisition costs incurred by the Company in exchange for selling, subscribing, or starting new insurance contracts represent acquisition costs, as the Company recognizes all acquisition costs directly when the insurance contract is recognized in the statement of profit or loss, while the Company recognizes acquisition costs by amortizing the costs incurred over a period of time. Coverage of the insurance contract in the statement of financial position. When applying the premium allocation approach, the Company may elect to recognize any insurance acquisition cash flows as expenses when those costs are incurred, provided that the coverage period for each contract in the group at initial recognition does not exceed one year. The Company has chosen the aforementioned exception only for commission expenses.

Insurance contracts with expected loss

The Company recognizes insurance contracts as loss-expected contracts if the contract is expected to be lost on the date of initial recognition. The loss component is measured by comparing the cash flows expected to meet the obligations of the contract or group of contracts with the cash flows generated from this contract or group of contracts. The Company has disclosed the loss component if the value of the contractual service margin is zero (applies only to the general measurement approach and the variable cost approach).

Summary of Measurement Approach

1- The group classifies insurance contracts according to the following:

<u>Portfolio (Level 1)</u>	<u>Contract Classification</u>	<u>Measurement approach</u>
Engineering	Insurance contract	Premium allocation approach
General Insurance	Insurance contract	Premium allocation approach
Motor (portfolio A)	Insurance contract	Premium allocation approach
Motor (portfolio B)	Insurance contract	Premium allocation approach
Motor (portfolio C)	Insurance contract	Premium allocation approach
Motor (portfolio D)	Insurance contract	Premium allocation approach
Life (portfolio A)	Insurance contract	Premium allocation approach
Life (portfolio B)	Insurance contract	General measurement model
Fire	Insurance contract	Premium allocation approach
Marine	Insurance contract	Premium allocation approach
Medical	Insurance contract	Premium allocation approach
Travel	Insurance contract	Premium allocation approach

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5- Significate Accounting Policies (continued)

Summary of Measurement Approach (continued)

2- The group classifies reinsurance contracts according to the following:

Portfolio (Level 1)	Measurement Method	Portfolio (Level 1)	Measurement approach
Engineering	Premium allocation approach	Fire	Premium allocation approach
General Insurance	Premium allocation approach	Marine	Premium allocation approach
Motor	Premium allocation approach	Medical	Premium allocation approach
Life (portfolio A)	Premium allocation approach	Travel	Premium allocation approach
Life (portfolio B)	General measurement model		

6- Deposits at Banks

This item consists of the following:

	2025			2024	
	Deposits due within a month	Deposits due after more than three months	Deposits due after more than three months and up to one year	Total	Total
<u>Deposits inside Jordan</u>					
Capital Bank of Jordan	800,000	-	-	800,000	800,000
Cairo Amman Bank	-	-	1,500,000	1,500,000	4,142,785
Jordan Ahli Bank	54,427	-	1,000,000	1,054,427	1,875,943
Jordan Commercial Bank	-	-	4,700,000	4,700,000	4,000,000
Bank al Etihad	-	-	550,000	550,000	450,000
Bank of Jordan	-	-	5,750,000	5,750,000	2,000,000
Invest Bank	-	-	5,000,000	5,000,000	5,750,000
Bank ABC	-	-	900,000	900,000	850,424
Jordan Kuwait Bank	-	-	2,000,000	2,000,000	-
Provision for Expected Credit Losses	-	-	-	-	-
	854,427	-	21,400,000	22,254,427	19,869,152

-Interest rates on bank deposits balances in Jordanian Dinar ranges from 5.25% to 6.75% during the year ended December 31, 2025, on deposit balances in USD, GBP, and EUR ranging from 0.025% to 4.75% during the period ending on 31 December 2025.

-The restricted withdrawal balances, represented by deposits pledged in favor of the Governor of the Central Bank of Jordan in addition to his position, amounted to (800,000) as of December 31, 2025, compared to (800,000) as of December 31, 2024.

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7- Financial Assets at Fair Value through Profit or Loss Statement

	2025	2024
Inside Jordan		
Listed Shares	7,098,178	4,853,160
Total	7,098,178	4,853,160
Outside Jordan		
Listed Shares	2,373,837	2,226,448
Total	2,373,837	2,226,448
Total	9,472,015	7,079,608

8- Financial Assets at Fair Value through Other Comprehensive Income

	2025	2024
Inside Jordan		
listed Shares	6,994,224	4,641,673
Unlisted Shares	1,340,707	1,340,708
Total	18,334,93	5,982,381
Outside Jordan		
Listed Shares	5,153,539	4,803,427
Unlisted Shares	3,881,198	2,960,399
Total	9,034,737	7,763,827
Total	17,369,668	13,746,207

9- Financial Assets at Amortized Cost

	2025	2024
Inside Jordan		
Siniora Company bonds*	354,500	354,500
Jordanian treasury bonds**	10,102,224	8,502,224
Total	10,456,724	8,856,724

* Siniora Company's bonds mature on 10/03/2029, with an interest rate of 7.75% per annum, and are paid in full on the maturity date. Note that these bonds are listed.

** The annual interest rates on the bonds in Jordanian Dinars range from 6.386% to 6.899%, and are paid in full at the bonds maturity.

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10 - Investments in Associate Companies

	Ownership percentage	2025	2024
Infinite Solutions Company for Electric Vehicle Charging	%47	423,013	-
Balance at the end of the year		423,013	-

11- Investment Properties

2025	Land	Buildings	Total
Cost			
Balance at the beginning of the year	12,424,049	14,060,011	26,484,060
Additions	-	-	-
Disposals	-	-	-
Balance at the end of the year	12,424,049	14,060,011	26,484,060
Accumulated depreciation:	-	4,745,310	4,745,310
Accumulated depreciation at the beginning of the year	-	280,080	280,080
Depreciation for the year	-	-	-
Accumulated depreciation at the end of the year	-	5,025,390	5,025,390
Net investment properties at the end of the year	12,424,049	9,034,621	21,458,670
2024	Land	Buildings	Total
Cost			
Balance at the beginning of the year	12,422,549	14,060,011	26,482,560
Additions	1,500	-	1,500
Disposals	-	-	-
Balance at the end of the year	12,424,049	14,060,011	26,484,060
Accumulated depreciation:	-	4,383,513	4,383,513
Accumulated depreciation at the beginning of the year	-	361,797	361,797
Depreciation for the year	-	4,745,310	4,745,310
Accumulated depreciation at the end of the year	-	4,745,310	4,745,310
Net investment properties at the end of the year	12,424,049	9,314,701	21,738,750

- Investment properties buildings are depreciated at 2 % annually and appears at net book value.

The fair value of investment properties as of December 31, 2023, amounted to 36,500,000 Jordanian dinars, in accordance with the instructions and decisions issued by the Insurance Department of the Central Bank

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12- Right of Use Asset

A- Right of Use Asset

	Right of Use Asset 2025	Right of Use Asset 2024
Balance at the beginning of the year		
Right of Use Asset	194,331	194,331
Depreciation	<u>(77,734)</u>	<u>(38,867)</u>
Balance at the end of the year	<u>116,597</u>	<u>155,464</u>

B- lease liabilities

The table below shows the book value of lease liabilities and the movement during the year:

	2025	2024
Balance at the beginning of the year	<u>144,523</u>	184
Additions	-	194,332
Lease contract financing costs	13,163	13,162
Paid during the year	<u>(91,715)</u>	<u>(63,155)</u>
Balance at the end of the year	<u>65,971</u>	<u>144,523</u>

13- Cash on Hand and at Banks

	2025	2024
Cash on hand	1,314	56,337
Cash at banks	<u>4,233,219</u>	<u>4,338,801</u>
Total	<u>4,234,532</u>	<u>4,395,138</u>

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14- (Liabilities) / Assets Insurance Contracts (Premium Allocation Approach)

	Liabilities for remaining coverage				Liabilities for Incurred Claims				2025	2024
	2025	2025	2024	2024	2025	2024	2025	2024		
	Excluding the loss component	Loss component	Excluding the loss component	Loss component	Present value of cash flow	Present value of cash flow	Risk adjustmen ts-non financial	Risk adjustme nts-non financial	Total	
Insurance contracts liabilities-beginning	2,235,107	2,374,013	2,014,015	1,302,794	47,866,030	47,590,708	1,648,660	1,737,240	54,123,810	52,644,757
Insurance contracts assets-beginning	-	-	-	-	-	-	-	-	-	-
Net insurance contracts (liabilities)/Assets - beginning	2,235,107	2,374,013	2,014,015	1,302,794	47,866,030	47,590,708	1,648,660	1,737,240	54,123,810	52,644,757
Insurance contracts revenues	(62,725,044)	-	(51,001,888)	-	-	-	-	-	(62,725,044)	(51,001,888)
Claims incurred	-	-	-	-	41,735,183	25,884,388	-	-	41,735,183	25,884,388
Acquisition cost	2,099,209	-	1,772,841	-	-	-	-	-	2,099,209	1,772,841
Employees cost	-	-	-	-	7,504,654	5,743,904	616,362	(88,580)	8,121,015	5,655,324
Other expenses	-	-	-	-	-	-	-	-	-	-
Losses resulting from contracts expected to be lost and the recovery of these losses	-	(591,168)	-	1,071,219	-	-	-	-	(591,168)	1,071,219
Insurance contracts expenses	2,099,209	(591,168)	1,772,841	1,071,219	49,239,836	31,628,292	616,362	(88,580)	51,364,238	34,383,772
Insurance service results	(60,625,836)	(591,168)	(49,229,047)	1,071,219	49,239,836	31,628,292	616,362	(88,580)	(11,360,806)	(16,618,116)
Finance costs - from insurance contracts	-	-	-	-	380,986	663,489	-	-	380,986	663,489
The effect of movements in exchange rates	-	-	-	-	-	-	-	-	-	-
Investment components	-	-	-	-	-	-	-	-	-	-
Net change - other comprehensive income	(60,625,836)	(591,168)	(49,229,047)	1,071,219	49,620,822	32,291,782	616,362	(88,580)	(10,979,820)	(15,954,626)
Cash received from written contracts	63,550,292	-	51,310,390	-	-	-	-	-	63,550,292	51,310,390
Claims incurred	-	-	-	-	(40,126,085)	(32,016,460)	-	-	(40,126,085)	(32,016,460)
Paid from acquisition costs	(1,528,596)	-	(1,860,252)	-	-	-	-	-	(1,528,596)	(1,860,252)
Other expenses	-	-	-	-	-	-	-	-	-	-
Total cash flows	62,021,696	-	49,450,138	-	(40,126,085)	(32,016,460)	-	-	21,895,611	17,433,679
Insurance contracts liabilities-Ending	3,630,967	1,782,845	2,235,106	2,374,013	57,360,767	47,866,030	2,265,021	1,648,661	65,039,600	54,123,809
Insurance contracts assets-Ending	-	-	-	-	-	-	-	-	-	-
Net insurance contracts (liabilities)/Assets – Ending	3,630,967	1,782,845	2,235,106	2,374,013	57,360,767	47,866,030	2,265,021	1,648,661	65,039,600	54,123,809

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15- (Liabilities) / Assets Insurance Contracts (General Approach)

	Liabilities for remaining coverage				Liabilities for Incurred Claims				2025	2024
	2025	2025	2024	2024	2025	2024	2025	2024		
	Excluding the loss component	Loss component	Excluding the loss component	Loss component	Present value of cash flow	Present value of cash flow	Risk adjustments-non financial	Risk adjustments-non financial	Total	
Insurance contracts liabilities-beginning	4,038,800	785,227	4,181,713	-	51,000	50,000	-	-	4,875,027	4,231,713
Insurance contracts assets-beginning	-	-	-	-	-	-	-	-	-	-
Net insurance contracts (liabilities)/Assets – beginning	4,038,800	-	4,181,713	-	51,000	50,000	-	-	4,875,027	4,231,713
Insurance contracts revenues	1,560,700	-	(1,649,918)	-	-	-	-	-	1,560,700	(1,649,918)
Claims incurred	-	-	-	-	736,619	624,612	-	-	736,619	624,612
Changes to Previous Service - Amendments to LfIC	-	-	-	-	-	-	-	-	-	-
Employees cost	-	-	-	-	-	150,438	-	-	-	150,438
amortization of acquisition costs	211,232	-	151,513	-	-	-	-	-	211,232	151,513
Administrative expenses	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-
Losses resulting from contracts expected to be lost and the recovery of these losses	-	80,186	-	785,227	-	-	-	-	80,186	785,227
Insurance contract expenses	211,232	80,186	151,513	785,227	736,619	775,050	-	-	867,665	1,711,790
Insurance service results	1,349,467	705,041	(1,498,405)	785,227	736,619	775,050	-	-	211,232	61,872
Finance costs - from insurance contracts	445,892	49,898	-	-	2,133	144,520	-	-	493,657	144,520
The effect of movements in exchange rates	-	-	-	-	-	-	-	-	-	-
Investment components	-	-	-	-	-	-	-	-	-	-
Net change - other comprehensive income	1,795,359	130,085	(1,498,405)	785,227	738,752	919,570	-	-	1,186,692	206,392
Cash received from written contracts	1,760,086	-	1,507,005	-	-	-	-	-	1,760,086	1,507,005
Claims incurred	-	-	-	-	(753,752)	(918,570)	-	-	(753,752)	(918,570)
Paid from acquisition costs	(133,222)	(151,513)	-	-	-	-	-	-	(133,222)	(151,513)
Other expenses	(211,232)	-	-	-	-	-	-	-	(211,232)	-
Total cash flows	1,415,632	-	1,355,492	-	(753,752)	(918,570)	-	-	661,318	436,922
Insurance contracts liabilities-Ending	3,658,886	655,143	4,038,800	785,227	36,000	51,000	-	-	4,350,029	4,875,027
Insurance contracts assets-Ending	-	-	-	-	-	-	-	-	-	-
Net insurance contracts(liabilities)/Assets – Ending	3,658,886	655,143	4,038,800	785,227	36,000	51,000	-	-	4,350,029	4,875,027

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14 -1- Receivables Related to Insurance Operations (By Type)

	2025	2024
Receivables from insurance contract holder's	9,468,475	7,738,337
Agents' receivables	1,686,562	1,086,645
Brokers' receivables	3,675,775	3,665,367
Other receivables*	-	-
Total receivables	14,830,812	12,490,349
Less: Provision for expected credit losses *	(2,471,583)	(1,571,583)
Total receivables	12,359,229	10,918,766

Analysis of account receivables according to their time period:

	2025	2024
Due for Payment for 0-30 Days	3,845,665	3,645,152
Due for Payment for 31-90 Days	3,900,246	3,768,083
Due for Payment for 91-180 Days	2,359,511	1,508,695
Due for Payment for 181-365 Days	2,396,798	2,485,731
Due for more than 365 Days	2,328,592	1,082,687
Total	14,830,812	12,490,349

14-2- Cheques under collection*:

	2025	2024
The total value of Cheques under collection related to insurance operations	540,286	469,070
Less: Provision for expected credit losses	-	-
Net value of Cheques under collection related to insurance operations	540,286	469,070

Analysis of cheques under collection according to their time period:

	2025	2024
Due for 0-6 Months	493,918	376,302
Due for 6-12 Months	46,368	92,768
Due for More Than 12 Months	-	-
Total	540,286	469,070

14-3- Accounts Payable

	2025	2024
Total Value of Accounts Payable Related to Insurance Operations	6,328,569	6,332,239
Total Value of Accounts Payable Related to Insurance Operations	6,328,569	6,332,239

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16- (Liabilities) / Assets Reinsurance Contracts (Premium Allocation Approach)

	Assets versus residual coverage (ARC)				Assets versus incurred liabilities (AIC)				2025	2024
	2025	2025	2024	2024	2025	2024	2025	2024		
	Excluding the loss component	Loss component	Excluding the loss component	Loss component	Present value of cash flow non "financial"	Present value of cash flow "non financial"	Risk adjustments-non financial	Risk adjustments -non financial	Total	
reinsurance contracts liabilities-beginning		-	-	-		-		-	-	-
reinsurance contracts assets-beginning	(12,797,996)		(11,321,253)	-	29,797,156	28,498,698	964,618	1,072,478	17,963,779	18,249,923
Net reinsurance contracts (liabilities)/Assets – beginning	(12,797,996)	-	(11,321,253)	-	29,797,156	28,498,698	964,618	1,072,478	17,963,779	18,249,923
Reinsurance payments	(28,250,647)	-	(26,959,675)	-		-		-	(28,250,647)	(26,959,675)
Reinsurance recoveries		-	-	-	15,299,488	8,515,611		-	15,299,488	8,515,611
Commissions received		-	-	-	2,906,684	2,908,288	444,418	(107,860)	3,351,102	2,800,428
Administrative expenses		-	-	-	(207,359)	-		-	(207,359)	-
Reinsurance contracts revenues		-	-	-		-		-		-
Reinsurance service contracts results	(28,250,647)	-	(26,959,675)	-	17,998,813	11,423,899	444,418	(107,860)	(9,807,417)	(15,643,635)
Finance cost - from reinsurance contracts		-	-	-	76,044	102,255		-	76,044	102,255
The effect of movements in exchange rates		-	-	-		-		-		-
Other changes		-	-	-		-		-		-
Net change - comprehensive income	(28,250,647)	-	(26,959,675)	-	18,074,857	11,526,154	444,418	(107,860)	(9,731,373)	(15,541,380)
Cash received from written contracts paid to reinsurers	26,805,760	-	25,482,932	-		-		-	26,805,760	25,482,932
Incurred claims recovered from reinsurers		-	-	-		(10,227,696)		-		(10,227,696)
Other recovered amounts		-	-	-	(8,328,347)	-		-	(8,328,347)	-
Recovered profit commission from reinsurers		-	-	-		-		-		-
Total cash flows	26,805,760	-	25,116,528	-	(8,328,347)	(10,227,696)		-	18,477,413	15,255,235
Reinsurance contracts assets-Ending	(14,242,883)	-	(12,797,996)	-	39,543,666	29,797,156	1,409,036	964,618	26,709,819	17,963,778
Reinsurance contracts liabilities-Ending	-	-	-	-	-	-	-	-	-	-
Net reinsurance contracts liabilities/(Assets) – Ending	(14,242,883)	-	(12,797,996)	-	39,543,666	29,797,156	1,409,036	964,618	26,709,819	17,963,778

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16-1- Accounts Receivable* (Reinsurance Contracts Held)

	2025	2024
Assets reinsurance contracts held (Internal)	1,919,532	1,734,285
Assets reinsurance contracts held (External)	7,291,413	5,617,938
Total accounts receivable value related to insurance operations	9,210,945	7,352,223
Less: Provision for expected credit losses	(550,000)	450,000
Net accounts receivable value related to insurance operations	8,660,945	6,902,223

Analysis of accounts receivable according to their time period:

	2025	2024
Payable for 0-30 days	4,768,500	3,909,705
Payable for 31-90 days	2,262,527	2,007,169
Payable for 91-180 days	790,791	710,582
Payable for 181-365 days	1,389,128	724,767
Total	9,210,945	7,352,223

16-2- Accounts Payable* (Reinsurance Contracts Held)

	2025	2024
Assets reinsurance contracts held (Local)	408,174	434,920
Assets reinsurance contracts held (external)	17,420,292	15,167,471
Total accounts receivable value related to insurance operations	17,828,466	15,602,391

17- Income Tax

A- Provision for Income Tax:

The movement on the income tax provision during the year is as follows:

	2025	2024
Balance at beginning of the year	408,470	866,093
Income tax paid	(226,209)	(806,749)
Income tax expense for the year	828,108	462,648
Bank Interest Tax	(68,730)	(89,878)
National Contribution on Bank Interest	(17,318)	(23,644)
Amendments from previous years	(1,096)	-
Income tax provision – prior years (war fund profits)	81,726	-
Balance at the end of the year	1,004,951	408,470

B- In terms of the income tax presented in the statement of profit or loss, it includes the following:

	2025	2024
Accrued income tax for profit of the year	1,618,334	116,247
Deferred tax liabilities	-	-
Balance at the end of the year	1,618,334	116,247

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17- Income Tax (continued)

C - Summary of reconciliation of accounting profit with tax profit:

	2025	2024
Accounting profit	5,091,226	1,773,037
Non-taxable profits	(7,508,667)	(4,710,094)
Expenses that are not tax acceptable	5,602,441	4,864,756
Tax profit	3,185,000	1,927,699
Actual income tax	1,618,334	116,247
Actual income tax rate accrued	%32	%7
Statutory income tax rate accrued	%24	%24

A final settlement was reached with the Income Tax Department until the end of 2019, and self-assessment statements for the years 2020 and 2021, 2022 , 2023 ,2024 were submitted and were not reviewed by the Income and Sales Tax Department.

Deferred Tax Assets/Liabilities

	2025				2024	
	Beginning Balance	Reversal	Additions	Ending Balance	Deferred Tax	Deferred Tax
Deferred tax assets:						
Applying IFRS 9 on the portfolio of financial assets at fair value through other comprehensive income	2,655,532	3,537,882	882,351	-	-	490,912
Deferred tax liabilities:						
Applying IFRS 9 on the portfolio of financial assets at fair value through other comprehensive income	1,205,027	424,166	2,805,718	3,586,579	1,326,191	313,307
	1,205,027	424,166	2,805,718	3,586,579	1,326,191	313,307

Movement on deferred tax assets and liabilities is as follows:

	Liabilities		Assets	
	2025	2024	2025	2024
Balance at the beginning of the year	313,307	488,686	490,912	527,914
Additions	1,012,884	-	-	171,022
Disposals	-	(175,379)	(490,912)	(208,024)
Balance at the end of the year	1,326,191	313,307	-	490,912

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18- (Liabilities) / Assets Reinsurance Contracts Held (General Measurement Model)

	2025	2025	2024	2024	2025	2024	2025	2024	2025	2024
	Assets versus remaining coverage (ARC)	Assets versus remaining coverage (ARC)	Assets versus remaining coverage (ARC)	Assets versus remaining coverage (ARC)	Assets versus incurred liabilities (AIC)	Assets versus incurred liabilities (AIC)	Assets versus incurred liabilities (AIC)	Assets versus incurred liabilities (AIC)		
	Excludes loss recovery componentloss recovery component	Loss recovery component	Excludes loss recovery componentloss recovery component	Loss recovery component	Present Value of Non-Financial Cash Flow	Present Value of Non- Financial Cash Flow	Risk adjustments - non-financial	Risk adjustments - non-financial	Total	Total
reinsurance contracts liabilities-beginning	-	-	-	-	-	-	-	-	-	-
reinsurance contracts assets-beginning	139,644	-	304,532	-	25,000	25,000	-	-	164,644	329,532
Net (Liabilities)/Assets of Insurance Contracts - Beginning	139,644	-	304,532	-		25,000	-	-	164,644	329,532
Reinsurance expenses	(141,452)	-	(248,769)	-		-	-	-	(141,452)	(248,769)
Reimbursements from reinsurance	-	-	-	-	4,069	-	-	-	4,069	-
Commissions received	-	-	-	-	-	-	-	-	-	-
Administrative expenses	-	-	-	-	-	-	-	-	-	-
Reinsurance contract revenues	-	-	-	-		-	-	-	-	-
Results of reinsurance contract operations	(141,452)	-	(248,769)	-	4,069	-	-	-	(137,384)	(248,769)
Financing expenses - from reinsurance contracts	(32,093)	-	-	-	827	(3,024)	-	-	(31,265)	(3,024)
Impact of exchange rate movements	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-
Net Change - Other Comprehensive Income	(173,545)	-	(248,769)	-	4,896	(3,024)	-	-	(168,649)	(251,793)
Cash from underwritten contracts paid to reinsurers	(74,608)	-	83,881	-		-	-	-	(74,608)	83,881
Incurred compensation recovered from reinsurers	-	-	-	-	10,000	3,024	-	-	10,000	3,024
Other refunds	-	-	-	-		-	-	-	-	-
Refundable profit commission from reinsurers	-	-	-	-		-	-	-	-	-
Total cash flows	(74,608)	-	83,881	-	10,000	3,024	-	-	(64,608)	86,905
Reinsurance contracts assets – end of term	40,707	-	139,644	-	19,896	25,000	-	-	60,603	164,644
Net Liabilities (Assets) of Reinsurance Contracts – Ending Term	40,707	-	139,644	-	19,896	25,000	-	-	60,603	164,644

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19- Property and Equipment

	<u>Land</u>	<u>Buildings</u>	<u>Furniture Machines and equipment</u>	<u>Transportation</u>	<u>Total</u>
<u>Cost</u>					
Balance as of December 31, 2024	760,236	6,027,125	871,342	201,200	7,859,903
Additions	-	15,629	31,860	-	47,489
Balance As of December 31, 2025	760,236	6,042,754	903,202	201,200	7,907,392
<u>Less:</u>					
<u>Accumulated depreciation</u>					
Balance as of December 31, 2024	-	2,405,673	831,906	195,181	3,432,760
Depreciation	-	118,080	15,154	6,019	139,253
Balance As of December 31, 2025	-	2,523,753	847,060	201,200	3,572,013
<u>Net Book value:</u>					
Balance As of December 31, 2025	760,236	3,519,001	56,142	-	4,335,379
Balance as of December 31, 2024	760,236	3,621,452	39,436	6,019	4,427,143

20- Intangible Assets

	<u>2025</u>	<u>2024</u>
Balance at the beginning of the period	5,950	17,050
Additions	-	-
Amortization	(5,950)	(11,100)
Balance at the end of the year	-	5,950

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21- Other Assets

	2025	2024
Receivables	341,940	926,052
Accrued and unreceived revenues	469,806	452,487
Prepaid expenses	419,358	319,810
Refundable deposits	10,527	10,387
Other*	345,710	415,303
	1,587,341	2,124,039

This amount represents loans to employees against their pledge in favor of the company in accordance with the company's internal regulations:

Analysis of Debts by Maturity Period:	2025	2024
Due for 0-30 Days	794,307	1,079,135
Due for 31-90 Days	227,586	309,195
Due for 91-180 Days	88,533	120,279
Due for payment for more than a year Due for 181-365 Days	476,915	615,430
	1,587,341	2,124,039

22-Loans

The company obtained bank loans from a local bank The loan classification as of December 31st is as follows:

	2025	2024
Total loans	875,817	-
(subtracts):Non-current portion	-	-
The current portion	875,817	-

The company obtained a loan from Cairo Amman Bank worth 875,817 Jordanian dinars

23- Other Provisions

	2025	2024
Provision for end of service benefits	27,751	98,944
	27,751	98,944

The following table shows the movement in the other provisions:

	Beginning balance	Additions during the year	Used during the year	Returned revenues	Ending balance
Provision for end of service benefits	98,944	-	71,193	-	27,751

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24- Other Liabilities

	2025	2024
Employee savings fund deposits	2,156,197	2,516,700
Shareholders' deposits	-	755,837
Employees receivable	-	710,730
Board of Directors' Bonases	50,000	50,000
Unearned Rent Revenue	13,686	13,680
Social security deposits	65,478	66,306
Provision for contingent liabilities	600,489	-
Stamps	26,284	15,132
Sales Tax Payable	46,231	80,156
National contribution deposits	46,388	(28,831)
Income Tax Payable	3,250	5,000
Subscription Deposits	11,720	11,720
Other credit balances	-	72,290
	3,000,770	4,268,720

25- Authorized and paid up capital

The capital at the end of the year amounted to JD 17,038,971, divided into 17,038,971 shares, with a nominal value of one dinar per share.

26- Statutory Reserve

The statutory reserve is formed in accordance with the provisions of the Jordanian Companies Law by deducting 10% of the annual net profit. The deduction stops when the accumulated reserve balance reaches 25% of the Company's authorized capital. However, it is permissible, with the approval of the Company's general assembly, to continue deducting this percentage until it reaches the balance of this reserve is equivalent to the amount of the Company's authorized capital. The amounts accumulated in this account represent the transferred annual profit before tax at a rate of 10% during the year and previous years accordance with the companies law , and it is not distributable to shareholders.

27- Accumulated change in fair value

This amount represents the increase in the fair value of financial assets at fair value through other comprehensive income and is stated as follows:

	2025	2024
Balance at the beginning of the year	(909,364)	(1,502,526)
Net Change	2,030,933	593,162
Balance at the end of the year	1,120,476	(909,364)

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28- Retained earnings

	<u>2025</u>	<u>2024</u>
Balance at the beginning of the year	3,140,278	6,004,835
Profit for the year	3,580,975	175,826
Transfer to Statutory Reserve	(359,200)	(30,323)
losses on sale of financial assets through Comprehensive Income	1,385,336	(1,817,332)
Dividends paid	(1,022,338)	(1,192,728)
Balance at the end of the year	<u>6,725,051</u>	<u>3,140,278</u>

29- Related Parties Transactions

The Company entered into transactions with members of the Board of Directors and senior management within the normal activities of the Company and using insurance premiums and commercial commissions. All receivables from related parties are considered working and no allocations have been taken for them as of December 31, 2023

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

	<u>2025</u>			<u>2024</u>
	Executive management	Members of the Board of Directors	Total	Total
<u>Items of financial position statement</u>				
Insurance contract assets	74,072	41,490	115,562	203,778
Insurance contract liabilities	7,560	1,200	8,760	11,724
<u>Items of profit or loss statement</u>				
Insurance revenues	7,136	11,644	18,780	23,080
Insurance expenses	8,596	10,475	19,071	41,134

The following is a summary of the benefits (salaries, bonuses, and other benefits) of the Company's executive management:

	<u>2025</u>	<u>2024</u>
Salaries and rewards	1,106,602	1,555,700
Other expenses	3,950	4,050
	<u>1,110,552</u>	<u>1,559,750</u>

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30- Insurance Contracts Revenue

										Individual	
2025	Motor	Marine	Aviation	Fire	Engineer	Liability	Medical	Others	Group life	life	Total
Insurance contracts revenue and change in insurance contracts liabilities against remaining coverage	20,228,267	7,157,230	191,445	9,522,635	3,198,404	1,416,220	12,746,019	54,566	5,762,767	1,560,700	61,838,253
Change in Insurance Contract Liabilities for Remaining Coverage	(77,729)	(577,925)	24	(641)	(339)	5,744	(123,496)	15,955	(1)	-	(758,408)
Insurance contracts issuance fees	353,565	72,103	1,263	248,728	86,301	33,728	428,298	3,542	71,647	-	1,299,175
Change in Insurance Contract Liabilities against Remaining Coverage of Issuance Fees	(23,301)	(9,734)	2,334	(9,503)	(16,952)	(2,546)	(23,949)	(720)	589	14,035	(69,747)
Other income	359,345	56,426	-	-	-	-	-	-	-	-	415,771
Total insurance contracts revenue	20,840,147	6,698,100	195,066	9,761,219	3,267,414	1,453,146	13,026,872	73,343	5,835,002	1,574,735	62,725,044
										Individual	
2024	Motor	Marine	Aviation	Fire	Engineer	Liability	Medical	Others	Group life	life	Total
Insurance contracts revenue and change in insurance contracts liabilities against remaining coverage	15,877,277	5,435,305	222,990	9,493,947	3,375,705	1,436,910	7,524,778	63,030	5,877,338	1,063,338	50,370,619
Change in Insurance Contract Liabilities for Remaining Coverage	29,782	441,916	(6)	(333)	(39)	7,203	123,771	-	-	561,202	1,163,496
Insurance contracts issuance fees	306,890	43,038	4,047	253,852	99,011	48,576	294,435	3,004	71,595	9,021	1,133,469
Change in Insurance Contract Liabilities against Remaining Coverage of Issuance Fees	(14,961)	(4,298)	45	(2,624)	2,558	(2,343)	(10,405)	-	(106)	-	(32,134)
Other income	-	-	-	15,787	-	-	-	-	(15,788)	16,357	16,356
Total insurance contracts revenue	16,198,988	5,915,961	227,076	9,760,629	3,477,235	1,490,346	7,932,579	66,034	5,933,040	1,649,918	52,651,806

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31- Insurance Contracts Expenses

	Motor	Marine	Aviation	Fire	Engineer	Liability	Medical	Others	Group life	Individual life	Total
2025											
Insurance claims incurred	17,159,546	15,655	-	8,061,287	869,251	501,611	11,248,083	9,952	3,194,216	675,582	41,735,183
Administrative expenses	2,398,443	562,794	16,749	1,073,705	360,629	177,116	1,882,532	90,046	932,809	192,083	7,686,906
Other expenses	-	-	-	-	-	-	-	-	-	-	-
Non financial - risk adjustments	31,661	(11,085)	136	522,586	(1,764)	50,876	12,274	3,817	7,864	-	616,365
Loss component	(467,234)	-	-	-	-	-	(154,454)	30,519	-	-	(591,169)
Undistributed Expenses	40,476	2,786	-	333	(182)	(31)	11,903	477	(1)	-	55,761
Deferred Expenses	(101,334)	(38,332)	463	(13,646)	(10,016)	(7,090)	(49,522)	(18,116)	(423)	-	(238,016)
Transferred from acquisition costs / acquisition costs	754,979	114,074	-	107,094	4,562	4,089	409,916	3,608	700,886	-	2,099,208
Total insurance contracts expenses	19,816,537	645,892	17,348	9,751,359	1,222,480	726,571	13,360,732	120,303	4,835,351	867,665	51,364,238

	Motor	Marine	Aviation	Fire	Engineer	Liability	Medical	Others	Group life	Individual life	Total
2024											
Insurance claims incurred	12,938,343	412,803	297,683	2,405,644	249,011	446,081	5,961,890	12,837	3,204,087	624,612	26,552,991
Administrative expenses	1,863,895	459,574	7,413	840,820	298,965	139,578	1,363,563	71,078	730,567	150,438	5,925,891
Other expenses	-	-	-	-	-	-	-	-	-	-	-
Non financial - risk adjustments	68,666	(8,085)	2,719	(90,093)	-	(99,067)	550	-	36,729	-	(88,581)
Loss component	990,684	-	-	-	-	0	80,535	-	-	785,227	1,856,446
Undistributed Expenses	(12,317)	(941)	123	(492)	(145)	54	(2,402)	-	(27,870)	-	(43,990)
Deferred Expenses	(21,368)	29,452	1,476	1,019	7,854	(6,904)	(38,490)	-	(4,588)	-	(31,549)
Transferred from acquisition costs / acquisition costs	411,286	186,711	-	136,364	4,312	6,365	892,785	3,501	131,517	151,513	1,924,354
Total insurance contracts expenses	16,239,189	1,079,514	309,414	3,293,262	559,997	486,107	8,258,431	87,416	4,070,442	1,711,790	36,095,562

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32- Reinsurance Contracts Revenue

	<u>Motor</u>	<u>Marine</u>	<u>Aviation</u>	<u>Fire</u>	<u>Engineer</u>	<u>Liability</u>	<u>Medical</u>	<u>Others</u>	<u>Group life</u>	<u>Individual life</u>	<u>Total</u>
2025											
Expected Claims Incurred	267,781	(136,882)	-	8,054,336	864,562	502,661	3,322,148	2,376	2,418,437	4,069	15,299,488
Commissions Received	47,356	750,284	41,774	1,691,072	185,221	182,199	8,791	(11)	-	-	2,906,686
Reinsurers' share of deferred commission expenses	(6,724)	52,789	6,945	(222,188)	(15,175)	(23,007)	-	-	-	-	(207,360)
Changes in Risk Adjustments - Non-financial	(7,562)	(15,402)	98	417,693	(1,608)	40,725	4,488	2,204	3,781	-	444,417
Total Reinsurance Contracts Revenues	300,851	650,789	48,817	9,940,913	1,033,000	702,578	3,335,427	4,569	2,422,218	4,069	18,443,231

	<u>Motor</u>	<u>Marine</u>	<u>Aviation</u>	<u>Fire</u>	<u>Engineer</u>	<u>liability</u>	<u>Medical</u>	<u>Others</u>	<u>Group life</u>	<u>Total</u>
2024										
Expected Claims Incurred	(333,534)	421,715	293,582	2,388,317	272,635	443,750	2,630,959	1	2,398,186	8,515,611
Commissions Received	341,651	651,326	56,790	1,479,040	239,959	202,074	16,301	4,514	-	2,991,656
Reinsurers' share of deferred commission expenses	(7,622)	(41,371)	(3,731)	(20,025)	(1,352)	(9,267)	-	-	-	(83,368)
Changes in Risk Adjustments - Non-financial	18,831	(262)	1,967	(69,096)	(918)	(79,270)	(1,224)	-	22,112	(107,860)
Total Reinsurance Contracts Revenues	19,326	1,031,408	348,608	3,778,236	510,324	557,287	2,646,036	4,515	2,420,298	11,316,039

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33- Reinsurance Contracts Expenses

									Individual		
	Motor	Marine	Aviation	Fire	Engineer	Liability	Medical	Others	Group life	life	Total
2025											
Reinsurance Contracts Premiums	360,364	5,559,733	191,445	9,445,716	3,187,382	1,412,811	3,583,158	17,674	4,310,972	141,452	28,210,707
Change in reinsurance contract liabilities versus remaining coverage	1,290	(245,976)	23	(711)	(365)	5,738	(61,553)	5,738	-	-	(295,816)
Excess Loss Premiums	285,056	9,100	-	41,600	-	-	-	-	-	-	335,756
Total Reinsurance Contracts Expenses	646,710	5,322,857	191,468	9,486,605	3,187,017	1,418,549	3,521,605	23,412	4,310,972	141,452	28,250,647
	Motor	Marine	Aviation	Fire	Engineer	Responsibility	Medical	Others	Group life	Individual life	Total
2024											
Reinsurance Contracts Premiums	157,026	4,409,610	222,990	9,400,084	3,382,958	1,433,378	2,817,370	38,504	4,299,246	238,769	26,399,935
Change in reinsurance contract liabilities versus remaining coverage	(2,969)	243,968	(4)	(219)	(78)	7,256	61,830	-	122,322	10,000	442,106
Excess Loss Premiums	316,653	8,500	-	41,250	-	-	-	-	-	-	366,403
Total Reinsurance Contracts Expenses	470,710	4,662,078	222,986	9,441,115	3,382,880	1,440,634	2,879,200	38,504	4,421,568	248,769	27,208,444

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34- Financing Expenses-Insurance contract

	2025	2024
Insurance contract expenses	380,986	808,009
	380,986	808,009

The company used discount rates ranging from 5.18% to 6.315% as of December 31, 2025(December 31, 2024: 3.5%).

35- Financing revenue -Reinsurance contract

	2025	2024
Reinsurance contract revenue	76,044	99,231
	76,044	99,231

The company used discount rates ranging from 5.18% to 6.315% as of December 31, 2025(December 31, 2024: 3.5%).

36- Credit interest

	2025	2024
Bank Interest	962,458	1,150,569
Loan Interest	-	-
Seniora Bonds Interest	27,519	22,734
Jordanian Treasury Bonds Interest	453,107	370,740
	1,443,084	1,544,043

37- Net Profit of Financial Assets and Investments

	2025	2024
Cash dividend returns (through profit or loss statement)	543,670	669,659
Cash dividend returns (Financial assets at fair value through other comprehensive income statement)	202,324	180,000
Net change in the fair value of financial assets through profit or loss statement (stocks)	2,805,718	(674,534)
Gains (Losses) on Sale Investments property	-	200
Income (Expenses) Investment Building	(31,914)	48,670
Investment Revenues Attributable to Subscription Accounts	464,219	462,780
Net profit from the sale of financial assets	243,768	-
	4,227,785	686,775

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38- Other Income

	2025	2024
Currency differences	152,500	6,705
Foreign currency revaluation profits	16,308	(73,428)
Others	27	9,210
Cheque Issuance Service Fee	1,859	1,789
Stamp Duty Fees	(392)	(386)
Profit from the sale of fixed assets	12,300	-
	182,602	(56,110)

39- Earnings per Share

	2025	2024
Net profit for the year	3,644,804	172,942
Weighted Average for number of Shares	17,038,971	17,038,971
Earnings per share for the year	0.21	0.010

40- Risk Management

A-Financial risks

The risks to which the Company is exposed revolve around the possibility that the collection of premiums and the return on investments will be insufficient to finance the obligations arising from insurance contracts and investments.

The Company follows financial policies to manage various risks within a specific strategy. The Company's management is responsible for monitoring and controlling risks and making the optimal strategic distribution of both financial assets and financial liabilities. The risks include interest rates, credit risks, foreign exchange rate risks and market risks. The Company follows a financial hedging policy for both financial assets and financial liabilities whenever necessary, which is hedging related to expected future risks.

1- Market risk

It is the risk of fluctuation in the fair value or cash flows of financial instruments as a result of changes in market prices such as interest rates, currency rates, and stock prices. Market risks arise as a result of the presence of open positions in interest rates, currencies, and investments in stocks. These risks are monitored in accordance with specific policies and procedures and through specialized committees. And the relevant business centers. Market risks include interest rate risks, exchange rate risks, and the risks of changes in stock prices.

A- Interest rate risk:

Interest rate risk is related to the interest rates on its assets and liabilities that carry interest, such as deposits at banks. The interest rates on deposits at banks in Jordanian Dinar range from 3.7% to 6.8%, while the rates on deposits in US Dollars, EUR, and GBP range from 0.025% to 4.75%.

Most of the company's transactions are in Jordanian Dinars and US Dollars. The exchange rate of the Jordanian Dinar is pegged at a fixed rate to the US Dollar (1.41 USD per 1 JOD).

2- Credit Risk

This is the risk that one party to the financial cycle will fail to meet an obligation, causing the other party to incur a financial loss.

The company believes it is not significantly exposed to credit risk, as it sets credit limits for customers and continuously monitors outstanding receivables. The company also maintains balances and deposits with leading banking institutions.

The company engages in various insurance activities and insures a large number of customers. No single customer represents more than 10% of receivables as of December 31, 2025.

3- Liquidity Risk

Liquidity risk is represented by the Company's inability to provide the necessary funding to perform its obligations on their due dates. To protect against these risks, management diversifies funding sources, manages assets and liabilities, aligns their terms, and maintains a sufficient balance of cash, cash equivalents, and tradable securities.

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40- Risk Management (continued)

3- Liquidity Risk (continued)

The company monitors its liquidity needs on a monthly basis and ensures that sufficient funds are available to meet any obligations as they arise.

A portion of the company's funds are invested in local stocks traded on the financial market.

Most of the company's term deposits at the date of the financial statements mature within periods ranging from three months to one year.

- The table below summarizes the maturities of financial obligations (based on the period remaining to maturity from the date of the financial statements):

	Less than one month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than one	Total
December 31, 2025						
Insurance liabilities (GMM)	207,241	226,255	158,750	53,738	3,704,045	4,350,029
Insurance liabilities (PAA)	4,219,905	11,085,558	10,797,978	9,522,000	29,414,159	65,039,600
December 31, 2024						
Insurance liabilities (GMM)	232,253	253,561	177,909	60,224	4,151,080	4,875,027
Insurance liabilities (PAA)	3,511,666	9,225,036	8,985,720	7,923,894	24,477,493	54,123,809

4- Operational Risk

These are the risks resulting from systems failure or could result from any intentional or unintentional human error. These risks can affect the Company's reputation, as they can lead to financial loss. Such dangers can be avoided by separating duties and establishing the necessary procedures to obtain any information from the systems used in the Company, and through educating and training Company staff.

5- Legal Risk

This type of danger results from legal claims against the Company. To avoid these dangers, the Company has established an independent legal department to follow up on the Company's work in accordance with the law regulating insurance business and the instructions of the Insurance Authority of the central bank.

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41 - Cases filed by and against the subsidiary company - Middle East Insurance

The company is a defendant in several lawsuits with a total value of 975,483 Jordanian Dinars as of December 31, 2025. The company has made adequate provisions to cover potential liabilities related to these lawsuits. In the opinion of the company and its legal advisor, the provisions made, amounting to 975,483 Jordanian Dinars as of December 31, 2025(2024: 1,170,411 Jordanian Dinars), are sufficient to cover the obligations arising from these lawsuits.

The value of lawsuits filed by the company against third parties is 1,981,417 Jordanian Dinars as of December 31, 2025(December 31, 2024: 1,981,417 Jordanian Dinars). These lawsuits represent outstanding receivables from third parties and returned checks resulting from the company's regular business activities.

The company has potential liabilities as of the date of the financial statements, represented by bank guarantees amounting to 2,341,591 dinars, compared to 1,784,636 dinars as of December 31, 2025 and 2024 respectively.

42 - Subsequent Events

There is no subsequent events that have a material impact on the Group's business results or continuity.

43 - Comparative Figures

Certain comparative figures have been reclassified to align with the classification numbers for the current year, and has no effect on owners equity and net income.