

THE JORDAN CEMENT FACTORIES COMPANY

PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 SEPTEMBER 2025

**REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF THE JORDAN CEMENT FACTORIES COMPANY –PUBLIC SHAREHOLDING
COMPANY
AMMAN - JORDAN**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of The Jordan Cement Factories Company - Jordan Public Shareholding Company (the “Company”) and its subsidiaries (the “Group”) as of 30 September 2025, comprising of the interim condensed consolidated statement of financial position as at 30 September 2025 and the related interim condensed consolidated statement of income, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the nine months then ended and explanatory notes in accordance with International Accounting Standard (34) - Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with international standards on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Material uncertainty related to going concern

As disclosed in note (14) to the interim condensed consolidated financial statements, the Company’s Board of Directors decided to apply for the declaration of the Company’s insolvency according to the Jordanian insolvency Law No. (21) of 2018 in order to restructure the Company’s capital. The court’s decision to approve the declaration of insolvency was issued on 26 July 2020, and the reorganization plan was adopted on 28 August 2022. As disclosed in note (7) to the interim condensed consolidated financial statements, the Group’s accumulated losses of JD 103,364,418 exceeded the Group’s total paid-in capital as at 30 September 2025. Also, the Group’s current liabilities exceeded its current assets by an amount of JD 62,205,612 as at 30 September 2025. According to article (266) of Companies Law No. (22) of 1997 and its amendments, if the public shareholding company accumulated losses exceed 75% of its paid-in capital, the Company shall be liquidated unless the General Assembly of the Company issues a decision in its extraordinary meeting to increase the Company’s capital or address the Company’s losses. These events and conditions indicate that a material uncertainty exists about the Group’s ability to continue as a going concern. Our conclusion is not modified in respect to this matter.

Amman – Jordan
30 October 2025

ERNST & YOUNG
Amman - Jordan

THE JORDAN CEMENT FACTORIES COMPANY – PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025

	Notes	30 September 2025 JD (Unaudited)	31 December 2024 JD (Audited)
ASSETS			
Non-current assets -			
Property, plant and equipment	3	39,350,155	39,600,665
Investment properties	4	9,673,204	9,966,037
Right-of-use assets		222,431	408,686
Financial assets at fair value through other comprehensive income	10	308,959	294,286
Employees' housing and car loans		53,466	149,592
Deferred tax assets	8	1,693,389	1,693,389
Goodwill		2,495,945	2,495,945
Intangible assets		25,002	30,145
		<u>53,822,551</u>	<u>54,638,745</u>
Current assets -			
Inventory and spare parts		13,222,812	14,113,113
Accounts receivable and cheques under collection	5	14,767,509	16,169,660
Other current assets	5	9,719,285	9,916,050
Cash on hand and balances at banks	6	2,081,369	7,711,302
TOTAL CURRENT ASSETS		<u>39,790,975</u>	<u>47,910,125</u>
TOTAL ASSETS		<u>93,613,526</u>	<u>102,548,870</u>
EQUITY AND LIABILITIES			
Equity			
Paid-in capital	1&7	60,444,460	60,444,460
Treasury shares		(323)	(323)
Statutory reserve	7	3,317,202	3,317,202
Fair value reserve	10	44,244	29,536
Accumulated losses	7	(103,364,418)	(103,936,396)
		(39,558,835)	(40,145,521)
Non-controlling interests		6,614,176	7,097,554
Deficit in equity		<u>(32,944,659)</u>	<u>(33,047,967)</u>
Liabilities -			
Non-current liabilities -			
Long-term lease liabilities		180,298	180,298
Employees' post-retirement health insurance benefits		24,381,300	24,478,958
		<u>24,561,598</u>	<u>24,659,256</u>
Current liabilities -			
Accounts payable		27,254,618	32,665,462
Other current liabilities		15,563,773	16,176,899
Income tax provision	8	633,678	1,089,189
Short-term lease liabilities		68,437	259,908
Restructuring provision		-	1,200,000
Bank overdraft		-	23,820
Insolvency debts	14	58,476,081	59,522,303
TOTAL CURRENT LIABILITIES		<u>101,996,587</u>	<u>110,937,581</u>
TOTAL LIABILITIES		<u>126,558,185</u>	<u>135,596,837</u>
TOTAL EQUITY AND LIABILITIES		<u>93,613,526</u>	<u>102,548,870</u>

The accompanying notes from 1 to 14 form part of these interim condensed consolidated financial statements

THE JORDAN CEMENT FACTORIES COMPANY – PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2025 (UNAUDITED)

	Notes	For the nine months ended 30 September	
		2025	2024
		JD	JD
Sales		49,235,122	54,743,892
Cost of sales		(41,032,022)	(47,085,502)
Gross profit		8,203,100	7,658,390
Selling and marketing expenses		(1,102,083)	(1,364,043)
Administrative expenses		(2,960,076)	(2,956,553)
Operating income		4,140,941	3,337,794
Provision for employees' housing and car loans		-	(40)
Interest income		25,866	63,218
Depreciation of investment properties	4	(292,833)	(374,463)
Finance costs		(237,697)	(59,156)
Provision for expected credit losses		-	(200,000)
Lease finance costs		(24,647)	(36,921)
Provision for employees' post-retirement health insurance benefits		(954,000)	(1,073,657)
Provision for restructuring		(21,667)	(1,979,808)
Provision for from slow moving items and spare parts		(225,000)	(225,000)
Provision for rehabilitation of quarries and environment protection		(9,405)	(10,143)
Recovered from employees' vacations provision		16,449	46,866
Amortization of intangible assets		(5,143)	(5,148)
Gain from foreign currency revaluation		11,713	2,299
Gain from sale of property, plant and equipment, net		194,847	195,580
Witten-off debts resulted from ownership of major creditors	14	-	9,832,092
Gain resulted from loan settlements and liabilities	14	-	31,015,604
Other income - net		296,202	127,159
Profit for the period before income tax		2,915,626	40,656,276
Income tax for the period	8	(867,026)	(8,880,923)
Profit for the period		2,048,600	31,775,353
Attributable to:			
Shareholders of the Company		571,978	30,073,614
Non-controlling-interests		1,476,622	1,701,739
		2,048,600	31,775,353
		JD/ Fils	JD/ Fils
Basic and diluted profit per share for the period attributable to the shareholders of the Company	9	0.009	0.498

The accompanying notes from 1 to 14 form part of these interim condensed consolidated financial statements

THE JORDAN CEMENT FACTORIES COMPANY – PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2025 (UNAUDITED)

	Note	For the nine months ended 30	
		September	
		2025	2024
		JD	JD
Profit for the period		2,048,600	31,775,353
Other comprehensive income items that will not be			
reclassified to profit or loss in subsequent periods:			
Changes in fair value resulted from financial assets at fair value			
through other comprehensive income	10	14,708	27,725
Total comprehensive income for the period		2,063,308	31,803,078
Attributable to:			
Shareholders of the Company		586,686	30,101,339
Non-controlling interests		1,476,622	1,701,739
		2,063,308	31,803,078

The accompanying notes from 1 to 14 form part of these interim condensed consolidated financial statements

THE JORDAN CEMENT FACTORIES COMPANY – PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2025 (UNAUDITED)

	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
30 September 2025-								
Balance at 1 January	60,444,460	(323)	3,317,202	29,536	(103,936,396)	(40,145,521)	7,097,554	(33,047,967)
Profit for the period	-	-	-	-	571,978	571,978	1,476,622	2,048,600
Other comprehensive income items (Note 10)	-	-	-	14,708	-	14,708	-	14,708
Dividend distribution to non-controlling interest (Note 7)	-	-	-	-	-	-	(1,960,000)	(1,960,000)
Balance as at 30 September	<u>60,444,460</u>	<u>(323)</u>	<u>3,317,202</u>	<u>44,244</u>	<u>(103,364,418)</u>	<u>(39,558,835)</u>	<u>6,614,176</u>	<u>(32,944,659)</u>
30 September 2024-								
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 period	-	-	-	-	30,073,614	30,073,614	1,701,739	31,775,353
Other comprehensive income items	-	-	-	27,725	-	27,725	-	27,725
Dividend distribution to non-controlling interest (Note 7)	-	-	-	-	-	-	(1,470,000)	(1,470,000)
Balance as at 30 September	<u>60,444,460</u>	<u>(323)</u>	<u>239,094</u>	<u>29,794</u>	<u>(104,275,150)</u>	<u>(43,562,125)</u>	<u>6,565,766</u>	<u>(36,996,359)</u>

The accompanying notes from 1 to 14 form part of these interim condensed consolidated financial statements

THE JORDAN CEMENT FACTORIES COMPANY – PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2025 (UNAUDITED)

		For the nine months ended 30 September	
	Notes	2025 JD	2024 JD
<u>OPERATING ACTIVITIES</u>			
Profit for the period before income tax		2,915,626	40,656,276
Adjustments:			
Gain resulted from loan settlements and liabilities		-	(31,015,604)
Depreciation	3&4	2,253,250	2,433,455
Amortization of intangible assets		5,143	5,148
Depreciation of right-of-use-assets		186,255	137,063
Written-off debts resulted from ownership of major creditors		-	(9,832,092)
Gain from sale of property, plant and equipment	3	(194,847)	(195,580)
Loss on disposal of investment properties		-	4,914
Provision for employees' post-retirement health insurance benefits		954,000	1,073,657
Provision for rehabilitation of quarries and environment protection		9,405	10,143
Provision for slow moving items and spare parts		225,000	225,000
Provision for employees' housing and car loans provision		-	40
Finance costs		237,697	59,156
Provision for expected credit losses		-	200,000
Lease finance cost		24,647	36,921
Provision for restructuring		21,667	1,979,808
Interest income		(25,866)	(63,218)
Recovered from employees' vacations provision		(16,449)	(46,866)
Changes in working capital:			
Inventory and spare parts		665,301	3,236,330
Accounts receivable, other current assets and cheques under collection		1,598,916	(2,770,088)
Accounts payable and other current liabilities		(7,084,782)	(1,869,708)
Restructuring provision		(1,200,000)	(2,674,132)
Paid from post-retirement health insurance benefits provision		(1,051,658)	(923,328)
Paid from lawsuits provision		-	(183,365)
Income tax paid	8	(1,322,537)	(1,123,805)
Net cash flows used in operating activities		(1,799,232)	(639,875)
<u>INVESTING ACTIVITIES</u>			
Purchase of property, plant and equipment and projects in progress	3	(1,713,755)	(1,148,215)
Proceeds from sale of property, plant and equipment		198,697	287,919
Proceeds from employees' housing and car loans		96,126	80,026
Net cash flows used in investing activities		(1,418,932)	(780,270)
<u>FINANCING ACTIVITIES</u>			
Dividends paid	7	(1,960,000)	(1,470,000)
Payments of lease liabilities		(210,340)	(170,317)
Finance cost paid		(267,295)	(59,156)
Interest income received		25,866	63,218
Net cash flows used in financing activities		(2,411,769)	(1,636,255)
Net decrease in cash and cash equivalents		(5,629,933)	(3,056,400)
Cash and cash equivalents at the beginning of the period		7,711,302	5,546,217
Cash and cash equivalents at the end of the period	6	2,081,369	2,489,817
<u>Non-Cash Transactions</u>			
Deferred bank guarantees payments		-	(2,187,653)
Loans payments		-	(16,033,023)
Overdraft payments		-	(12,786,916)
Other current liabilities payments		-	(8,012)
		-	(31,015,604)

The accompanying notes from 1 to 14 form part of these interim condensed consolidated financial statements

THE JORDAN CEMENT FACTORIES COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2025 (UNAUDITED)

(1) GENERAL

The Jordan Cement Factories Company (the "Company") was established in 1951 and was registered as a public shareholding company at the Ministry of Industry and Trade during the year 1964. The Company's paid-in capital amounted to JD 60,444,460 divided into 60,444,460 shares with a par value of JD 1 per share as at 30 September 2025.

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 (the "Parent Company").

In light of the current financial conditions of the Group, 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 2022 to discuss the reorganization plan, which was approved and voted on, along with the proposals that were accepted 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 14).

The accompanying interim condensed consolidated financial statements were approved by the Company's Board of Directors in its meeting held on 27 October 2025.

(2) BASIS OF PREPARATION AND ACCOUNTING POLICIES

(2-1) BASIS OF PREPARATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard No. 34 (Interim Financial Reporting).

The Jordanian Dinar ("JD") is the presentation currency of the interim condensed consolidated financial statements and represents the functional currency of the Group.

The interim condensed consolidated financial statements have been prepared on the historical cost basis, except for financial assets at fair value through other comprehensive income, which are stated at fair value at the date of the interim condensed consolidated financial statements.

The interim condensed consolidated financial statements do not include all the information and disclosures required for the annual financial statements prepared in accordance with International Financial Reporting Standards – Accounting Standards and should be read in conjunction with the Group's annual report as of 31 December 2024. The operating results for the nine months ended 30 September 2025 are not necessarily indicative of the results expected for the year ended 31 December 2025.

(2-2) BASIS OF CONSOLIDATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements include the financial statements of Jordan Cement Factories Company (the Company) and its following subsidiaries (together referred to as the Group) as at 30 September 2025:

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

* The Jordan Cement Factories Company - Public Shareholding Company, established Al-Fuhais 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 at 30 September 2025. The Company has not carried out any operational activity since its establishment until the date of these interim condensed 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 are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

THE JORDAN CEMENT FACTORIES COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2025 (UNAUDITED)

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent 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 the Group and subsidiaries 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 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 profit or loss resulting from loss of control.
- Reclassifies the Company's share of components previously recognized in other comprehensive income to statement of income.

(2-3) CHANGES IN ACCOUNTING POLICIES

The accounting policies followed in preparing the interim condensed consolidated financial statements are consistent with those followed in preparing the interim condensed consolidated financial statements for the year ended 31 December 2024, except that the Group applied the following amendments effective 1 January 2025:

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 are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments did not have a material impact on the Group's interim condensed consolidated financial statements.

THE JORDAN CEMENT FACTORIES COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2025 (UNAUDITED)

(3) PROPERTY, PLANT AND EQUIPMENT

Additions to property, plant and equipment during the nine months ended 30 September 2025, amounted to JD 1,713,755 (30 September 2024: JD 1,148,215). The Group disposed of property, plant and equipment during the nine months ended 30 September 2025, with a net carrying amount of JD 3,848 (30 September 2024: JD 92,339). The sale of property, plant and equipment resulted in a gain of JD 194,847 (30 September 2024: a gain of JD 195,580).

Depreciation expense for the nine months ended 30 September 2025, amounted to JD 1,960,417 (30 September 2024: JD 2,058,992).

(4) INVESTMENTS PROPERTIES

This item represents properties owned by the Group, which include land and buildings.

Depreciation expense for the nine months ended 30 September 2025 amounted to JD 292,833 (30 September 2024: JD 374,463).

Management estimated the fair value of the investment properties as of 31 December 2024. In the opinion of management, the fair value of the investment properties exceeds their carrying amount as of 30 September 2025 and 31 December 2024.

(5) ACCOUNT RECEIVABLES AND CHEQUES UNDER COLLECTION

The details of accounts receivable and cheques under for collection are as follows:

	30 September 2025	31 December 2024
	JD	JD
	(Unaudited)	(Audited)
Local sales receivables	13,827,998	14,880,785
Foreign sales receivables	1,920,688	1,918,681
Cheques under collection	8,020,191	8,371,562
	23,768,877	25,171,028
Provision for expected credit losses*	(9,001,368)	(9,001,368)
	14,767,509	16,169,660

THE JORDAN CEMENT FACTORIES COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2025 (UNAUDITED)

* The details of the movement in the provision for expected credit losses are as follows:

	30 September 2025	31 December 2024
	JD	JD
	(Unaudited)	(Audited)
Balance as at 1 January	9,001,368	9,016,859
Provision for the period / year	-	400,000
Transferred to other current assets provision	-	(403,000)
Amounts written-off	-	(12,491)
Balance at the end of the period / year	<u>9,001,368</u>	<u>9,001,368</u>

The details of other current assets are as follows:

	30 September 2025	31 December 2024
	JD	JD
	(Unaudited)	(Audited)
Receivables due from the sale of the second production line – Al Fuheis Factory	6,711,811	6,711,811
Refundable deposits	1,706,440	1,800,691
Prepaid expenses	656,468	737,540
Receivables and advance payments to contractors	280,281	202,092
Receivables from a related party (Note 13)	199,628	199,628
Other	164,657	264,288
	<u>9,719,285</u>	<u>9,916,050</u>

(6) CASH ON HAND AND BALANCES AT BANKS

	30 September 2025	31 December 2024
	JD	JD
	(Unaudited)	(Audited)
Cash on hand	4,820	5,540
Balances at banks	2,076,549	6,005,762
Short-term deposits maturing within less than 3 months	-	1,700,000
	<u>2,081,369</u>	<u>7,711,302</u>

THE JORDAN CEMENT FACTORIES COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2025 (UNAUDITED)

Cash and cash equivalents, as presented in the condensed interim consolidated statement of cash flows, comprise the following:

	For the nine months ended 30 September	
	2025	2024
	JD	JD
	(Unaudited)	(Unaudited)
Cash on hand	4,820	-
Balances at banks	2,076,549	2,489,817
	<u>2,081,369</u>	<u>2,489,817</u>

* The Group has unused credit facilities in the form of an overdraft with a limit of JD 6,250,000 as of 30 September 2025 and 31 December 2024.

(7) SHAREHOLDERS' EQUITY

Paid-in capital –

The Group's authorized and paid-in capital amounts to JD 60,444,460, divided into 60,444,460 shares with a par value of JD 1 per share as at 30 September 2025.

Statutory reserve –

The amounts accumulated in this item represent the 10% transfer from profits before income tax during the years in accordance with the Companies Law. This reserve is not available for distribution to shareholders.

Accumulated losses –

As of 30 September 2025, the Group's accumulated losses amounting to JD 103,364,418 exceeded the Company's full paid-in capital. The Group's current liabilities exceeded its current assets by JD 62,205,612 as of 30 September 2025.

These events and circumstances indicate that there is substantial doubt about the Group's ability to continue as a going concern. According to article (266) of Companies Law No. (22) of 1997 and its amendments, if the Company's accumulated losses exceed 75% of its paid-in capital, the Company shall be liquidated unless the General Assembly of the Company issues a decision in its extraordinary meeting to increase the Company's capital or address the Company's losses. As disclosed in note (14), the Company's Board of Directors resolved to submit a request to declare the Company's insolvency according to the Jordanian Insolvency Law No. (21) of 2018, in order to restructure the Company's capital. A decision was issued by The Salt Court of First Instance approving the declaration of insolvency on 26 July 2020, and the reorganization plan was approved on 28 August 2022.

THE JORDAN CEMENT FACTORIES COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2025 (UNAUDITED)

Dividend distribution –

The General Assembly of Arabian Concrete Supply Company Limited approved, in its extraordinary meeting held on 23 March 2025, the distribution of cash dividends in the amount of JD 4,000,000 with non-controlling interests portion amounting to JD 1,960,000.

The General Assembly of Arabian Concrete Supply Company Limited approved, in its extraordinary meeting held on 28 March 2024, the distribution of cash dividends in the amount of JD 3,000,000 with non-controlling interests portion amounting to JD 1,470,000.

(8) INCOME TAX

The income tax provision for the Jordan Cement Factories Public Shareholding Company Group for the first half of 2025 was calculated in accordance with Income Tax Law No. (34) of 2014 and its amendments, applying the statutory income tax rate of 21% (20% plus 1% national contribution). The income tax provision for the Group for the year 2024 was calculated similarly under Income Tax Law No. (34) of 2014 and its amendments at the statutory rate of 21% (20% plus 1% national contribution). The income tax provision for the Group's Aqaba branch and subsidiary was calculated in accordance with the Income Tax Law in the Aqaba Special Economic Zone No. (32) of 2000, at a rate of 5% for income tax plus 1% as a national contribution

Income tax provision -

The movement on income tax provision is as follows:

	30 September 2025	31 December 2024
	JD	JD
	(Unaudited)	(Audited)
Balance as at 1 January	1,089,189	826,733
Prior years adjustments	-	(13,887)
Accrued income tax expense for the period / year	867,026	1,416,964
Income tax paid	(1,322,537)	(1,140,621)
Balance at the end of the period / year	<u>633,678</u>	<u>1,089,189</u>

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Income tax shown in the interim condensed consolidated statement of income comprises the following:

	30 September 2025	30 September 2024
	JD	JD
	(Unaudited)	(Unaudited)
Accrued income tax on profits of the period	867,026	980,923
Amortization of deferred tax assets	-	7,900,000
	<u>867,026</u>	<u>8,880,923</u>

Tax status-

The Company and its subsidiary have filed their tax returns with the Income and Sales Tax Department up to the year 2024. The Income Tax Department has not reviewed the Group's accounting records for the years 2021, 2022, 2023 and 2024. The Company has obtained final clearance from the Income and Sales Tax Department up to the year 2020.

The Arabian Concrete Supply Company and its subsidiary (Arabian Transport Specialized Company) has obtained a final clearance from the Income and Sales Tax Department up to the year 2020.

The movement in the deferred tax assets is as follows:

	30 September 2025	31 December 2024
	JD	JD
	(Unaudited)	(Audited)
Balance as at 1 January	1,693,389	9,268,292
Net change during the period / year	-	(7,574,903)
Balance at the end of the period / year	<u>1,693,389</u>	<u>1,693,389</u>

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(9) EARNINGS PER SHARE FROM PROFIT FOR THE PERIOD

	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
Profit for the period attributable to the Company's shareholders (JD)	571,978	30,073,614
Weighted average number of shares during the period (share)	60,444,460	60,444,460
Basic and diluted earnings per share from profit for the period (JD/fils)	0.009	0.498

(10) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 September 2025 JD (Unaudited)	31 December 2024 JD (Audited)
Financial assets with quoted market prices:		
Mining Investments Company	9,492	14,239
Financial assets without quoted market prices:		
Chemical and Mining Industries Company	224,848	213,457
Jordanian Investment and Southern Development Company	74,119	66,090
Cement Manufacturers Association	500	500
	299,467	280,047
	308,959	294,286

The movement on the fair value reserve is as follows:

	30 September 2025 JD (Unaudited)	31 December 2024 JD (Audited)
Balance as at 1 January	29,536	2,069
Change in fair value of financial assets at fair value through other comprehensive income	14,708	27,467
Balance at the end of the period / year	44,244	29,536

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(11) FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments consist of financial assets and financial liabilities.

Financial assets include balances at bank, accounts receivable, cheques under collection, financial assets at fair value through other comprehensive income, employees' housing and car loans and some other current assets. Financial liabilities include accounts payable, bank overdraft and some other current liabilities.

The carrying value of financial instruments is not materially different from their fair value.

(12) FAIR VALUE HIERARCHY

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

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

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

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	JD	JD	JD	JD
30 September 2025 (Unaudited)				
Financial assets at fair value through other comprehensive income	<u>9,492</u>	<u>-</u>	<u>299,467</u>	<u>308,959</u>
31 December 2024 (Audited)				
Financial assets at fair value through other comprehensive income	<u>14,239</u>	<u>-</u>	<u>280,047</u>	<u>294,286</u>

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(13) RELATED PARTIES TRANSACTIONS

Transactions with related parties consist of transactions with associated companies, major shareholders, and senior management of the Group and the companies in which they are major shareholders.

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

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

	Nature	30 September 2025 JD (Unaudited)	31 December 2024 JD (Audited)
<u>Items in the statement of financial position:</u>			
Trade receivables			
Lafarge Middle East and Africa (Note 5)	Sister Company	199,628	199,628
	Nature	30 September 2025 JD (Unaudited)	31 December 2024 JD (Audited)
Trade payables under insolvency -			
Lafarge Financier S.A.S.	Sister Company	24,500,000	24,500,000
Lafarge S.A.	Sister Company	9,448,939	9,448,939
Lafarge Energy Solutions	Sister Company	6,360,229	6,360,229
Cementia - Swiss	Sister Company	1,610,970	1,610,970
Lafarge Holcim Middle East & Africa IT	Sister Company	860,783	860,783
Egypt Sack Company	Sister Company	257,111	257,111
Lafarge International Services Singapore	Sister Company	239,486	239,486
Holcim Group Services LTD	Sister Company	205,371	205,371
Lafarge North America	Sister Company	189,231	189,231
Lafarge Cement Egypt	Sister Company	7,348	7,348
Bazian Cement Company - Lafarge Iraq	Sister Company	23,183	23,183
		43,702,651	43,702,651

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	Nature	30 September 2025 JD (Unaudited)	31 December 2024 JD (Audited)
Other credit balance			
Zara Transport Company	Sister Company	1,677,528	2,490,831
Lafarge Holcim IT Europe, Middle East, and Africa	Sister Company	148,337	244,048
Holcim Group Services LTD	Sister Company	209,553	298,822
		<u>2,035,418</u>	<u>3,033,701</u>

	Nature	30 September 2025 JD (Unaudited)	30 September 2024 JD (Unaudited)
<u>Items in the consolidated statement of income:</u>			
Cost of Sales - Lafarge Holcim IT Europe, Middle East, and Africa	Sister Company	144,325	151,929
Cost of sales – Zara Transport Company	Sister Company	2,590,874	2,647,584
Cost of sales – Holcim Group Services	Sister Company	65,820	50,760
		<u>2,801,019</u>	<u>2,850,273</u>

(14) GOING CONCERN

The Group's total liabilities exceeded its total assets by JD 32,944,659, and its total current liabilities exceeded its total current assets by JD 62,205,612. Additionally, accumulated losses, including the loss for the period, amounted to JD 103,364,418, representing 171% of the Company's paid-in capital as of 30 September 2025.

According to Article (266) of the Jordanian Company's Law No. (22) of 1997 and its amendments, if the accumulated losses of a 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 address 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, a decision was issued by the Salt Court of First Instance to approve the insolvency declaration on 26 July 2020, and the reorganization plan was approved on 28 August 2022.

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The following represents the measures taken by the Board of Directors of Jordan Cement Factories Public Shareholding Company in response to the current financial conditions:

A - Insolvency

In light of the Group'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 (The 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.

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- On 14 October 2021, the Amman Court of Appeal issued its decision in Case No. 6870/2021, following the appeal after cassation. The court decided not to follow the cassation ruling issued by the Court of Cassation, upheld the previous decision, accepted the appeals on their merits, annulled the decision of the Salt Court of First Instance, and dismissed the request for the declaration of insolvency on procedural grounds due to it being submitted after the legally prescribed period.
- Based on the objection submitted by certain creditors, the Insolvency Court (Salt Court of First Instance) issued its decision on 14 October 2021 to suspend the insolvency proceedings. Jordan Cement Factories did not accept the suspension decision and filed an appeal with the Court of Appeal on 18 October 2021. The Court of Appeal annulled the decision of the Court of First Instance and confirmed the legality of continuing the insolvency proceedings, noting that under the Insolvency Law, filing an appeal against the declaration of insolvency does not suspend the ongoing insolvency procedures.
- 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, in accordance with the Court of Appeal's decision, the Insolvency Court issued its ruling to resume the insolvency proceedings starting from the commencement of the reorganization phase, which had been suspended during the earlier stage of the insolvency process, effective 12 June 2022. On the same date, the Court approved the request of the insolvency trustee to submit the reorganization plan within 30 days from the aforementioned date.
- 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.

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- The Court issued its decision on 28 August 2022, which approved the reorganization plan and concluded the insolvency proceedings. The key outcomes of the plan are as follows:

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 indispensable assets.

The Company began implementing the outcomes of the restructuring plan at the end of the year 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 eight installments paid by end of August 2025, amounting JD 4.7 million.
- 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 31 million and a total area of about 320,000 sq meters. As a result, profits were recorded in the consolidated statement of income of approximately JD 42 million for the year 2024 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 82 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 424 beneficiaries from health insurance.
- Periodic reports are issued to the supervisor of the reorganization plan, detailing the progress of the implementation of the plan, which includes the main areas on which the reorganization plan was based.

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- The Company is currently completing the in-kind settlement procedures for major creditors (Lafarge Holcim Group), which is expected to result in debt repayment of JD 10.7 million, in addition to the write-off of debts, whether classified as lower-priority or unsecured, totalling to JD 33 million.
- It is worth noting that the Company is evaluating multiple options, including the potential sale of part of its assets, to generate cash for the purpose of fully closing the insolvency file.

	30 September 2025	31 December 2024
	JD	JD
	(Unaudited)	(Audited)
Insolvency payables:		
Preferred creditors	197,722	197,722
Unsecured debts	23,994,892	25,041,115
Lower priority creditors	34,283,467	34,283,466
Total	58,476,081	59,522,303
Insolvency procedures:		
Payables raised from insolvency procedures	16,572,468	18,074,043
Total	75,048,549	77,596,346
Other debts:		
Accounts payable, other current liabilities and provisions	38,506,205	39,984,112
Total	113,554,754	117,580,458

The table below illustrates the details of liabilities classified as insolvency debts as of 30 September 2025 and 31 December 2024:

	30 September 2025	31 December 2024
	JD	JD
	(Unaudited)	(Audited)
Accounts payable *	52,564,260	53,591,877
Other current liabilities **	5,275,252	5,293,857
Banks loans ***	636,569	636,569
	58,476,081	59,522,303

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* Trade payables comprise the following:

	30 September 2025	31 December 2024
	JD	JD
	(Unaudited)	(Audited)
Due to related parties	43,702,651	43,702,651
Post dated cheques	145,355	152,350
Accruals	89,026	167,228
Other accounts payable	8,627,228	9,569,648
	<u>52,564,260</u>	<u>53,591,877</u>

** The table below illustrates the other current liabilities:

	30 September 2025	31 December 2024
	JD	JD
	(Unaudited)	(Audited)
Unpaid dividends	5,157,993	5,157,993
Due to employees	117,259	135,864
	<u>5,275,252</u>	<u>5,293,857</u>

*** The table below illustrates the banks loans:

	30 September 2025	31 December 2024
	JD	JD
	(Unaudited)	(Audited)
Capital Bank (formerly Societe Generale Bank)	<u>636,569</u>	<u>636,569</u>