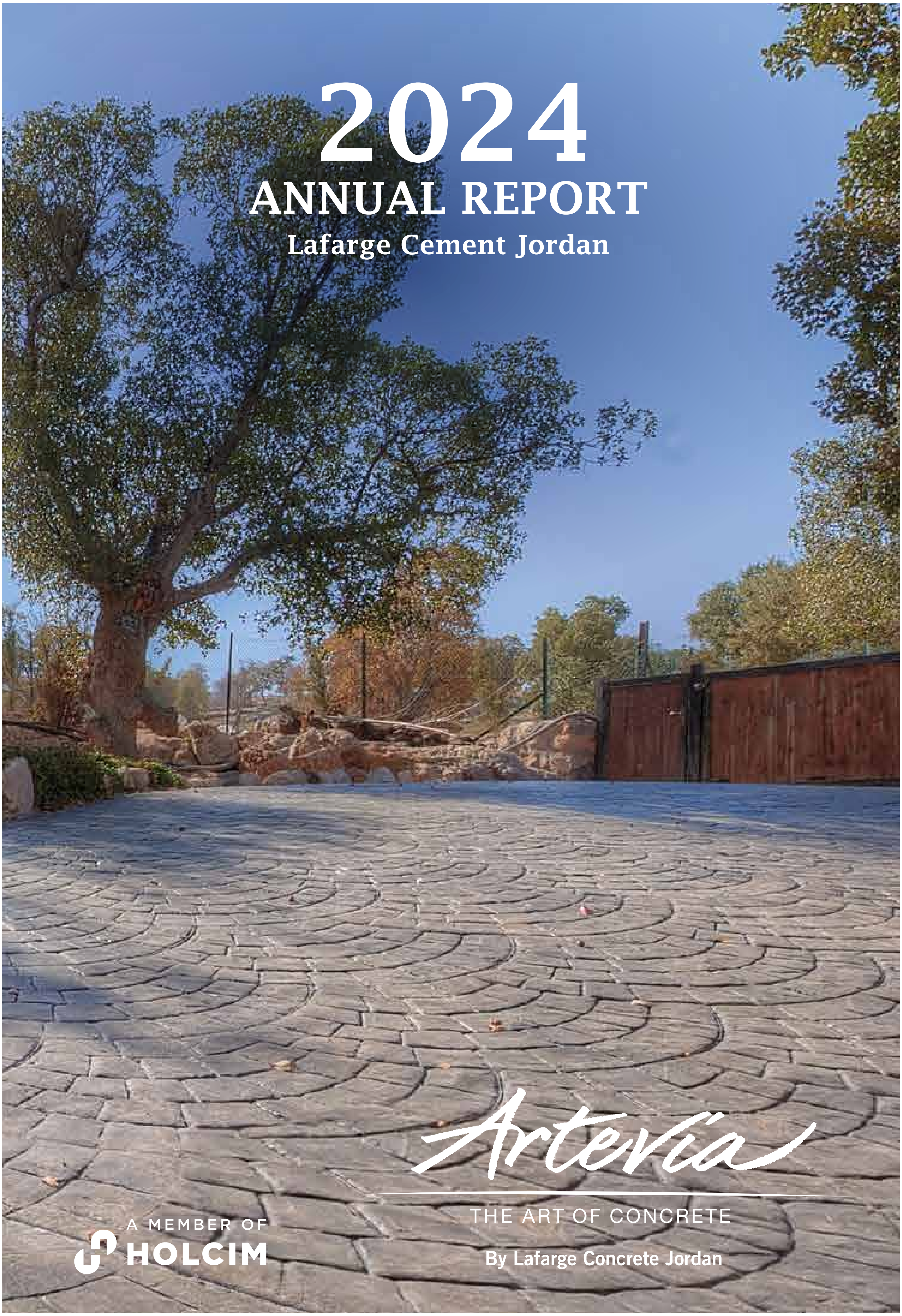
2024
ANNUAL REPORT
Lafarge Cement Jordan



Content

Company Brief

Lafarge Cement Jordan is one of the largest and oldest industrial companies in Jordan, founded in 1951 as a public shareholding company.

The company has two plants, one in Fuhais (stopped since 2013) and one in Rashadeya.
Production capacity is (2) million tons.

In 1998, Lafarge Group entered the Jordanian market by acquiring shares in Jordan Cement Factories Company.
The Group currently owns 50.3%.

Vision

To be the leader and provider of preferred building solutions in Jordan based on our values towards our customers and partners.

Mission

To be the preferred provider of building solutions in Jordan based on our excellence in serving our customers, based on our health and safety culture, committed to our sustainable leadership in the environment and to be the most attractive place for employees by developing a dynamic work environment that maximizes the return for all our partners.

Values

Customers
Customer centric
Easy to deal with
Keep promises
Provide solutions

Results
Timely Decision Making
Out of the Box Solutions
Optimization
Respecting Deadlines
Accuracy
Business Acumen

Integrity
Transparency
Confidentiality
Openness & Honesty
Fairness
Compliance
Diligence

Sustainability
Consistency
Creativity & Innovation
Preserve Environment for Future Generations

People
Health & Safety behavior
Engagement
Empowerment & Delegation
Lead by Example
Professionalism & Excellence
Uncompromising
Loyalty
Team Work
Trust
Considerate
Confidentiality
Ownership
Dedication
Proactive Communication
Courage
Constructive feedback
Diversity & Inclusion
People Development
Objectivity
Flexibility & Speed
Diligence
Performance Culture
Business Partnering
Openness & Transparency
Responsibility & Accountability
Care
Discipline & Commitment
Positive Attitude
Persistence & Perseverance

HIS MAJESTY KING ABDULLAH II BIN AL HUSSEIN

HIS ROYAL HIGHNESS CROWN PRINCE HUSSEIN BIN ABDULLAH II

Chairman of the Board of Directors Speech

Dear Shareholders of Lafarge Jordan Cement Company / Member of the Holcim Group

In 2024, we achieved what we had aspired to, which is the timely submission of the company's financial statements without delay. This is a clear indication that the company has taken a significant step, confirming its return to its original path as an active contributor to the national industry and the Jordanian economy.

The company continued to implement the outcomes of the restructuring plan, and the credit for this goes to the cooperation, solidarity, and sincere advice we received from the competent court, which understood the Insolvency process and its requirements, emphasizing the necessity for the company to continue paying its debts. This was also supported by the Insolvency supervisor, whose firm commitment to implementing the law played a vital role in supporting and ensuring the success of the Insolvency process. This is especially true as the company's experience is the first of its kind in Jordan regarding the application of this law. We must thank the company's Board of Directors, its management, and its employees for all the sincere efforts they made to ensure the success of this challenging experience.

As a result, the company successfully continued to implement the restructuring plan, where it completed the payment of debts to major creditors (the banks) by transferring part of the company's land in the Fuhais area. The fair value reassessment of these lands, along with the write-off of part of the bank debts, had a positive impact on the company's profits, amounting to approximately 41 MJD in 2024.

The company also actively paid off a significant portion of other debts in cash, as stipulated by the restructuring plan.

The company did not stop there; it adopted several measures aimed at planning for a more promising future, including reducing the number of employees and cutting healthcare insurance costs, without undermining employees' basic rights. All these measures will have a clear positive impact in terms of reducing costs and increasing profitabilty.

Even after settling its debts through land transfers, the company still owns land worth more than 130 MJD, which represents a valuable asset for the company in the future. In summary, the company has completed more than 95% of the restructuring plan, especially as the issue of Holcim Group's debts is being worked on and is expected to be completed in the coming months.

The restructuring of the company has been a success story, and we are proud of that, just as we are proud of our beloved country, Jordan, and its victorious Hashemite leadership, led by His Majesty King Abdullah II ibn Al-Hussein and supported by His Royal Highness Crown Prince Hussein bin Abdullah II.

May God protect our beloved Jordan, keeping it dear and capable of preserving security, safety, and prosperity under the victorious leadership of His Majesty King Abdullah II and His Royal Highness Crown Prince Al Hussein bin Abdullah II.

Chairman of the Board
Dr. Jawad Al Anani

CEO Speech

Dear Honorable Shareholders of Lafarge Cement Jordan,

Dear Shareholders of Lafarge Cement Jordan,
In 2024, the company achieved a net profit of 33.8 MJD, compared to a net profit of 1.5 MJD in 2023. The positive results in 2024 were due to the implementation of the restructuring plan for Jordan Cement Factories Company and the settlement of debts with major creditors (banks) through transferring ownership of part of the company's land in the Fuhais area to settle bank debts. This restructuring had a positive impact on the company's performance, reflecting its ability to continue operations- a goal the company pursued through declaring Insolvency. Since 2020, the management has worked diligently to restructure the company in terms of administration, finance, and operations. Steps were taken to restructure human resources and the health insurance system to align with market standards, ensuring service continuity for both employees and retirees, thus contributing to the company's long-term sustainability. Additionally, the company continues to strengthen its financial capabilities through the sale of unused assets, in line with the restructuring plan. This contributed to settling Insolvency claims amounting to 3.9 MJD. The management is currently working to secure liquidity to settle the remaining Insolvency debts, paving the way to finalize the necessary procedures to close the Insolvency file.

In this context, the executive management of the company is committed to constantly striving to elevate the company to be at the forefront of industrial companies in general and the cement and ready-mix concrete sectors specifically.

The following are the key focus areas that will contribute to advancing the company's path in 2025:

First: Health and Safety: The company will continue to enhance the culture of health and safety across all its sites to ensure the health and safety of workers and stakeholders. Plans will be implemented based on reviews, audits, and field visits to various work sites, with a priority on improving the state of health and safety at work. The company will allocate financial resources for this purpose.

Second: Environment and Sustainable Development: Environmental protection and sustainable development have always been priorities for the company. The company will continue to enhance these efforts, focusing on reducing CO2 emissions and developing eco-friendly products by optimally using raw materials, recycling waste, and using alternative fuels in its production processes, along with all related activities in the supply chain.

Third: Commercial Transformation: The company will continue: to develop its building solutions to meet customer's requirements, leveraging its expertise in both cement and ready-mix concrete. The company has launched eco-friendly products in recent years and will focus on increasing the proportion of eco-friendly building solutions sales in 2025 to make them a significant part of the company's sales.

Fourth: Restructuring Plan: The company will continue to implement the restructuring plan outputs. The management is working to secure liquidity to help settle Insolvency debts and complete the necessary steps to close the Insolvency file.

Fifth: Human Resources Development: While the company's management is restructuring its human resources, it is investing in its workforce through training programs focusing on managerial, leadership, and technical skills. The company will support the continuation of training programs that began in 2024 and will support future training programs according to the priorities developed by the management.

Sixth: Cash Flow: The company will continue to seek the liquidity needed to manage its operations and meet the obligations and requirements of the restructuring plan, as well as operational commitments to suppliers, through optimal use of financial resources and selling non-productive assets in line with the restructuring plan.

Seventh: Profitability: The company will continue to enhance profitability by maximizing sales and reducing costs to strengthen shareholders' equity. The company will also focus on reducing accumulated losses from previous years, leveraging the expected outputs from settling major creditor debts, all in line with the company’s goal of meeting its shareholders’ ambitions and boosting investor confidence in the company’s future.

Ladies and Gentlemen,

The company’s management has been able to achieve this milestone and exceptional results in 2024 with the support of its shareholders, partners, board of directors, and employees. This support forms the fundamental pillar of the company’s journey and motivates its management to work diligently to position the company among the leading industrial companies.

Future Priorities:

1. Elevating the health, safety, and environmental systems to be among the leading companies at the local and regional levels.

2. Strengthening liquidity to meet the company’s future financial requirements, including creditor settlements according to the restructuring plan’s outputs.

3. Developing human resources and fostering a performance culture by supporting the expertise and competencies of the company’s workforce, along with introducing new talents through a gradual replacement process and improving the work environment to attract top talents.

4. Expanding into new markets, diversifying products, and offering building solutions to improve revenues and meet customer needs.

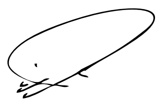
5. Implementing digital transformation in operations management at work sites, health and safety, customer interaction, and financial and administrative data management.

Finally, I would like to express my sincere gratitude for your continuous support and guidance to the company’s management. I wish to grant us success and enable us to sustain and elevate this corporate entity.

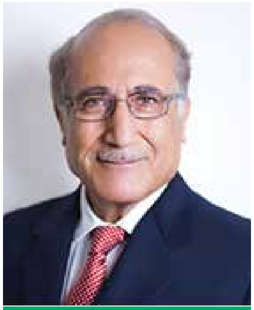
May Allah protect our nation under the leadership of His Majesty King Abdullah II, may Allah preserve him, and His Royal Highness Crown Prince Hussein bin Abdullah II

We always pray for success and thank our esteemed shareholders for their ongoing support.

Chief Executive Officer
Samaan Kamel Samaan



Members of Board of Directors



Jawad Anani

Grant Earnshaw

Samaan Samaan

Omar Bdair

Ali Said

Duraid Mahasneh

Youssef Al-Abdallat

Reem Abu Ghabash

Issam Al-Rawabdeh

Jawad Anani

- Chairman of the Board of Directors and Holcim representative as of 30/4/2019.
- Member of the Board as of 29/3/2018 until 30/4/2019.
- Appointed as State Minister for Prime Ministry Affairs, Minister of Communications and Information Technology, Deputy Prime Minister for Social Development Affairs, Foreign Minister, Deputy Prime Minister for Economic Affairs, State Minister for Investment Affairs, Minister of Labor, Minister of Industry, Trade and Supply and Minister of Tourism.
- Held high positions in the Government as General Manager of Social Security Corporation, President of the Royal Scientific Society.
- Started his career path working as a Head of Economic Research at the Central Bank of Jordan. He was also Chief of the Royal Hashemite Court, member of the Senate for more than one period. Appointed as Chairman of Jordan Economic and Social Council.
- He was a lecturer in a number of Jordanian, Arab and American Universities, and has more than seventy scientific researches and number of books and chaired the boards of many public institutions.

Grant Earnshow

- Deputy Chairman of the Board and Holcim representative as of 30/4/2019.
- Chairman of the Board of Directors and Holcim representative as of 23/1/2017 until 30/4/2019.
- Holder of Postgraduate Diploma in Business Administration and Building & Civil Engineering degree from UK.
- Appointed as Area Manager Middle East and North Africa in 2016.
- Appointed as Senior VP & Head of Integration for LafargeHolcim from 2014 until 2016.
- Chief Executive Officer - Lafarge Iraq from 2012 to 2014.
- Joined Lafarge Group in 1999 and held several senior positions.

Samaan Samaan

- Member of the Board as of 13/7/2017.
- Member/representative of Arab Concrete Supply Company until 4/7/2017.
- Appointed as Lafarge Cement Jordan and Country CEO as of 13/12/2018.
- General Manager for Lafarge Concrete Jordan until 5/1/2019.
- Country Finance, Control and IT VP until 1/9/2014.
- Joined Lafarge in 2005 and held several positions in Jordan.
- Holder of BA Degree in Accounting from University of Jordan.
- Certified Public Accountant (CPA) from USA.
- Member of Jordanian Association of Certified Accountants (JACPA).
- Chairman of the Board of Directors of the Arab Company for concrete supplies as of 5/1/2019.
- Chairman of the Board of Directors of the Arab Company for specialized transportation as of 5/1/2019.

Omar Bdair

- Member of the Board and representative of the private sector as of 8/2/2006.
- Holder of MA degree in Civil Engineering from USA.
- Worked as Chairman of Arabian Technical Construction Co. and Jordan Cement Company.
- Member of the Board of Directors at a number of Jordanian companies and organizations.

Ali Said

- Currently working as General Manager - RM Gulf UAE.
- Member of the Board and Holcim representative as of 18/04/2019.
- General Manager of Lafarge Concrete Jordan as of 05/01/2019 till 31/5/2023.
- Joined Lafarge North America in 2000, then he was appointed as General Manager of Lafarge Iraq in 2015 .
- Holder of BA Degree in Commerce (B. Com.) from Mcgill University, and a Masters Degree in Business Administration from the University of Montreal – Canada.
- Certified (CPA) & (CMA).

Duraid Mahasneh

- Member of the Board of Directors as of 30/10/2019.
- PhD. in Hydrology and Marine Sciences.
- Assistant Professor at Yarmouk University: 1980-1984.
- Director General of the Marine Science Station in Aqaba: 1983-1984.
- Secretary General of Aqaba Region Authority: 1984-1991.
- Director General of Aqaba Ports Corporation: 1991-1996.
- Secretary general of the Jordan Valley Authority: 1996-1999.
- Consultant in Private Sector 2000-2005.
- CEO of Tawfiq Gargour Shipping Co.: 2005.
- GM of Tawfiq Gargour Company: 2010.
- Chirman of the Board of Directors of EDAMA Association for Energy, Water & Environment as of 2017.
- Chairman of the Board of Directors of Jordan Shipping Association as of 2019.
- Board Member of the following: National Insurance Company, National Maritime Authority.

Youssef Al-Abdallat

- Professor of Industrial Engineering.
- Board member – representative of Social Security Corporation as since 13/01/2021.
- Assistant Chairman and Board member of the Accreditation and Quality Commission for Higher Education Institutions.
- Holding PhD in Engineering in 2002 from Kyoto University, Japan.
- Director of The National Program for Linking Industry to the Academy "Faculty for Factory" (FFF Program), and Vice Chair of the Jordan Enterprise Development Corporation JEDCO.
- Prof. and administrative consultant in research, development and innovation.
- Dean of students affairs – (German Jordanian University) and Section Head of Industrial Engineering – Jordan University.
- Former Manager in King Abdullah II Fund For Development for the purposes of professional guidance, and former director of communication unit with industry in University of Jordan.
- Member of economic studies and polices at Jordan Industry Chamber
- Member of Board of Trustees in Jordan University of Science and Technology.
- Member in the supreme directive commission for industrial development at Ministry of Industry and Trade
- Member in Jordan Engineers Association
- Member in national commissions to face Covid-19 in the field of supporting scientific research, development and manufacturing.
- Member of trustees board in Al Hussein Technical University
- Member in the Standing Advisory Committee before the European Patent Office (SACEPO)

Reem Abu Ghabash

• Member of the Board of Directors / representative of Rama Investment Company, as of 1/10/2023
• Holds a Bachelor's degree in Law from the University of Jordan
• Holds certificates and courses in:
  - Computer course (windows, Excel)
  - A course in preparing administrative leaders (leadership skills)
  - A course in information systems and project management
  - A course in performance evaluation (institutional performance evaluation)
  - A course in banking operations
  - A course in public relations (media skills)
  - Course in insurance (collection procedures guide)
  - Course in insurance (social security law)
  - A course in emotional intelligence
  - Professional certificate (EFQM Certified Assessor)

• Held several positions in Social Security Corporation:
  - Legal Department
  - Head of the Regulatory Issues, Checks and Bills of Exchange Department
  - Director of the Regular Cases, Checks, Cases and Collections Department
  - Director of the Administrative Custody Directorate, Case Management and Collection
  - Director of the Collection Directorate, Amman Central Branch
  - Director of the North Amman Branch Collection Directorate
  - Directorate of Administrative Custody, case management and collection
  - Director of the Department of Insured Rights Settlement Committees
  - Chairman of the Social Activities Committee
  - Director of the Digital Security Branch

Issam Al-Rawabdeh

• Member of the Board of Directors as of July 29, 2024
• Holds a Bachelor's degree in Law from the University of Jordan
• Lawyer and Legal Consultant 1989 – 2003
• Chairman of the Board of Directors, Al-Aqsa Schools 1994 – 1997
• Legal Advisor at the Royal Hashemite Court 2003 – 2009
• Advisor at the Royal Hashemite Court 2009 – 2018
• Board Member, Al Faisaly SC
• Vice President, Al Faisaly SC
• Board Member of Jordanian Renewable Energy Society 2012 – 2014
• Chairman of the Board of Jordanian Renewable Energy Society 2014 – 2016
• Member of the Board of Trustees, Yarmouk University (representing the local community) from 2021

Organizational Chart of the Company's Higher Management

Country Chief Executive Officer
Samaan Samaan

- Cement Human Resources Manager
  Wasfi Qteishat
- Rasheedeya Plant Manager
  Ayman Al-Lymoun
- Country Chief Financial Officer
  Vacant
- Acting GM Readymix Jordan from 1/9/2024
  Sameer Al-Aloul
- Supply Chain Manager
  Waseem Al-Daoud
- National & Export Sales Manager
  Tariq Harb
- Country Head of Legal & Compliance till 26/12/2024
  Wael Laswi
- Acting GM and Financial Manager till 10/3/224 GM RMX from 10/3/2024 till 31/8/2024
  Raed Naffa

Organization Structure for the Subsidiary Company (Lafarge Concrete Jordan)

Director of Commercial Department and Acting General Director of Lafarge Concrete Jordan
as of 1/9/2024
Sameer Al-Aloul

- Financial Manager
  Mohammed Al-Dhuwaib
- Acting GM and Financial Manager till 10/3/224. GM RMX from 10/3/2024 till 31/8/2024
  Raed Naffa
- Quality Manager
  Ibrahim Khawaldeh
- Administrative Dep. & HR Manager
  Tareq Khanji
- North & East Area Manager
  Kareem Al-Aloul
- Health, Safety
  Samer Al-Kurdi
- Central & South Area Manager
  Ayman Obaid
- Maintenance Manager
  Ahmad Qattan

Executive Committee

Samaan Samaan

- Member of the Board as of 13/7/2017.
- Member/representative of Arabian Concrete Supply Company until 4/7/2017.
- Appointed as Lafarge Cement Jordan GM and Country CEO for Lafarge Jordan as of 13/12/2018.
- General Manager for Lafarge Concrete Jordan until 5/1/2019.
- Country Finance, Control and IT VP until 1/9/2014.
- Joined Lafarge in 2005 and held several positions in Jordan.
- Holder of BA Degree in Accounting from University of Jordan.
- Certified Public Accountant (CPA) from USA.
- Member of Jordanian Association of Certified Accountants (JACPA).
- Chairman of the Board of Directors of the Arab Company for concrete supplies as of 5/1/2019.
- Chairman of the Board of Directors of the Arab Company for specialized transportation as of 5/1/2019.

Sameer Al-Aloul

- Acting General Manager of Lafarge Concrete Jordan, from September 1, 2024.
- Director of Commercial Department, from January 15, 2023.
- Joined the company on April 1, 1998, and held several positions.
- Holds a Bachelor's degree in Public Affairs Management from Michigan State University, USA.
- General Manager of Zara Mining Company, from February 1, 1991, to December 31, 1994.
- General Manager of Emirates Ready Mix Concrete Corporation, from January 1, 1995, to March 1, 1998.
- General Manager of Irbid Concrete Company, from April 1, 1998, to July 31, 2008.

Ayman Al-Lymoun

- Rashadiya Plant Manager since 8\1\2023.
- Holder of a bachelor's degree in mechanical engineering from Mutah University ,a member of the Jordan Engineers Association since 1997.
- Join the company in June 1997 and held several positions in the field of production, maintenance and project management at Lafarge Jordan.
- Mechanical maintenance manager at Rashadiya cement plant from 1/3/2006 to 14/5/2009.
- Join Lafarge Jordan head office and worked as a manager in the projects department as of 15\5\2009, held several positions in project department and worked in preparing many technical studies, designs, managing and implementing projects for the company.
- Designed and managed the solid fuel grinding system and alternative fuel projects for Rashadiya cement plant from 2012 to 2014.
- Projects and Fuhais cement plant manager as of 23/4/2019.
- Participated in many scientific, engineering, and administrative training courses in the field of maintenance, projects, management and cement industry, participated in the management and implementation of many tasks and projects at Lafarge Jordan level throughout his career.

Wasfi Qteishat

- Cement Human Resources Manager as of 01/07/2020.
- Holder of Bachelor degree in Industrial Engineering from the University of Jordan and a member of the Jordanian Engineers Association since 1994.
- Joined Lafarge Jordan in September 1994 and held several positions in the Human Resources field in Jordan.
- Held several positions in Learning & Development field at Lafarge Jordan during the period from 1995 to 2006.

- Held the position of Rashadeya Plant Human Resources Manager from 09/01/2006 to 10/14/2009.
- Held the position of Fuhais Plant Human Resources Manager and BU Training Manager from 10/15/2009 to 06/30/2015, then he continued holding the positions of: Fuhais Plant Human Resources Manager and Human Resources Development and Projects Manager until 30/6/2020.
- Participated in many practical training courses in Human Resources Development field, in addition to various ISO auditor certificates (ISO 9000 & 14000). He's also a Certified Human Resources Manager and participated in many projects and major tasks at Lafarge Jordan level throughout his career.

Tariq Harb

- National & Export Sales Manager.
- More than 25 years of experience in Cement Sales in Jordan.
- Diploma in Programming and Systems Analysis.
- Held several positions in sales.

Waseem Al-Daoud

- Head of Supply Chain Department since 1/04/2019
- Held the position of Commercial Performance & Projects Manager between 1/01/2018 & 1/01/2019
- Held the position of Country Head of Health & Safety between 1/06/2012 & 31/12/2017
- Joined Lafarge Cement Jordan in 2001 and held different positions in Production, Health & Safety Departments and Business Unit Environment Manager
- Holds a BCs Degree in Chemical Engineering – University of Technology – Iraq/ Baghdad in 2001
- Holds different International certificates in Health & Safety, Systems Audit, Training and Negotiations

Raed Naffa

- General Manager of Lafarge Concrete Jordan from 10/3/2024 till 31/08/2024.
- Began his career with Lafarge Concrete Jordan and served as Director of the Finance Department since 10/05/2020.
- Holds a bachelor's degree in accounting from Philadelphia University in Jordan.
- Holds a certificate in ready-mix concrete business management from the University of Derby in the United Kingdom.
- Holds many professional certificates and training courses.
- 25 years of professional experience in the fields of financial management, business development and operations management, with advanced skills in commercial planning and business strategies..

Wael Laswi

- Country Head of Legal and Compliance for Lafarge Jordan as of 24/9/2023 till 26/12/2024.
- Holds a bachelor's degree in law from 1995.
- A practicing lawyer registered with the Jordanian Bar Association since 1997.
- He worked at his self owned law firm.
- Lawyer and legal advisor at the Bank of Jordan during the period from 2000-2007.
- Legal advisor and Secretary of the Board of Directors of the Arab Future Investment Company during the period 2007-2011.
- Certified compliance officer with the Jordanian Securities Commission.
- Legal advisor to the Jordanian Logistics Association FIYATA Previously.
- Legal advisor to a large number of international and Jordanian companies.
- Head of the Legal and Compliance Department of Aljomaih Holding Company, Pepsi Saudi Arabia, during the period 2011-2023.
- He attended many local and international specialized professional courses.

Health and Safety in 2024

At Lafarge, health and safety are a top priority in all our operations. Our operational module is focused on ensuring a safe working environment that protects our people, assets, and the environment and grantee a continual improvement. Our tireless efforts have showed a significant improvement in the country performance, as we witnessed a significant increase in employee awareness and commitment to health and safety practices. This achievement confirms the effectiveness of targeted and continuous training and strengthening of strict health and safety systems. We work closely with our business partners, contractors, and service providers to ensure health, safety, and environment (HSE) considerations are incorporated in our daily activities. Our risk management approach has been enhanced with effective operational controls with the highest safety standards, particularly in high-risk areas.

The HSE Operating Model Composed of three main levers of Success:

1. Critical Control Management:

- Focused on identifying key recommendations and ensuring their effective implementation.
- Field audits were conducted to monitor compliance with the set standards, ensuring that recommendations were fully executed.
- A comprehensive program was implemented to enhance monitoring, field reviews, and strict enforcement of safety measures.

  The results indicate a significant improvement in compliance with standards and procedures, with an 88% increase in compliance with Critical Control Management (CCM).

2. Engagement and Participation:

Several initiatives were launched to promote proactive safety engagement, including the Boots on the Ground program, which allowed for direct interaction with employees in the field, increasing their awareness and involvement in safety practices.

3. Continuous Improvement:

- Efforts focused on reviewing and enhancing work procedures, implementing targeted improvement plans based on lessons learned from past incidents.
- Continued focus on encouraging incident reporting, recognizing its importance in improving workplace health, safety, and environmental standards
- A detailed HSE Assessment been conducted & in accordance with an HSE improvement road map been developed.

Additionally, a thorough reviews conducted to assess compliance with the group standards. The review process covered various operational areas, leading to an overall enhancement in sustainability performance.

Environment: the environmental initiatives focus on enhancing localized housekeeping and welfare programs. Conducting comprehensive waste management assessments, additionally, efforts are being made to strengthen hazardous material management at various sites and implement number of key environmental projects (Zero Waste Disposal, Zero Water Discharge & Zero Scope 2 Emission) to support sustainability and compliance

Health: The preventive health care program (Health Assessment) was implemented across all company sites, ensuring a proactive approach to workplace safety.

Periodic annual examinations were also conducted for all employees in the company's various locations. Behavioral Survey been conducted where the health and safety related behaviors been measured, as well as the recommendations were part of HS improvement plan 2025. The results show a strong correlation between implementing health and safety procedures and reducing incidents on sites, also the survey clearly indicate an increase in employees' willingness to report health and safety issues.

At the end of the year Key priorities were redefined, including:
- Comprehensive review of the energy isolation program and implementation of the group's instructions and recommendations
- Developing the implementation process of critical controls management program as per to the group recommendations focusing on quality of the outcomes
- Conducting a comprehensive review of environmental management programs to ensure sustainability in operations.

These achievements reflect the company's commitment to improving workplace health and safety standards while reinforcing environmental sustainability across all operational sites.

Industrial Performance Summary for 2024:

1. Implementation of many initiatives, projects, Improvements and manufacturing processes to create a safe work environment that is comply with the company's safety requirements & procedures and to reduce emissions and dust.
2. Continue the operation for solar photovoltaic plant that covered 23% of plant needs from electrical power in 2024.
3. Rashadeya plant produced cement and innovates new products to contribute to environmental sustainability with high quality to satisfy market and customers, as it continued to produce Shamel product (CEM II 52.5N A-P) during the year 2024 instead of Rasekh product which contributed to reducing carbon emissions by 12%, in addition to MAAMEL (CEMII/A-P 52.5 R) , and also producing green products (Thabit & MUKAWEM (CEM IV/A (P) 42.5 R-SR)) with lower carbon dioxide emissions (ECOPlanet) and with the highest specifications that are in line with the group's ambitious strategy to remove carbon.
4. Fuhais plant production line stopped since 2013, also the cement grinding and packing operation stopped since 2016.
5. Kiln A at RAS Plant is stopped during 2024.
6. Reduce Clinker factor for all cement products.
7. Optimization of specific electrical energy consumption (Cement Stage SEEC).
8. Continuity in consuming an accumulated Poor clinker in the plant, as 7,718 Ton were added on Thabit product during the year of 2024.

9. Water leakages fighting from the water network for housing and the plant.
10. Producing a chemical composition of in house grinding aids by the quality department in the plant with specifications and results superior to the grinding aids available in the market and at a lower cost.
11. Achieve a score of 96.3% for Quality Product Index during the year of 2024 compared with 92.74% during the year of 2023.
12. Operating water well #5 in May 2024 through the efforts of the plant team, which contributed to reducing cost.
13. Reducing the amount of water leakages, as the leakage rate for the year 2024 was (5.4%) compared to previous years (24%, 14%, and 19%) for the years (2020, 2021 and 2022).
14. Signing a memorandum of understanding with the Water Authority to supply the town of Qadisiyah with drinking water during the summer season.

Human Resources 2024

Headcount Reduction:

Within the framework of implementing the reorganization plan approved, the third phase of the headcount reduction of employees who have no vacancy on the organizational structure was implemented, where (29) employees who met the conditions of the program were terminated according to the terms of the agreement signed between the company's management and the General Union of Workers in Mines, Mining and Cement on 10/30/2022.

Employee Engagement

In commitment and pursuit to be the "Best Employer" globally, Holcim is keen to provide a positive work environment that enables employees to thrive and achieve their ambitions as well as the company's in a sustainable manner, several effective steps have been taken stemming from the analysis of the results of the Employee Engagement Survey released at the end of 2023, through which all employees shared their opinions on their Engagement in their jobs as individuals, as members of various work teams, and as employees in the company. The result of the survey for Lafarge Cement Jordan was 3.59 out of 5.0, which prompted the management to make serious efforts to improve the result. Accordingly, during 2024, the following was accomplished:

- Carried out Several organizational changes to the organizational structure in order to improve performance results and create a positive work environment. Support for career development opportunities was also provided to encourage knowledge exchange by opening channels with employees to share their career aspirations and develop their competencies, granting them opportunities to enrich and expand their experiences, as most employees remained in the same position for very long periods (these initiatives include fixed-term assignments and participating in important projects at the company and group levels).

- Made several improvements to the infrastructure in all locations, and information technology systems and services upgrades. These updates included upgrading the enterprise resource planning and management systems, developing the infrastructure for visual and audio meetings systems, improvements to the Network, and replacing a large number of old computers with new devices.
- Conducted a comprehensive study to analyze and evaluate the fairness of wages and compensation, through which it was verified with certainty that there is no discrimination in wages between males and females. Additionally some individual cases were addressed to ensure fairness and equality in wages.
- Enrolled many employees in leadership and key positions in special programs to develop their competencies in line with the requirements of their jobs (details in the training section).
- Launched a campaign to review and update job descriptions to reflect reality, as approximately 50 job descriptions were reviewed and updated.
- Enhanced trust between management and employees through improved communication by holding regular meetings between middle management and the CEO, conducting several formal and informal meetings with employees, and launching a monthly newsletter to share activities to improve the work environment, through which achievements and activities in all company locations were highlighted. The management also worked to increase the speed, proactivity, and transparency in informing employees of business developments, changes, and procedures that concern them.

Lafarge Cement Jordan will continue to move forward to achieve the best work environment that enables employees to THRIVE and advance the company to achieve its vision and mission.

Training & Development

Training is an essential pillar in enhancing performance, developing employees' skills, and utilizing their potentials. In 2024, Lafarge Cement Jordan was keen to include many diverse training programs within its training plan, such as health and safety and leadership programs, in addition to many specialized industrial programs targeting a large and diverse segment of employees.

Training Programs during 2024:

	Training Type	Man Days
1	Health & Safety	462
2	Health & Safety for Contractors	84
3	Specialized Technical	468
4	General Awareness	51
5	Leadership	101
	Total	**1166**

Health and Safety Training Programs:

- Health & Safety remains a fundamental and core value, and considered a priority in training & development. Hence, several specialized Health and Safety training programs were carried out for employees and contractors at all company sites (Energy Isolation, Machine Guarding, Risk assessment, Working at heights, working in confined spaces, safety standards, safety instructions, Firefighting, Emergency response, First aid, mental health, Mobile equipment and safety on roads, Preventing electric shock, Safety leadership, Work permits, Risk control Pyramid, The harms of smoking, Sustainability, Training on B.O.G system, iCare system, and other trainings).
- A group of employees have been enrolled in Safety, Health and environmental training programs to obtain accredited certificates:
  - Cardiopulmonary resuscitation CPR (24 participants)
  - Radiation Protection (3 participants)
  - OSHA (15 participants)
  - Lifting & Rigging (15 participants)
  - Scaffolding (15 participants)
  - Environmental Impact Assessment Report (2 participants)

Specialized Industrial & Leadership Training Programs:

- The year 2023 was marked by many leadership and technical programs for managers and engineers in different managerial levels aiming to develop their administrative, leadership and technical skills and competencies, such as:
  - Business school for advanced leaders- BSAL (1 participant)
  - Early Career Leadership Program – ECLP (1 participant)
  - Closing Deals profitably –CDP (1 participant)
  - Maintenance manager development program –MMDP (2 participants)
  - Mechanical engineer development program – MEDP (1 participant)
  - BeReady Program (1 participant)

- Progress was achieved in certified technicians development programs:
  - Control room operator – CRO (2 candidates)
  - Lab Operator (2 candidates)
  - Maintenance Planner (1 candidate)
  - Mechanical inspector (3 candidates)

- In this year, there were more than 300 title for training specified as industrial and leadership sessions; for example: (Burning technology, Grinding technology, Klins maintenance, Mills maintenance, controlling burning produced gases, belt conveyors maintenance, using CECIL simulation software, Iso 9001, maintenance management, Electrical insulation, behavior & leadership, change management, empowerment, leadership model 360, and many other courses)

Compliance Training:

- As every year, and in line with the strategic directions of the company and the group, different training programs related to compliance have been delivered to enable and familiarize employees with policies, regulations and compliance with laws, including Conflict of Interest, Gifts & Donations policies and directives, Bribes, Fair competition; in addition to the Tailored Compliance training that was targeting all employees including blue collars.

goFLUENT Program:

- The goFLUENT language learning program was launched in 2023 on Percipio platform providing the opportunity to improve the English language in the first place - among other 12 languages - as it is the official communication language within the Group and can impact employees' development. It provides various learning options including the audio and visual content, in addition to conversation classes.

Project Olympus:

Holcim has adopted SuccessFactors (SF) as its global HR Information System, making it the single source of truth for its people and organizational data across the globe. Under the ultimate aim of having complete, accurate and consistent employee data in SuccessFactor, for the purpose of improving the strategic workforce planning and business decisions across all regions and countries, "Project Olympus" was kicked off.

Shortly before the project, global data management guidelines had been established including revised key global definitions for nine major fields. Lafarge Cement Jordan HR Team ensured (in July 2024) having the overall company's people data compliant with the global data management standards, and currently are ensuring proper deployment of the new guidelines in any new updates, during what is so called the Stabilization Phase.

It is expected during 2025 to proceed to the Sustainability Phase, by responding to the requirements of a global auditing protocol that will confirm adherence to the Guidelines globally. Each country will be certified as a result of adherence to the Guidelines, and then the re-certification process will continue on an annual basis.

Implementing a New ERP System

In line with the new technologies and digital transformation and in order to reduce the cost of the old systems, the company has launched the Dynamics project to implement Microsoft Dynamics 365 Finance & Operations as the new ERP covering company operations in finance, supply chain, logistics and maintenance management system.

This project has contributed to the development of the business performance and resulted in significant savings in time and cost. It also provided the opportunity to review the business processes in all streams within the scope of implementation and provided a set of digital services for the customers and vendors complying with the digital transformation.

Improvement on the scope of reporting and the financial statements that are aligned with the local regulations and the group standards is considered a major milestone that has been achieved. In this context business intelligence is utilized to provide more insight and to visualize the company key performance indicators in different dimensions.

The project provides the foundation for the digital transformation and business development; it also provides the opportunity for benefiting from the artificial intelligence and data science used in better utilization of plant machines and cement dispatching.

The company realizes that human resources and their development are one of the essential pillars at this stage. Therefore, the next step would be to implement the different human resources functions under Microsoft Dynamics 365, which will contribute to better managing and developing these resources.

Sales 2024:

The consolidated total sales of the company reached 75.5 MJD, representing an approximate increase of 2% compared to 2023. We would like to highlight the effective and positive contribution of Lafarge RMX Jordan in improving the company's results.

Despite the many challenges faced by the cement sector, the most notable being the decline in local market demand, which negatively impacted selling prices compared to 2023, this posed an additional challenge for the company to take the necessary measures to maintain its competitiveness in light of the tough economic conditions.

A small quantity of bulk cement was exported to the West Bank during 2024, as the Palestinian market remains the only outlet for cement exports from Jordan.

Environment and Sustainable Development

The company considers social and environmental dimensions alongside economic factors in its operations to ensure the optimal use of available resources and achieve sustainable development.

For 2024, the company's efforts to maintain sustainable development focused on the following areas:

Social Dimensions

Despite financial challenges in 2024, the company continued its efforts to support communities surrounding its various operational sites. It remained actively involved in implementing emergency response plans during severe weather conditions in coordination with administrative authorities and local governments.

Additionally, the company supported nearby municipalities by providing them with cement and raw materials. It also covered electricity costs for schools used by the Ministry of Education in the company's residential areas in Al-Qadisiyah and Tafila.

Moreover, the company provided training opportunities for university students and contributed to local healthcare by opening its company clinics, benefiting over 6,100 people through these initiatives.

Environmental Dimensions

During its operations, the company maintained dust and gas emission levels that comply with both local and the strictest international standards, with no recorded environmental violations.

Furthermore, in collaboration with the Water Authority, the company initiated a water well rehabilitation program to secure new water sources for the surrounding areas near the Rashadiya cement plant.

Regarding carbon dioxide (CO_2) emissions, the company implemented operational measures that significantly reduced CO_2 emissions per ton of cement. This was mainly achieved by increasing the use of grinding additives and developing products using zero-emission raw materials to replace high-emission materials. The continued production of the "Shamel" product resulted in a 12% reduction in CO_2 emissions compared to the previous product.

Additionally, the company improved its use of alternative energy sources, including solar energy projects, to enhance energy efficiency.

Economic Dimensions

The company undertook several operational initiatives aligned with its sustainability goals while ensuring a positive economic impact. These initiatives included:

- Increasing grinding additives.
- Using zero-emission raw materials instead of high-emission materials.
- Enhancing energy efficiency through alternative electricity sources, particularly solar energy.
- Planning new projects and initiatives to increase the use of alternative fuels in the future.

These measures collectively lowered operational costs while maintaining sustainability objectives.

Article 17: Governance Report

A. Information and details related to implementing instructions and corporate governance rules in the company:

Jordan Cement Factories and Subsidiary Companies; are members in Holcim Group.
Jordan Cement Factories Company implements a set of policies that takes into account corporate governance, such as:

1. Procurement Policy.
2. Compensation and Payroll Policy.
3. Code of Business Conduct.
4. Financial Authorization policy.
5. Credit Granting policy.
6. Internal Control Procedures.
7. Audit and Internal Control dep.
8. Audit and Compliance Committee.

The Company has a global financial system (Microsoft Dynamic 365) and prepares data, financial statements that comply with International Financial Reporting Standards (IFRS).
The Company disclose with the Securities Commissions any information that affects the Company's results and financial position.

The Company applies Health and Safety standards with a clear health and safety policy.

The Company produces high quality of cement and concrete products, according to the international standards and the quality Standards of Holcim Group.

The Company has a lean organizational structure, which takes into account the separation of roles and responsibilities to ensure internal controls in all operations and procedures. It is also undertaking a complete revision of the future organizational structure to meet the needs of the development in the local market.

B. Names of current and resigned board members:

Name	Representative	Executive	Non-Executive	Independent	not Independent
Jawad Anani	Lafarge SA	No	Yes	No	Yes
Grant Earnshaw	Lafarge SA	No	Yes	No	Yes
Omar Bdeir	Himself	No	Yes	Yes	No
Samaan Samaan	Himself	Yes	No	No	Yes
Youssef Al Abdallat	Social Security Corporation	No	Yes	No	Yes
Ali Said	Lafarge SA	Yes	No	No	Yes
Issam Al-Rawabdeh from 29/7/2024	Himself	No	Yes	Yes	No
Duried Mahasneh	Himself	No	Yes	Yes	No
Reem Abu Ghabash	Rama Investment & Saving Company	No	Yes	No	Yes

C. Names of the legal representatives for the Board of Directors:

1. Lafarge SA
2. Social Security Corporation
3. Rama for Investment & Saving Company

D. Higher Management in the Company, held by the following employees:

1. Country Chief Executive Officer / Samaan Samaan
2. Cement Human Resources Manager / Wasfi Qteishat
3. Rashadeya plant manager / Ayman AL-Ymoun
4. GM Readymix Jordan / Raed Naffa till 31/8/2024
5. Supply Chain / Waseem AL-Daoud
6. National & Export Sales Manager / Tariq Harb
7. Country Head of Legal & Compliance / Wael Laswi till 26/12/2024
8. Acting General Manager of Lafarge Concrete Jordan / Sameer Al-Aloul as 1/9/2024
9. In the abscence of Country Chief Financial Officer position (Accounting Manager / Ronza Al-Marafi, Control Manager / Loai Hijazin)

E. Other Memberships held by Borad Of Directors in other Public shareholding Companies:

1. Grant Earnshaw : NO
2. Samaan Samaan: NO
3. Omar Bdeir : Yes
   - Jordan Pipes Manufacturing
   - General Mining Company
4. Jawad Al-Anani: Member of many public institutions and companies
5. Youssef Al-Abdallat: Member of many societies, institutions and public bodies
6. Dureid Mahasneh: Member of many societies, institutions and public bodies
7. Ali Said: No
8. Reem Abu Ghabash: No
9. Issam Al-Rawabdeh: Member of many public Institutions and companies

F. Country Internal Audit & Control Manager: Issa Rabieh

G. Names of the Committees:

1. Audit Committee
2. Compensation & Benefits Committee
3. Governance Committee
4. Risk Assessment Committee
5. Supervising Committee for Implementing the Reorganization Plan

H. Chairman and members of the Audit Committee qualifications and financial, accounting experience:

1. Omar Bdair (Chairman)

- Member of the Board and representative of the private sector.
- Holder of M.A degree in Civil Engineering- USA.
- Worked as Chairman of Arabian Technical Construction Co. and Jordan Cement Company.
- Member of the Board of Directors at a number of Jordanian companies and societies.

2. Youssef Al-Abdallat

- Board Member - representative of Social Security Corporation as since 13/01/2021.
- Holding PhD in Engineering in 2002 from Kyoto University, Japan.
- Assistant Chairman and Board member of the Accreditation and Quality Commission for Higher Education Institutions.
- Director of the National program for Linking Industry to the Academia, "Faculty for Factory" (FFF Program), and Vice Chair of the Jordan Enterprise Development Corporation JEDCO.
- Prof. and administrative consultant in research, development and innovation.
- Dean of students affairs - (German Jordanian University) and Section Head of Industrial Engineering - Jordan University.
- Former Manager in King Abdullah II Fund For Development for the purposes of professional guidance, and former director of communication unit with industry in University of Jordan.
- Member of economic studies and polices at Jordan Industry Chamber
- Member of Board of Trustees in Jordan University of Science and Technology.
- Member in the supreme dircctive commission for industrial development at Ministry of Industry and Trade.
- Member in Jordan Engineers Association
- Member in national commissions to face Covid- 19 inthe fiels of supporting scientific research, deve;opment and manufacturing.
- Member of trustees borad in Al Hussein Technical University
- Member in the Sanding Advisory Committee before the European Patent Office (SACEPO).

3. Duried Muhasneh

- Member of the Board of Directors as of 30/10/2019.
- PhD. in Hydrology and Marine Sciences.
- Assistant Professor at Yarmouk University: 1980-1984.
- Director General of the Marine Science Station in Aqaba: 1983-1984.
- Secretary General of Aqaba Region Authority: 1984-1991.
- Director General of Aqaba Ports Corporation: 1991-1996.
- Secretary general of the Jordan Valley Authority: 1996-1999.
- Consultant in Private Sector 2000-2005.
- CEO of Tawfiq Gargour Shipping Co.: 2005.
- GM of Tawfiq Gargour Company: 2010.
- Chirman of the Board of Directors of EDAMA Association for Energy, Water & Environment as of 2017.
- Chairman of the Board of Directors of Jordan Shipping Association as of 2019.
- Board Member of the following: National Insurance Company, National Maritime Authority.

4. Ali Said

- Currently working as General Manager - RMX UAE.
- Member of the Board and Holcim representative 18/04/2019.
- General Manager of Lafarge Concrete Jordan as of 05/01/2019 till 31/5/2023.
- Joined Lafarge North America in 2000, then he was appointed as General Manager of Lafarge Iraq in 2015 .
- Holder of BA Degree in Commerce (B. Com.) from Mcgill University, and a Masters Degree in

Business Administration from the University of Montreal – Canada.

- Certified (CPA) & (CMA).

I. Chairman and Members for Other Committees:

Compensation & Benefits Committee

1. Omar Bdair (Chairman / Independent)
2. Grant Earnshaw (Member / Non-Executive)
3. Reem Abu Ghabash (Member / Non-Executive)
4. Duried Mahasneh (Member / Independent)

Governance Committee

1. Duried Mahasneh (Chairman / Independent)
2. Jawad Anani (Member / Non-Executive)
3. Oamr Bider (Member / Independent)
4. Reem Abu Ghabash (Member / Non-Executive)

Risk Assessment Committee

1. Duried Mahasneh (Chairman / Independent)
2. Youssef Al-Abdallat (Member / Non-Executive)
3. Samaan Samaan (Member / CCEO / Executive)

Supervising Committee for Implementing the Reorganization Plan

1. Omar Bdeir (Committee Chairman / Independent Member)
2. Reem Abu Ghabash (Member / Non-Executive Member)
3. Ali Said (Member / Non-Executive Member)
4. Samaan Samaan (Member / General Manager / Executive Member)

Number of meetings for the Audit Committee with the External Auditor:

Three meetings was held for Audit Committee during 2024.

L. Number of Board OF Directors meetings during the year and attendees:

No meeting were held for the Board of Directors met 4 times, and the members were:

1. Jawad Anani	4 meetings
2. Grant Earnshaw	2 meetings
3. Omar Bdeir	4 meetings
4. Samaan Samaan	4 meetings
5. Ali Saeed	4 meetings
6. Dureid Mahasneh	4 meetings
7. Youssef Al-Abdullat	4 meetings
8. Reem Abu Ghabash	4 meeting
9. Issa Al-Rawabdeh	1 meeting

Chairman of Board Directors
Jawad Anani

2024 Jordan securities commission requirements

A. Letter from chairman: Please refer to page (6)

B. Board of Directors Report:

4 meetings were held by the Boards of Directors during 2024.

1. Company's Main Activities:

a. The company's main activity is to produce, sale of cement and to provide innovative building solutions to the local market.

b. Geographical distribution of the company is as follows:

No.	Location	Headcount
1	Head office- Amman	67
2	Fuhais Plant- Fuhais	22
3	Rashadeya Plant- Tafila	160
4	Aqaba sales office- Aqaba	1
	Total	**250**

C. The total capital investment for the company and its subsidiaries reached (232) MJD in 2024.

2. Associate Companies & Subsidiaries:

1. Sudan Company CTS- Sudan

The subsidiary (CTS Company -SUDAN) operation was stopped. Lafarge cement Jordan owned 99% from the capital of this company which amounted 27,191 JD.

2. Arabian Concrete Supply Company (Lafarge Concrete Jordan)

- Type of subsidiary: limited liability
- Main activity: Ready Mix production & transportation
- Subsidiary capital: 1,915,000 JD
- Ownership percentage: 51%
- Address:
  King Abdullah 11 ST –Al Rawabi –Bayader Wadi Al- Seer
  P.O.Box 930490
  Amman-Jordan
  Tel:06-5507250
  Fax:06-5507260

Headcount: 369 employees (distributed as per below schedule over the different plants & locations):

Head Office	36
Abu Alanda Factory	55
Irbid Factory	45
Azraq Factory	10
Dleil Factory	35
Aqaba Factory	20
Birin Factory	33
Jerash Factory	18
Sweileh Factory	57
Madaba Factory	13
Shuway'ir Factory	5
Ghamdan Factory	27
Central Maintenance	30
Public Health, Safety, and Environment	6
Main Laboratory	4

* In March 2011 Arab Concrete Supply Company (the subsidiary) had established Arabian Specialized Transportation.

Type of subsidiary: limited liability
Main activity: Transportation
100% owned by the Arabian Concrete Supply Company

3. A. Members of Board of Directors:

Please refer to page (9)

B. Higher/ Top Management:

Please refer to page (13)

4. The Main Shareholders:

Shareholder Name	Nationality	Number of shares 2023	Percentage	Number of shares 2024	Percentage
Financicere Lafarge SA	French	30,388,664	50.275%	30,388,664	50.275%
Social Security Corporation	Jordanian	13,197,226	21.83%	13,197,226	21.83%
Mayloud Shoaiby	Moroccan	6,232,125	10.31%	6,232,125	10.31%

5. Competitive Position:

Please refer to page (22)

6.Main Suppliers & Customers:

a	Suppliers:	Supply % of total company purchases
	1- Manaseer Industrial Complex Company	29%
	2- National Electric Power CO. (NEPCO)	11%

b	Main Customers:	Sales % of total company sales
	1. Arabian Concrete Supply Company	39%
	2 Adili and Partners Company	8%

4

7. Franchise, Collateral & Invention Rights:

No any type of protection is provided for Lafarge Jordan Cement Company by the government, also the franchise agreement with the government was ended at the end of 2008.

8. International Quality Standards:

a) International Quality Standards:

The company applies the International Quality Standards and has obtained the following certificates:

1. ISO 9001
2. ISO 14001

9. A.Organizational Hierarchy: Please refer to page (13)

B. Headcount by Qualifications

Qualification / certification	Headcount as of 31/12/2024
Doctorate	1
Master's Degree	3
Bachelors Degree	93
Community College Diploma	35
Tawjihi (Secondary Education Certificate)	20
Below Tawjihi	54
Illiterate	0
Applied Secondary Education Certificate	33
Training Certificate	11
Total	**250**

Subsidiary's Headcount by Qualifications

Company	Headcount	PHD & Master Deg.	Bachelor Deg.	Diploma	Tawjihi
Plants	358	7	38	29	284
Head Office	36	1	32	1	2
Total	**394**	**8**	**70**	**30**	**286**

C. Employee development & training programs: Please refer to page (19)

10. Risks:

1- The continuous rise in energy prices, mining fees, and electricity prices.
2- No growth in the local market in the presence of many companies that produce cement in excess of the needs of the local market, in addition to the weak growth in the size of the export cement market
3- Availability of cash and getting bank facilities needed for operation
4- No protection umbrella for the local cement industry and allowing the import of cement from neighboring countries, which increases competitive pressure
5- Number of employees compared to operational needs.
6- Governmental pressure to reduce the selling price.
7- Not reach an agreement to rezone the lands of the Fuheis area, which has been suspended since 2013.
8- The distance of Rashadya plant from the main Cement market is increasing transportation cost.

11. Main activities & achievements: Please refer to page (16)

12. Evolution of profit, dividends, shareholders equity, securities prices:

Year	Net profit before tax & fees (JD million)	Dividends (JD million)	Distribution Rate	Net shareholders equity (JD Million)	Price per share (JD)
2018	(27.883)	-	-	2.660	0.620
2019	(48.682)	-	-	(70.218)	0.320
2020	3.433	-	-	(64.308)	0.290
2021	(10.071)	-	-	(68.056)	0.540
2022	(1.379)	-	-	(70.550)	0.590
2023	2.609	-	-	(67.329)	0.670
2024	42.801	-	-	(33.048)	0.620

13. Analysis of the Company's Financial Position and Performance Results for the Fiscal Year:

The consolidated results for the company in 2024 showed a net profit of 33.8 MJD, compared to a net profit of 1.5 MJD in 2023. We would like to highlight some key points that impacted the company's results for 2024:

1. **Implementation of the Restructuring Plan Outputs:** The implementation of the restructuring plan, specifically regarding the settlement of debts to major creditors (banks), led to significant profits reflected positively on the profit and loss statement. This resulted in the write-off of lower-priority debts and discounts on unsecured debts amounting to approximately 11MJD, in addition to 31 MJDfrom the debts settelment.
2. **Headcount reduction Program:** The continuation of the employee reduction program throughout 2024 led to the recording of a restructuring provision for 2024 valued at 3.2 MJD, based on a collective labor agreement under the provisions of the Labor Law. This was followed by the signing of an addendum to the agreement at the end of 2023.
3. **Health Insurance Waiver Program for Retirees:** The continuation of the procedures related to the waiver of post-retirement health insurance in exchange for financial compensation led to a reduction in the post-retirement health insurance provision by approximately 3.1 MJD.p

Below is a list of key financial indicators for the company in 2023 compared to 2024:

No	Financial indicator	2023	2024
1	Return per share	0.03%	0.56%
2	ROI (return on investment)	1%	33%
3	Return on shareholders' equity	2%	102%
4	Return on capital	3%	56%
5	Gross profit	14%	14%
6	Net working capital	(103,424,114)	(62,495,483)
7	Liquidity Ratio	(32)%	(43)%

Government Income:

Lafarge Cement Jordan contributed to government treasury and thus to the Jordanian economy by 5.108 MJD during 2024 compared to 5.964 MJD in 2023.

The list below is the government returns for the years 2016-2024:

Year	VAT MJD	Income tax & other fees MJD	Total MJD
2016	10.157	0.573	10.730
2017	8.250	0.557	8.807
2018	5.719	0.553	6.272
2019	6.003	0.683	6.686
2020	3.897	0.297	4.194
2021	3.804	0.249	4.053
2022	5.315	0.348	5.664
2023	5.627	0.337	5.964
2024	4.720	0.388	5.108
Total	**53.492**	**3.985**	**57.48**

14. Future priorities: Please refer to page (8)

15. Audit Fees:

Total Audit fees for the external auditors EY - Ernst & Young for the year ended 2024:

Company	Audit fee
Lafarge Cement Jordan	66,830
Lafarge Concrete Jordan	13,000
Arabian Specialized Transportation Company	5,000
TOTAL	**84,830**

16. A. Securities owned by Board of Directors members:

	Name	Title	Nationality	No. of shares 2022	No. of shares 2023
A	**Lafarge Company Represented by:** Jawad Anani	Chairman from 30/4/2019	Jordanian	30,388,664 250	30,388,664 250
	Grant Earnshaw	Vice chairman from 30/4/2019	England	None	None
	Ali Said	Member from 18/4/2019	Canadian	None	None
B	Social Security Corporation Represented by: Youssef Al-Abdalat	Member from 13/1/2021	Jordanian	13,197,226 None	13,197,226 None
C	Rama investment & Saving Company Represented by: Reem Abu Ghabash	Member from 1/10/2023	Jordanian	10,000 None	10,000 None
D	Private Sector: Omar Bdeir	Member from 8/2/2006	Jordanian	56,356	56,356
	Samaan Samaan	Member from 13/7/2017	Jordanian	250	250
	Duraid Mahasneh	Member from 30/10/2019	Jordanian	250	250
	Issam AL-Rawabdeh	Member from 29/7/2024	Jordanian	250	250

No other companies' shares are controlled by members of the board.

16. B. Securities owned by Board of Directors' relatives:

No.	Name	Nationality	No. of shares 2023	No. of shares 2024
1.	Ghada Ahmad Mukhtar / Wife of Member of the board Omar Bdeir	Jordanian	115	115

- No shares owned by other members of the board relatives.
- No shares owned by relatives of the higher management.
- No other companies' shares are controlled by members of the board.

16. C. Number of shares owned by Executive Management:

Description	Title	Nationality	No. of shares 2022	No. of shares 2023
Samman Samman	Country CEO	Jordanian	250	250

No other companies' shares are controlled by Executive committee.

17. A. Board of Directors remuneration & benefits:

	Description	Title	Transportation allowance paid in 2023after tax	Allowance for attending sessions due for 2023 and paid during 2024 after tax	Other	Total Yearly benefits (JD) After tax
1	Jawad Anani	Chairman From 30/4/2019	-	-	-	-
2	Grant Earnshaw	Vice Chairman from 30/4/2019	-	-	-	-
3	Ali Said	Member from 18/4/2019	-	-	-	-
4	Samaan Samaan	Member from 13/7/2017	-	-	-	-
5	Youssef Al-Abdalat	Member from 13/1/2021	2,470	114	-	2,584
6	Reem abu ghabash	Member from 1/10/2023	2,470	114	-	2,584
7	Duraid Mahasneh	Member from 30/10/2019	2,470	114	-	2,584
8	Omar Bdeir	Member from 8/2/2006	2,470	114	-	2,584
9	Issam AL-Rawabdeh	Member from 29/7/2024	1,545	-	-	1,545
10	Hussein Saoub	Member till 6/9/2023	-	76	-	76

17. B. Executive Management Remuneration & Benefits:

	Description	Title	Monthly salary (JD)	Other yearly remuneration & allowance (JD)	Yearly Travel expenses (JD)	Tax paid locally & Externally (JD)	Other benefits
1	Samman Samman	Country CEO	11,500	-	6,288	-	Status Car

18. Donations Paid in 2024:

No.	Description	JD
1	Local community donation	15,802

19. Contracts, projects, engagements with the subsidiary, sister or associated company, the chairman , members of the board, or the general manager, or any employee of the company or their relatives

- Lafarge Cement Jordan Company's relations with the Subsidiary (Lafarge Concrete Jordan) during 2023 amounted to 12.3

MJD, which represents the net purchases of cement.

- The company in 2023 did not make any commitments, contracts & projects with Chairman of the Board or Board of Directors or General Manager or with any employee in the company or their relatives.

20. A- Company’s environmental contribution: Please refer to page (23)

B- Company contribution in serving the local community: Please refer to page (23)

C- The Board of Directors confirms that there are no significant issues that may affect company's continuity over the coming year.

2. Confirms its responsibility for preparing the financial statements and providing an efficient control system within the enterprise.

Chairman of the Board **Jawad Anani**	Vice chairman **Grant Earnshaw**	Member **Samaan Samaan**	Member **Ali Said**	Member **Omar Bdeir**

Member **Issam Al-Rawabdeh**	Member **Duraid Mahasneh**	Member **Youssef Al-Abdalat**	Member **Reem Abu Ghabash**

3. We sign here below to confirm the correctness, accuracy, and completeness of the information in this report.

Chairman of the Board **Jawad Anani**	General Manager **Samaan Samaan**	On Behalf of the Country Cheif Financial Officer/ Accounting Manager **Ronza Al-Marafi**

Insolvency and Reorganization Plan

The Insolvency Law has contributed to creating and developing a new system for dealing with corporate distress, elevating it from a liquidation process, which requires the liquidation of the debtor's assets and distribution to creditors, thereby ending the economic project, to a phase focused on rescuing the economic activity and assisting it in addressing the challenges it faces and revitalizing it as an active project within the economic system. This is achieved by providing an effective legal framework to address the financial and administrative difficulties facing the economic activity before moving forward with its liquidation procedures. This takes into account the importance of maintaining a balance between the need to address this distress as quickly and effectively as possible, while safeguarding the interests of creditors, individuals affected by the project's distress, and the company's workers and employees. The insolvency system is the gateway through which distressed entities enter, exiting rehabilitated and capable of sustaining their operations. The main criterion for determining this is the project's ability to continue operations, which has been achieved through the following:

- The Board of Directors of the Jordanian Cement Factories Company decided to apply for the company's insolvency declaration under the Jordanian Insolvency Law No. 21 of 2018 to maintain the company's operations and sustainability.
- The Salt Court issued a decision approving the declaration of insolvency for the Jordanian Cement Factories Company on July 26, 2020.
- A creditors' general assembly meeting was held on August 10, 2022, to discuss and vote on the restructuring plan. Creditors representing 91.68% of the total debts listed in the creditors' list attended the meeting.
- The restructuring plan and the approved proposals were approved by the majority of the attending creditors, with 97.81% of the total debts agreeing.

The following are the main results of the plan:

Regarding debt repayment:

- The repayment of large creditors' debts (banks and Lafarge Holcim Group companies) through the transfer of land to them in the Fuhais area equivalent to the value of their debt, after writing off 5% of their total unsecured debts, with a discount of about 2 MJD.
- The repayment of privileged debts and other unsecured debts in cash, with a 15% discount on the total debt value, over 3 to 5 years, amounting to approximately 1.6 MJD in discounts on these debts.
- The complete write-off of debts classified as lower-priority debts, totaling about 42.6 MJD.

As a result, the total amount of written-off debts, in addition to the aforementioned discounts, reached 46.3 MJD.

Regarding human resources:

- Increased health insurance contributions for employees and retirees, which helps reduce the burden of health insurance on the company.
- The restructuring of human resources by agreeing to pay end of service to employees whom the company intends to dismiss, who meet the early retirement conditions under the Social Security Law.

The company started implementing the restructuring plan outcomes at the end of 2022 and is still continuing to apply it through various departments, under the supervision of the official in charge of the restructuring plan, in collaboration with the Insolvency Court.

Below are some of the company's achievements within the framework of implementing the restructuring plan:

- The completion of cash payments for insolvency debts, with six installments paid by the end of 2024, totaling 3.9 MJD.
- The completion of in-kind debt payments to major creditors (banks), where the company's debt was settled by transferring ownership of land in the Fuhais area valued at 31 MJD, covering a total area of about 320 dunums. This resulted in registering profits of approximately 41 MJD in the profit and loss statement due to the write-off of both lower-priority debts and unsecured debts, in addition to repaying the unsecured debts after revaluation of the land transferred.
- Headcount reduction by 64 employees based on a collective labor agreement under the Labor Law No. 8 of 1996 and its amendments, with a supplement to this agreement signed at the end of 2023.
- Health insurance contributions were increased by 1% for active employees and 0.5% for retirees.
- The procedures for waiving health insurance cards for retirees in exchange for a certain amount were initiated, reducing the number of health insurance beneficiaries after retirement by 397 beneficiaries as of December 31, 2024, which positively impacted the health insurance provisions after retirement.
- Periodic reports are issued to the supervisor of the restructuring plan, outlining the progress of implementing the plan, which includes the main areas that the restructuring plan is based on.

The company is working hard to complete the implementation of the restructuring plan in all its aspects, maintaining its continuity, and reviving the company to return to being one of the leading and major companies in the industrial sector, contributing to the prosperity of the country.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of the Jordan Cement Factories Company
Amman – Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Jordan Cement Factories Company (the Company) and its subsidiaries (the Group) which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies information.

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

As disclosed in note (31) to the consolidated financial statements, the Company's Board of Directors resolved to submit a request to declare the Company's insolvency in accordance with the Jordanian Insolvency Law No. (21) of 2018, in order to restructure the Company's capital, as the court's decision was issued approving the declaration of insolvency on 26 July 2020, and the restructuring plan was approved on 28 August 2022. The Company began implementing the outputs of the restructuring plan at the end of the year 2022 which had positively contributed to the decrease of the accumulated losses to capital, which has become 172% compared to 222% at the end of the year 2023. As disclosed in note (13) to the consolidated financial statements, the Group's accumulated losses of JD 103,936,396 exceeded the Group's total paid-in capital as of 31 December 2024. Also, the Group's current liabilities exceeded its current assets by an amount of JD 63,027,456 as of 31 December 2024. These events or conditions indicate that a material uncertainty exists that may cast significant doubt about the entity's ability to continue as a going concern. According to Article (266) of the Jordanian Company's Law No. (22) for the year 1997 and its amendments, if the accumulated losses of the Public Shareholding Company exceeded 75% of its capital, the Company shall be liquidated unless the General Assembly of the Company issues a decision on its extraordinary meeting to increase the Company's capital or to deal with the Company's losses.

Key Audit Matters

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

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

Revenue Recognition
The related disclosures for revenues are disclosed in note (24) to the consolidated financial statements

Key Audit Matter	How the key audit matter was addressed in the audit
The Group focuses on revenues as one of its key performance measures and given the importance of amounts and the geographical diversity of the Group’s operations and the exposure of these revenues to the risks of overstatement and fraud, we consider revenue recognition to be a key audit matter. Revenue is recognized when the Group fulfills performance obligations in accordance with the contracts entered into with customers, when the goods are delivered to customers and the invoice is issued, which usually occurs at a certain point in time.	• The audit procedures included the following: • Evaluated the accounting policies followed by the Group to recognize revenues in accordance with IFRS Accounting Standards. • Obtained an understanding of the Group's internal control system regarding revenue recognition, including the main internal control elements within the revenue recognition cycle. • Tested the accuracy of revenue recognition by selecting a sample of invoices and matching them with the announced and agreed upon contracts and prices. • Tested a representative sample of revenue related accounting entries recorded during the year based on criteria specified by us. • Selected a sample before and after the end of the current year to evaluate whether revenue was recognized in the correct period. • Performed detailed revenue analysis using financial and non-financial information.

Other information included in the Group’s 2024 annual report

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Group to cease to continue as a going concern.

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

The partner in charge of the audit resulting in this auditor's report was Ali Hasan Samara; license number 503.

Amman – Jordan
30 March 2025

THE JORDAN CEMENT FACTORIES COMPANY
PUBLIC SHAREHOLDING COMPANY

Consolidated Statement of Financial Position

	Notes	2024	2023
		JD	JD
Assets			
Non-current assets -			
Property, plant and equipment	4	39,600,665	41,643,698
Investment properties	5	9,966,037	10,468,320
Right-of-use assets	6	408,686	633,648
Financial assets at fair value through other comprehensive income	7	294,286	266,819
Employees' housing and car loans	8	149,592	247,223
Deferred tax assets	18	1,693,389	9,268,292
Goodwill	3	2,495,945	2,495,945
Intangible assets		30,145	37,002
		54,638,745	65,060,947
Current assets -			
Inventory and spare parts	9	14,113,113	17,738,500
Accounts receivable and checks under collection	10	16,169,660	14,492,246
Other current assets	11	9,916,050	10,294,481
Cash on hand and at banks	12	7,711,302	5,546,217
		47,910,125	48,071,444
Total Assets		102,548,870	113,132,391
Equity and Liabilities			
Shareholders' equity			
Paid-in capital	1&13	60,444,460	60,444,460
Treasury shares		(323)	(323)
Statutory reserve	13	3,317,202	239,094
Fair value reserve	7	29,536	2,069
Accumulated losses	13	(103,936,396)	(134,348,764)
		(40,145,521)	(73,663,464)
Non-controlling interests	22	7,097,554	6,334,027
Deficit in shareholders' equity		(33,047,967)	(67,329,437)
Liabilities -			
Non-current liabilities -			
Long-term lease liabilities	6	180,298	421,655
Provisions for employees' post-retirement health insurance benefits	17	24,478,958	27,551,378
		24,659,256	27,973,033
Current liabilities -			
Accounts payable	14	32,665,462	32,360,330
Other current liabilities	15	16,176,899	15,176,283
Provision for income tax	18	1,089,189	826,733
Short-term lease liabilities	6	259,908	229,763
Restructuring provision	21	1,200,000	765,000
Due to bank		23,820	-
Deferred bank guarantees	16	-	2,187,653
Insolvency debts	31	59,522,303	100,943,033
		110,937,581	152,488,795
Total liabilities		135,596,837	180,461,828
Total Equity and Liabilities		102,548,870	113,132,391

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

THE JORDAN CEMENT FACTORIES COMPANY
PUBLIC SHAREHOLDING COMPANY

Consolidated Statement of Profit or Loss

	Notes	2024	2023
		JD	JD
Sales	24	75,496,133	73,755,244
Cost of sales		(64,663,518)	(62,933,972)
Gross profit		10,832,615	10,821,272
Selling and marketing expenses	19	(1,453,210)	(1,543,435)
Administrative expenses	20	(4,198,595)	(4,291,949)
Operating income		5,180,810	4,985,888
Recovered from employees' housing and car loans provision		16,873	71,169
Interests income		73,330	26,796
Depreciation of investment properties	5	(497,368)	(494,152)
Finance costs		(142,836)	(573,751)
Lease finance costs	6	(53,334)	(185,185)
Depreciation of right of use assets	6	(248,344)	(516,611)
Provision for employees' post-retirement health insurance benefits	17	(704,757)	(615,832)
Provision for restructuring	21	(3,183,301)	(765,000)
(Provision for) Recovered from slow moving items and spare parts	9	(177,000)	425,000
Recovered from lawsuits	15	442,819	1,548,167
Provision for rehabilitation of quarries and environment protection	15	(13,524)	(22,351)
Provision for expected credit losses	10	(400,000)	(50,023)
Recovered from (Provision for) employees' vacations		31,796	(10,454)
Provision for impairment of project under construction	4	-	(600,000)
Amortization of intangible assets		(6,857)	(6,857)
Loss from foreign currency revaluation		(2,398)	(1,004,753)
Gain (Loss) from sale of property, plant and equipment, net		431,798	(7,677)
Written off debts resulted from ownership of major creditors	31	10,719,221	-
Gain resulted from loan settlements and liabilities	31	31,015,604	-
Other revenues, net		318,628	404,506
Profit for the year before income tax		42,801,160	2,608,880
Income tax expense, net	18	(8,991,867)	(1,070,767)
Profit for the year		33,809,293	1,538,113
Attributable to:			
Shareholders of the Company		31,575,766	57,342
Non-controlling-interests		2,233,527	1,480,771
		33,809,293	1,538,113
		Fils / JD	Fils / JD
Basic and diluted profit per share for the year attributable to the shareholders of the Company	23	0,522	0,001

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

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THE JORDAN CEMENT FACTORIES COMPANY
PUBLIC SHAREHOLDING COMPANY

Consolidated Statement of Comprehensive Income

	Notes	2024	2023
		JD	JD
Profit for the year		33,809,293	1,538,113
Other comprehensive income items that will not be reclassified to profit or loss in subsequent periods after tax:			
Changes in fair value resulted from financial assets at fair value through other comprehensive income	7	27,467	10,283
Actuarial gains resulted from revaluation of post-retirement health insurance benefits	17	1,914,710	1,672,371
		1,942,177	1,682,654
Total comprehensive income for the year		35,751,470	3,220,767
Attributable to:			
Shareholders of the Company		33,517,943	1,739,996
Non-controlling interests		2,233,527	1,480,771
		35,751,470	3,220,767

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

JORDAN CEMENT FACTORIES C-OMPANY
PUBLIC SHAREHOLDING LIMITED COMPANY

Consolidated Statement of Changes In Shareholders' Equity

2024 -	Paid-in capital	Treasury shares	Statutory reserve	Fair value reserve	Accumulated losses	Total	Non-controlling interests	Deficit in shareholders' equity
	JD	JD	JD	JD	JD	JD	JD	JD
Balance at 1 January	60,444,460	(323)	239,094	2,069	(134,348,764)	(73,663,464)	6,334,027	(67,329,437)
Profit for the year	-	-	-	-	31,575,766	31,575,766	2,233,527	33,809,293
Other comprehensive income items	-	-	-	27,467	1,914,710	1,942,177	-	1,942,177
Total comprehensive income for the year	-	-	-	27,467	33,490,476	33,517,943	2,233,527	35,751,470
Transfer to statutory reserve	-	-	3,078,108	-	(3,078,108)	-	-	-
Dividend distribution to non-controlling interest (note 13)	-	-	-	-	-	-	(1,470,000)	(1,470,000)
Balance at 31 December	60,444,460	(323)	3,317,202	29,536	(103,936,396)	(40,145,521)	7,097,554	(33,047,967)
2023 -								
Balance at 1 January	60,444,460	(323)	239,094	(8,214)	(136,078,477)	(75,403,460)	4,853,256	(70,550,204)
Profit for the year	-	-	-	-	57,342	57,342	1,480,771	1,538,113
Other comprehensive income items	-	-	-	10,283	1,672,371	1,682,654	-	1,682,654
Total comprehensive income for the year	-	-	-	10,283	1,729,713	1,739,996	1,480,771	3,220,767
Balance at 31 December	60,444,460	(323)	239,094	2,069	(134,348,764)	(73,663,464)	6,334,027	(67,329,437)

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

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THE JORDAN CEMENT FACTORIES COMPANY
PUBLIC SHAREHOLDING COMPANY

Consolidated Statement of Cash Flows

	Notes	2024	2023
		JD	JD
Operating Activities			
Profit for the year before income tax		42,801,160	2,608,880
Adjustments:			
Depreciation	4&5	3,078,715	2,877,792
Amortization of intangible assets		6,857	6,857
Depreciation of right-of-use-assets	6	248,344	516,611
Provision for expected credit losses	10	400,000	50,023
(Gain) loss from sale of property, plant and equipment and investment in properties		(431,798)	7,677
Recovered from lawsuits	15	(442,819)	(1,548,167)
Provision for employees' post-retirement health insurance benefits		704,757	615,832
Provision for rehabilitation of quarries and environment protection		13,524	22,351
Recovered from (provision for) slow moving items and spare parts	9	177,000	(425,000)
Recovered from employees' housing and car loans provision		(16,873)	(71,169)
Finance costs		142,836	573,751
Finance costs on lease liabilities		53,334	185,185
Provision for restructuring		3,183,301	765,000
Interests income		(73,330)	(26,796)
Other provisions		883,586	870,295
Provision for impairment of projects under construction	4	-	600,000
Witten off debts resulted from ownership of major creditors		(10,719,221)	-
Gain resulted from loan settlements and liabilities		(31,015,604)	-
Changes in working capital:			
Accounts receivable, other current assets, checks under collection, and employees' housing and car loans		(1,006,743)	(290,555)
Inventory and spare parts		3,448,387	(3,254,688)
Accounts payable and other current liabilities		(2,889,454)	5,077,545
Paid from post-retirement health insurance benefits	17	(1,862,467)	(1,878,737)
Paid from lawsuits provision	15	(324,758)	(36,920)
Paid from other provisions		(610,189)	(259,450)
Paid from Income tax	18	(1,140,621)	(280,841)
Paid from restructuring provision	21	(554,499)	(67,459)
Net cash flows from operating activities		4,053,425	6,638,017
Investing Activities			
Purchase of property, plant and equipment and projects in progress	4	(1,759,213)	(1,905,577)
Proceeds from sale of property, plant and equipment		1,657,612	66,893
Proceeds from employees' housing and car loans		16,873	71,169
Net cash flows used in investing activities		(84,728)	(1,767,515)
Financing Activities			
Dividends paid		(1,470,000)	(490,000)
Paid finance costs		(142,836)	(573,751)
Payments of lease liabilities		(287,926)	(643,892)
Proceeds from interest income		73,330	26,796
Net cash flows used in financing activities		(1,827,432)	(1,680,847)
Net increase in cash and cash equivalents		2,141,265	3,189,655
Cash and cash equivalents at the beginning of the year		5,546,217	2,356,562
Cash and cash equivalents at the end of the year	12	7,687,482	5,546,217

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

(1) General

The Jordan Cement Factories Company "the Company" was established in 1951 as a Jordanian Public Shareholding Company and was registered at the Ministry of Industry and Trade during the year 1964. The Company's paid-in capital is JD 60,444,460 consisting of 60,444,460 shares of JD 1 par value each as of 31 December 2024.

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

The Company is 50.275% owned by Financiere Lafarge S.A.S – France ("Parent Company").

In light of the current financial conditions of the Company, the Company's Board of Directors resolved to submit an application in order for insolvency declaration in accordance with the Jordanian Insolvency Law No. (21) of 2018 in order to restructure the Company's capital and operations to maintain its business continuity. Accordingly, a decision was issued by Salt Court of First Instance approving the declaration of insolvency of the Company on 26 July 2020. The General Assembly of Creditors meeting was held on 10 August 2023 to discuss the reorganization plan, where the plan and the approved proposals were approved and voted on by the majority of the creditors' representatives present at the meeting, and the court's decision was issued on 28 August 2022 which included the adoption of the reorganization plan and the end of the insolvency procedures (note 31).

The consolidated financial statements were approved for issuance by the Board of Directors in its meeting held on 27 March 2025 and it is subject to the approval of the General Assembly of the shareholders.

(2) Basis of Preparation and Accounting Policies

(2-1) Basis of Preparation of Consolidated Financial Statements

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

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

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

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Jordan Cement Factories (the "Company") and its following subsidiaries (collectively referred to as the "Group") as of 31 December 2024 and 2023.

Company's Name	Ownership Interest	Country
Arabian Concrete Supply Company Limited *	51%	Jordan
Al Fuheis Green Heights Real Estate Development Company **	100%	Jordan

* Arabian concrete supply company (the subsidiary) owns 100% (2023: 100%) of the capital of the Arabian Transport Specialized, with a paid in capital amounted JD 1,000,000 as of 31 December 2024 (2023: JD 1,000,000). Its main objectives include specialized land transport for the transportation of construction materials and ready-mixed concrete, as well as importing what is necessary to achieve the company's goals.

** Jordan Cement Factories Company established Al Fuheis Green Heights Real Estate Development Company on 30 July 2018 with an authorized capital of JD 30,000 and a paid-in capital of JD 15,000 as of 31 December 2024. The Company has not conducted any operational activity since its inception date until the date of these consolidated financial statements.

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

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

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

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

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

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, revenues and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets, liabilities, equity, revenues, expenses and profit or loss relating to transactions between members of the Group are eliminated in full.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

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

(2-2) Changes in Accounting Policies

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

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback

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

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

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.
The amendments had no impact on the Group's consolidated financial statements.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

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

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

(2-3) Significant Accounting Judgments, Estimates And Assumptions

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

Useful lives of property, plant, and equipment

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

Provision for expected credit losses

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

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

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

Income tax provision

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

Deferred tax assets are recognized for all deductible temporary differences, such as non-tax-deductible expenses and losses, which are likely to be included in taxable profit. Determining the value of deferred tax assets that can be recognized based on the expected timing and level of future taxable profits requires the judgment and assessment of the Group's management. Details of the income tax provision are disclosed in Note (18).

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) at the date of the consolidated financial statements that arose from a past event and costs to settle the obligation are probable and can be measured reliably.

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

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

Post-retirement health insurance obligations

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

Quarry rehabilitation and environmental protection

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

(2-4) Summary of Significant Accounting Policies

Business combinations and goodwill

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

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

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

Impairment of goodwill

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

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

Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and any impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for construction projects if the recognition criteria are met. Repair and maintenance expenses are recognized in the consolidated statement of profit or loss.

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

Description	Years
Buildings	6 - 50
Plant and equipment	5 - 30
Vehicles	5 - 15
Tools and devices	5 - 15
Furniture and fixture	5 - 11
Computers	2 - 15
Others	5 - 20

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

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

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

Investment properties

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

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

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

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

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

Intangible assets

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

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

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

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

Projects in progress

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

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are recorded at fair value plus acquisition costs at the date of acquisition and subsequently measured at fair value. Changes in fair value are reported as a consolidated component in the consolidated statement of comprehensive income and in the consolidated statement of changes in equity, including the change in fair value resulting from conversion differences of non-cash items of assets at foreign currencies. In case of sale of such assets or part of it, the gain or loss is recorded in the consolidated statement of comprehensive income and in the consolidated statement of changes in equity, and the valuation reserve balance for sold assets is transferred directly to retained earnings.

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

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease obligations.

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

Inventory and spare parts

Inventories are valued at the lower of cost or net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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

Accounts receivable

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

Cash and cash equivalents

Cash and bank balance in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with original maturity of three months or less.
For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits with original maturity of three months or less, net of outstanding bank overdrafts.

Loans

Loans are initially recognized at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans are subsequently measured at amortized cost using the effective interest method.
Amortized cost is calculated by taking into consideration any discount or acquisition premium, fees and costs are an integral part of the effective interest rate. Finance costs are recognised in the consolidated statement of profit and loss.

Accounts payable and accruals

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

Lease contracts

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

Lease liabilities

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

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

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

and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

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

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

The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew.

That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

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

Impairment of financial assets

IFRS 9 requires the Company to record an allowance for ECL for all debt instruments measured at amortized cost.
For all debt instruments, the Group has applied the standard's simplified approach and has calculated ECL based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

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

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

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

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

Revenue and expense recognition

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

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

Other revenues are recognized using the accrual basis of accounting.

Expenses are recognized using the accrual basis of accounting.

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

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

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

Fair value measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

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

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

Provision for the rehabilitation of quarries and environment protection

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

Termination provision and grants to support social projects

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

A grant allocation has been made to support social projects to assist employees who have been terminated after meeting the conditions and criteria of the program.

Current versus non-current classification

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

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

All other assets are classified as non-current assets.

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

All other liabilities are classified as non-current liabilities.

Income tax

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

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

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

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

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

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

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

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

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

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

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

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

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

At 31 December 2024, the Group conducted its annual goodwill impairment test. The recoverable value of the ready-mix concrete sector was determined by calculating the value in use of the sector, which was calculated based on the expected cash flows for the sector and based on the estimated budget for 2017 that was approved by management. The expected cash flows after 2017 were calculated using a growth rate ranging from 3% to 5%. In the management's belief, the growth rate is appropriate given the nature of work and the general growth in economic activity in the region. A discount rate of 8% was used to discount the expected cash flows, which represents the Group weighted average cost of capital adjusted to take into account sector-specific risks.

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

The calculation of the value in use for the ready-mixed concrete sector is affected by the following assumptions:
- Gross profit
- Discount rate
- The growth rate used in calculating expected cash flows

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

(4) Property, plant and equipment

2024 -	Land	Quarries	Buildings	Machinery and equipment	Vehicles	Tools and devices	Furniture and fixtures	Computers	Others	Projects in progress*	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cost -											
Balance at 1 January	5,411,551	8,033,408	72,823,966	128,840,522	9,442,410	6,074,886	645,394	3,323,049	10,287,386	759,131	245,641,703
Additions	-	-	-	364,983	1,073,322	-	-	-	-	320,908	1,759,213
Transfers	-	-	-	6,097	7,833	-	-	-	-	(13,930)	-
Disposals	-	-	(9,699)	(14,993,374)	(480,571)	-	-	-	-	-	(15,483,644)
At 31 December	5,411,551	8,033,408	72,814,267	114,218,228	10,042,994	6,074,886	645,394	3,323,049	10,287,386	1,066,109	231,917,272
Accumulated depreciation-											
Balance at 1 January	-	2,262,232	65,542,026	109,577,756	6,650,509	5,864,369	639,954	3,322,972	10,138,187	-	203,998,005
Depreciation for the year	-	-	458,977	1,545,866	502,360	37,117	551	-	36,476	-	2,581,347
Disposals	-	-	(2,185)	(13,827,928)	(432,632)	-	-	-	-	-	(14,262,745)
Balance at 31 December	-	2,262,232	65,998,818	97,295,694	6,720,237	5,901,486	640,505	3,322,972	10,174,663	-	192,316,607
Net book value											
At 31 December 2024	5,411,551	5,771,176	6,815,449	16,922,534	3,322,757	173,400	4,889	77	112,723	1,066,109	39,600,665

* The company expects to complete the projects under progress during the year 2025, with a percentage of completion of 95%. The total estimated cost to complete the projects is JD 170,000.

2023 -	Land	Quarries	Buildings	Machinery and equipment	Vehicles	Tools and devices	Furniture and fixtures	Computers	Others	Projects in progress	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cost -											
Balance at 1 January	5,411,551	8,033,408	72,330,816	125,784,607	8,539,791	5,859,157	639,883	3,323,049	10,227,029	4,710,533	244,859,824
Additions	-	-	-	509,088	978,771	-	-	-	-	417,718	1,905,577
Transfers	-	-	558,212	2,546,827	-	215,729	5,511	-	75,966	(3,402,245)	-
Impairment provision	-	-	-	-	-	-	-	-	-	(600,000)	(600,000)
Disposals	-	-	(65,062)	-	(76,152)	-	-	-	(15,609)	(366,875)	(523,698)
At 31 December	5,411,551	8,033,408	72,823,966	128,840,522	9,442,410	6,074,886	645,394	3,323,049	10,287,386	759,131	245,641,703
Accumulated depreciation-											
Balance at 1 January	-	2,251,861	65,068,360	108,041,047	6,400,009	5,858,683	639,862	3,322,972	10,113,815	-	201,696,609
Depreciation for the year	-	10,371	490,835	1,536,709	301,855	5,686	92	-	38,092	-	2,383,640
Disposals	-	-	(17,169)	-	(51,355)	-	-	-	(13,720)	-	(82,244)
Balance at 31 December	-	2,262,232	65,542,026	109,577,756	6,650,509	5,864,369	639,954	3,322,972	10,138,187	-	203,998,005
Net book value											
At 31 December 2023	5,411,551	5,771,176	7,281,940	19,262,766	2,791,901	210,517	5,440	77	149,199	759,131	41,643,698

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The depreciation expense included in the consolidated statement of profit or loss is as follows:

	2024	2023
	JD	JD
Cost of sales	2,550,013	2,351,716
Administrative expenses (note 20)	31,334	31,924
	2,581,347	2,383,640

(5) Investments properties

2024 -	Land	Quarries	Buildings	Equipment	Total
	JD	JD	JD	JD	JD
Cost -					
Balance at 1 January	2,039,950	2,955,563	13,236,187	6,030,719	24,262,419
Disposals	(86)	(5,974)	-	-	(6,060)
Balance at 31 December	2,039,864	2,949,589	13,236,187	6,030,719	24,256,359
Accumulated depreciation -					
Balance at 1 January	-	503,464	9,657,024	3,633,611	13,794,099
Disposals	-	-	271,490	225,878	497,368
Depreciation for the year	-	(1,145)	-	-	(1,145)
Balance at 31 December	-	502,319	9,928,514	3,859,489	14,290,322
Net book value					
Balance at 31 December 2024	2,039,864	2,447,270	3,307,673	2,171,230	9,966,037

2023 -					
Cost -					
Balance at 1 January	2,039,950	2,955,563	13,236,187	6,030,719	24,262,419
Balance at 31 December	2,039,950	2,955,563	13,236,187	6,030,719	24,262,419
Accumulated depreciation -					
Balance at 1 January	-	503,464	9,387,990	3,408,493	13,299,947
Depreciation for the year	-	-	269,034	225,118	494,152
Balance at 31 December	-	503,464	9,657,024	3,633,611	13,794,099
Net book value					
Balance at 31 December 2023	2,039,950	2,452,099	3,579,163	2,397,108	10,468,320

During 2024, the Company has performed impairment test for the fair value of the investment properties, the fair value was amounted to JD 160,414,077 as at 31 December 2024. The impairment testing has been performed by the local appraisers who have been assigned by the court to revalue the plot of land intended to be swapped to creditors in accordance with the restructuring plan. No impairment indicators have been raised on the investment properties.

(6) Right-of-use assets and lease obligations

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

	2024		2023	
	Right-of-use assets	Lease liabilities*	Right-of-use assets	Lease liabilities *
	JD	JD	JD	JD
Beginning balance	633,648	651,418	376,423	336,289
Additions	23,382	23,380	821,703	821,703
Disposals	-	-	(47,867)	(47,867)
Depreciation	(248,344)	-	(516,611)	-
Finance costs	-	53,334	-	185,185
Payments	-	(287,926)	-	(643,892)
Ending balance	408,686	440,206	633,648	651,418

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

	Short-term	Long-term	Total
	JD	JD	JD
2024	259,908	180,298	440,206
2023	229,763	421,655	651,418

(7) Financial Assets at Fair Value Through Other Comprehensive Income

	2024	2023
	JD	JD
Quoted shares:		
Mining Investment Company	14,239	18,195
Unquoted shares:		
Chemical and Mining Industries Company	213,457	191,535
Jordanian Investment and South Development Company	66,090	56,589
Cement Manufacturers Association	500	500
Sudan Company (CTS) - Sudan *	-	-
	280,047	248,624
	294,286	266,819

* This item represents the investment of the Jordanian Cement Factories Company in Sudan Company (CTS), whereas the Company ceased operations and does not carry out any activities.

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

	2024	2023
	JD	JD
Beginning balance	266,819	256,536
Change in fair value	27,467	10,283
Ending balance	294,286	266,819

The movement on fair value reserve is as follows:

	2024	2023
	JD	JD
Beginning balance	2,069	(8,214)
Changes during the year	27,467	10,283
Ending balance	29,536	2,069

(8) Employees' Housing and Car Loans

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

	2024	2023
	JD	JD
Employees' housing loans *	149,592	247,223

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

(9) Inventory and Spare Parts

	2024	2023
	JD	JD
Spare parts	14,077,255	13,948,563
Finished goods	4,296,259	5,603,216
Work in progress	3,500,482	6,228,946
Raw materials	2,726,045	2,306,791
Fuel	2,115,250	2,078,984
Others	2,822	-
	26,718,113	30,166,500
Provision for slow moving items and spare parts *	(12,605,000)	(12,428,000)
	14,113,113	17,738,500

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

	2024	2023
	JD	JD
Balance as at 1 January	12,428,000	12,853,000
Provision for the year	177,000	110,000
Released during the year	-	(535,000)
Balance as at 31 December	12,605,000	12,428,000

(10) Accounts Receivable and Checks Under Collections

	2024	2023
	JD	JD
Local sales receivables	14,880,785	12,585,068
Foreign sales receivables	1,918,681	1,920,688
Checks under collections	8,371,562	9,003,349
	25,171,028	23,509,105
Provision for expected credit losses *	(9,001,368)	(9,016,859)
	16,169,660	14,492,246

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

	2024	2023
	JD	JD
Balance as at 1 January	9,016,859	9,130,331
Provision for the year	400,000	50,023
Transfer to other debit balances	(403,000)	-
Write offs	(12,491)	(163,495)
Balance as at 31 December	9,001,368	9,016,859

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

2024-	Neither past due nor impaired	1-90 days	91 – 180 days	181 – 270 days	271 – 365 days	More than 365 days	Total
	JD	JD	JD	JD	JD	JD	JD
Total trade receivables	9,901,639	4,511,879	2,252,321	733,945	251,865	7,519,379	25,171,028
Provision for expected credit losses	575,209	429,526	198,998	188,643	89,613	7,519,379	9,001,368
	9,326,430	4,082,353	2,053,323	545,302	162,252	-	16,169,660
2023-							
Total trade receivables	8,571,036	5,443,778	957,472	492,898	288,147	7,755,774	23,509,105
Provision for expected credit losses	605,793	217,110	117,657	128,697	191,828	7,755,774	9,016,859
	7,965,243	5,226,668	839,815	364,201	96,319	-	14,492,246

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

(11) Other Current Assets

	2024	2023
	JD	JD
Receivables due from the sale of the second production line – Al Fuheis Factory *	6,711,811	6,711,811
Refundable deposits	1,800,691	1,709,869
Prepaid expenses	737,540	920,611
Receivables and advance payments to contractors	202,092	261,680
Receivables from a related party (Note 26)	199,628	211,875
Others	264,288	478,635
	9,916,050	10,294,481

* On 17 October 2022, the Jordan Cement Factories Company signed an agreement to sell the second line - Al Fuheis Factory for an amount of JD 8,875,000. The remaining balance from sell the second line- Al Fuheis Factory for an amount of JD 6,711,811 as at 31 December 2024 (2023: JD 6,711,811).

(12) Cash on Hand and at Banks

	2024	2023
	JD	JD
Cash on hand	5,540	6,000
Balance at banks	6,005,762	3,040,217
Short deposits less than 3 months	1,700,000	2,500,000
	7,711,302	5,546,217

For the purpose of the preparation of the consolidated statement of cash flows, cash and cash equivalents comprise of the following:

	2024	2023
	JD	JD
Cash on hand	5,540	6,000
Balance at banks	6,005,762	3,040,217
Short deposits less than 3 months	1,700,000	2,500,000
Less: bank overdraft	(23,820)	-
	7,687,482	5,546,217

* The annual interest rate on the deposits ranged between 5% to 6.35% during the year ended 31 December 2024 (2023: 6.30% to 6.35%).

** The Group has unutilized credit facilities presented as Bank overdraft with a ceiling amounted to JD 6,250,000 as of 31 December 2024 and 31 December 2023.

(13) Equity

Paid-in Capital –

The Company's paid in capital is JD 60,444,460 consisting of 60,444,460 shares of JD 1 par value each as of 31 December 2024 and 2023.

Statutory Reserve –

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

Accumulated losses –

The Group's accumulated losses of JD 103,936,396 exceeded the Group's capital as of 31 December 2024. Also, the Group's current liabilities exceeded its current assets by an amount of JD 63,027,456 as of 31 December 2024. These events or conditions indicate that a material uncertainty exists that may cast significant doubt about the entity's ability to continue as a going concern. According to Article (266) of the Jordanian Company's Law No. (22) for the year 1997 and its amendments, if the accumulated losses of the Public Shareholding Company exceeded 75% of its capital, the Company shall be liquidated unless the General Assembly of the Company issues a decision on its extraordinary meeting to increase the Company's capital or to deal with the Company's losses. As stated in note (31), the Company's Board of Directors resolved to submit a request to declare the Company's insolvency in accordance with the Jordanian Insolvency Law No. (21) of 2018 in order to restructure the Company's capital, as the court's decision was issued approving the declaration of insolvency on 26 July 2020, and the restructuring plan was approved on 28 August 2022.

Dividend distribution–

The General Assembly of the subsidiary, Arab Concrete Equipment Company, decided in its extraordinary meeting held on 10 March 2024, to distribute dividends in the amount of 3,000,000 dinars in cash to the partners, each according to his share.

(14) Accounts Payable

	2024	2023
	JD	JD
Account payables	29,631,761	31,713,968
Due to related parties (note 26)	3,033,701	646,362
	32,665,462	32,360,330

(15) Other Current Liabilities

	2024	2023
	JD	JD
Provision for lawsuits against the Group (note 25) *	9,750,000	10,517,577
Employee's payables	2,099,730	229,841
Provision for other liabilities	1,797,678	1,273,123
Quarries rehabilitation and environmental protection provision**	1,447,338	1,433,814
Accrued expenses	378,415	705,696
Employee's vacations allowance	190,908	463,821
Sales tax payable	40,936	425,616
Housing and health insurance fund deposits	15,874	20,214
Others	456,020	106,581
	16,176,899	15,176,283

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

	2024	2023
	JD	JD
Balance as at 1 January	10,517,577	12,236,245
Recovered during the year - net	(442,819)	(1,548,167)
Transferred during the year	-	(133,581)
Payments during the year	(324,758)	(36,920)
Balance as at 31 December	9,750,000	10,517,577

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

	2024	2023
	JD	JD
Balance as at 1 January	1,433,814	1,411,463
Provision for the year	13,524	22,351
Balance as at 31 December	1,447,338	1,433,814

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

(16) Deferred Bank Guarantees

	2024	2023
	JD	JD
Arab Bank	-	2,187,653

This item represents a case between the Jordan Cement Factories Company and the Energy and Minerals Regulatory Commission, regarding clay mining fees in the Al-Fujij area – Al-Rashadiyah in the amount of JD 2,187,653 and a full provision has been recorded against that case as of 31 December 2022. During 2022, the Group has lost the case with Arab Bank and the court decided to liquidate the bank guarantee in favor of the Arab Bank. The amount was transferred from the Group's provision for lawsuits to establish a credit balance in favor of Arab Bank within the Group's financial records.

(17) Provisions for Employees' Post-Retirement Health Insurance Benefits

The Group provides specific post-retirement health insurance benefits to eligible employees and their families who meet certain conditions. Employees are entitled to benefit from health insurance upon reaching the retirement age, which is 50 years for females and 60 years for males. Employees are not granted any other benefits after retirement.

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

1- 2.5% of the pensioner's social security salary, with a minimum of JD 6 per month.
2- 20% of the family's medical costs, up to a maximum of JD 200 for each medical case.

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

	2024	2023
	JD	JD
Current service cost	(696,767)	(849,609)
Interest on commitment	1,401,524	1,465,441
	704,757	615,832

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

	2024	2023
	JD	JD
Balance as at 1 January	27,551,378	30,486,654
Provision for the year	704,757	615,832
Actuarial profit	(1,914,710)	(1,672,371)
Payments during the year	(1,862,467)	(1,878,737)
Balance as at 31 December	24,478,958	27,551,378

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

	2024	2023
Discount rate	5,27%	5,22%
Long-term medical inflation rate	3%	3.50%
Expected increase in employees' salaries	3%	3%
Revaluation pension rate	2%	2%
Mortality/ disability	88-90 years old for females	88-90 years old for females
	60-64 years old for males	60-64 years old for males
Turnover rates	1% per year up to 50 years old	1% per year up to 50 years old
Retirement age:		
Males	60 years	60 years
Females	55 years	55 years
Maximum age of coverage for children:		
Females	23 years	23 years
Males	23 years	23 years
Annuity - Existing employees	JD 396 after deducting the joint insurance paid by the retirees	JD 360 after deducting the joint insurance paid by the retirees
Annuity – Retirees	Involved in the long-term health cost inflation hypothesis	Involved in the long-term health cost inflation hypothesis
Contributions for family members	JD 60,000 or 75% of the expected final salary, whichever is less	JD 60,000 or 75% of the expected final salary, whichever is less
Social Security salary	5,27%	5,22%

(18) Income Tax

Income tax provision was calculated for the Jordan Cement Factories Company (Public Shareholding Company) for 2024 in accordance with Income Tax Law No. (34) of 2014 and its amendments at the rate of 21% (20% in addition to 1% national contribution). Income tax provision was calculated for the Group for 2023 in accordance with Income Tax Law No. (34) of 2014 and its amendments at the rate of 19% (18%, in addition to 1% national contribution) and Aqaba Special Economic Zone Authority Law No. (32) of 2000 and its amendments for Aqaba branch at rate 5% in addition to 1% national contribution.

Income tax, net -

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

	2024	2023
	JD	JD
Accrued income tax expense	1,416,964	1,003,176
Prior years Income tax expense	-	155,501
Impact deferred tax assets	7,574,903	(87,910)
	8,991,867	1,070,767

Provision for income tax -

The movement on provision for income tax is as follows:

	2024	2023
	JD	JD
Balance as at 1 January	826,733	104,398
Adjustments prior years	(13,887)	-
Income tax for the year	1,416,964	1,003,176
Income tax paid	(1,140,621)	(280,841)
Balance as at 31 December	1,089,189	826,733

Tax status-

Arabian Concrete Supply Company (“The subsidiaries”) and the Company submitted its declaration to the Income and Sales Tax Department until the year 2023.

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

The subsidiary has reached a final settlement with the Income and Sales Tax Department up to the year 2019.

Deferred tax assets -

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

	2024	2023
	JD	JD
Balance as at 1 January	9,268,292	9,180,382
Net change during the year	(7,574,903)	87,910
Balance as at 31 December	1,693,389	9,268,292

Reconciliation between accounting income (loss) and taxable income (loss) is as follows:

	2024	2023
	JD	JD
Accounting income	42,801,160	2,608,880
Non-taxable income	(4,373,888)	(2,244,337)
Non-deductible expenses	6,515,055	3,476,488
Taxable income	44,942,327	3,841,031
Relates to:		
Total gain excluding Aqaba - Parent Company	38,048,547	(1,533,906)
Taxable profit for Aqaba - Parent Company	204,864	266,787
Taxable profit – subsidiary	6,688,916	5,108,150
Income tax expenses	1,416,964	1,003,176
Statutory income tax rate - excluding Aqaba	21%	20%
Statutory income tax rate - Aqaba	6%	6%
Effective income tax rate	21%	41%

(19) Selling and Marketing Expense

	2024	2023
	JD	JD
Salaries and wages	1,037,669	1,077,443
Group contribution for social security	111,523	109,899
Subscriptions	61,625	61,625
Fuel	47,131	68,789
Customer compensation and discounts	4,145	25,652
Others	191,117	200,027
	1,453,210	1,543,435

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(20) Administrative Expenses

	2024	2023
	JD	JD
Salaries, wages, and other benefits	2,624,379	2,535,240
Professional fees	318,155	362,584
Social security contribution	293,805	291,503
Employees saving fund contribution	139,142	142,056
Computer expenses	113,395	210,765
Fuel	79,443	71,943
Rent	64,278	70,042
Stationery, publications, and subscriptions	84,805	82,661
Travel and transportation	40,164	50,043
Hospitality	37,569	38,235
Postage and telephone	51,740	29,712
Insurance	28,703	34,796
Depreciation of property, plant and equipment (note 4)	31,334	31,924
Maintenance	22,287	37,627
Donations	16,026	16,226
Saving fund contribution	13,174	13,845
Training	5,889	9,931
Advertising and exhibitions	5,635	7,354
Others	228,672	255,462
	4,198,595	4,291,949

(21) Provision for Restructuring

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

	2024	2023
	JD	JD
Balance as at 1 January	765,000	90,000
Provision for the year	3,183,301	765,000
Paid during the year	(554,499)	(67,459)
Transferred to other credit balances	(2,193,802)	(22,541)
Balance as at 31 December	1,200,000	765,000

(22) Substantial And Partially Owned Subsidiaries

Company Name	Location	Nature of operations	Non-controlling ownership	
			2024	2023
			%	%
Arabian concrete supply company	Jordan	Trade in cement and ready-made cement mixes	49	49

	2024	2023
Accumulated balance for non-controlling interest		
Arabian concrete supply company	7,097,554	6,334,027
Non-controlling interest profit		
Arabian concrete supply company	2,233,527	1,480,771

The table below shows a summary of the subsidiaries financial. The preparation of this information before the elimination between the subsidiaries:

A. Summarized Balance sheet

	2024	2023
	JD	JD
Current assets	24,789,581	21,375,165
Non-current assets	9,064,538	8,351,677
Current liabilities	22,655,044	19,867,843
Non-current liabilities	117,078	335,220
Total equity	11,081,997	9,523,779
Non-controlling interest shares from equity	5,430,179	4,666,652

B. Summarized income statement

	2024	2023
	JD	JD
Sales	56,018,485	53,265,063
Cost of sales	(47,597,149)	(46,142,398)
Administrative expenses	(1,395,949)	(1,405,490)
Selling and marketing expenses	(898,384)	(904,947)
Other expense, net	(489,218)	(735,480)
Profit before tax	5,637,785	4,076,748
Income tax expense	(1,079,567)	(1,054,767)
Net income	4,558,218	3,021,981
Non-controlling interest shares from comprehensive income	2,233,527	1,480,771

C. Summarized cash flow

	2024	2023
	JD	JD
Operating Activities	6,136,905	6,445,055
Investing Activities	(1,328,939)	(1,488,577)
Financing Activities	(3,250,953)	(1,644,239)
Net increase in cash and cash equivalents	1,557,013	3,312,239

(23) Basic and Diluted profit Per Share for the Year

	2024	2023
Profit for the year attributable to shareholders (JD)	31,575,766	57,342
Weighted average number of shares (Share)	60,444,460	60,444,460
Basic and diluted profit per share (Fils / JD)	0,522	0,001

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

(24) Segment Reporting

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

- Cement
- Ready-mix concrete

Segment performance is evaluated based on profit or loss for the year as shown below:

Business information

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

	2024			2023
	Cement	Ready-mix concrete	Total	Total
	JD	JD	JD	JD
Revenues				
Sales	19,477,648	56,018,485	75,496,133	73,755,244
Cost of sales	(17,066,369)	(47,597,149)	(64,663,518)	(62,933,972)
	2,411,279	8,421,336	10,832,615	10,821,272
Business result				
Profit before tax	37,163,375	5,637,785	42,801,160	2,608,880
Income tax expense	(7,912,300)	(1,079,567)	(8,991,867)	(1,070,767)
Profit for the year	29,251,075	4,558,218	33,809,293	1,538,113
Other sectors information				
Capital expenditures	291,054	1,468,159	1,759,213	1,905,577
Depreciation	2,315,980	1,011,079	3,327,059	3,394,403
Finance costs	70,297	125,873	196,170	758,936

	2024			2023
	Cement	Ready-mix concrete	Total	Total
	JD	JD	JD	JD
Assets and liabilities				
Segment assets	91,071,123	11,477,747	102,548,870	113,132,391
Segment liabilities	112,824,715	22,772,122	135,596,837	180,461,828

Geographical distribution

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

	2024			2023
	Amman	Aqaba	Total	Total
	JD	JD	JD	JD
Revenues				
Sales	69,390,842	6,105,291	75,496,133	73,755,244
Cost of sales	(59,380,875)	(5,282,643)	(64,663,518)	(62,933,972)
Gross profit	10,009,967	822,648	10,832,615	10,821,272
Business result				
Profit before tax	42,596,296	204,864	42,801,160	2,608,880
Income tax expense	(8,979,567)	(12,300)	(8,991,867)	(1,070,767)
Profit for the year	33,616,729	192,564	33,809,293	1,538,113
Other sectors information				
Capital expenditures	1,759,213	-	1,759,213	1,905,577
Depreciation	3,327,059	-	3,327,059	3,394,403
Finance cost	196,170	-	196,170	758,936
Assets and liabilities				
Segment Assets	102,057,963	490,907	102,548,870	113,132,391
Segment liabilities	135,527,675	69,162	135,596,837	180,461,828

(25) Contingent Liabilities

	2024	2023
	JD	JD
Letters of guarantees and credit -		
Guarantees	4,790,043	2,325,870
Letter of credits	-	393,121

	2024	2023
	JD	JD
Contractual obligations -		
Purchase raw material	2,705,627	3,510,000

Legal cases -

The Group is a defendant in a number of lawsuits for an amount of JD 6,064,389 as at 31 December 2024 (2023: JD 14,635,592). The Group management and their legal advisors believe that the provision is sufficient to cover these liabilities. The lawsuits filed by the Group against third parties amounted to JD 5,108,838 as of 31 December 2024 (2023: JD 4,651,095).

(26) Related Parties

Transactions with related parties consist of transactions with associated companies, employees, major shareholders, Board of Directors, senior management, other related parties and companies owned by the partner.

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

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

	2024	2023
	JD	JD
Items within the statement of financial position		
Other debit balances (note 11)	199,628	211,875
Accounts payable		
Accounts payable – insolvency (note 31)	43,624,450	43,624,450
Other payables (note 14)	3,033,701	646,362
	46,658,151	44,270,812
Items within the consolidated statement of income		
Expenses	4,565,088	4,408,571

Key management personnel compensation (salaries, compensation, and other benefits) is as follows:

	2024	2023
	JD	JD
Salaries and compensations	1,220,624	1,278,778

(27) Risk management

Interest rate risk -

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

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

The sensitivity of the consolidated statement of income is the effect of the assumed changes in interest rates on the Group profit as 31 December 2024 and 2023, based on financial assets and liabilities with floating interest rates.

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

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

2023- Currency	Change in interest rate	Effect on profit
	(%)	JD
Jordanian Dinar	1	250,514
Jordanian Dinar	(1)	(250,514)

Credit risk -

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

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

Currency risk -

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

Liquidity risk –

Liquidity risk is represented by the possibility that the Group may not be able to meet its obligation when due. The Group manages its liquidity risk by seeking adequate funding from shareholders under normal and difficult circumstances, without incurring unacceptable losses or affecting the Group's reputation. The management plan to address the deficit in shareholders' equity and the continuity of the Group is detailed in note (31).

Equity price risk –

The following table demonstrates the sensitivity of the consolidated statement of comprehensive income and the cumulative change in fair value of financial assets at fair value through other comprehensive income to reasonably possible changes in equity prices, with all other variables held constant:

2024-	Change in market index	Effect on equity
	(%)	JD
Financial assets at fair value through other comprehensive income	10	29,429
2023-	**Change in market index**	**Effect on equity**
	(%)	**JD**
Financial assets at fair value through other comprehensive income	10	26,682

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

(28) Capital Management

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

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. The Company has prepared a detailed budget and plan until the year 2030, and it was approved by the creditors' committee on 10 August 2023. The Company's ability to continue its business depends on its ability to generate sufficient future cash flows to meet its obligations. These events and conditions indicate that there is a material doubt about the Company's ability to continue as a going concern.

The items included in the capital structure are the paid-in capital, treasury shares, statutory reserve, the cumulative change in fair value reserve, and the accumulated losses, totalling a deficit of JD 40,145,521 as of 31 December 2024 compared to a deficit of JD 73,663,464 as of 31 December 2023. The accumulated losses including the loss of the year JD 103,936,396 with represent 172% from the paid-in capital for the Company as of 31 December 2024. (2023:223%)

(29) Fair Value of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities.

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

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

(30) Fair value Hierarchy

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

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

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

Level 3: techniques that use inputs, which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

31 December 2024-	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
Financial assets at fair value through other comprehensive income	14,239	-	280,047	294,286
31 December 2023-				
Financial assets at fair value through other comprehensive income	18,195	-	248,624	266,819

(31) Going Concern

The Group's total liabilities exceeded its total assets by JD 33,047,967 and its total current liabilities exceeded its total current assets by JD 63,027,456. In addition to that, the accumulated losses, including the loss for the year, amounted to JD 103,936,396 which represents 172% of the Company's paid-in capital as of 31 December 2024.

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

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

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

A- Insolvency

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

B- The insolvency declaration decision

- A decision was issued by the Salt Court of First Instance approving the declaration of the insolvency of the Jordan Cement Factories Company on 26 July 2020, and the decision was published in the Official Gazette, including the appointment of an insolvency agent while maintaining the management of the Company under the supervision of the insolvency agent and the court, since the insolvency application was submitted by the debtor (Jordan Cement Factories Company).

- Following the objection and appeal of the insolvency decision from several parties (13 appeals and objections), the Court of Appeal decided to revoke the insolvency declaration decision on 28 September 2020, in form due to submission of the insolvency declaration outside the legal period.
- The decision of the Court of Appeal was discerned after granting the Company the needed permission to challenge the decision. The Court of Cassation issued its decision on 16 May 2021, which includes dismissing the appealed decision in favour of the Company and returning it to the Court of Appeal to issue its ruling of dismissing the appeal in form.

- Preparations were made for the General Assembly of Creditors' meeting to present the reorganization plan and complete the insolvency procedures. However, the meeting did not take place due to the strike of the labour and employees working in the Company, which led to the lack of a quorum, and the meeting was postponed, consequently the decision was issued by the Salt Court including halting the insolvency proceedings until the issuance of the insolvency declaration decision.

- On 14 October 2021, the decision of the Amman Rights Court of Appeal was issued in case no. 6870/2021 issued after the cassation, which included not following the cassation, insisting on its previous decision, accepting the appeal regulations as a subject matter, rescinding the decision of Salt Court, and ruling to reject the insolvency application in form for submitting it outside the legal period.

- Based on the objection submitted by some creditors, the Insolvency Court (Salt Court of First Instance) issued on 14 October 2021 its decision to suspend the insolvency proceedings until a final decision is issued in the insolvency declaration case by the Court of Cassation. The Jordan Cement Factories Company did not agree on the decision to halt the procedures, as it filed an appeal on 18 October 2021 before the Court of Appeal, which decided to rescind the decision of the Court of First Instance and affirmed the legality of continuing the insolvency proceedings, since the insolvency law confirmed the appeal of the insolvency declaration decision does not halt the insolvency proceedings.

- The Jordan Cement Factories Company did not accept this decision and submitted an appeal on 21 November 2021 for the second time before the Court of Cassation and asked to reverse the decision of appeals court.

- On 20 April 2022, a decision was issued by the Court of Cassation to set aside the contested decision issued by the Court of Appeal, confirming the correctness of submitting the application for declaring insolvency and returning the papers to their source (the Court of Appeal) to comply with the cassation decision.

- On 12 June 2022 and in line with the decision of the Court of Appeal, the decision of the insolvency court was issued to proceed with the insolvency proceedings as of the start of the reorganization phase during which the insolvency proceedings were suspended, and that this phase would begin as of 12 June 2022, and on the same date the court agreed to the request of the insolvency agent to submit the reorganization plan within 30 days from the date mentioned above.

- The insolvency agent submitted a restructuring plan to the insolvency court on 4 July 2022, which is mainly based on several options for debt repayment the option of land ownership, the option of debt capitalization, and the option of obtaining bank loans.

- A meeting of the General Assembly of Creditors was scheduled for 10 August 2022 to discuss and vote on the restructuring plan. On the specified date, this meeting was held in the presence of the insolvency agent / secretary of the meeting and the Company's executive management. The meeting was chaired by the insolvency judge, and the meeting was attended by creditors representing (91.68%) of the total debts included in the list of creditors.

- The reorganization plan and the approved proposals were approved and voted by a majority of the representatives of the creditors present at the meeting, with a rate of (97.81%) of the total creditors' debts were approved.

- The court's decision was issued on 28 August 2022, which included the approval of the restructuring plan and the completion of insolvency procedures. The following are the main results of the plan:

Debt repayment:

- Paying the debts of major creditors (banks and Lafarge Group companies) through transferring plots of land to them in Al Fuheis area, equal to the value of their debt after writing off 5% of their total unsecured debts, where the amount of discount amounted to JD 2,113,351.

- Paying the preferred debts and the rest of the unsecured debts in cash after deducting 15% of the total debt amount and within 3-5 years, where the amount of discount on these debts amounted to JD 1,613,698.

- Writing off all debts classified as debts of lower priority in the amount of JD 42,563,781.

- As a result, the total of the debts that were written off in addition to the deductions mentioned above amounted to JD 46,290,830.

Human Resources:

- Increasing the rates of health insurance contributions for employees and retirees, which contributes to alleviating the burden of health insurance on the Company.

- Restructuring human resources by agreeing to pay certain amounts as a reward to employees whose services the company wishes to dispense with who have fulfilled the conditions for early retirement in accordance with the provisions of the Social Security Law.

- The most important themes and hypotheses on which the reorganization plan that was presented by the insolvency agent was built:

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

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

- Completion of cash payment procedures for insolvency liabilities, with six installments paid by the end of 2024, amounting JD 3.9 M.
- Finalization of in-kind payment procedures for major creditors (banks), where the company's liabilities were cleared by the banks after transferring ownership of land plots owned by the company in the Al-Fuhais area, with a total value of JD 31M and a total area of about 320,000 Sq. meter. As a result, profits were recorded in the profit and loss statement of approximately JD 41 M due to the write-off of debts, whether classified as lower priority or unsecured debts, in addition to the settlement of unsecured debts resulting from the revaluation of the land whose ownership was transferred.
- The number of employees was reduced by 64 employees based on a collective labor agreement governed by the provisions of the Labor Law No. (8) of 1996 and its amendments. This was also based on an annex to this contract signed on 31 December 2024.
- Health insurance contributions were increased by 1% for active employees and 0.5% for retired employees.
- Procedures were initiated for the waiver of health insurance cards for post-retirement coverage in exchange for a financial amount, resulting in a reduction of 397 beneficiaries from health insurance after retirement by 31 December 2024.
- Periodic reports are issued to the supervisor of the restructuring plan, detailing the progress of the implementation of the plan, which includes the main areas on which the restructuring plan was based.

It is worth mentioning that the company is evaluating its options, including the sale of part of its assets to provide liquidity for the purpose of finalizing the insolvency file.

The recognized and non-recognized Insolvency payables and payables raised from insolvency procedures as of 31 December 2024 & 2023 are shown as follows:

	2024	2023
	JD	JD
Insolvency payables:		
Preferred debts	197,722	511,340
Unsecured debts	25,041,115	57,867,913
Lowest priority debts	34,283,466	42,563,780
Total	59,522,303	100,943,033
Insolvency procedures:		
Payables raised from insolvency procedures	18,074,043	18,987,534
Total	77,596,346	119,930,567
Other debts:		
Accounts payable, other credit balances and provisions	39,984,112	44,158,556
Total	117,580,458	164,089,123

The table below illustrates the details of liabilities classified as insolvency debts as of 31 December 2024 and 2023:

	2024	2023
	JD	JD
Due to banks *	-	15,952,774
Accounts payable **	53,591,877	56,211,976
Other current liabilities ***	5,293,857	5,442,456
Banks loans ****	636,569	23,335,827
	59,522,303	100,943,033

* The table below illustrates the amounts due to banks:

	2024	2023
	JD	JD
The Housing Bank for Trade and Finance	-	7,044,160
Capital Bank (formerly Societe Generale)	-	4,198,906
ABC Bank	-	2,430,785
Arab Bank	-	2,278,923
	-	15,952,774

The total balance of due to banks is JD 15,952,774 as of 31 December 2023 classified under insolvency and the interest has been suspended as of the date of declaration of insolvency on 26 July 2020. The company was cleared of any liability by the banks after the transfer of the company's land plots ownership in Fuheis.

** The table below illustrates the accounts payable:

	2024	2023
	JD	JD
Due to related party (note 26)	43,624,450	43,624,450
Unpaid checks	152,350	152,350
Accruals	167,228	167,228
Other accounts payable	9,647,849	12,267,948
	53,591,877	56,211,976

*** The table below illustrates the other current liabilities:

	2024	2023
	JD	JD
Unpaid dividends	5,157,993	5,157,993
Employees' payables	135,864	284,465
	5,293,857	5,442,456

	2024	2023
	JD	JD
Arab Bank	-	15,000,000
The Housing Bank for Trade and Finance	-	3,090,277
Jordan Kuwait Bank	-	2,180,442
ABC Bank	-	1,533,657
Capital Bank (formerly Societe Generale)	636,569	1,531,451
	636,569	23,335,827

**** The table below illustrates the banks loans :

The total balance for banks loans is JD 636,569 as of 31 December 2024 (2023: JD 23,335,827) classified under insolvency and the interest has been suspended as of the date of declaration of insolvency on 26 July 2020.

(32) Standards Issued But Not Yet Effective

The standards and interpretations that are issued but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only. The Group is currently not intending to early adopt the Amendments.

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

Lack of exchangeability – Amendments to IAS 21

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

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.
The amendments are not expected to have a material impact on the Group's consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

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

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

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

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.
This standard will result in new presentation of the income statement with some new required totals, in addition to the disclosure of management-defined performance measures.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

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

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.
As the Group’s equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

(33) Comparative Figures

Some of 2023 figures have been reclassified in order to confirm with the presentation of 2024 figures. Such reclassification did not affect previously reported loss or equity for the year 2023.