

**AFAQ ENERGY COMPANY
(LIMITED PUBLIC SHAREHOLDING)
AMMAN - JORDAN**

**CONSOLIDATED FINANCIAL STATEMENTS
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025**

AFAQ ENERGY COMPANY
(LIMITED PUBLIC SHAREHOLDING)
AMMAN - JORDAN

CONSOLIDATED FINANCIAL STATEMENTS
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

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INDEPENDENT AUDITOR'S REPORT 31 December 2025

Messrs. Shareholders of Afaq Energy Company
(Limited Public Shareholding)
Amman - Jordan

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Afaq Energy Company and its subsidiaries "the Group", which comprise:

- The consolidated statement of financial position as at 31 December 2025.
- The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, and consolidated statement of cash flows for the year then ended.
- Notes to the consolidated financial statements, including a summary of material accounting policies information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph below, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with (IFRS) accounting standards as issued by the International Accounting Standards Board (IASB).

Basis for Qualified Opinion

The Group has not calculated the expected credit loss provision for trade receivables and related parties' receivables in accordance with International Financial Reporting Standard "IFRS" (9) "*Financial Instruments*". As a result, we were unable to determine the potential financial impact on the consolidated financial statements for the year ended 31 December 2025.

Jordan Modern Food Trading Company (a subsidiary) has not applied IFRS (16) "*Leases*", and we were not able to determine the financial impact on the consolidated financial statements for the year ended 31 December 2025.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

31 December 2025

Messrs. Shareholders of Afaq Energy Company
(Limited Public Shareholding)
Amman - Jordan

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report for the year 2025 but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

After reviewing the other information - which had not been provided to us as of the date of our report - and if we determine that there is a material misstatement in such other information, we are required to report that in our report.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of financial statements for the current period. These matters were addressed in the context of our audit of financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion* paragraph, we have determined the matters described below to be the key audit matters to be communicated in our report.

1 Recognition Of Revenues from The Sale of Petroleum Derivatives

Key Audit Matter

The Group's recognized revenues for the year ended 31 December 2025 is approximately JD 1,016 billion, including revenues from selling petroleum products to fuel stations, which represent 95% of total revenues. Fuel prices are determined by the Government of the Hashemite Kingdom of Jordan in accordance with the distribution agreement signed between the Group and the Ministry of Energy and Mineral Resources.

Revenue recognition has been considered a key audit matter due to its relative significance in the financial statements, in addition to the requirements imposed by the relevant accounting standards. This includes verifying that revenues are recorded in the correct financial period and at approved prices. Audit risks are particularly heightened by the potential for improper timing of revenue recognition or non-compliance with approved pricing, which may lead to material misstatements in the Group's results of operations.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

31 December 2025

Messrs. Shareholders of Afaq Energy Company
(Limited Public Shareholding)
Amman - Jordan

Key Audit Matters - Continued

Related Disclosures

Refer to note (19) of the accompanying financial statements.

Audit Response

Our audit procedures included obtaining an understanding of the significant revenue processes, identifying relevant controls, evaluating their design, assessing whether they were properly implemented, and testing their operating effectiveness. We also performed analytical procedures using both financial and non-financial data, including comparing monthly selling prices recorded in the accounting records with the prices announced by the Ministry of Energy and Mineral Resources, and evaluating the appropriateness of the Group's revenue recognition accounting policies.

2 Lands, property and equipment

Key Audit Matter

The net book value of the lands, property and equipment is approximately JD 291 million as at 31 December 2025, representing 43% of total assets. The Group periodically reviews the useful lives of property and equipment for the purpose of calculating annual depreciation, based on their overall condition and estimated future useful lives.

Related Disclosures

Refer to note (6) of the accompanying financial statements.

Audit Response

The audit procedures included verifying the existence and completeness of assets, reviewing asset purchases and disposals during the year, and assessing the accuracy of depreciation expense calculation and the reasonableness of the estimated useful lives of the assets. The rights and obligations related to land and vehicle licenses were also verified through an ownership investigation report covering the Group's land and vehicle licenses.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

31 December 2025

Messrs. Shareholders of Afaq Energy Company
(Limited Public Shareholding)
Amman - Jordan

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

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

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

Those charged with governance are responsible for overseeing preparing the consolidated financial reports.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

31 December 2025

Messrs. Shareholders of Afaq Energy Company
(Limited Public Shareholding)
Amman - Jordan

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtaining sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain ultimately responsible for the audit opinion

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

We also provided those in charge of the governance with a statement that we have complied with relevant ethical requirements regarding independence and informed them of all relationships and other matters that may reasonably be thought to affect our independence, in addition to preventive procedures, if any.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)**31 December 2025**

**Messrs. Shareholders of Afaq Energy Company
(Limited Public Shareholding)
Amman - Jordan**

Report on Other Legal and Regulatory Requirements

The Group maintains proper accounting records, and the audited financial statements are in agreement in all material respects to the accompanying consolidated financial statements. We recommend the General Assembly approve them, taking into account the matter described in the Basis for Qualified Opinion paragraph above.

Samman & Co.

**Ahmad Ramahi
License No. (868)**



**31 March 2026
Amman - Jordan**

Afaq Energy Company
(Limited Public Shareholding)
Amman - Jordan

Consolidated Statement of Financial Position
As at 31 December 2025

	Note	2025 JD	2024 JD
Assets			
Non-current assets			
Lands, property and equipment	(6)	290,612,893	285,469,821
Projects under construction	(7)	32,297,682	7,134,086
Intangible assets	(8)	917,762	1,041,667
Financial assets at fair value through other comprehensive income		-	200,000
Right-of-use assets	(9)	30,821,093	22,334,950
Goodwill	(10)	8,316,295	-
		<u>362,965,725</u>	<u>316,180,524</u>
Current assets			
Inventory	(11)	67,811,090	59,957,203
Trade receivables and cheques under collection	(12)	88,577,515	92,828,128
Due from related parties	(21)	148,291,365	148,608,702
Other receivables	(13)	10,935,760	13,848,743
Cash and cash equivalents	(14)	3,181,451	3,026,563
		<u>318,797,181</u>	<u>318,269,339</u>
Total assets		<u><u>681,762,906</u></u>	<u><u>634,449,863</u></u>

The consolidated financial statements on pages [1] to [29] were approved and authorized for issue by the Board of Directors on 31 March 2026 and were signed on its behalf by:

Dr. Ramez Antoine Khoury
Board Member and General Manager



Afaq Energy Company
(Limited Public Shareholding)
Amman - Jordan

Consolidated Statement of Financial Position - Continued
As at 31 December 2025

	Note	2025 JD	2024 JD
<u>Shareholders' equity and liabilities</u>			
<u>Shareholders' equity</u>			
	(15)		
Capital		110,000,000	110,000,000
Statutory reserve		27,396,002	25,070,185
Retained earnings		45,920,230	38,737,910
Equity attributable to the shareholders of the parent		183,316,232	173,808,095
Non-controlling interest		4,199,416	4,327,875
Total shareholders' equity		187,515,648	178,135,970
<u>Liabilities</u>			
<u>Non-current liabilities</u>			
Loans	(16)	33,220,489	31,756,986
Lease liabilities	(9)	29,838,562	20,698,692
		63,059,051	52,455,678
<u>Current liabilities</u>			
Banks overdraft	(17)	38,534,531	22,033,459
Loans	(16)	125,330,074	88,897,739
Due to related parties	(21)	16,411	-
Post-dated cheques		43,285,922	110,230,307
Governmental deposits - Income and Sales Tax		88,741,700	66,852,546
Department deposits			
Trade payables		115,917,240	101,806,453
Other payables	(18)	11,657,007	8,167,261
Lease liabilities	(9)	2,159,350	1,853,447
Income tax provision	(22)	5,545,972	4,017,003
		431,188,207	403,858,215
Total liabilities		494,247,258	456,313,893
Total shareholders' equity and liabilities		681,762,906	634,449,863

The consolidated financial statements on pages [1] to [29] were approved and authorized for issue by the Board of Directors on 31 March 2026 and were signed on its behalf by:

Dr. Ramez Antoine Khoury
Board Member and General Manager

Afaq Energy Company
(Limited Public Shareholding)
Amman - Jordan

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2025

	Note	2025 JD	2024 JD
Revenues	(19)	1,016,334,481	1,018,709,080
Cost of revenues		<u>(960,235,256)</u>	<u>(970,307,327)</u>
Gross profit		56,099,225	48,401,753
Administrative expenses	(20)	(12,409,342)	(12,156,523)
Other revenues and expenses		<u>2,351,549</u>	<u>2,487,827</u>
Operating profit		46,041,432	38,733,057
Finance costs		<u>(16,668,522)</u>	<u>(16,135,356)</u>
Profit for the year before income tax		29,372,910	22,597,701
Income tax expense	(22)	<u>(5,973,232)</u>	<u>(4,605,462)</u>
Profit for the year		<u>23,399,678</u>	<u>17,992,239</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income		<u>23,399,678</u>	<u>17,992,239</u>
Profit for the year and comprehensive income attributable to:			
Owners of the parent		23,258,137	17,759,548
Non-controlling interest		<u>141,541</u>	<u>232,691</u>
		<u>23,399,678</u>	<u>17,992,239</u>
Basic and diluted earnings per share of profit for the year and comprehensive income - Dinars/Share	(23)	<u>0.211</u>	<u>0.161</u>

Afaq Energy Company
(Limited Public Shareholding)
Amman - Jordan

Consolidated Statement of Changes in Shareholder's Equity
For the Year Ended 31 December 2025

	Capital	Statutory reserve	Retained earnings	Equity attributable to the shareholders of the parent	Non-controlling interest	Total
	JD	JD	JD	JD	JD	JD
<u>2025</u>						
At 1 January	110,000,000	25,070,185	38,737,910	173,808,095	4,327,875	178,135,970
Comprehensive Income	-	-	23,258,137	23,258,137	141,541	23,399,678
Statutory reserve	-	2,325,817	(2,325,817)	-	-	-
Dividends - Note (15)	-	-	(13,750,000)	(13,750,000)	(270,000)	(14,020,000)
At 31 December	110,000,000	27,396,002	45,920,230	183,316,232	4,199,416	187,515,648
<u>2024</u>						
At 1 January	110,000,000	27,261,210	29,585,444	166,846,654	4,162,766	171,009,420
Adjustments	-	(4,427,783)	4,629,676	201,893	(67,582)	134,311
Comprehensive Income	-	-	17,759,548	17,759,548	232,691	17,992,239
Statutory reserve	-	2,236,758	(2,236,758)	-	-	-
Dividends - Note (15)	-	-	(11,000,000)	(11,000,000)	-	(11,000,000)
At 31 December	110,000,000	25,070,185	38,737,910	173,808,095	4,327,875	178,135,970

Afaq Energy Company
(Limited Public Shareholding)
Amman - Jordan

Consolidated Statement of Cash Flows
For the Year Ended 31 December 2025

	Note	2025 JD	2024 JD
Operating activities			
Profit for the year before income tax		29,372,910	22,597,701
<i>Adjustments for:</i>			
Depreciation and amortization		14,551,697	11,870,963
Finance costs		14,548,440	14,601,925
Leases financing costs	(9)	2,120,082	1,533,431
Gain from sale of property and equipment		(50,631)	(129,884)
Gain on sale of financial assets at fair value		-	18,051
Adjustments		-	1,339,353
		<u>60,542,498</u>	<u>51,831,540</u>
Trade receivables and cheques under collection		4,250,613	6,526,374
Inventory		(7,853,887)	(4,925,093)
Other receivables		6,412,756	(17,048,349)
Due from related parties		317,337	(21,027,399)
Due to related parties		16,411	(621,896)
Post-dated cheques		(66,944,385)	67,691,904
Governmental deposits - Income and Sales Tax		21,889,154	(114,219,115)
Department deposits			
Trade payables		14,110,787	26,204,620
Other payables		<u>3,489,746</u>	<u>(1,685,909)</u>
Cash flows from operating activities		<u>36,231,030</u>	<u>(7,273,323)</u>
Income tax paid	(22)	<u>(4,649,753)</u>	<u>(5,331,075)</u>
Net cash flows from (used in) operating activities		<u>31,581,277</u>	<u>(12,604,398)</u>
Investing activities			
Purchase of lands, property and equipment and projects under construction		(43,875,175)	(11,703,423)
Proceeds from sale of property and equipment		50,722	1,056,821
Proceeds from sale of financial assets at fair value		100,000	18,199
Net cash paid on acquisition of subsidiary	(10)	<u>(9,972,045)</u>	<u>-</u>
Net cash flows used in investing activities		<u>(53,696,498)</u>	<u>(10,628,403)</u>
Financing activities			
Dividends paid		(13,750,000)	(11,000,000)
Loans	(16)	37,895,838	42,516,834
Banks overdraft	(17)	16,501,072	(1,755,953)
Lease liabilities paid	(9)	(3,828,361)	(3,404,915)
Finance costs paid		<u>(14,548,440)</u>	<u>(14,601,925)</u>
Net cash flows from financing activities		<u>22,270,109</u>	<u>11,754,041</u>
Net change in cash and cash equivalent during the year		<u>154,888</u>	<u>(11,478,760)</u>
Cash and cash equivalent at beginning of year		<u>3,026,563</u>	<u>14,505,323</u>
Cash and cash equivalent at end of year	(14)	<u><u>3,181,451</u></u>	<u><u>3,026,563</u></u>

**Afaq Energy Company
(Limited Public Shareholding)
Amman - Jordan**

**Notes Forming Part of the Consolidated Financial Statements
For the Year Ended 31 December 2025**

1) General

Afaq Energy Company (the "Group") was established on 5 August 2008, as Limited Public Shareholding and is registered in the Public Shareholding Companies Registry under No. (456). The Group's primary activity is investing in and participating in companies operating across various sectors of the energy industry. The Group is headquartered in Amman, Jordan. The following are the names of the members of the Board of Directors:

<u>Name</u>	<u>Position</u>
Ziad Khalaf Mohammed Al-Manaseer	Chairman of the Board of Directors
Yasser Salem Hussein Al-Manaseer	Vice Chairman of the Board of Directors
Manaseer Group for Industrial & Commercial Investments, represented by His Excellency Mr. Raslan Nori Raslan Deyarneh	Board Member
Saad Musa Faiq Al-Dajani	Board Member
Ramez Antoine Ibrahim Khoury	Board Member

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries.

2) Basis of preparation

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out in note (4) to the consolidated financial statements. The policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements are presented in Jordanian Dinars ("JD"), which is also the Group's functional currency. Amounts are rounded to the nearest JD.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards, and Interpretations (collectively IFRSs) as adopted by the Jordanian laws.

The preparation of the consolidated financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires the Group's management to exercise judgment in applying the Group's accounting policies. The critical accounting estimates and judgments used in the preparation of the consolidated financial statements have been disclosed in note (3) to the consolidated financial statements.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit or loss, as described in the relevant accounting policies.

Changes in accounting policies

a) *New standards, interpretations and amendments adopted from 1 January 2025:*

The following amendments are effective for the period beginning 1 January 2025:

- Lack of exchangeability (Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates);

On 15 August 2023, the IASB issued Lack of Exchangeability which amended IAS 21 The Effects of Changes in Foreign Exchange Rates (the Amendments). The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

Notes Forming Part of the Consolidated Financial Statements (Continued)
For the Year Ended 31 December 2025

These amendments had no effect on the consolidated financial statements of the Group.

The following illustrative examples have been issued during 2025 with no effective date:

- Illustrative examples on reporting uncertainties in financial statements:
On 28 November 2025, the IASB issued Disclosures about Uncertainties in the Financial Statements - Illustrative examples, which amended multiple IFRS Accounting Standards to include illustrative examples demonstrating how companies can apply IFRS Accounting Standards when reporting the effects of uncertainties in their financial statements. The illustrative examples are accompanying materials to IFRS Accounting Standards and do not have an effective date. The IASB had issued a near-final staff draft of the illustrative examples in July 2025. The Group has considered these illustrative examples in its preparation of the consolidated financial statements and no additional disclosures or changes in presentation were considered necessary.

b) New standards, interpretations and amendments not yet effective:

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the annual reporting period beginning 1 January 2026:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments Disclosures)
- Contracts Referencing Nature -dependent Electricity (Amendments to IFRS 9 and IFRS 7).

The following standards and amendments are effective for the annual reporting period beginning 1 January 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures.

The Group is currently assessing the effect of these new accounting standards and amendments.

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include:

- Categorization and sub-totals in the statement of profit or loss,
- Aggregation/disaggregation and labelling of information,
- Disclosure of management-defined performance measures.

The Group does not expect to be eligible to apply IFRS 19.

Notes Forming Part of the Consolidated Financial Statements (Continued)
For the Year Ended 31 December 2025

3) Critical accounting estimates and judgments

The Group makes certain estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The following are some significant accounting estimates adopted in the preparation of the consolidated financial statements:

Property, plant and equipment

The useful life of property and equipment are periodically re-estimated for the purposes of calculating annual depreciation depending on their general condition and estimates of their expected useful life in the future.

Inventory

The need to perform impairment on the inventory is evaluated periodically depending on its status and its duration of stay in warehouses, in addition to estimating its realizable value in the future.

Income tax

The Group is subject to income tax and significant judgment is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Group recognizes tax liabilities based on estimates of whether additional taxes and interest will be due.

4) Accounting Policies

Basis of consolidation

Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present:

- Power over the investee,
- Exposure to variable returns from the investee, and
- The ability of the investor to use its power to affect those variable returns,

Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the company considers all relevant facts and circumstances, including:

- The size of the company's voting rights relative to both the size and dispersion of other parties who hold voting rights
- Substantive potential voting rights held by the company and by other parties
- Other contractual arrangements, and
- Historic patterns in voting attendance.

The consolidated financial statements present the results of the company and its subsidiaries (the Group) as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full. The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date.

Notes Forming Part of the Consolidated Financial Statements (Continued)
For the Year Ended 31 December 2025

The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

The subsidiaries included in the consolidated financial statements are as follows:

Company Name	Country of establishment	Main activity	Ownership percentage
Jordan Modern Oil and Fuel and Services Company	Jordan	Fuel marketing	100
Jordan Modern Company for Import and Export		Mineral oil marketing	100
Jordan Modern for Food Trading Company		Trading	100
Central Gas		Liquefied Gas Distribution	100
Aqaba Chemical Storage Company		Customer Services	55

Goodwill

Goodwill represents the excess of the cost of a business combination over the Group's share in the fair value of the identifiable assets, liabilities, and contingent liabilities acquired. The cost includes the fair value of assets transferred, contingent liabilities, and equity instruments issued, in addition to the value of any non-controlling interests in the acquiree, as well as the fair value of any previously held equity interest in the acquiree in the case of a business combination achieved in stages. Contingent consideration is included in the cost at its fair value at the acquisition date. Where contingent consideration is classified as a financial liability, it is subsequently remeasured through the statement of profit or loss. For business combinations completed on or after 1 January 2010, acquisition-related costs are expensed as incurred.

Goodwill is recognized as an intangible asset and is not amortized, but is tested annually for impairment, or more frequently if there are indicators of impairment. Any impairment loss is recognized in the consolidated statement of comprehensive income.

Where the fair value of the identifiable assets, liabilities, and contingent liabilities exceeds the fair value of the consideration paid (i.e., a gain from a bargain purchase), the excess is recognized in full in the consolidated statement of comprehensive income at the acquisition date.

Revenue

Sales Revenue

Revenue from the sales of goods is recognized when the Group has transferred the significant risks and rewards of ownership to the buyer, and it is probable that the Group will receive the previously agreed upon payment. in accordance with International Financial Reporting Standard No. (15) These laws are provided when the goods are delivered to the buyer.

Rent Revenue

Rent revenue is recognized over time based on the proportion of the elapsed period relative to the total lease term.

Impairment of Non-Financial Assets

Non-financial assets are tested for impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An asset is written down when its' carrying amount exceeds its' recoverable amount (being the higher of its value in use and fair value less costs to sell). Impairment losses are recognized in the consolidated statement of profit or loss and other comprehensive income..

Notes Forming Part of the Consolidated Financial Statements (Continued)
For the Year Ended 31 December 2025

Foreign currency

Transactions entered into by the Group in a currency other than the currency of the primary economic environment in which it operates (function currency - JD) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognized immediately in statement profit or loss. Non-monetary assets and liabilities recognized at cost are translated at rates ruling at the date of transaction, where non-monetary items recognized at fair value translated at the rates used at valuation date, valuation result in profit or loss; recognized as part of the intended fair value.

Financial assets

Financial assets are classified at initial recognition in one of the following categories:

- Amortized cost.
- Fair value through profit or loss.
- Fair value through other comprehensive income.

Financial asset measured at amortized cost

A financial asset is measured at amortized cost according to the business model for managing financial asset and the contractual cash flow characteristics of financial assets, if it meets both of the following conditions:

1. It's held within a business model whose objective is to hold assets for collection of future cash flows.
2. It arises from its contractual terms cause, on specified dates, cash flows that are solely payments of principal and interest on the principal amount.

The assets will be measured later with the amortized cost using effective interest method, the amortized cost will be reduced by the impairment losses, interest revenue is recognized profit and loss of foreign currency exchange difference and impairment in statement of profit or loss, profit and loss from the disposal of financial assets appears in statement of profit or loss.

Financial assets at amortized cost include items of trade and other receivables, as well as cash and cash equivalents, as shown in the statement of financial position, Cash comprises cash on hand, deposit under collection and other short-term investments, current accounts and short-term deposits at banks with a maturity date of three months or less.

Financial liabilities

The Group classifies its financial liabilities depending on the purpose for which the liability was acquired. The Group has not classified any financial liabilities at fair value through profit or loss. The accounting policy for financial liabilities is as follows:

Loans and Overdrafts

Loans and bank facilities are initially recognized at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortized cost using the effective interest rate method. Whereas the interest expense during the repayment period is at a fixed rate on the balance of the liabilities recognized in the statement of financial position. Finance cost in this context includes initial transaction costs, premium and any interest payable while the liability is outstanding.

Trade and other payables

Trades and other payables initially recognized in the fair value and listed later in the impairment value using effective interest rate.

Notes Forming Part of the Consolidated Financial Statements (Continued)
For the Year Ended 31 December 2025

Capital

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial asset or financial liability.

Lease contracts

All lease contracts have been accounted for by recognizing the right to use an asset and the obligation of a lease contract except for the following:

- Lease contracts in which the underlying asset has a low value.
- Short-term leases (less than 12 months).

When applying IFRS (16), the Group recognizes the right to use the assets and liabilities of lease contracts as follows:

Lease liability:

The Group measures the lease commitment at the present value of the contractual payments due to the lessor during the lease period (estimated at five years) using the interest rate implied in the lease if this can be easily determined, and if that rate cannot be easily determined as in the Group, the Group uses the additional borrowing rate (%7) on the commencement date of the lease, the Group's additional borrowing rate is the rate at which a similar borrowing can be obtained from an independent creditor under comparable terms and conditions.

Right of use asset:

The Group makes the initial measurement of the right to use the asset with the value of the lease obligation minus any incentives received, in addition to the following:

- Any lease payments made on or before the commencement date of the lease.
- Any initial direct costs incurred.
- The value of any provision recognized when it is contractually required by the Group to dismantle, remove or return the leased asset to its original condition.

Upon the subsequent measurement of the lease obligation, the lease obligation is increased as a result of the interest charged at a fixed rate on the outstanding balance, and the lease obligation is reduced by the lease payments paid. The right to use the asset is amortized on a straight-line basis over the remaining contractual period or the remaining productive life of the asset if it is shorter than the lease term (this rarely happens).

Other Intangible assets

Intangible assets acquired externally are initially recognised at cost and subsequently amortized on a straight-line basis over their useful economic lives. The significant intangible assets recognized by the Group and their useful lives are as follows:

<u>Intangible Asset</u>	<u>Useful life</u>
Fuel distribution license	5
Accounting system	2

Intangible assets that have an indefinite life and are acquired separately are stated at cost less accumulated impairment losses, if any.

Dividends

Dividends are recognised when they become legally payable. In the case of final dividends, this is when approved by the shareholders at the General Assembly Meeting.

Notes Forming Part of the Consolidated Financial Statements (Continued)
For the Year Ended 31 December 2025

Land, property and equipment

Items of land, property and equipment are initially recognized at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs such as dismantling and removing items. The corresponding liability is recognized within provisions.

Projects under construction are not depreciated until they are fully completed and ready to use. Depreciation is provided on all other items of property and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

<u>Asset</u>	<u>Depreciation %</u>
Buildings, Stations and Tanks	2
Vehicles and tankers	15
Tools and equipment	10-15
Devices and control systems	10-33
Furniture and decorations	10
Billboards	10-15

Items of land, property and equipment are derecognized upon disposal or when the items are permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is included in profit or loss in the period in which the asset is derecognized.

Inventory

Inventories are initially recognized at cost, and subsequently at the lower of cost and net realizable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. First in first out is used to determine the cost and weighted average cost.

Provisions

Provisions are recognized when the Group has a present obligation (legal or contractual) resulting from past events, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into consideration the risk and uncertainties surrounding the obligation. When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

5) Financial instruments - risk management

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Market risks
- Liquidity risk

Notes Forming Part of the Consolidated Financial Statements (Continued)
For the Year Ended 31 December 2025

In common with all other companies, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group objectives, policies, and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements. There have been no significant changes in the risks to which the Group is exposed, nor in the objectives, policies and procedures for managing these risks, or in the methods used to measure them, unless otherwise stated.

(i) *Principal financial instruments*

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Related parties
- Financial assets at fair value through other comprehensive income
- Cash and cash equivalents
- Trade receivables, cheques under collection, and other receivables
- Trade payables, post-dated cheques, and other payables
- Loans and overdrafts

(ii) *Financial instruments by category*

	2025	2024
	JD	JD
<u>Financial assets at amortized cost</u>		
Trade receivables and cheques under collection	88,577,515	92,828,128
Other receivables	3,038,137	1,850,773
Due from related parties	148,291,365	148,608,702
Cash and cash equivalents	3,181,451	3,026,563
	<u>243,088,468</u>	<u>246,314,166</u>
<u>Financial assets at fair value</u>		
Financial assets at fair value through other comprehensive income	-	200,000
Total financial assets	<u><u>243,088,468</u></u>	<u><u>246,514,166</u></u>
<u>Financial liabilities at amortized cost</u>		
Loans and banks overdraft	197,085,094	142,688,184
Due to related parties	16,411	-
Trade payables and post-dated cheques	159,203,162	212,036,760
Other payables	257,031	462,805
Total financial liabilities	<u><u>356,561,698</u></u>	<u><u>355,187,749</u></u>

(iii) Financial instruments not measured at fair value

A financial instrument not measured at fair value includes cash and cash equivalents, trade and other receivables and trade and other payables and loans and bank facilities and related parties. The carrying value of financial instruments listed above is approximately equal to their fair values.

General objectives, policies, and processes

The management has overall responsibility for the determination of the risk management objectives and policies, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies. The overall objective is to set policies that seek to reduce risks as much as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risks

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is not significantly exposed to this type of risk, as government receivables represent 32% of total trade receivables. With respect to other receivables, the Group's primary operations rely heavily on cash sales, and its credit policy allows for one-month deferred payments. If a customer fails to settle the outstanding balance within 30 days, their withdrawals for the following month are suspended. Credit risk also arises from cash and cash equivalents, deposits with banks and financial assets. The Group deals with banks with a suitable credit rating.

Market risks

Market risk arises from the Group use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk), or other market factors (other price risk).

Fair value or interest rate risk

Financial instruments and loans with variable interest rates expose the Group to interest rate risk affecting future cash flows. The Group is exposed to such risks due to its use of financial instruments with variable interest rates and does not currently have a policy in place to mitigate this exposure.

Currency risks

Currency risk arises when the Group enters financial transactions in currencies other than its functional currency. The Group is not exposed to this type of risk, as it does not engage in foreign currency transactions in the course of its activities. Although the prices of the products it sells are linked to the U.S. dollar, the Group conducts its operations in local currency.

Other market price risks

The Group holds certain strategic equity investments in other companies that complement its operations. The Board of Directors considers the exposure to market price risk arising from this activity to be acceptable under the Group's circumstances.

Liquidity risks

Liquidity risk arises from the Group management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The management's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

Notes Forming Part of the Consolidated Financial Statements (Continued)
For the Year Ended 31 December 2025

	Up to 3 months JD	From 3 to 12 months JD	From 1 to 2 years JD	From 2 to 5 years JD	More than 5 years JD
At 31 December 2025					
Loans and banks overdraft	140,286,894	14,575,910	9,300,835	10,244,013	22,677,442
Post-dated cheques	15,915,092	27,255,830	115,000	-	-
Government deposits	88,741,700	-	-	-	-
Trade and other payables	115,917,240	-	-	-	-
	<u>360,860,926</u>	<u>41,831,740</u>	<u>9,415,835</u>	<u>10,244,013</u>	<u>22,677,442</u>
At 31 December 2024					
Loans and banks overdraft	108,708,209	5,253,000	5,253,000	5,253,000	18,220,975
Post-dated cheques	15,000,000	45,000,000	50,230,307	-	-
Government deposits	66,852,546	-	-	-	-
Trade and other payables	101,806,453	-	-	-	-
	<u>292,367,208</u>	<u>50,253,000</u>	<u>55,483,307</u>	<u>5,253,000</u>	<u>18,220,975</u>

Capital management

The Group monitors "adjusted capital" which comprises all components of equity (capital, statutory reserve, and retained earnings).

The Group's objective when monitoring capital is to:

- Safeguard the entity's ability to continue as a going concern to be able to achieve returns for partners and benefits to customers.
- Achieve appropriate returns for partners within product pricing in proportion with risk levels.

The Group manages its capital structure and adjust its components in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain a balanced capital structure, the Group may adjust the amount of return capital to shareholders, paid up capital increase, or sell assets to reduce debt.

The debt ratio to adjusted capital at 31 December is as follows:

	2025 JD	2024 JD
Loans and banks overdraft	197,085,094	142,688,184
Lease liabilities	31,997,912	22,552,139
Less: cash and its equivalent	(3,181,451)	(3,026,563)
Net debt	<u>225,901,555</u>	<u>162,213,760</u>
Total owners equity	<u>187,515,648</u>	<u>178,135,970</u>
Debt ratio	120%	91%

Notes Forming Part of the Consolidated Financial Statements (Continued)
For the Year Ended 31 December 2025

6) Lands, property, and equipment

	Lands	Buildings	Vehicles and tankers	Tools and equipment	Devices and control systems	Furniture and decorations	Billboards	Total
	JD	JD	JD	JD	JD	JD	JD	JD
<u>Cost</u>								
At 1 January 2024	134,974,386	159,826,326	33,020,455	42,324,953	11,215,333	2,120,768	1,798,628	385,280,849
Additions	-	425,558	2,858,946	1,669,717	425,077	96,718	304,061	5,780,077
Transferred from projects under construction	-	2,456,964	-	-	-	-	-	2,456,964
Disposals	(926,231)	-	(396,618)	-	-	-	-	(1,322,849)
At 31 December 2024	134,048,155	162,708,848	35,482,783	43,994,670	11,640,410	2,217,486	2,102,689	392,195,041
Resulted from acquisition of a subsidiary	-	4,097,104	-	51,051	108,653	104,429	-	4,361,237
Additions	4,148,835	931,762	3,679,445	2,110,277	559,820	132,061	88,668	11,670,868
Transferred from projects under construction	-	3,501,861	-	-	-	-	-	3,501,861
Disposals	-	-	(205,795)	-	-	-	-	(205,795)
At 31 December 2025	138,196,990	171,239,575	38,956,433	46,155,998	12,308,883	2,453,976	2,191,357	411,523,212
<u>Accumulated depreciation</u>								
At 1 January 2024	-	31,732,538	27,002,054	24,259,834	8,995,934	1,952,169	1,432,640	95,375,169
Depreciation	-	3,944,263	2,789,279	3,082,580	518,957	122,922	82,920	10,540,921
Adjustments	-	1,205,042	-	-	-	-	-	1,205,042
Disposals	-	-	(395,912)	-	-	-	-	(395,912)
At 31 December 2024	-	36,881,843	29,395,421	27,342,414	9,514,891	2,075,091	1,515,560	106,725,220
Resulted from acquisition of a subsidiary	-	1,734,234	1,665,318	39,889	96,412	97,698	-	3,633,551
Depreciation	-	4,783,281	2,909,808	2,378,020	473,768	115,861	96,514	10,737,252
Adjustments	-	-	(205,704)	-	-	-	-	(205,704)
At 31 December 2025	-	43,399,358	33,764,843	29,760,323	10,085,071	2,288,650	1,612,074	120,910,319
<u>Net Book Value</u>								
At 1 January 2024	134,974,386	128,093,788	6,018,401	18,065,119	2,219,399	168,599	365,988	289,905,680
At 31 December 2024	134,048,155	125,827,005	6,087,362	16,652,256	2,125,519	142,395	587,129	285,469,821
At 31 December 2025	138,196,990	127,860,217	5,191,590	16,395,675	2,223,812	165,326	579,283	290,612,893

The Group's lands and buildings are mortgaged to banks in exchange for loans and banks facilities, as shown in Notes No. (16) and (17) to the consolidated financial statements.

Notes Forming Part of the Consolidated Financial Statements (Continued)
For the Year Ended 31 December 2025

7) Projects under construction

	Expected completion date	Estimated cost of completion	2025	2024
		JD	JD	JD
Gas Cylinders	July 2026	12,000,000	9,150,968	-
LNG project	June 2025	300,000	8,037,052	86,354
Gas project CNG	July 2026	12,000,000	7,559,168	3,203,966
Medina street station project	June 2025	500,000	1,931,062	313,162
Tires	May 2026	2,000,000	1,807,010	-
Sino Trik gas project	September 2025	1,500,000	956,031	869,062
Irbid station - Nathefah	August 2026	650,000	577,755	-
Al Sharif fuel station	September 2025	100,000	505,622	55,674
Jurf Al-Darawsha - LPG	January 2026	500,000	488,614	-
University of Science and Technology station	May 2026	450,000	468,900	-
Southern Shouna station	April 2026	400,000	304,673	-
Irbid station, Petra Street - Rajoub	August 2025	250,000	80,871	80,871
Solar Energy	February 2026	35,000	34,884	-
Al-Hussainiya station - Ibrahim Al-Jazzy	January 2026	2,000,000	-	1,248,561
Al-Dhulayl station - Farouk Shalif	July 2025	1,000,000	-	627,097
Ma'an 3 station - Al-Jazeera Plateaus	July 2025	250,000	-	196,506
Solar power generation - Lumi	September 2025	200,000	-	169,622
Birin station - Magda Al-Attar and Al-Omari	September 2025	250,000	-	82,972
ABCCO tanks expansion	January 2026	29,500	-	29,500
King Hussein Complex station	June 2025	250,000	-	15,761
Other gas stations	-	-	395,072	154,978
			<u>32,297,682</u>	<u>7,134,086</u>

The following is the movement on the projects under construction:

	2025	2024
	JD	JD
At 1 January	7,134,086	3,667,704
Additions	28,665,457	5,923,346
Transferred to property and equipment	<u>(3,501,861)</u>	<u>(2,456,964)</u>
At 31 December	<u>32,297,682</u>	<u>7,134,086</u>

Notes Forming Part of the Consolidated Financial Statements (Continued)
For the Year Ended 31 December 2025

8) Intangible asset

	Fuel distribution license	Accounting System	Total
	JD	JD	JD
Cost			
At 1 January 2024	31,250,000	-	31,250,000
At 31 December 2024	31,250,000	-	31,250,000
Resulted from acquisition of a subsidiary	-	36,989	36,989
At 31 December 2025	31,250,000	36,989	31,286,989
Accumulated amortization			
At 1 January 2024	30,083,333	-	30,083,333
Amortization	125,000	-	125,000
At 31 December 2024	30,208,333	-	30,208,333
Resulted from acquisition of a subsidiary	-	35,894	35,894
Amortization	125,000	-	125,000
At 31 December 2025	30,333,333	35,894	30,369,227
Net Book Value			
At 1 January 2024	1,166,667	-	1,166,667
At 31 December 2024	1,041,667	-	1,041,667
At 31 December 2025	916,667	1,095	917,762

On 20 November 2012, the Group signed a 10-year petroleum derivatives distribution license agreement with the Ministry of Energy and Mineral Resources, granting it a 33% market share, with a total value of JD 30 million. This intangible asset is amortized over the 10-year duration of the license, beginning from the commencement of actual operations under the agreement in May 2013. During 2023, the Group renewed this agreement for 10 years at a cost of JD 1,250,000, effective from 1 May 2023.

Notes Forming Part of the Consolidated Financial Statements (Continued)
For the Year Ended 31 December 2025

9) Leases contracts

	<u>2025</u>	<u>2024</u>
	JD	JD
<u>Right-of-use assets</u>		
At 1 January	22,334,950	19,782,841
Additions	11,154,052	4,508,025
Amortization	<u>(2,667,909)</u>	<u>(1,955,916)</u>
At 31 December	<u>30,821,093</u>	<u>22,334,950</u>
<u>Leases liabilities</u>		
At 1 January	22,552,139	19,915,598
Additions	11,154,052	4,508,025
Finance cost	2,120,082	1,533,431
Lease payments	<u>(3,828,361)</u>	<u>(3,404,915)</u>
At 31 December	<u>31,997,912</u>	<u>22,552,139</u>

The following table shows the contractual maturities (that represent the undiscounted contractual cash flows) of the lease liabilities:

	<u>2025</u>	<u>2024</u>
	JD	JD
Short term	2,159,350	1,853,447
Long term	<u>29,838,562</u>	<u>20,698,692</u>
	<u>31,997,912</u>	<u>22,552,139</u>

10) Goodwill

On 31 December 2025, Afaaq Energy PSC acquired 100% of the share capital of Central Gas Technology LTD, a company specialized in the distribution of liquefied Gas.

The acquisition agreement for Central Gas was initiated in October 2025, stipulating a payment of JD 10 million as the cost of the investment. The acquisition was formally completed on 31 December 2025, the assets and liabilities of the company were assessed at the acquisition date, and it was determined that the fair value of the net assets does not differ materially from their carrying amounts since the difference between the investment paid and the fair value of the net assets represents goodwill value.

Notes Forming Part of the Consolidated Financial Statements (Continued)
For the Year Ended 31 December 2025

The carrying amounts of the assets and liabilities of Central Gas Technology LTD as of the acquisition date are as follows:

	<u>2025</u> JD
<u>Asset</u>	
property and equipment	3,374,097
Intangible assets	1,095
Inventory	1,922,870
Trade receivables and other receivable	5,370,330
Cash and cash equivalents	94,100
	<u>10,762,492</u>
<u>Liabilities</u>	
Loans & Bank Facilities	5,178,347
Trade payable and other payable	2,586,115
Due to related parties	1,042,690
Income Tax Provision	205,490
	<u>9,012,642</u>
Net assets acquired	1,749,850
Consideration paid for Group share	10,066,145
Goodwill resulted from acquisition	<u>8,316,295</u>

11) Inventory

	<u>2025</u> JD	<u>2024</u> JD
Fuel	55,920,554	51,520,537
Oil	2,650,879	2,180,664
Spare parts and supplies	6,731,351	4,330,118
Food supplies	2,508,306	1,925,884
	<u>67,811,090</u>	<u>59,957,203</u>

Notes Forming Part of the Consolidated Financial Statements (Continued)
For the Year Ended 31 December 2025

12) Trade receivables and cheques under collection:

	2025	2024
	JD	JD
Customer receivables	84,550,891	89,295,821
Cheques under collection	11,287,330	10,144,572
Leases receivables	634,972	1,062,472
	<u>96,473,193</u>	<u>100,502,865</u>
Less: Provision for expected credit losses	<u>(7,895,678)</u>	<u>(7,674,737)</u>
	<u>88,577,515</u>	<u>92,828,128</u>

The carrying values of trade and cheques under collections is not materially different approximates their fair value. The Group does not hold any collateral or guarantees as security against these receivables. The ageing analysis of trade receivables is as follows:

	2025	2024
	JD	JD
Not accrued	39,841,891	48,649,850
From 1 to 30 days	28,921,464	21,685,862
From 31 to 90 days	13,390,214	15,727,748
From 91 to 120 days	3,990,337	3,379,529
More than 120 days	10,329,287	11,059,876
	<u>96,473,193</u>	<u>100,502,865</u>

13) Other receivables

	2025	2024
	JD	JD
Refundable deposits	2,173,906	1,777,832
Employees advances	765,813	72,941
Accrued revenues	98,418	-
Total financial assets classified at amortized cost,	<u>3,038,137</u>	<u>1,850,773</u>
Advance to suppliers	6,439,188	11,022,018
Prepaid expenses	879,565	780,300
Sales tax deposits	331,536	-
Income Tax Deposits	36,534	43,790
Other	210,800	151,862
	<u>10,935,760</u>	<u>13,848,743</u>

Notes Forming Part of the Consolidated Financial Statements (Continued)
For the Year Ended 31 December 2025

14) Cash and cash equivalents

	2025	2024
	JD	JD
Cash on hand	1,133,876	1,262,727
Cash at banks	2,047,575	1,763,836
	<u>3,181,451</u>	<u>3,026,563</u>

15) Shareholders' equity

Capital

The capital is JD 110 million divided into 110 million shares where the value is one JD per share.

Statutory reserve

This item represents amounts accumulated by transferring 10% of annual profits before income tax and other charges over the years. These amounts are non-distributable. The General Assembly may, after exhausting other reserves, decide in an extraordinary meeting to offset losses from the statutory reserve, provided that the reserve is subsequently restored.

The Group may cease transferring amounts to the statutory reserve once its balance reaches 25% of the authorized share capital. However, with the approval of the General Assembly, the annual transfer may continue until the reserve equals the Group's authorized share capital.

Retained earnings

This item contains only profits, losses and dividends.

The Group has decided to distribute dividends amounting to 13,750,000 Jordanian dinars, equivalent to 0.125 Jordanian dinars per share as of 31 December 2025 (11,000,000 JD equivalent to 0.10 JD per share for 2024).

16) Loans

	2025				2024	
	Ceiling	Installment	Short term	Long term	Short term	Long term
	JD	JD	JD	JD	JD	JD
Bank of Jordan	55,000,000	1,800,000	27,354,127	2,300,679	5,000,000	8,784,414
Bank Al Etihad	461,428,000	143,400	42,959,427	67,260	38,806,921	-
Housing Bank	32,805,000	-	29,182,902	-	22,688,587	-
Arab Jordan Investment Bank	23,400,000	16,300,000	16,300,000	6,154,030	16,300,000	-
German Export Bank Loan	17,839,260	653,362	1,306,723	10,855,374	-	9,259,572
Arab Bank	17,250,000	208,931	5,606,795	8,462,011	3,324,000	11,183,000
Capital Bank	7,900,000	210,000	2,520,000	5,381,135	2,858,231	2,530,000
ABC Bank	750,000	100,000	100,000	-	-	-
		19,415,693	125,330,074	33,220,489	88,897,739	31,756,986

These loans are secured by a first-degree mortgage on the Group's land and buildings, in addition to a personal guarantee from the Chairman of the Board of Directors. Interest rates range from 8.25% to 12%.

Notes Forming Part of the Consolidated Financial Statements (Continued)
For the Year Ended 31 December 2025

17) Banks overdraft

The following represents the utilized balances of the credit facilities:

	Ceiling	2025	2024
	JD	JD	JD
Arab Jordan Investment Bank	24,000,000	23,724,403	13,010,169
Housing Bank	5,850,000	5,220,641	4,839,326
Arab Bank	9,250,000	7,570,948	2,732,573
Capital Bank	1,000,000	1,009,738	1,010,226
Bank Al Etihad	1,750,000	667,515	441,165
ABC Bank	400,000	341,066	-
Jordan Kuwait Bank	-	220	-
		<u>38,534,531</u>	<u>22,033,459</u>

These facilities are secured by a first-degree mortgage on the Group's land and buildings, along with a personal guarantee from the Chairman of the Board. Interest rates range from 7.25% to 12%.

18) Other payables

	2025	2024
	JD	JD
Accrued expenses	231,026	462,805
Employee's payables	26,005	-
Total financial liabilities classified at amortized cost, excluding loans and banks overdraft	257,031	462,805
Advance from customers	8,423,780	7,113,263
Customers deposits	1,103,831	-
Income and Sales Tax Department deposits	733,238	121,840
Unearned revenues	598,623	-
Social security deposits	283,622	247,560
Other	256,882	221,793
	<u>11,657,007</u>	<u>8,167,261</u>

19) Revenues

	2025	2024
	JD	JD
Fuel and oil sales revenue	967,847,497	973,852,319
Fuel transportation revenues	23,737,482	23,776,149
Selling food supplies	19,745,589	17,212,690
Rental revenues and other	5,003,913	3,867,922
	<u>1,016,334,481</u>	<u>1,018,709,080</u>

Notes Forming Part of the Consolidated Financial Statements (Continued)
For the Year Ended 31 December 2025

20) Administrative expenses

	2025	2024
	JD	JD
Salaries and wages	4,844,641	3,218,308
Depreciation	1,869,573	1,845,912
Advertising	1,424,656	1,480,582
Expenses charged by Group management	1,323,827	1,203,091
Fees, licenses, stamps and subscriptions	623,382	1,496,833
Electricity, water and communications	431,755	444,733
Maintenance	336,560	146,239
Insurance	295,223	306,071
Non-deductible tax	192,093	246,643
Tools and consumables	81,316	89,124
Vehicles expenses	68,052	329,950
Rent	59,477	5,844
Donations	59,250	30,370
Professional fees	59,178	666,762
Training, travel and employee's accommodation	57,871	38,307
Legal cases	47,361	28,009
Rewards	33,000	33,000
Other	602,127	546,745
	<u>12,409,342</u>	<u>12,156,523</u>

Notes Forming Part of the Consolidated Financial Statements (Continued)
For the Year Ended 31 December 2025

21) Related parties

Related parties represent the major shareholders and senior management employees of the Group and companies in which they are major Shareholders. The transactions with related parties, as presented in the statement of financial position, statement of profit or loss, and other comprehensive income, are as follows:"

	<u>2025</u>	<u>2024</u>
	JD	JD
<u>Due from related parties</u>		
Al-Manaseer Group for Industrial and Commercial Investment Company - Parent	32,738,638	30,693,652
<u>Sister Companies</u>		
Manaseer Industrial Complex	60,313,278	63,715,451
Advance Company for Shipping Services	21,976,547	21,606,768
Al-Adyat Al-Sareeah for Equipment Trade	19,423,169	20,013,209
Developed Crushers Company	12,545,871	11,675,091
Magnisia Jordan Limited Public Shareholding	2,136,143	1,841,143
Other	3,493,485	3,399,154
	<u>152,627,131</u>	<u>152,944,468</u>
Less: Provision for expected credit losses	<u>(4,335,766)</u>	<u>(4,335,766)</u>
	<u>148,291,365</u>	<u>148,608,702</u>
<u>Due to related parties</u>		
Partners' Accounts Receivable - Subsidiary	<u>16,411</u>	<u>-</u>

The related party transactions presented in the statement of profit or loss and other comprehensive income are as follows:

	<u>2025</u>	<u>2024</u>
	JD	JD
Oil and fuel sales	15,129,617	13,094,454
Expenses charged by Group management	1,424,656	1,480,582

Senior management personnel are individuals with the authority and responsibility to plan, direct, and control the Group's activities. Salaries and benefits for senior management amounted to JD 212,361 in 2025 and JD 144,746 in 2024.

Notes Forming Part of the Consolidated Financial Statements (Continued)
For the Year Ended 31 December 2025

22) Income tax provision

The movement on the income tax provision is as follows:

	2025	2024
	JD	JD
At 1 January	4,017,003	4,742,616
Added from the acquisition	205,490	-
Income tax expense for the year	5,973,232	4,605,462
Paid during the year	(4,649,753)	(5,331,075)
At 31 December	<u>5,545,972</u>	<u>4,017,003</u>

Following is the reconciliation of income profit with accounting profit:

	2025	2024
	JD	JD
Accounting profit	29,372,910	22,597,701
Add: non-taxable expenses	192,153	246,654
Subtract: tax-exempt income	(172,995)	-
Taxable profit	29,392,068	22,844,355
Income tax expense for the year	5,680,876	4,369,988
National contribution	292,356	235,474
Income tax expense	<u>5,973,232</u>	<u>4,605,462</u>

Afaq Energy PLC (Parent Company):

The Company's income tax has been settled with the Income and Sales Tax Department up to the end of 2022.

The income tax return for the year 2023 and 2024 have been submitted but have not yet been audited by the Income and Sales Tax Department.

Modern Jordanian Oil and Fuel Services Co. Ltd. (Subsidiary):

The Company's income tax has been settled with the Income and Sales Tax Department up to the end of 2022.

The income tax return for the year 2023 has been submitted but has not yet been audited by the Income and Sales Tax Department.

Regarding the Company's branch in the Aqaba Special Economic Zone, a final tax settlement has been obtained from the Income Tax Department up to the end of 2020, Income tax returns for the years 2021 up to 2024 have been submitted but have not yet been audited by the Income and Sales Tax Department.

Jordan Modern for Food Trading Company LLC (Subsidiary):

The Company's income tax has been settled with the Income and Sales Tax Department up to the end of 2021.

Income tax returns for the years 2022 to 2024 have been submitted but have not yet been audited by the Income and Sales Tax Department.

Notes Forming Part of the Consolidated Financial Statements (Continued)
For the Year Ended 31 December 2025

Modern Jordanian Import and Export Company LLC (Subsidiary):

The Company's income tax has been settled with the Income and Sales Tax Department up to the end of 2019.

Income tax returns for the years 2020 to 2023 have been submitted but have not yet been audited by the Income and Sales Tax Department. It is noted that the 2024 return is accepted through the sampling system.

Aqaba Chemical Storage Company LLC (Subsidiary):

The Company's income tax matters have been finalized with the Income and Sales Tax Department up to the end of 2023.

23) Basic and diluted earnings per share of profit for the year and comprehensive income - Dinars/Share

	<u>2025</u>	<u>2024</u>
	JD	JD
Profit for the year and comprehensive income - JD	23,258,137	17,759,548
Weighted average number of shares - share	110,000,000	110,000,000
Basic and diluted earnings per share of profit for the year and comprehensive income - Dinars/Share	0.211	0.161

24) Contingent liabilities

As of the financial position date, the Group has the following contingent liabilities:

	<u>2025</u>	<u>2024</u>
	JD	JD
Guarantees and credits	6,784,824	144,746
Legal cases*	8,904,326	8,895,931
	<u>15,689,150</u>	<u>9,040,677</u>

In the opinion of management and the Group's legal advisor, the Group's legal position in these cases is good, and there is no need to recognize any provisions.

25) Comparative figures

Certain figures in the financial statements for the year ended 31 December 2024, have been reclassified and restated to align with the presentation adopted in the financial statements for the year ended 31 December 2025. These reclassifications had no impact on the statement of profit or loss, other comprehensive income, or the statement of changes in equity for the year ended 31 December 2024.

Notes Forming Part of the Consolidated Financial Statements (Continued)
For the Year Ended 31 December 2025

26) Segment reporting

The Group is structured for management purposes such that its segments are measured based on reports utilized by the Group's CEO and chief decision-maker. The Group operates through its main business segments: fuels and oils, import and export, food supplies, and fuel storage. The revenues, profits, assets, and liabilities by business segment are as follows:

	Afaq JD	Fuels & oils JD	Fuel storage JD	Import & export JD	Food supplies JD	Total JD
<u>At 31 December 2025</u>						
Revenues	-	984,257,369	1,966,715	10,364,809	19,745,588	1,016,334,481
Cost of revenues	-	(932,592,709)	(883,235)	(9,214,798)	(17,544,514)	(960,235,256)
Gross profit	-	51,664,660	1,083,480	1,150,011	2,201,074	56,099,225
Administrative expenses	(334,244)	(8,389,386)	(729,298)	(132,738)	(2,823,676)	(12,409,342)
Other revenues and expenses	-	972,170	2,999	-	1,376,380	2,351,549
Operating profit	(334,244)	44,247,444	357,181	1,017,273	753,778	46,041,432
Finance costs	-	(16,668,522)	-	-	-	(16,668,522)
Profit for the year before income tax	(334,244)	27,578,922	357,181	1,017,273	753,778	29,372,910
Income tax expense	-	(5,690,671)	(42,645)	(81,622)	(158,294)	(5,973,232)
Profit for the year	(334,244)	21,888,251	314,536	935,651	595,484	23,399,678
<u>At 31 December 2024</u>						
Revenues	-	990,149,589	2,182,723	9,164,078	17,212,690	1,018,709,080
Cost of revenues	-	(944,963,532)	(870,700)	(8,224,671)	(16,248,424)	(970,307,327)
Gross profit	-	45,186,057	1,312,023	939,407	964,266	48,401,753
Administrative expenses	(329,805)	(9,645,369)	(734,483)	(56,921)	(1,389,945)	(12,156,523)
Other revenues and expenses	-	1,398,200	-	285	1,089,342	2,487,827
Operating profit	(329,805)	36,938,888	577,540	882,771	663,663	38,733,057
Finance costs	-	(16,135,356)	-	-	-	(16,135,356)
Profit for the year before income tax	(329,805)	20,803,532	577,540	882,771	663,663	22,597,701
Income tax expense	-	(4,285,296)	(60,448)	(120,349)	(139,369)	(4,605,462)
Profit for the year	(329,805)	16,518,236	517,092	762,422	524,294	17,992,239

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For the Year Ended 31 December 2025

	Afaq JD	Fuels & oils JD	Fuel storage JD	Import & export JD	Food supplies JD	Disposals JD	Total JD
<u>Assets and liabilities</u>							
At 31 December 2025							
Assets	183,585,548	598,283,328	7,404,383	15,889,572	6,396,693	(129,796,618)	681,762,906
Liabilities	196,373	485,217,525	380,649	4,412,370	2,961,310	1,079,031	494,247,258
<u>Assets and liabilities</u>							
At 31 December 2024							
Assets	174,005,033	569,849,985	7,455,957	15,286,370	5,646,182	(137,793,664)	634,449,863
Liabilities	196,970	453,925,027	493,426	4,744,819	2,806,283	(5,852,632)	456,313,893