

**SHEBA RENEWABLE ENERGY COMPANY
(PUBLIC SHAREHOLDING COMPANY)**

**FINANCIAL STATEMENTS AND
INDEPENDENT CERTIFIED PUBLIC
ACCOUNTANT'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2025**

SHEBA RENEWABLE ENERGY COMPANY
(PUBLIC SHAREHOLDING COMPANY)

**FINANCIAL STATEMENTS AND INDEPENDENT CERTIFIED PUBLIC
ACCOUNTANT'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2025**

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INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S REPORT

To the Shareholders
Sheba Renewable Energy Company
(Public Shareholding Company)

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Sheba Renewable Energy Company P.L.C, which comprise the statement of financial position as of December 31, 2025, and the related statements of comprehensive income, statement of owners' equity, statement of cash flows and notes to the financial statements for the year then ended, including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the statement of financial position of Sheba Renewable Energy Company P.L.C as of December 31, 2025, and its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Basis for Opinion

We conduct our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in Auditor's Responsibilities for the audit of the financial statements. We are independent of the Company in accordance with International Standard Board Code of Ethics for Professional Accountants ("the code") that are relevant to our audit of these financial statements and we have fulfilled our other ethical responsibilities in accordance with the code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters, according to our professional judgment are matters that had the significant importance in our auditing procedures that we performed to the financial statement. The basic auditing matters have been addressed in our auditing workflow to financial statements as we do not express separate opinions.

Key Auditing Matters	Followed Procedures within Key Audit Matters
<p>Financial assets designated at fair value through statement of other comprehensive income In accordance with IFRS, the Company should classify the Company's listed shares that are traded in a hyper active market as available-for-sale financial assets and are stated at fair value. If the Company has investments in unlisted shares that are not traded in hyper active markets but are also classified as available-for-sale financial assets and carried at fair value, management believes that fair value can be reliably measured.</p>	<p>Financial assets designated at fair value through statement of other comprehensive income The audit procedures included examining the control procedures used in the process of verification of existence and completeness. It was ascertained that the financial assets were recorded at fair value through verification of the closing price of the ASE. The number of shares was also confirmed by the support of the SDC. Ascertaining of the unlisted investments in the Amman Financial Market by supporting the number of shares invested and checking the closing price through the foreign exchange markets.</p>
<p>Financial Assets Designated at Fair Value through Other Comprehensive Income In accordance with International Financial Reporting Standards (IFRS), the Company is required to classify listed shares owned by the Company and traded in an active market as financial assets – available for sale, and to measure them at fair value. If the Company holds investments in unlisted shares that are not traded in active markets but are similarly classified as available-for-sale financial assets and recorded at fair value, this is based on management's assessment that their fair value can be measured reliably.</p>	<p>Financial Assets Designated at Fair Value through Other Comprehensive Income The audit procedures included reviewing the control procedures applied in the process of verifying existence and completeness. It was confirmed that the financial assets were recorded at fair value by verifying the closing prices from the Amman Stock Exchange and confirming the number of shares through confirmations obtained from the Securities Depository Center. Additionally, investments not listed on the Amman Stock Exchange were verified through confirmations of the number of shares invested in and by checking the closing prices through external stock exchange markets.</p>

Other Information

Management is responsible for other information which includes other information reported in the final report, but not included in the financial statements and our audit report on them.

Our opinion does not include these other information, and we do not express any assertion over it.

As part of our audit on financial statement of Sheba Renewable Energy Company for the year ended December 31, 2025, we are required to review these other information. During this review, we consider the compatibility of these information with their financial statement or with the knowledge we gained during the audit or other wise appears to contain fundamental errors. If we detected based on our audit, the existence of significant errors in the information, we are required to report this fact. Regarding this, we have nothing to report.

Management and Individuals Responsible of Governance about the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements of Sheba Renewable Energy Company, in accordance with International Financial Reporting Standards. For such internal control, management is determined to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Individuals responsible of governance are responsible of supervising the preparation of financial statements.

Certified Public Accountant Responsibility

Our objective is to obtain reasonable assurance about whether the financial statements are free from material misstatement whether due from error or fraud 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 International Audit Standards will always detect a material misstatement even 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 decision of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the initial 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 expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, we will modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the initial financial statements, including the disclosures, and assess whether the initial financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with audit committee 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.

Legal Requirements Report

The Sheba Renewable Energy Company maintains proper books of accounts and the accompanying financial statements contained for the year ended December 31, 2025, we recommend to be approved by the Board of Directors.

Modern Accountants

Walid M Taha
License No. (703)

Amman-Jordan
March 30, 2026

Modern Accountants



SHEBA RENEWABLE ENERGY COMPANY
(PUBLIC SHAREHOLDING COMPANY)

STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2025
(EXPRESSED IN JORDANIAN DINARS)

	Note	2025	2024
ASSETS			
Non-Current Assets			
Financial assets at fair value through other comprehensive income	5	-	216,130
Total Non-Current Assets		-	216,130
Current Assets			
Property plant and equipment held for sale	4	-	-
Prepaid expenses and other receivables	7	21,723	9,321
Financial assets at fair value through statement of comprehensive income	6	319,703	212,486
Accounts receivable	8	18,516	18,516
Cash and cash equivalents		17,947	63,523
Total Current Assets		377,889	303,846
TOTAL ASSETS		377,889	519,976
LIABILITIES AND OWNERS' EQUITY			
Owners' Equity			
Share capital	1	625,000	625,000
Statutory reserve	10	10,591	10,591
Fair value reserve		-	(92,213)
Accumulated losses		(366,883)	(226,293)
Total Owners' Equity		268,708	317,085
Current Liabilities			
Accrued expenses and other payables	9	10,186	38,685
Margin financing receivables		76,442	125,597
Accounts payable		22,553	38,609
Total Current Liabilities		109,181	202,891
TOTAL LIABILITIES AND OWNERS' EQUITY		377,889	519,976

The accompanying notes are an integral part of these financial statements

SHEBA RENEWABLE ENERGY COMPANY
(PUBLIC SHAREHOLDING COMPANY)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025
(EXPRESSED IN JORDANIAN DINAR)

	Note	2025	2024
Sales		-	-
Cost of sales		-	-
Gross Profit		-	-
Realized gains on sale of financial assets at fair value through comprehensive income		40,167	22,532
Unrealized (Losses) / Gains on sale of financial assets at fair value through comprehensive income		(12,391)	6,990
Gains on sale of property and equipment held for sale		-	170,867
Dividend income		4,550	21,850
General and administrative expenses	11	(42,809)	(109,706)
Financial charges		-	(73)
Other revenues and expenses net		-	(9,984)
(Loss) / Profit of the year before tax		(10,483)	102,476
Previous years' tax expense		-	(6,741)
(Loss) / Profit for the year		(10,483)	95,735
Other comprehensive income:			
Realized losses from the sale of financial assets recognized in other comprehensive income		(130,107)	-
Change in fair value reserve		92,213	(92,213)
TOTAL OTHER COMPREHENSIVE (LOSS) / INCOME		(48,377)	3,522
(Loss) / Profit per share:			
(Loss) / Profit per share - Dinar/share		(0,02)	0,15
Weighted Average of Outstanding Shares		625,000	625,000

The accompanying notes are an integral part of these financial statements

SHEBA RENEWABLE ENERGY COMPANY
(PUBLIC SHAREHOLDING COMPANY)

STATEMENT OF OWNERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025
(EXPRESSED IN JORDANIAN DINAR)

	Share Capital	Statutory Reserve	Fair Value Reserve	Accumulated Losses	Total
Balance at January 1, 2024	625,000	1,017	-	(312,454)	313,563
Comprehensive income for the year	-	-	(92,213)	95,735	3,522
Transfer to statutory reserve	-	9,574	-	(9,574)	-
Balance at December 31, 2024	625,000	10,591	(92,213)	(226,293)	317,085
Comprehensive income for the year	-	-	92,213	(10,483)	81,730
Realized losses from the sale of financial assets designated at fair value through other comprehensive income	-	-	-	(130,107)	(130,107)
Balance at December 31, 2025	625,000	10,591	-	(366,883)	268,708

The accompanying notes are an integral part of these financial statements

SHEBA RENEWABLE ENERGY COMPANY
(PUBLIC SHAREHOLDING COMPANY)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025
(EXPRESSED IN JORDANIAN DINAR)

	2025	2024
Operating Activities		
(Loss) / Profit of the year	(10,483)	95,735
Adjustments on (Loss) / Profit for the year :		
Gain on sale of property and equipment held for sale	-	(170,867)
Financial charges	-	73
Unrealized (Losses) / Gains on sale of financial assets at fair value through comprehensive income	12,391	(6,990)
Realized gain from the sale of financial assets designated at fair value through comprehensive income	(40,167)	(22,532)
Changes in operating assets and liabilities :		
Accounts receivable	-	40,664
Inventory	-	18,225
Prepaid expenses and other receivables	(12,402)	(467)
Accounts payable	(16,056)	16,749
Margin financing payables	(49,155)	125,597
Accrued expenses and other payables	(28,499)	(28,148)
Net cash (Used in) / Available from operating activities	(144,371)	68,039
Investing Activities		
Proceeds from the sale of property and equipment held for sale	-	486,535
Financial assets at fair value through other comprehensive income	178,236	(308,343)
Financial assets designated at fair value through comprehensive income	(79,441)	(182,964)
Net cash Available from / (used in) Investing Activities	98,795	(4,772)
FINANCING ACTIVITIES		
Financial charges paid	-	(73)
Net Cash used in Financing Activities	-	(73)
The Net Change in Cash and Cash Equivalents	(45,576)	63,194
Cash and cash equivalents, January 1	63,523	329
Cash and Cash Euivalents December 31	17,947	63,523

The accompanying notes are an integral part of these financial statements

SHEBA RENEWABLE ENERGY COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(EXPRESSED IN JORDANIAN DINAR)

1. ORGANIZATION AND ACTIVITY

Sheba Renewable Energy Company is a Jordanian public shareholding limited company ("the Company"), registered on June 2, 1992 with the Controller of Companies in the Ministry of Industry and Trade under No. (383), with a subscribed, authorized and paid-up capital of 625,000 JOD divided into 625,000 shares, the value of each 1 JOD share.

The Company decided, based on the minutes of the Company's extraordinary general assembly meeting held on February 14, 2024, that it was approved to change the Company's name from Sheba Metal Casting Company to Sheba Renewable Energy Company, and procedures were taken to amend and change the Company's name and objectives with the relevant government authorities.

The Company's main objectives are commercial agencies, entering into bids, importing and exporting, owning movable and movable property, investing money in a way that serves the Company's interest, in accordance with the applicable laws and regulations, borrowing the necessary funds from banks, trading new spare parts for vehicles, trading tires and rims, activities commercial brokerage, retail trade in renewable energy generation devices and equipment and supplies, retail licensing of water purification and filtration devices and equipment, implementation and maintenance of renewable energy projects, joint investment Company activities, purchase and sale of private real estate, rental of residential apartments, power generation from renewable energy sources, trade in vehicles with Engines (non-agent), car trading on commission (commission).

The Company's headquarters are in Amman.

2. New and Amended International Financial Reporting Standards

Standards and interpretations issued but not yet effective

Effective date

Amendments to International Financial Reporting Standards (IFRS) No. 7 and No. 9 – Amendments related to the classification and measurement of financial instruments.

January 1, 2026

Annual Improvements to International Accounting Standards, Volume 11.

January 1, 2026

Amendments to IFRS 9 and IFRS 7 – Power Purchase Agreements (PPAs).

January 1, 2026

International Financial Reporting Standard (IFRS) 18 – Presentation and Disclosure in Financial Statements.

January 1, 2027

International Financial Reporting Standard (IFRS) 19 – Subsidiaries without Public Accountability.

January 1, 2027

IFRS 10 and International Accounting Standard (IAS) 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

Available for optional application – effective date deferred indefinitely

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the financial statement of the Company in the period of initial application.

SHEBA RENEWABLE ENERGY COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025
(EXPRESSED IN JORDANIAN DINAR)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Preparation of Financial Statements

The accompanying financial statements have been prepared in accordance with the International Financial Reporting Standards .

The Basis of Preparation

These financial statements, were presented in Jordanian Dinar as the majority of transactions recorded in Jordanian Dinar.

The financial statements have been prepared on the historical cost basis. However, financial assets and financial liabilities are stated at fair value. The following is a summary of significant accounting policies applied by the Company as follows :

Equity Instruments at FVTOCI

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the cumulative changes in fair value of securities reserve. The cumulative changes or loss will not be reclassified investments, but reclassified to retained earnings. The Company has designated all instruments that are not held for trading as at FVTOCI.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of a part of the cost of the investments. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

The Company assesses the classification and measurement of the cash flows characteristics of the contractual asset and the Company's business model for managing the asset.

For an asset to classified and measured at FVTOCI, its contractual terms should give rise to cash flows that solely represent payments of principal and interest on the principal outstanding (SPPI).

At initial recognition of a financial asset, the Company determines whether newly recognized financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassesses its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period, the Company has not identified a change in its business models.

When a debt instrument measured at FVTOCI is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at FVTOCI are subject to impairment.

SHEBA RENEWABLE ENERGY COMPANY
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NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025
(EXPRESSED IN JORDANIAN DINAR)

Financial Assets at FVTPL

Financial assets at FVTPL are:

- (i) Assets with contractual cash flows that are not SPPI; or
- (ii) Assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- (iii) Assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains / losses arising on re-measurement recognized in profit or loss.

Fair value option: A financial instrument with a reliably measurable fair value can be designated as FVTPL (the fair value option) on its initial recognition, even if the financial instrument was not acquired or incurred principally for the purpose of selling or repurchasing. The fair value option can be used for financial assets if it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities, or recognizing related gains and losses on a different basis (an "accounting mismatch").

Reclassifications

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in the business model that results in reclassifying the Company's financial assets. During the current financial year and previous accounting period, there was no change in the business model under which the Company holds financial assets; therefore, no reclassifications were made

Impairment

IFRS 9 replaces the "incurred loss" model in IAS 39 with an expected credit loss model (ECLs). The Company recognizes loss allowance for expected credit losses on the following financial instruments that are not measured at FVTPL:

- Cash and bank balances;
- Trade and other receivables;
- Due to related party.

Except for purchased or originated credit-impaired (POCI) financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12 Month ECL, i.e. lifetime ECL that results from those default events on the financial instrument that are possible within 12 months after the reporting date (referred to as stage1); or
- Full lifetime ECL, i.e. Lifetime ECL that results from all possible default events over the life of the financial instruments, (referred to as stage 2 and stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Company has elected to measure loss allowances of cash and bank balances, trade and other receivables, and due from a related party at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios , and discounted at the asset's EIR.

SHEBA RENEWABLE ENERGY COMPANY
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NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025
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Loss allowance for financial investments measured at amortized costs is deducted from the gross carrying amount of assets. For debt securities measured at FVTOCI, the loss allowance is recognized in the OCI, instead of reducing the carrying amount of the asset.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available, without undue costs or effort. This includes both quantitative and qualitative information and analysis, based on the Company's previous experience and on the available credit score, including forward-looking information.

For certain categories of financial assets, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's experience of collecting payments, an increase in the number of delayed payments in the portfolio, as well as observable changes in national or local economic conditions that correlate with default on receivables.

Impairment losses related to cash and bank balances, trade, and other receivables and due from a related party, are presented separately in the condensed statement of income and other comprehensive income.

The Company considers debt security to have low credit risk when its credit risk rating is equivalent to the globally accepted definition of the grade of the investment.

Measurement of ECL

The Company employs statistical models for ECL calculations. ECLs are a probability-weighted estimate of credit losses. For measuring ECL under IFRS 9, the key input would be the term structure of the following variables.

- Probability of Default (PD);
- Loss Given Default (LGD); and
- Exposure at Default (ED).

These parameters will be derived from our internally developed statistical models and other historical data. They will be adjusted to reflect forward-looking information.

Credit-Impaired Financial Assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred. Credit-impaired financial assets are referred to as stage 3 assets. At each reporting date, the Company assesses whether financial assets are carried at amortized costs and debt securities at FVTOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cashflows of the financial asset have occurred.

Derecognition of Financial Assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

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NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025
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On derecognition of a financial asset measured at amortized cost or measured at FVTPL, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

On derecognition of a financial asset that is classified as FVTOCI, the cumulative gain or loss previously accumulated in the cumulative changes in fair value of securities reserve is not reclassified to profit or loss but is reclassified to retained earnings.

Presentation of allowance for ECL is presented in the financial information

Loss allowances for ECL are presented in the financial information as follows:

- For financial assets measured at amortized cost (loans and advances, cash and bank balances), as a deduction from the gross carrying amount of the assets.
- for debt instruments measured at FVTOCI, no loss allowance is recognized in the condensed statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the revaluation reserve and recognized in other comprehensive income.

Revenue Recognition

IFRS 15 "revenue from contracts with customers" outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found across several standards and interpretation within IFRS. It establishes a new five-step model that will apply to revenue arising from contracts with customers.

Other revenue is recognized on an accrual basis.

Critical Accounting Judgments and Key Sources of Estimation Uncertainty

The preparation of financial statements requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expenses. Actual results may differ from these estimates.

In preparing these financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements.

Critical Judgments in Applying the Company's Accounting Policies in Respect Of IFRS 9

• Business Model Assessment

Classification and measurement of financial assets depend on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how the groups of financial assets were managed together to achieve a particular business objective. This assessment includes judgments reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed, and how the managers of the assets are compensated. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

SHEBA RENEWABLE ENERGY COMPANY
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NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025
(EXPRESSED IN JORDANIAN DINAR)

• **Significant Increase of Credit Risk**

ECLs are measured as an allowance equal to 12-month ECL for stage1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Company considers both qualitative and quantitative reasonable and supportable forward-looking information.

• **Establishing Company's Assets with Similar Credit Risk Characteristics**

When ECLs are measured on a collective basis, the financial instruments are grouped based on shared risk characteristics (e.g., instrument type, credit risk grade, collateral type, date of initial recognition, remaining term to maturity, industry, geographic location of the borrower, etc.). The Company monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required to ensure that should credit risk characteristics change there is an appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that Company of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12 month or lifetime ECLs, but the amount of the ECLs changes because the credit risk of the portfolios differ.

• **Models and Assumptions Used**

The Company uses various models and assumptions in measuring the fair value of financial assets and in estimating ECL. Judgment is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

Key Sources of Estimation Uncertainty in Respect of IFRS 9

The following are key estimations that the management has used in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in condensed financial statements.

Establishing the number and relative weightings of forward-looking scenarios for each type of product/market determining the forward-looking information relevant to each scenario. When measuring ECL, the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

• **Probability of Default**

PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions, and expectations of future conditions.

• **Loss Given to Default**

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

SHEBA RENEWABLE ENERGY COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2025
(EXPRESSED IN JORDANIAN DINAR)

Cash and Cash Equivalents

Cash and cash equivalent include cash, demand deposits, and highly liquid investments with original maturities of three months or less.

Accounts Receivable

Trade receivables are shown at their net recoverable value and a provision for impairment of receivables is made based on a complete review of all balances at the end of the year, and the disbursed debts are written off in the period in which they are identified.

Accounts Payable and Accruals

Accounts payable are stated at the obligation amounts for received services and goods, whether billed by the suppliers or not.

Expenses

General and administrative expenses include both direct and indirect costs not specifically part of costs of sales as required under generally accepted accounting principles. Allocations between general and administrative expenses and cost of sales are made on a consistent basis when required.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events for which the costs to settle the obligation are both probable and can be reliably estimated.

Provisions are measured according to the best expectations of the consideration required to meet the obligation as at the statement of financial position date, after taking into consideration the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, the receivable is recognized as an asset if it is certain that the amount will be received and replaced and the amount can be measured reliably.

The Sector Report

The business sector represents a collection of assets and operations engaged together in providing products or services subject to risks and returns that are different from those of other business sectors, which are measured according to the reports that are used by the executive director and the main decision-makers in the Company.

A geographical segment is associated with providing products in a particular economic environment subject to risks and returns that are different from those for sectors to work in an economic environment.

Offsetting

Financial assets and financial liabilities are offset, and the net amount is reflected in the statement of financial position only when there are legal rights to offset the recognized amounts, and when it intends to settle them on a net basis, or when assets are realized and liabilities settled simultaneously.

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Income Tax

The Company is subject to the Income Tax Law for the year and its subsequent amendments and the regulations issued by the Income Tax Department in the Hashemite Kingdom of Jordan and provided on an accrual basis. Income Tax is computed based on adjusted net income. According to International accounting standard No. (12), the Company may have deferred tax assets resulting from the temporary differences between the accounting value and tax value of the assets and liabilities related to the provisions, these assets are not shown in the financial statements as they are immaterial.

Foreign Currency Translation

Foreign currency transactions are translated into Jordanian Dinars at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the financial position are translated into Jordanian Dinars at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are included in the comprehensive income statement.

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4. PROPERTY PLANT AND EQUIPMENT HELD FOR SALE

This item represents the net book value of property plant and equipment

	2025	2024
Balance at the beginning of the year	-	315,668
Transfers from property plant and equipment *	-	-
Property and equipment sold	-	(315,668)
Balance at the end of the year	-	-

* Property and equipment held for sale and transferred from property plant and equipment are as follows:

	2025	2024
Historical cost	24,297	24,297
Deduct: accumulated depreciation	(24,297)	(24,297)
	-	-

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025	2024
Investment in Injaz for Development and Projects with zero shares (2024: 750,000 shares)	-	216,130
	-	216,130

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6. FINANCIAL ASSETS AT FAIR VALUE THROUGH COMPREHENSIVE INCOME

	2025	2024
Investment in Afaq Holding for Investment and Real Estate Development Company with zero shares (2024: 97,633 shares)	-	65,002
Investment in Jordan Electric Power Company (P.S.C) with 35,000 shares.	128,800	-
Investment in Specialized Investment Compounds Company (P.S.C) with 65,529 shares.	98,294	-
Investing in Tihama Financial Investments (P.S.C) with 21,810 shares (2024: 19,000 shares)	9,160	39,271
Investment in Phoenix Arab Holding Company (P.S.C) with 15,609 shares.	8,429	-
Investment in Jordan Decapolis Properties Company (Public Shareholding Company) with 30,000 shares	14,100	-
Investment in United Cable Industries Company (P.S.C) with 13,339 shares.	16,940	-
Investment in Tajamouat for Catering and Housing Services Company (P.S.C) with 11,000 shares.	7,480	-
Investment in Tajamouat for Tourism Investments Company (P.S.C) with 25,000 shares.	19,000	-
Investment in the Jordan Phosphate Mines Company with zero shares (2024: 5,500 shares)	-	78,866
Investment in Comprehensive Multiple Project Company (P.S.C.) with 30,173 shares (2024: 30,173 shares)	17,500	19,808
Investing in Darat Jordan Holding Company (P.S.C.) with zero shares (2024: 20,000 shares)	-	9,539
	319,703	212,486

7. PREPAID EXPENSES AND OTHER RECEIVABLES

	2025	2024
Prepaid expenses	20,823	8,421
Refundable deposits	900	900
	21,723	9,321

8. ACCOUNTS RECEIVABLE

	2025	2024
Account receivable	27,220	27,220
Deducted: provision for credit losses *	(8,704)	(8,704)
	18,516	18,516

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*movement in provision for credit losses

	2025	2024
Balance at January 1	8,704	17,704
Additions	-	-
Return from allocation	-	(9,000)
Balance at December 31	8,704	8,704

9. ACCRUED EXPENSES AND OTHER PAYABLES

	2025	2024
Accrued expenses	550	12,413
Professional fees	2,460	5,360
Sanctions fund safeguards	4,504	4,504
Social security deposits	1,200	174
National contribution provision	636	636
Income tax deposit	836	4,446
Sales tax deposit	-	11,152
	10,186	38,685

10. STATUTORY RESERVE

In accordance with the Companies' Law in the Hashemite Kingdom of Jordan and the Company's Article of Association, the Company has established a statutory reserve by the appropriating of 10% of net income until the reserve equals 25% of the capital. However, the Company may, with the approval of the General Assembly, continue deducting this annual ratio until this reserve is equal to the subscribed capital of the Company in full. This reserve is not available for dividends distribution. The General Assembly has the right, after exhausting the other reserves, to decide in an extraordinary meeting to extinguish its losses from the sums collected in the obligatory reserve account, provided that it is rebuilt in accordance with the provisions of the aforementioned law.

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11. GENERAL AND ADMINISTRATIVE EXPENSES

	2025	2024
Salaries and wages	5,614	12,414
Health insurance	9,734	2,380
Depreciation	-	2,045
Professional fees	1,140	8,271
Post, telegraph and telephone	-	318
Advertising expenses	90	-
Case expenses	1,070	40,516
Fees and subscriptions	461	5,643
Board of Directors' travel allowance and bonuses	18,000	18,000
General assembly meetings	614	1,228
Government fines fees	6,051	12,645
Others	35	6,246
	42,809	109,706

12. INCOME TAX

The company has settled its tax status with the Income and Sales Tax Department up to the year 2023. As for 2024, the self-assessment tax return has been submitted to the Department; however, the company's accounting records have not been audited by the Department as of the date of issuance of the financial statements.

13. THE LEGAL STATUS OF THE COMPANY

There are no lawsuits filed by and/or against the company as of December 31, 2025.

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14. FINANCIAL INSTRUMENTS

Fair Value

The fair value of financial assets and financial liabilities. Financial assets include cash and cash equivalents and checks under collection and receivables, securities, and include accounts payable, credit facilities and loans and credits and other financial liabilities.

First level: The market prices stated in active markets for the same financial instruments.

Second Level: Assessment methods depend on the input affect the fair value and can be observed directly or indirectly in the market.

Level III: valuation techniques based on inputs affect the fair value cannot be observed directly or indirectly in the market.

December 31, 2025

	<u>First level</u>	<u>Second Level</u>	<u>Third Level</u>	<u>Total</u>
Financial assets designated at fair value through statement of comprehensive income	319,703	-	-	319,703
Financial assets designated at fair value through statement of other comprehensive income	-	-	-	-
	<u>319,703</u>	<u>-</u>	<u>-</u>	<u>319,703</u>

December 31, 2024

	<u>level one</u>	<u>Second Level</u>	<u>Third level</u>	<u>Total</u>
Financial assets designated at fair value through statement of comprehensive income	212,486	-	-	212,486
Financial assets designated at fair value through statement of other comprehensive income	216,130	-	-	216,130
	<u>428,616</u>	<u>-</u>	<u>-</u>	<u>428,616</u>

The value set out in the third level reflects the cost of buying these assets rather than its fair value due to the lack of an active market them, this is the opinion of directors that the purchase cost is the most convenient way to measure the fair value of these assets and that there was no impairment.

Management of Share Capital Risks

The Company manages its capital to make sure that the Company will continue when it takes the highest return by the best limit for debts and shareholders' equity balances. The Company's strategy doesn't change from 2024.

Structuring of the Company's capital includes the owners' equity in the Company which includes share capital, statutory reserve, and accumulated losses as listed in the changes in owners' equity statement.

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The Management of the Financial Risks

The Company's activities might be exposed mainly to the following financial risks:

Debt Rate

The Board of Directors periodically reviews the share capital structure. As a part of this review, the Board of Directors considers the cost of share capital and the risks that is related in each faction from capital and debt factions. The Company's capital structure does not includes debts from borrowing. The Company doesn't determine the highest limit of the debt rate, and the Company does not expect an increase in the debt rate through new debt issues during 2026.

The Management of the Financial Risks

The Company's activities might be exposing mainly to the following financial and market risks.

Management of the Foreign Currency Risks

The Company is not exposed to significant risks related to foreign currency price changes; therefore, there is no need for effective management for this exposure.

Interest Rate Risk

It is defined as the risk of fluctuation of the fair value or future cash flows of the financial instrument as a result of the change in the market interest rate, and that the financial instruments appearing in the statement of financial position are not subject to interest rate risks, with the exception of creditor banks and loans that are subject to interest rates circulating in the market. The risk is managed by maintaining an appropriate combination of floating and fixed interest rate balances during the financial year.

The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the Company's profit for one year, and it is calculated based on the financial liabilities which carry variable interest rates at the end of the year.

Other Price Risks

The Company is exposed to price risks resulting from its investments in owners' equity to other companies. The Company keeps investments in other owner's equity for strategic purposes and not for trading purposes. The Company has no trading activity in those investments.

Credit Risk Management

The credit risks represent in one part of the financial instruments contracts has not obligated to pay the contractual obligations and cause of that the Company is exposing financial losses. However, there are no contracts with any other parts, so the Company does not expose to different types of the credit risks. The significant credit exposed for any parts or group of parts that have a similar specification have been disclosed. The Company classified the parts which have similar specifications as a related parties, except the amounts which are related in the cash money. The credits risks that are resulting from the cash money are specific because the parts that are dealing with it are local banks have good reputations and have been controlled from control parties.

The amounts included in these financial statements represent the Company's highest exposure to credit risk for trade and other receivables, cash and cash equivalents.

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Management of Liquidity Risks

Board of Directors is responsible for management of liquidity risks to manage the cash requirements, short, medium and long term liquidity. The Company managed the liquidity risks through controlling the future cash flows that evaluated permanently and correspond the due dates of assets and liabilities.

The following table represents the contractual eligibilities to non-derivative financial liabilities.

The table has prepared on the non-deducted cash flows to the financial liabilities basis according to the early due dates that may require from the Company to pay or receive.

The table below contains cash flows for major amounts and interests.

	<u>Year or Less</u>	<u>More than One Year</u>	<u>Total</u>
<u>December 31, 2025</u>			
Tools without interest	109,181	-	109,181
Tools with interest	-	-	-
Total	109,181	-	109,181
<u>December 31, 2024</u>			
Tools without interest	202,891	-	202,891
Tools with interest	-	-	-
Total	202,891	-	202,891

Foreign Exchange Risk Management

It is the risk of changing the value of financial instruments as a result of the change in foreign currency rates. The Jordanian Dinar is considered the Company's base currency. The Board of Directors sets limits for the financial position of each currency with the Company. The foreign currency position is reviewed on a daily basis and strategies are followed to ensure that the foreign currency position is maintained within the approved limits.

All the Group's operations are carried out mainly in Jordanian Dinars, and there is no risk as a result of the Company's dealings with those currencies, as the prices of those currencies are fixed and do not change because they are pegged to the US Dollar.

Interest Rates Risk

Interest rate risk arises mainly from floating rate borrowings (floating rate) and short-term fixed-rate deposits. Interest rate risk for borrowed funds is managed effectively.

The sensitivity of the statement of income is the effect of the assumed changes in interest rates on the Company's profit for one year and is calculated based on financial liabilities bearing a variable interest rate at the end of the year.

15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorized for issuance on March 30, 2026

16. COMPARATIVE FIGURES

Certain figures for 2024 have been reclassified to confirm the presentation with year of 2025.