

**JORDAN PHOSPHATE MINES COMPANY PSC**

**CONSOLIDATED FINANCIAL STATEMENTS**

**31 DECEMBER 2025**

## **INDEPENDENT AUDITOR'S REPORT**

**To the Shareholders of Jordan Phosphate Mines Company – Public Shareholding Company  
Amman – Jordan**

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the consolidated financial statements of **Jordan Phosphate Mines Company** (the "Company"), and its subsidiaries (together the "Group") which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

#### **Basis for Opinion**

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

#### **Key Audit Matters**

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

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

## 1. Revenue recognition

Revenues related disclosures are presented in note 21 to the consolidated financial statements

### Key audit matter

The Group focuses on revenue as one of its main performance measures, and given the importance of the amounts and the geographical diversity of the Group's operations and the ease with which these revenues are exposed to the risks of overstatement in value and fraud, we consider the revenue recognition as a key audit matter.

Revenues are recognized when the Group meets the performance obligations in accordance with the contracts signed with customers when the goods are transferred to customers and the invoice is issued, which usually occurred at a specific point in time.

### How the key audit matter was addressed in the audit

The audit procedures included an assessment of the Group's accounting policies for revenue recognition in accordance with the International Financial Reporting Standards. We also tested the Group's controls around revenue recognition and key controls within the revenue cycle.

We have tested the accuracy of revenue recognition by selecting a sample of sales invoices and match them with contracts and selling prices agreed upon.

We have tested a representative sample of revenues journal entries recorded during the year based on predetermined standards.

In addition to that, we have selected a sample of revenues before and after year-end to ensure proper recording in the proper period.

We have also performed detailed revenue analysis using financial and non-financial information.

## 2. Provisions for employees' benefits

Provision for employees' benefit disclosure is presented in note 15 to the consolidated financial statements

### Key audit matter

The Group has different employee benefit plans such as defined contribution plans whereas the Group's financial obligations are limited to the Company's share of contribution or defined benefit plans "Death and Compensation fund".

The measurement of the Death and Compensation fund provision is considered a key audit matter because the balance as of 31 December 2025 amounting to JD 66,713 thousand is material to the consolidated financial statements.

Furthermore, measuring the defined benefit obligations plans liability using the projected unit credit method requires using certain assumptions related to the present value of future expected payments and the actuarial assumptions related to the resignation rates, salary increase rates and discount rates. Whereas the calculation of the defined benefit obligations plans liability is performed in accordance with actuarial studies as required by International Accounting Standards (IAS 19) "Employees benefits".

### How the key audit matter was addressed in the audit

The audit procedures included an assessment of the accounting policies followed by the Group to recognize liabilities. Moreover, we involved our valuation experts to assist us in evaluating the assumptions and methodologies used by the actuarial expert, specifically those related to discount rates, resignation rates and salary increase rates. Nevertheless, we have assessed the extent of the independence and the qualification of the actuarial expert.

We tested the accuracy of the assumptions and information used in the calculation of the employees' benefits liabilities by taking a sample of employees' contracts and payroll slips.

We evaluated the sufficiency of disclosures made by the Group regarding assumptions used in the measurement of these liabilities in accordance with International Accounting Standards (IAS 19).

## **Other information included in the Group's 2025 annual report**

Other information consists of the information included in the Group's 2025 Annual Report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2025 Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we are not expressing any form of assurance conclusion thereon.

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

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

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

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

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

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

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

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

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

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

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



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

#### **Report on Other Legal and Regulatory Requirements**

The Group maintains proper books of accounts which are in agreement with the consolidated financial statements.

The partner in charge of the audit resulting in this auditor's report was Ahmad Abu Asabeh; license number 1155.

**ERNST & YOUNG**  
Amman - Jordan

Amman – Jordan  
30 March 2026

**JORDAN PHOSPHATE MINES COMPANY PSC**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2025**  
**(In Thousands of Jordanian Dinars)**

	Notes	2025	2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3A	247,470	243,135
Projects in progress	4	49,047	30,598
Investments in associates and joint ventures	5	390,987	359,490
Intangible assets	6	108,424	115,218
Deferred tax assets	20	22,864	23,219
Employees' housing loans	7	5,680	4,827
Financial assets at fair value through other comprehensive income	8	266	304
Long-term accounts receivable	10	-	2,521
Long-term other current assets	11	2,961	2,889
Production and development stripping cost		574	1,033
Right-of-use assets	3B	29,424	32,051
		<u>857,697</u>	<u>815,285</u>
<b>Current assets</b>			
Inventories, spare parts and supplies	9	187,479	158,384
Shor-term accounts receivable	10	145,388	122,740
Other short-term current assets	11	79,344	77,735
Financial assets at fair value through profit or loss		577	355
Cash on hand and at banks	12	1,096,860	958,447
		<u>1,509,648</u>	<u>1,317,661</u>
<b>TOTAL ASSETS</b>		<u><b>2,367,345</b></u>	<u><b>2,132,946</b></u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Paid-in-capital	13	300,000	247,500
Statutory reserve	13	75,000	75,000
Voluntary reserve	13	75,000	75,000
Special reserve	13	75,000	75,000
Fair value reserve	8	(395)	(357)
Acquisition of non – controlling interest reserve	37	924	924
Retained earnings attributable to Company's shareholders		1,471,530	1,333,404
<b>Equity attributable to Company's shareholders</b>		<u>1,997,059</u>	<u>1,806,471</u>
Non – controlling interests	36	12,433	9,599
<b>Total Equity</b>		<u><b>2,009,492</b></u>	<u><b>1,816,070</b></u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long-term loan	14	-	24,639
Provisions for employees' benefits	15	67,811	57,728
Assets retirement provision	6	20,031	19,420
Other provisions	34	46,829	34,893
Long-term lease liabilities	3B	30,682	33,571
		<u>165,353</u>	<u>170,251</u>
<b>Current liabilities</b>			
Accounts payable	16	80,325	56,090
Accrued expenses	17	36,191	30,522
Other current liabilities	18	20,472	19,430
Due to banks	19	1,285	582
Current portion of long-term loan	14	-	5,168
Income tax provision	20	41,849	18,828
Short-term lease liabilities	3B	7,165	7,289
Provisions for employees' benefits	15	5,213	8,716
		<u>192,500</u>	<u>146,625</u>
<b>Total Liabilities</b>		<u><b>357,853</b></u>	<u><b>316,876</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>2,367,345</b></u>	<u><b>2,132,946</b></u>

The attached notes from 1 to 45 form an integral part of these consolidated financial statements

**JORDAN PHOSPHATE MINES COMPANY PSC**  
**CONSOLIDATED STATEMENT OF INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**  
**(In Thousands of Jordanian Dinars)**

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
Net sales	21	1,448,410	1,213,273
Cost of sales	21	(578,271)	(513,844)
<b>Gross profit</b>	21	870,139	699,429
Selling and marketing expenses	22	(5,072)	(7,217)
New phosphate port terminal expenses	33	(15,648)	(14,822)
Aqaba port fees		(5,581)	(5,218)
Transportation expenses		(95,567)	(95,908)
Administrative expenses	23	(37,256)	(38,400)
Russiefah mine expenses	24	(114)	(279)
Mining fees costs	25	(40,416)	(34,745)
Recovered from provision (provision) of slow-moving spare parts	9	113	(3,834)
Miscellaneous provisions	15	(345)	(358)
Expected credit losses provision	34,10	(8,955)	-
Other income, net	26	3,771	2,866
Foreign currency exchange differences		1,940	1,040
<b>Operating profit</b>		667,009	502,554
Finance costs	27	(4,563)	(6,411)
Finance income	28	49,092	59,157
Group's share of profit from associates and joint ventures	5	53,819	47,784
Board of directors bonus		(45)	(45)
Gain (loss) from revaluation of financial assets at fair value through profit or loss		222	(19)
<b>Profit before income tax</b>		765,534	603,020
Income tax expense	20	(173,219)	(145,140)
<b>Profit for the year</b>		592,315	457,880
<b>Profit attributable to:</b>			
Company's shareholders		589,459	455,304
Non - controlling interests		2,856	2,576
		592,315	457,880
		<u>JD/ Fils</u>	<u>JD/ Fils</u>
<b>Basic and diluted profit per share attributable to the Company's shareholders</b>	29	1/965	1/518

The attached notes from 1 to 45 form an integral part of these consolidated financial statements



**JORDAN PHOSPHATE MINES COMPANY PSC**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**  
(In Thousands of Jordanian Dinars)

	Notes	2025	2024
Profit for the year		592,315	457,880
<b>Other comprehensive income items not to be reclassified to profit or loss in subsequent periods (net of tax)</b>			
Changes in fair value of financial assets at fair value through other comprehensive income	8	(38)	-
Actuarial loss resulted from revaluation of defined benefit obligation plan	15	(2,855)	(3,980)
<b>Total comprehensive income for the year</b>		<u>589,422</u>	<u>453,900</u>
Total comprehensive income attributable to:			
Company's shareholders		586,588	451,354
Non-controlling interests	36	<u>2,834</u>	<u>2,546</u>
<b>Total comprehensive income for the year</b>		<u>589,422</u>	<u>453,900</u>

The attached notes from 1 to 45 form an integral part of these consolidated financial statements

**JORDAN PHOSPHATE MINES COMPANY PSC**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**  
**(In Thousands of Jordanian Dinars)**

	Reserves				Retained earnings					Equity attributable to Company's shareholders	Non - controlling interest	Total equity
	Paid-in capital	Fair value reserve			Acquisition of non -controlling interest reserve	Unrealized*	Realized**	Total				
		Statutory	Voluntary	Special								
For the year ended 31 December 2025												
Balance at 1 January 2025	247,500	75,000	75,000	75,000	(357)	924	26,126	1,307,278	1,333,404	1,806,471	9,599	1,816,070
Profit for the year	-	-	-	-	-	-	222	589,237	589,459	589,459	2,856	592,315
Other comprehensive income items	-	-	-	-	(38)	-	-	(2,833)	(2,833)	(2,871)	(22)	(2,893)
Total comprehensive income	-	-	-	-	(38)	-	222	586,404	586,626	586,588	2,834	589,422
Increase in capital (Note 13)	52,500	-	-	-	-	-	-	(52,500)	(52,500)	-	-	-
Cash dividends distribution (Note 41)	-	-	-	-	-	-	-	(396,000)	(396,000)	(396,000)	-	(396,000)
Balance at 31 December 2025	300,000	75,000	75,000	75,000	(395)	924	26,348	1,445,182	1,471,530	1,997,059	12,433	2,009,492
For the year ended 31 December 2024												
Balance at 1 January 2024	247,500	75,000	75,000	75,000	(357)	924	26,145	1,177,655	1,203,800	1,676,867	7,053	1,683,920
Profit for the year	-	-	-	-	-	-	(19)	455,323	455,304	455,304	2,576	457,880
Other comprehensive income items	-	-	-	-	-	-	-	(3,950)	(3,950)	(3,950)	(30)	(3,980)
Total comprehensive income	-	-	-	-	-	-	(19)	451,373	451,354	451,354	2,546	453,900
Cash dividends distribution (Note 41)	-	-	-	-	-	-	-	(321,750)	(321,750)	(321,750)	-	(321,750)
Balance at 31 December 2024	247,500	75,000	75,000	75,000	(357)	924	26,126	1,307,278	1,333,404	1,806,471	9,599	1,816,070

\* An amount of JD 26,348 thousand is restricted and represents the unrealized gain from the revaluation of investment and acquisition of Indo-Jordan Chemical Co. and Nippon Jordan Fertilizer Co. during 2010 and 2011.

\*\* Included in retained earnings an amount of JD 23,259 thousands which are restricted, it includes JD 22,864 thousands which represents deferred tax assets, an amount of JD 395 thousands restricted against the negative balance of fair value reserve for financial assets at fair value through other comprehensive income as of 31 December 2025.

**The attached notes from 1 to 45 form an integral part of these consolidated financial statements**

**JORDAN PHOSPHATE MINES COMPANY PSC**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**  
**(IN THOUSANDS OF JORDANIAN DINARS)**

	Notes	2025	2024
<b><u>OPERATING ACTIVITIES</u></b>			
Profit for the year before income tax		765,534	603,020
<b>Adjustments -</b>			
Depreciation	3A	12,636	12,669
Depreciation of right of use assets	3B	3,483	3,632
Amortization of new phosphate port terminal	6	6,358	6,361
Amortization of natural gas station and pipeline	6	436	436
Provisions for employees' benefits	15	7,981	9,559
Finance costs	27	4,563	6,411
Finance income	28	(49,092)	(59,157)
Mining fees costs	25	42,971	37,325
Group's share of profit from associates and joint ventures	5	(53,819)	(47,784)
(Recovered from provision) provision for slow-moving spare parts and supplies	9	(113)	3,834
Expected credit losses provision	34,10	8,955	-
Other non-cash items		3,254	3,807
<b>Working capital changes:</b>			
Accounts receivable		(16,950)	(5,625)
Employees' housing loans		(1,314)	332
Other current assets		(1,454)	7,655
Inventories, spare parts and supplies		(28,982)	4,144
Accounts payable		24,235	(6,375)
Production and development stripping cost		-	(1,033)
Accrued expenses		5,521	5,129
Other current liabilities		1,042	(13,769)
Provisions for employees' benefits paid	15	(5,376)	(34,952)
Mining fees paid		(50,000)	(35,000)
Income tax paid	20	(144,974)	(227,618)
<b>Net cash flows from operating activities</b>		<b>534,895</b>	<b>273,001</b>
<b><u>INVESTING ACTIVITIES</u></b>			
Property, plant and equipment and projects in progress		(38,445)	(31,917)
Short term deposits mature between within 3 months and 1 year		(238,872)	11,790
Investment in associates and joint ventures	5	(5,585)	(602)
Dividends received		27,737	23,690
Interest received		52,127	51,029
<b>Net cash flows (used in) from investing activities</b>		<b>(203,038)</b>	<b>53,990</b>
<b><u>FINANCING ACTIVITIES</u></b>			
Repayments of loans		(29,807)	(5,168)
Dividends paid		(394,841)	(320,718)
Lease liabilities payments	3B	(6,749)	(5,508)
Finance costs paid		(1,622)	(3,092)
<b>Net cash flows used in financing activities</b>		<b>(433,019)</b>	<b>(334,486)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(101,162)</b>	<b>(7,495)</b>
Cash and cash equivalents at 1 January		169,440	176,935
<b>Cash and cash equivalents at 31 December</b>	12	<b>68,278</b>	<b>169,440</b>

The attached notes from 1 to 45 form an integral part of these consolidated financial statements

**JORDAN PHOSPHATE MINES COMPANY PSC**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**31 DECEMBER 2025**

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**(1) GENERAL**

Jordan Phosphate Mines Company was established in 1949 and became a Public Shareholding Company in 1953. The Company's objectives are to mine and market phosphate rock, produce fertilizers and invest in the establishment of related industries. The fertilizers production unit is located in the Industrial Complex in Aqaba. The phosphate rock is extracted, to a large extent, from the mines of Shidiya, Al-Abiad and Al-Hasa. In respect of the mining rights granted to the Company, it is subject to annual mining rights fees of JD 500 / squared Kilo meter or any part of squared Kilo meter per mined area payable to the Natural Resources Authorities. The Company produces chemical fertilizers and related by-products through its subsidiaries that are listed in (Note 2-2).

The head office of the Company is located in Shmeisani, Amman - Jordan.

The consolidated financial statements were authorized for issuance by the Board of Directors in their meeting held on 29 March 2026 and they are subject to the approval of the Company's General Assembly.

**Investors with significant influence on the Group:**

Indian Potash Limited, Government Investments Management Company (Jordan), Jordanian Social Security Corporation, Kisan International Trading and Government of Kuwait own 27%, 25.7%, 16.7% 10%, and 9.3% of the Company's capital, respectively.

**(2) BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION**

**(2-1) BASIS OF PREPARATION**

The consolidated financial statements have been prepared on a historical cost basis, except for the financial assets at fair value through profit and loss and financial assets at fair value through other comprehensive income which have been measured at fair value as of the date of the consolidated financial statements.

The consolidated financial statements have been prepared in accordance with IFRS accounting standards as issued by the international accounting standards board (IASB).

The consolidated financial statements are presented in Jordanian Dinars and all values are rounded to the nearest thousand except when otherwise indicated.

**JORDAN PHOSPHATE MINES COMPANY PSC**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**31 DECEMBER 2025**

**(2-2) BASIS OF CONSOLIDATION**

The consolidated financial statements comprise the financial statements of Jordan Phosphate Mines Company ("The Company") and the following subsidiaries as of 31 December 2025 and 2024:

Company name	Nature of activity	Ownership %	Country of incorporation
Indo-Jordan Chemicals Company Limited	Phosphoric Acid and other chemicals production	100%	Jordan
Ro'ya for Transportation Company Limited	Transportation services	100%	Jordan
Nippon Jordan Fertilizers Company Limited	Fertilizers and chemicals production	80%	Jordan

The control exists when the Group has the rights to variable returns from its involvement with the subsidiaries, and has the ability to affect those returns. Control over the subsidiaries is exercised when the following factors exist:

- 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.
- The ability to use its power over the investee to affect its returns.

When the Group owns less than a majority of the voting rights in an investee, in this case, the Group considers all factors and circumstances to determine whether it has control over the investee, which include the following:

- Contractual agreements with shareholders that have voting rights in the investee.
- Rights resulting from other contractual arrangements.
- The Group's current and future voting rights in the investee.

The Group reassesses its control over the investee when circumstances and factors exist that lead to the change in one or more of the three factors listed above.

Subsidiaries are fully consolidated from the date on which the Group gains control and continues to do so until the date when such control ceases.

The subsidiaries revenues and expenses are consolidated in the consolidated statement of comprehensive income from the date the Group gains control over the subsidiaries until that control ceases. Profits, losses, and all other comprehensive income items are attributed to the shareholders' equity of the parent company, and to non-controlling interest, even if this leads to a deficit balance. If need arises, the subsidiaries' financial statements are adjusted accordingly to comply with the Group's accounting policies. All intra-group assets, liabilities, equity, revenues, expenses, gains and losses resulting from intra-group transactions and dividends are eliminated in full.

**JORDAN PHOSPHATE MINES COMPANY PSC**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**31 DECEMBER 2025**

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A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interest
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in the statement of profit or loss and other comprehensive income
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate.

**(2-3) NEW IFRS AND AMENDMENTS APPLIED FOR FIRST TIME DURING THE YEAR**

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025:

**Lack of exchangeability - Amendments to IAS 21**

For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies 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 had no material impact on the Group's consolidated financial statements.

**(2-4) USE OF ESTIMATES**

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



**Useful life of properties, plant and equipment**

The Group's management estimates the useful life for property, plant and equipment for the purpose of calculating depreciation by depending on the expected useful life of these assets. Management reviews the remaining book value and useful life annually. Future depreciation expense is adjusted if management believes that the remaining useful life of the assets differs from previous estimations.

**Impairment of goodwill**

The Group's management performs an annual impairment test for the goodwill resulted from the purchase of the fertilizers unit at the date of the consolidated financial statements. Goodwill is impaired if there are indications of impairment, i.e. if the estimated recoverable amount for the fertilizers unit is less than the book value. Impairment is recorded in the consolidated statement of income.

The fair value of recoverable amounts for the fertilizers unit is valued using the discounted value of future cash flows. All assumptions used in the goodwill impairment calculation are indicated in (Note 6).

**Provision for slow moving spare parts**

The Group's management performs an annual study which categorizes all spare parts by age groups. Based on the results of the study, a provision is taken against spare parts which have surpassed, at the date of the Group's financial statements, a certain age from the date of purchase.

**Expected credit losses**

For all debt instruments, the Group has applied the IFRS 9 (Financial Instruments) simplified approach and has calculated ECL based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

**Income tax provision**

The Group calculates tax expense for the year based on reasonable estimates, for possible consequences of audit by the Income and Sales tax department. The amount of tax provision is based on various factors, such as experience of previous tax audits. Additionally, the Group engages an independent tax specialist to review the tax provision calculations.

Deferred tax assets are recognized for all deductible temporary differences such as unused tax expenses and losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits. Details of income tax provision and deferred tax are disclosed in (Note 20).

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

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

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

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

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

**Death and compensation fund provision**

Death and compensation fund provision is measured using the Projected Unit Credit Method that is calculated by an actuarial. All actuarial assumptions are disclosed in (Note 15).

**(2-5) SUMMARY OF MATERIAL ACCOUNTING POLICIES**

**Property, plant and equipment**

A) Property plant and equipment recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis using the following depreciation rates, (land is not depreciated):

<u>Type of property, plant and equipment</u>	<u>Depreciation rate %</u>
Buildings and constructions	2
Roads and yards	4
Machinery and equipment	3
Water and electricity networks	2-3
Furniture and office equipment	9
Medical and lab equipment	10
Communication equipment	12
Computers	12
Vehicles	7
Spare parts reserves	3
Software and programs	20

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

Book value of property and equipment's are being reviewed regarding the decreasing the value when the events or changing in circumstances indicate that the book value cannot be recovered. When the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount, and the impairment is recorded in the consolidated statement of income.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the consolidated statement of income when the asset is derecognised.

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**B) Major maintenance and repairs**

Expenditure on major maintenance refits or repairs comprises the cost of replacement assets or parts of assets and overhaul costs. Where an asset, or part of an asset, that was separately depreciated and is now written off is replaced, and it is probable that future economic benefits associated with the item will flow to the Group through an extended life, the expenditure is capitalised. Where part of the asset was not separately considered as a component and therefore not depreciated separately, the replacement value is used to estimate the carrying amount of the replaced asset(s) which is immediately written off. All other day-to-day maintenance and repairs costs are expensed as incurred.

**Projects in progress**

Projects in progress are stated at cost, and include the cost of construction, equipment and other direct costs and it is not depreciated until it is available for use.

**Right-of-use assets**

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

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

**Lease liabilities**

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

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

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

**Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to some of its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (USD 5,000 annually). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

**Investments in associates and joint ventures**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The consolidated statement of income reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income of those investees is presented as part of the Group's consolidated statement of other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of income and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit (losses) of an associate and a joint venture' in the consolidated statement of income.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated statement of income.

## **Intangible assets**

### **- New phosphate port terminal**

This item represents the license to use and operate the new phosphate port terminal until 2040, after that the port will be handed over to Aqaba Development Corporation.

### **- Natural gas station and pipeline**

This item represents the license to use and operate the new gas station and pipeline until 2033, after that the station will be handed over to the Government of the Hashemite Kingdom of Jordan.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Intangible assets are amortized over the period in which they are expected to be available for use by the Group using straight line method and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization expense on intangible assets is recognized in the consolidation statement of income.

### **- Goodwill**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquire. For each business combination, the Group elects whether to measure the non-controlling interests in the acquire at fair value or at the proportionate share of the acquirer's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in the consolidated statement of income.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised in consolidated statement of income.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in consolidated statement of income.

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After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

**Asset retirement cost**

The Group recognizes and measures asset deferral provision for movable assets as a consequence of the use of the new phosphate port terminal during the operating period in accordance with IAS 37, using the best estimate of the expenditures required to settle the present obligation at the consolidated statement of financial position date.

**Financial assets at fair value through other comprehensive income**

These are financial assets limited to equity instruments and the management intends to retain those assets in the long term.

These financial assets are initially recognized at fair value plus attributable transaction costs and subsequently measured at fair value. The change in fair value of those assets is presented in the consolidated statement of comprehensive income and within owners' equity, including the change in fair value resulting from the foreign exchange differences of non-monetary assets. In case those assets - or part of them - were sold, the resultant gain or loss is recorded in the consolidated comprehensive income statement and within owners' equity and the fair value reserve for the sold assets is directly transferred to the retained profit or loss and not through the consolidated statement of income.

- Those financial assets are not subject to impairment testing.
- Dividend's income is recorded in the consolidated income statement.
- It is not permitted to reclassify assets to or from this category except in certain circumstances determined in the IFRS 9.

**Debit financial assets**

Debit financial assets are initially recognized at fair value, debit financial assets are subsequently measured at amortized cost using the effective interest method.



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**Inventories and spare parts**

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

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

The costs incurred to bring each inventory item to its current condition are accounted for as follows:

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

**Stripping Cost in the Production Phase of Surface Mine**

The Group incurs waste removal costs (stripping costs) during the development and production phases of its surface mining operations. During the production phase, stripping costs (production stripping costs) can be incurred both in relation to the production of phosphate in that period or the creation of improved access and mining flexibility in relation to phosphate to be mined in the future.

Production stripping costs are included as part of the costs of inventory, while the stripping costs incurred in the creation of improved access and mining flexibility in relation to phosphate to be mined in future periods are capitalized as a stripping activity non-current asset that is amortized using units of production method. When the following conditions are met:

- It is probable that the future economic benefit improved access to the phosphate associated with the stripping activity will flow to the entity; and
- The entity can identify the amount and type of phosphate for which has been improved; and
- The cost relating to the stripping activity associated with the component can be measured reliably.

Significant judgment is required to distinguish between development stripping and production stripping and to distinguish between the production stripping that relates to the extraction of phosphate and what relates to the creation of a stripping activity asset. The Group's management calculates the stripped quantities of overburden for any of the locations based on geological and specialized technical studies conducted on a quarterly basis. Stripping costs are capitalized as a stripping activity asset when the actual stripping ratio is higher than the contracted stripping ratio estimated by geologists and specialized professionals.

The capitalized stripping costs are amortized using the units of production method estimated based on the updated geological studies for the period for each location when the actual stripping ratio is lower than or equal to the contracted stripping ratio.

**Accounts receivable**

Accounts receivable are stated at original invoice amount less any provision for any uncollectible amounts or expected credit loss. The Group applies a simplified approach in calculating ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment in accordance with IFRS (9).

**Financial assets at fair value through profit or loss**

Financial assets which are purchased with the aim of resale in the near future in order to generate profit from the short-term market prices fluctuation or the trading profit margins.

Financial instruments at fair value through profit or loss are initially measured at fair value, transaction costs are recorded in the income statement at the date of transaction. Subsequently, these assets are revalued at fair value. Gains or losses arising on subsequent measurement of these financial assets including the change in fair value arising from non-monetary assets in foreign currencies are recognized in the income statement. When these assets or portion of these assets are sold, the gain or loss arising is recorded in the consolidated statement of income.

Dividend and interest income are recorded in the consolidated statement of income.

It is not permitted to reclassify assets to or from this category except in certain circumstances determined in the IFRS accounting standards as issued by the International Accounting Standards board (IASB).

**Cash and cash equivalents**

Cash and cash equivalent in the consolidated statement of financial position comprise cash at banks and at hand and short term deposits with an original maturity of three months or less, provided they do not involve risks of changes in value. If original maturity of deposits exceeds three months, they are classified as short-term investments. For the purpose of the consolidated statement of cash flow, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts and deposits with maturity of deposits exceeds three months and less than one year.

**Long term loans**

All loans and borrowings are initially recognized at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method.

Loans interests are expensed in the period they occur including the grace period (if any). However, interest on loans granted for the purpose of financing projects in progress, is capitalized as a part of the project cost.

### **Employees' benefits**

The Group grants its employees schemes for early retirement and end of service compensations according to the following plans:

#### **1. Defined benefits plans**

The Group has the following defined benefits plans:

- End of service bonus compensation.
- Death and compensation fund.

The plans liability is determined actuarial expert. The obligation provision and pension costs are determined using the projected unit credit method. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Past service costs are recognized in profit or loss on the earlier of the date of plan amendment or the date that the company recognizes related costs . Actuarial gains or losses are recognized in accumulated losses through OCI in the period in which they occur. Gain or loss is realized from amendment or payment of the benefits when it occurs. The end of service obligation is measured at the present value of estimated future cash flows using a discount rate that is similar to the interest rate on government bonds.

#### **2. Defined contribution plans**

The Group computes its share from contributions to the defined contribution plans that is being provided to the plan's fund, which is financially and managerially independent from the Group, bank account in form of cash payments. Once the Group pays its share of contributions it will have no further liability toward the plan. Contributions are recognized as expense in the consolidated statement of income.

### **Accounts payable and accruals**

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

### **Provisions**

Provisions are recognized when the Group has a present obligation (legal or constructive) arising from a past event and the costs to settle the obligation are both probable and able to be reliably measured.

**Revenue and expense recognition**

Revenues are recorded in accordance with the five-steps model of the IFRS accounting standard (15), which includes identifying the contract and the price and determining the performance obligation in the contract and recognizing revenue based on the performance of the obligation, where revenue is recognized when the goods are sold to customers and the invoice is issued, which usually takes place at a specific point in time.

Interest revenues are recognized on an accrual basis using effective interest method.

Other revenues are recognized on an accrual basis.

Expenses are recognized on an accrual basis.

**Mining Fees**

Mining fees paid in respect of phosphate rock used by the Fertilizers Unit are charged to cost of sales. Other mining fees on exported and locally sold phosphate are shown as a separate item in the consolidated statement of income.

**Leases**

Leases are classified as operating leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessor. Operating lease payments are recognized as an expense on a straight-line basis.

**Income tax**

Income tax expense represents current year income tax and deferred income tax.

Accrued tax expenses are calculated based on taxable income, which may be different from accounting income as it may include tax-exempt income, non-deductible expenses in the current year that are deductible in subsequent years, tax-accepted accumulated losses or tax-deductible items.

Current income tax is calculated based on the tax rates and laws that are applicable at the consolidated statement of financial position date and according to IAS 12.

Deferred income taxation is provided using the liability method on all temporary differences at the consolidated financial statement date. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on laws that have been enacted at the financial position date. The carrying values of deferred income tax assets are reviewed at each consolidated statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

**Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

**Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the consolidated statement of financial position date, based on the rates declared by the Central Bank of Jordan.

**Fair value**

The Group evaluates its financial instruments at fair value at the date of the financial statements.

The fair value of the financial instruments is included at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

The Group measures the fair value of financial assets and liabilities using the pricing assumptions used by market participants to price financial assets and liabilities, assuming that market participants behave according to their economic interests.

The Group uses valuation techniques that are appropriate and commensurate with the circumstances, and provides sufficient information for fair value measurement. Also, it illustrates clearly the use of inputs that are directly observable, and minimizes the use of inputs that are not directly observed.

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The Group uses the following valuation methods and alternatives in measuring and recording the fair value of financial instruments:

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

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have accrued between levels in the hierarchy by reassessing categorization (based on the lowest level input that significant to the fair value measurement as a whole) at the end of each reporting period.

For the disclosure of fair value, the Group classifies assets and liabilities based on their nature, their risk, and the level of fair value measurement.

**Segment reporting**

For the purpose of reporting to management and the decision makers in the Group, a business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments.

**Current Versus non-current Classification**

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.



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A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**Offsetting**

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

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**(3A) PROPERTY, PLANT AND EQUIPMENT**

	Lands	Buildings and constructions	Roads & yards	Machinery & equipment	Water & electricity networks	Furniture & office equipment	Medical equipment	Communication equipment	Computers	Vehicles	Spare parts	Software and programs	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
<b>2025</b>													
<b>Cost -</b>													
Balance at 1 January 2025	3,503	142,576	25,794	507,802	95,128	10,014	1,154	1,364	4,012	14,979	87,160	1,913	895,399
Additions	-	755	-	2,298	-	460	5	7	55	460	8,263	-	12,303
Transfers from projects in progress (Note 4)	-	1,200	148	3,373	2,425	547	-	-	-	-	-	-	7,693
Disposals	-	(258)	-	(8,545)	(616)	(1,090)	-	(10)	(49)	(103)	(3,675)	-	(14,346)
<b>Balance at 31 December 2025</b>	<b>3,503</b>	<b>144,273</b>	<b>25,942</b>	<b>504,928</b>	<b>96,937</b>	<b>9,931</b>	<b>1,159</b>	<b>1,361</b>	<b>4,018</b>	<b>15,336</b>	<b>91,748</b>	<b>1,913</b>	<b>901,049</b>
<b>Accumulated Depreciation -</b>													
Balance at 1 January 2025	-	104,968	24,351	406,731	48,104	6,006	1,006	1,333	3,695	13,881	40,277	1,912	652,264
Depreciation for the year	-	1,988	261	6,145	1,476	415	29	8	93	207	2,014	-	12,636
Disposals	-	(256)	-	(8,545)	-	(1,090)	-	(10)	(46)	(3)	(1,369)	-	(11,321)
<b>Balance at 31 December 2025</b>	<b>-</b>	<b>106,698</b>	<b>24,612</b>	<b>404,331</b>	<b>49,580</b>	<b>5,331</b>	<b>1,035</b>	<b>1,331</b>	<b>3,742</b>	<b>14,085</b>	<b>40,922</b>	<b>1,912</b>	<b>653,579</b>
<b>Net book value -</b>													
At 31 December 2025	3,503	37,575	1,330	100,597	47,357	4,600	124	30	276	1,251	50,826	1	247,470

The value of fully depreciated property, plant and equipment is JD 606,099 thousand as at 31 December 2025 (31 December 2024: JD 592,506 thousand).

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	Lands	Buildings and constructions	Roads & yards	Machinery & equipment	Water & electricity networks	Furniture & office equipment	Medical equipment	Communication equipment	Computers	Vehicles	Spare parts	Software and programs	Total
2024	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
Cost -													
Balance at 1 January 2024	3,503	138,931	25,538	503,915	94,290	9,880	1,157	1,358	3,964	14,789	82,479	1,913	881,717
Additions	-	662	17	2,759	42	177	1	7	68	283	6,507	-	10,523
Transfers from projects in progress (Note 4)	-	2,984	239	1,562	796	-	-	-	-	-	-	-	5,581
Disposals	-	(1)	-	(434)	-	(43)	(4)	(1)	(20)	(93)	(1,826)	-	(2,422)
Balance at 31 December 2024	3,503	142,576	25,794	507,802	95,128	10,014	1,154	1,364	4,012	14,979	87,160	1,913	895,399
Accumulated Depreciation -													
Balance at 1 January 2024	-	102,914	23,982	401,041	46,643	5,642	980	1,326	3,617	13,743	40,217	1,912	642,017
Depreciation for the year	-	2,055	369	6,124	1,461	407	30	8	98	231	1,886	-	12,669
Disposals	-	(1)	-	(434)	-	(43)	(4)	(1)	(20)	(93)	(1,826)	-	(2,422)
Balance at 31 December 2024	-	104,968	24,351	406,731	48,104	6,006	1,006	1,333	3,695	13,881	40,277	1,912	652,264
Net book value -													
At 31 December 2024	3,503	37,608	1,443	101,071	47,024	4,008	148	31	317	1,098	46,883	1	243,135

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Depreciation included in the consolidated statement of income is allocated as follows:

	2025 JD ('000)	2024 JD ('000)
Production costs (Note 31)	12,212	12,278
Administrative expenses (Note 23)	296	295
Selling and marketing expenses (Note 22)	117	87
Russiefah mine expenses (Note 24)	7	7
Others	4	2
	<u>12,636</u>	<u>12,669</u>

**(3B) RIGHT OF USE ASSETS AND LEASE LIABILITIES**

The Group has lease contracts for various lands owned by the Government of Jordan, used in its operations. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group also has some short term leases. The Group applies the 'short-term lease' recognition exemptions for this lease.

Set out below are the carrying amounts of right-of-use assets and lease liabilities recognised as of 31 December:

	Right-of-use assets JD ('000)	Lease liabilities* JD ('000)
<b>2025 -</b>		
<b>Balance at 1 January</b>	32,051	40,860
Depreciation	(3,483)	-
Additions	856	856
Finance costs (Note 27)	-	2,880
Payments	-	(6,749)
<b>Balance at 31 December</b>	<u>29,424</u>	<u>37,847</u>

	Right-of-use assets JD (000)	Lease liabilities* JD ('000)
<b>2024 -</b>		
<b>Balance at 1 January</b>	35,683	43,481
Depreciation	(3,632)	-
Finance costs (Note 27)	-	2,887
Payments	-	(5,508)
<b>Balance at 31 December</b>	<u>32,051</u>	<u>40,860</u>

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\* Lease liabilities details as at 31 December 2025 and 2024 are as follows:

2025			2024		
Short-term	Long-term	Total	Short-term	Long-term	Total
JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
7,165	30,682	37,847	7,289	33,571	40,860

**(4) PROJECTS IN PROGRESS**

The Movement on the projects in progress is as follows:

	Balance at 1 January	Additions	Transferred to property plant & equipment (Note 3A)	Balance at 31 December
	JD ('000)	JD ('000)	JD ('000)	JD ('000)
<b>2025 -</b>				
Industrial Complex Projects - Aqaba	16,744	15,733	(757)	31,720
Shidiya Mine Projects	1,261	3,424	(2,644)	2,041
Indo-Jordan Chemicals Company Projects	11,536	5,890	(3,074)	14,352
Head Office, Hasa & Abyad mines	198	123	(313)	8
Nippon Jordan Fertilizers Company Projects	859	972	(905)	926
Total	30,598	26,142	(7,693)	49,047
<b>2024 -</b>	14,785	21,394	(5,581)	30,598

The estimated cost to complete the projects in progress as of 31 December 2025 amounted to JD 53,231 thousand for Jordan Phosphate Mines Company and the expected completion of these projects is by the end of 2028. The estimated cost to complete the projects in progress amounted to JD 10,240 thousand for Indo-Jordan Chemicals related projects as of 31 December 2025 and the expected completion of these projects is during 2027. The estimated cost to complete the projects in progress amounted to JD 2,864 thousand for Nippon Jordan Fertilizers related projects as of 31 December 2025 and the expected completion of these projects is during 2026.

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**(5) INVESTMENTS IN ASSOCIATES AND JOINT VENTURES**

The below schedule summarizes the Group's investment in associates and joint ventures:

	2025 JD ('000)	2024 JD ('000)
Investment in associates (A)	264,369	243,818
Joint ventures (B)	126,618	115,672
	<u>390,987</u>	<u>359,490</u>

**A. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES:**

The below schedule summarizes financial information for the Group's investment in associates:

	Country of incorporation	Nature of activity	Ownership		Ownership	
			2025 %	2024 %	2025 JD ('000)	2024 JD ('000)
Jordan India Fertilizer Company "JIFCO"	Jordan	Phosphoric acid production	48	48	258,399	243,117
		Fertilizers and chemicals				
The Jordanian Turkish Fertilizers Company*	Jordan	production	40	40	196	577
Jordan Renewable Aluminum Fluoride Manufacturing Company	Jordan	Aluminum fluoride production	33	33	99	99
The Phosphate Company for Feed Additives**	Jordan	Feed additives production	35	25	5,675	25
Manajim for Mining Development Company	Jordan	Mining services	46	46	-	-
		Fertilizers and chemicals				
Jordan Abyad Fertilizers and Chemicals Company	Jordan	production	27,38	27,38	-	-
					<u>264,369</u>	<u>243,818</u>

\* During 2024, the Group invested in 40% of the share capital of the Jordanian Turkish Fertilizers Company for an amount of JD 577 thousand. The registration procedures of the Jordanian Turkish Fertilizers Company with the Companies Control Department in the Hashemite Kingdom of Jordan were completed in January 2024.

\*\* During 2024, the Group invested in 25% of the share capital of the Phosphate Feed Additives Company for an amount of JD 25 thousand. The registration procedures of the Phosphate Feed Additives Company with the Companies Control Department in the Hashemite Kingdom of Jordan were completed in May 2024. During 2025, the Group increased its investment by an amount of JD 5,585 thousand, bringing its ownership interest to 35% of the share capital of the Phosphate Feed Additives Company as of 31 December 2025. The company had not commenced its operations as of the date of preparation of the consolidated financial statements.



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Movements on the investment in associates were as follows:

	2025	2024
	JD ('000)	JD ('000)
Balance at 1 January	243,818	230,676
The Group's share of current year profit	42,757	35,874
(Elimination) addition of Group's share of JIFCO income related to transactions between the Group and associate	(877)	356
Dividends from Jordan Indian Fertilizers Company	(26,737)	(21,390)
Dividends from investment in Manajim for Mining Development	-	(2,300)
Adjustment of Investment in the Jordanian Turkish Fertilizer Company	(177)	577
Investment in the Phosphate Company for Feed Additives	5,585	25
Balance at 31 December	264,369	243,818

The following table represents a summary of the financial information of associates:

	2025					
	Jordan India Fertilizer Company	Jordanian Turkish Fertilizers Company	Jordan Renewable Company for Aluminum Fluoride	Phosphate Company for Feed Additives	Manajim for Mining Development Company	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
<b>Group's share in net equity:</b>						
Current assets	221,651	1,000	300	9,347	-	232,298
Non-current assets	406,798	2,308	-	7,621	-	416,727
Current liabilities	(83,319)	(2,818)	-	(754)	-	(86,891)
Non-current liabilities	(3,749)	-	-	-	-	(3,749)
Net equity	541,381	490	300	16,214	-	558,385
Percentage of ownership	48%	40%	33%	35%	46%	
Group's share in net equity	259,863	196	99	5,675	-	265,833
Elimination of Group's share of association related to transaction between the Group and associate	(1,464)	-	-	-	-	(1,464)
<b>Net investment as at 31 December</b>	<b>258,399</b>	<b>196</b>	<b>99</b>	<b>5,675</b>	<b>-</b>	<b>264,369</b>
<b>Group's share from associate's revenues and profits:</b>						
Revenues	413,082	-	-	566	-	413,648
Cost of sales	(236,171)	-	-	(364)	-	(236,535)
Administrative, selling and distribution expenses	(86,780)	(333)	-	-	-	(87,113)
Other Income	-	-	-	-	-	-
Differences of prior year results*	-	(177)	-	-	-	(177)
<b>Profit (loss) for the year before Income tax</b>	<b>90,131</b>	<b>(510)</b>	<b>-</b>	<b>202</b>	<b>-</b>	<b>89,823</b>
Income tax expense	(765)	-	-	(16)	-	(781)
<b>Profit (loss) for the year</b>	<b>89,366</b>	<b>(510)</b>	<b>-</b>	<b>186</b>	<b>-</b>	<b>89,042</b>
Percentage of ownership	48%	40%	33%	35%	46%	
Group's share of associates' profit (loss)	42,896	(204)	-	65	-	42,757

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	2024					Total JD ('000)
	Jordan India Fertilizer Company JD ('000)	Jordanian Turkish Fertilizers Company JD ('000)	Jordan Renewable Company for Aluminum Fluoride JD ('000)	Phosphate Company for Feed Additives JD ('000)	Manajim for Mining Development Company ** JD ('000)	
<b>Group's share in net equity:</b>						
Current assets	141,158	1,443	300	100	-	143,001
Non-current assets	416,023	-	-	-	-	416,023
Current liabilities	(45,743)	-	-	-	-	(45,743)
Non-current liabilities	(3,721)	-	-	-	-	(3,721)
Net equity	507,717	1,443	300	100	-	509,560
Percentage of ownership	48%	40%	33%	25%	46%	
Group's share in net equity	243,704	577	99	25	-	244,405
Elimination of Group's share of association related to transaction between the Group and associate	(587)	-	-	-	-	(587)
<b>Net investment as at 31 December</b>	<b>243,117</b>	<b>577</b>	<b>99</b>	<b>25</b>	<b>-</b>	<b>243,818</b>
<b>Group's share from associate's revenues and profits:</b>						
Revenues	304,234	-	-	-	-	304,234
Cost of sales	(157,255)	-	-	-	-	(157,255)
Administrative, selling and distribution expenses	(76,338)	-	-	-	-	(76,338)
Differences of prior year results*	(38)	-	-	-	5,000	4,962
<b>Profit for the year before Income tax</b>	<b>70,603</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,000</b>	<b>75,603</b>
Income tax expense	(657)	-	-	-	-	(657)
<b>Profit for the year</b>	<b>69,946</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,000</b>	<b>74,946</b>
Percentage of ownership	48%	40%	33%	25%	46%	
Group's share of associates' profit	33,574	-	-	-	2,300	35,874

\* Differences of prior year results represent loss or profit differences between draft financial statements and issued audited financial statements of the affiliate companies.

\*\* Management of Manajim for Mining Development Company did not provide the Group with the company's financial statements for the year 2025. In the opinion of the Group's management, there is no material impact from the results of operations of Manajim for Mining Development Company on the carrying value of the investment as of 31 December 2024.

**B. JOINT VENTURES:**

The below schedule represents the Group's investment in joint ventures:

	Country of incorporation	Nature of activity	Ownership	Ownership	2025	2024
			2025	2024	2025	2024
			%	%	JD ('000)	JD ('000)
Indonesian project – Petro Jordan Abadi Company	Indonesia	Phosphoric acid production	50	50	51,143	40,296
Jordan Industrial Ports Company	Jordan	Shipping services	50	50	75,475	75,376
					<u>126,618</u>	<u>115,672</u>

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The movement on the investment in joint ventures is as follows:

	2025 JD ('000)	2024 JD ('000)
Balance at 1 January	115,672	104,903
Group's share of profit for the year	11,062	11,910
Dividends from Jordan Industrial Ports Company	(1,000)	-
Additions (elimination) of the Group's share of Petro Jordan Abadi income related to transactions between the Group and joint venture	884	(526)
Transfers to Petro Jordan Abadi receivable	-	(615)
Balance at 31 December	<u>126,618</u>	<u>115,672</u>

The below schedules summarize financial information for the Group's joint ventures:

	2025		
	Indonesian project – Petro Jordan Abadi Company JD ('000)	Jordan Industrial Ports Company JD ('000)	Total JD ('000)
Current assets	60,269	37,823	98,092
Non-current assets	83,827	121,874	205,701
Current liabilities	(35,599)	(3,823)	(39,422)
Non-current liabilities	(5,207)	(4,924)	(10,131)
Net equity	<u>103,290</u>	<u>150,950</u>	<u>254,240</u>
Percentage of ownership	<u>50%</u>	<u>50%</u>	
Group's share in net equity	51,645	75,475	127,120
Elimination of the Group's share of the income related to transactions between the Group and joint ventures	(502)	-	(502)
<b>Group's share in net equity</b>	<u>51,143</u>	<u>75,475</u>	<u>126,618</u>
<b><u>Group's share from joint ventures income and profits</u></b>			
Revenues	185,601	23,837	209,438
Cost of sales	(156,478)	(22,444)	(178,922)
Administration, selling and distribution expenses	(2,580)	(1,081)	(3,661)
Interest income	65	1,664	1,729
Finance expense	(1,074)	-	(1,074)
Other revenues, net	55	222	277
Differences of prior year results*	-	-	-
Profit for the year before tax	<u>25,589</u>	<u>2,198</u>	<u>27,787</u>
Income tax expense for the year	(5,664)	-	(5,664)
Profit for the year	<u>19,925</u>	<u>2,198</u>	<u>22,123</u>
Percentage of ownership	<u>50%</u>	<u>50%</u>	
Group's share of profit from joint ventures	<u>9,963</u>	<u>1,099</u>	<u>11,062</u>

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	2024		
	Indonesian project – Petro Jordan Abadi Company JD ('000)	Jordan Industrial Ports Company JD ('000)	Total JD ('000)
Current assets	49,135	33,111	82,246
Non-current assets	98,014	126,983	224,997
Current liabilities	(44,450)	(3,907)	(48,357)
Non-current liabilities	(19,334)	(5,435)	(24,769)
Net equity	83,365	150,752	234,117
Percentage of ownership	50%	50%	
Group's share in net equity	41,683	75,376	117,059
Elimination of the Group's share of the income related to transactions between the Group and joint ventures	(1,387)	-	(1,387)
<b>Group's share in net equity</b>	<b>40,296</b>	<b>75,376</b>	<b>115,672</b>
<b><u>Group's share from joint ventures income and profits</u></b>			
Revenues	152,850	23,466	176,316
Cost of sales	(130,004)	(21,391)	(151,395)
Administration, selling and distribution expenses	(2,215)	(1,025)	(3,240)
Interest income	-	1,409	1,409
Finance expense	(3,157)	-	(3,157)
Other revenues, net	578	50	628
Differences of prior year results*	7,804	(22)	7,782
Profit for the year before tax	25,856	2,487	28,343
Income tax expense for the year	(4,365)	(159)	(4,524)
Profit for the year	21,491	2,328	23,819
Percentage of ownership	50%	50%	
Group's share of profit from joint ventures	10,746	1,164	11,910

\* Differences of prior year results represent loss or profit differences between draft financial statements and issued audited financial statements of the joint ventures' companies.

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**(6) INTANGIBLE ASSETS**

The details of this item are as follows:

	2025	2024
	JD ('000)	JD ('000)
Fertilizers unit goodwill*	15,680	15,680
New phosphate port**	89,027	95,385
Natural gas station and pipeline***	3,717	4,153
	<u>108,424</u>	<u>115,218</u>

**\* FERTILIZERS UNIT GOODWILL:**

During 1986 the Group acquired Jordan Fertilizers Industry Company ("JFIC" or "the Fertilizers Unit") as agreed by the Economic Security Committee decision no. 16/86 dated 15 June 1986, whereby all assets and certain liabilities have been transferred to the Group.

Goodwill represents the excess of the cost of purchase over the Group's interest in the net fair value of the JFIC identifiable assets and liabilities that have been recorded 1986.

**Impairment test of goodwill:**

The recoverable amount of the Fertilizers Unit has been determined using the projected cash flows based on financial budgets and projections prepared by the Group. The pre-tax discount rate applied is 17.7% the projections were prepared based on the production capacity and the expected prices of raw material and finished goods as published by specialized international organization. The test did not result any impairment in goodwill.

**Key assumptions used:**

The key assumptions to calculate the value in use for the Fertilizers Unit and which were used by management to prepare the projected cash flows for the impairment test of goodwill were as follows:

**Projected sales:** The quantities sold during 2025 were used to build up the projected 5 years future sales.

**Projected costs:** The costs incurred during 2025 (except for raw material prices), were used to build up the projected 5 years cost.

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**Discount rate:** The discount rate used reflects the management's estimate of the risks specific to the industry to determine the weighted average cost of capital which represent the discount rate used of 17.7% (2024: 16.3%).

**Raw materials and selling prices:** Estimated selling prices and prices of raw materials are based on management expectations. Fertilizers chemical products prices are obtained from published information issued from international specialized organization and it has been adjusted on historical cost to reflect the purchase prices including Cost and Freight (CFR) Aqaba / Jordan.

**Sensitivity to changes in assumptions:** With regard to the assessment of value in use of the fertilizer unit, management believes that no reasonably possible changes in any other above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

**\*\* NEW PHOSPHATE PORT**

During 2014, the Group capitalized the new Phosphate Port Project as intangible assets in accordance with IFRIC 12 (Service Concession Arrangements), where the total cost of the project represents the license to use and operate the new port for a period of 26 years, after that the port will be handed over to Aqaba Development Corporation / Aqaba Special Economic Zone Authority. The Group started to amortize the intangible assets related to the new phosphate port terminal from the first of January 2014. The amortization expense for the year ended 31 December 2025 amounted to JD 6,358 thousand (2024: JD 6,361 thousand) was recorded within new phosphate port terminal expenses (Note 33).

Movement on new phosphate port is as follows:

	2025 JD ('000)	2024 JD ('000)
Balance at 1 January	95,385	101,746
Amortization for the year (Note 33)	(6,358)	(6,361)
Balance at 31 December	89,027	95,385

The asset retirement provision when the license to use and operate the new port expires is JD 20,031 thousand as 31 December 2025 (31 December 2024: JD 19,420 thousand). The obligation is measured at the present value of estimated future cash flows using an average interest rate of 8.3%.

The movement on the asset deferred provision is as follows:

	2025 JD ('000)	2024 JD ('000)
Balance at 1 January	19,420	18,785
Present value discount (Note 27)	611	635
Balance at 31 December	20,031	19,420

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**\*\*\* NATURAL GAS STATION AND PIPELINE**

During 2022, the Group capitalized the natural gas station and pipeline project in Aqaba as intangible assets in accordance with IFRIC 12 (Service Concession Arrangements), where the total cost of the project represents the license to use and operate the station until the end of 2033. The Group started to amortize the intangible assets related to the natural gas station and pipeline from 2023. The amortization expense amounted to JD 436 thousand was recorded within cost of sales for the year ended 31 December 2025 (2024: JD 436 thousand).

The movement on the natural gas station and pipeline is as follows:

	2025 JD ('000)	2024 JD ('000)
Balance at 1 January	4,153	4,589
Amortization for the year	(436)	(436)
Balance at 31 December	<u>3,717</u>	<u>4,153</u>

**(7) EMPLOYEES' HOUSING LOANS**

Movement on the employee's housing loans is as follows:

	2025 JD ('000)	2024 JD ('000)
Balance at 1 January	4,827	5,100
Net movement during the year	1,314	(332)
Present value discount (Note 27,28)	(461)	59
Balance at 31 December	<u>5,680</u>	<u>4,827</u>

The Group grants its classified employees, who have been in service with the Group for a minimum of seven years, interest-free housing loans at a maximum amount of JD 40 thousand per employee based on salary. The loans are repaid in monthly installments, deducted from the employees' monthly salaries over a period of maximum 15 years. These loans are guaranteed by a mortgage over the real estate.

Housing loans are initially recorded at fair value which is calculated by discounting the monthly installments to their present value using an interest rate which approximates the interest rate for similar commercial loans and is subsequently measured at amortized cost using the effective interest rate method.

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**(8) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

	2025	2024
	JD ('000)	JD ('000)
Quoted shares	-	38
Unquoted shares	266	266
	<u>266</u>	<u>304</u>

The movement on the fair value reserve during the year is as follows:

	2025	2024
	JD ('000)	JD ('000)
Balance at 1 January	(357)	(357)
Net changes in financial assets valuation reserve	(38)	-
Balance at 31 December	<u>(395)</u>	<u>(357)</u>

**(9) INVENTORIES, SPARE PARTS AND SUPPLIES**

	2025	2024
	JD ('000)	JD ('000)
Finished goods (Note 21)	40,625	42,117
Work in progress (Note 31)	32,875	17,243
Raw materials	47,494	33,826
Inventory held by contractors (Note 17)	2,493	2,189
Spare parts and supplies	82,871	84,801
	<u>206,358</u>	<u>180,176</u>
Provision for slow moving spare parts*	(18,879)	(21,792)
	<u>187,479</u>	<u>158,384</u>

\* Movement in the provision for slow-moving spare parts is as follows:

	2025	2024
	JD ('000)	JD ('000)
Balance at 1 January	21,792	29,229
(Recovered from) provision for the year	(113)	3,834
Provision written off	(2,800)	(11,271)
Balance at 31 December	<u>18,879</u>	<u>21,792</u>



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**(10) ACCOUNTS RECEIVABLE**

	2025 JD ('000)	2024 JD ('000)
Trade receivables	102,358	80,574
Due from associates and joint ventures (Note 35)	45,539	48,674
Others	24,837	26,340
	172,734	155,588
Provision for expected credit losses*	(27,346)	(30,327)
	145,388	125,261
Current portion	145,388	122,740
Non-current portion	-	2,521
	145,388	125,261

\* The following is the movement for the provision of expected credit losses:

	2025 JD ('000)	2024 JD ('000)
Balance at 1 January	30,327	30,327
Recovered from the provision	19	-
Transferred to other provisions (Note 34)	(3,000)	-
Balance at 31 December	27,346	30,327

The Group's policy with regard to trade receivables and related parties' receivables is a collection period that does not exceed 90 days.

As at 31 December, the aging analysis is as follows:

	Accounts receivable			Total JD ('000)
	Less than 90 days JD ('000)	90 – 180 days JD ('000)	More than 180 days JD ('000)	
As at 31 December 2025				
Percentage of expected credit losses	0%	0%	99.4%	
Total book value – Accounts receivable	144,765	445	27,524	172,734
Expected credit losses	-	-	(27,346)	(27,346)
	144,765	445	178	145,388

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	Accounts receivable			Total JD ('000)
	Less than 90 days	90 – 180 days	More than 180 days	
	JD ('000)	JD ('000)	JD ('000)	
As at 31 December 2024				
Percentage of expected credit losses	0%	0%	92.3%	
Total book value – Accounts receivable	122,731	-	32,857	155,588
Expected credit losses	-	-	(30,327)	(30,327)
	<u>122,731</u>	<u>-</u>	<u>2,530</u>	<u>125,261</u>

The management of the Group expects unimpaired receivables to be fully recoverable. The majority of the Group's sales are made through letter of credits.

**(11) OTHER CURRENT ASSETS**

	2025 JD ('000)	2024 JD ('000)
Prepaid expenses	49,228	45,074
Payments on letters of credit	13,121	15,369
Accrued bank interest income	5,034	8,069
Advance payments on sales tax	8,605	6,882
Accrued debit loan and late payment interest income	2,961	2,889
Others	3,356	2,341
	<u>82,305</u>	<u>80,624</u>
Current portion	79,344	77,735
Non-current portion*	2,961	2,889
	<u>82,305</u>	<u>80,624</u>

\* This item represents the non-current portion of late payment interest on receivables due from the Jordan India Fertilizers Company.

**(12) CASH ON HAND AND AT BANKS**

	2025 JD ('000)	2024 JD ('000)
Cash at banks*	1,096,809	958,403
Cash on hand	51	44
	<u>1,096,860</u>	<u>958,447</u>

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

	2025 JD ('000)	2024 JD ('000)
Cash on hand and at banks	1,096,860	958,447
Short-term deposits mature within 3 months and 1 year**	(1,027,297)	(788,425)
Due to banks (Note 19)	(1,285)	(582)
	<u>68,278</u>	<u>169,440</u>

\* Cash at banks includes current accounts in US dollars with an annual interest rate not exceeding 4% for the year ended 31 December 2025 (2024: not exceeding 4%).

\*\* Short-term deposits include deposits mature within three months and one year in Jordanian dinars with an annual interest rate ranging from 5.25% to 6.9% for the year ended 31 December 2025 (31 December 2024: between 5.6% and 7%), and deposits in US dollars with an annual interest rate ranging from 3.6% to 4.75% for the year ended 31 December 2025 (31 December 2024: between 3.65% and 4.75%).

**(13) EQUITY ATTRIBUTABLE TO EQUITY HOLDERS**

**Paid-in capital -**

The Company's authorized, subscribed and paid-in capital amounted to JD 247,500 thousand divided into 247,500 thousand shares at a par value of JD 1 per share as of 31 December 2024. The Company's General Assembly approved in its extraordinary meeting held on 14 April 2025 the increase of the Company's capital by capitalizing an amount of JD 52,500 thousand from the retained earnings balance, representing approximately 21% of the authorized, subscribed and paid-in capital, and distributing it as stock dividends to the shareholders. Accordingly, the authorized, subscribed and paid-in capital became JD 300,000 thousand divided into 300,000 thousand shares at a par value of JD 1 per share as of 31 December 2025.

**Statutory reserve -**

As required by the Jordanian Companies Law, 10% of the annual net income for the year before income tax is to be transferred to the statutory reserve until it reaches 25% of the Group capital. However, the Group may continue transferring to the statutory reserve up to 100% of the Group capital if general assembly approval is obtained. This reserve is not available for distribution to the shareholders.

**Voluntary reserve -**

The amount accumulated in this reserve represents the transfers from net income before income tax at a maximum of 20%. This reserve is available for distribution to the shareholders.

**Special reserve -**

The amount accumulated in this reserve represents the transfers from net income before income tax at a maximum of 20%. This reserve is available for distribution to the shareholders.

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**(14) LOANS**

Currency	2025		2024	
	Due within	Long-term	Due within	Long-term
	one year	Long-term	one year	Long-term
	JD ('000)	JD ('000)	JD ('000)	JD ('000)
Arab Bank loan	USD	-	5,168	24,639
		-	5,168	24,639

**Arab Bank Loan -**

Jordan Phosphate Mining Company signed a USD 96 Million loan agreement with Arab Bank. On 5 January 2016, the first part of the loan agreement with the amount of USD 50 Million was signed between the Group and Arab Bank. On 21 July 2016, the second part of the loan agreement with the amount of USD 46 Million was signed between the Group and the Arab Bank to finance 100% of Jordan Phosphate Mining Company's share in Jordan Industrial Ports Company to develop and update the industrial port in Aqaba. The loan holds an interest rate of 6 months LIBOR + 2,75% for the first 7 years of the loan period and interest rate of SOFR +2,8% from the 8<sup>th</sup> year until the end of loan period, the loan has a 15 years period including 2 years grace period. The loan is payable through equal semiannual installments amounted to USD 3.65 Million. The first installment was due on 15 January 2018, and the last installment is due on 15 July 2030.

Arab Bank Loan Agreement requires that Jordan Phosphate Mining Company shall not borrow from any other entity without the Bank's prior approval for amounts above USD 50 million. As well as maintaining a specific rate of debt service not less than one and a quarter times for any financial year, and the ratio of current assets to current liabilities to not less than 1.2 times for any financial year, as well as maintaining the ratio of liabilities to net equity not more than one and a half for any year. The agreement also requires that the Group does not mortgage its share in the capital of the Industrial Ports Company to any other party without obtaining an approval of the bank, in addition to not distributing dividends in the event of any accrued installments on the loan and that the dividend distribution does not exceed 75% of the Company's capital. The Company settled the loan in full during the year 2025.

**(15) PROVISIONS FOR EMPLOYEES' BENEFITS**

The table below illustrates the details of provisions for employees' benefits as of 31 December:

	2025	2024
	JD ('000)	JD ('000)
Defined benefit plans (A)	71,363	64,806
Employees' compensations (B)	945	903
Employees incentives and retirees' grants (C)	716	735
	<u>73,024</u>	<u>66,444</u>
Current portion	5,213	8,716
Non-current portion	67,811	57,728
	<u>73,024</u>	<u>66,444</u>

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**A- Defined benefit plans**

The following is the movement on the provision of defined benefit plans:

	2025			
	End of service	Death and	Compensation bonus	Total
	bonus compensation*	compensation fund**	of six months	
	JD ('000)	JD ('000)	JD ('000)	
Balance as of 1 January	2,549	60,422	1,835	64,806
Service cost	100	3,657	-	3,757
Interest cost	100	3,939	145	4,184
Employees contributions	-	354	-	354
Paid benefits during the year	(79)	(5,208)	(54)	(5,341)
Employee share of payments during the year	-	(354)	-	(354)
Actuarial changes due to experience	-	1,443	8	1,451
Actuarial changes due to change in financial assumptions	-	2,460	46	2,506
Balance as of 31 December	2,670	66,713	1,980	71,363
	2024			
	End of service	Death and	Compensation bonus	Total
	bonus compensation*	compensation fund**	of six months	
	JD ('000)	JD ('000)	JD ('000)	
Balance as of 1 January	2,384	80,578	1,761	84,723
Service cost	100	4,903	158	5,161
Interest cost	100	4,258	-	4,358
Employees contributions	-	381	-	381
Paid benefits during the year	(35)	(34,751)	(162)	(34,948)
Employee share of payments during the year	-	(381)	-	(381)
Actuarial changes due to experience	-	4,371	16	4,387
Actuarial changes due to change in financial assumptions	-	1,063	62	1,125
Balance as of 31 December	2,549	60,422	1,835	64,806

\* During 2011, the Company calculated the provision for employees' end-of-service bonus based on JD 1,000 per each service year for each employee in accordance with the signed agreement with the Jordanian Mines Employees Labor Union on 9 June 2011 and according to the Board of Directors decisions made on the 2 July 2011 and 28 July 2011 which set the end of service bonus basis. The Board of Directors decided in 2018 to grant employees who are included in this program and are still on their jobs, if they wish to terminate their services before 31 December 2018, an incentive by increasing the compensation to become JD 2,000 for each year of service.

End-of-service bonus compensation is earned based on years of service and the liability is determined based on the present value of the gross liability at the date of the consolidated financial statements. The end-of-service bonus compensation using the projected unit credit method.

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\*\* During March 2015, the Group established the Death and Compensation Fund in accordance with the Board of Directors resolution. The Fund grants the employees included in the Fund plan upon their retirement, an average of two months' salary as a bonus for each year of service with a maximum of 23 years of service and the bonus amount is determined based on the last salary subject to social security and capped at JD 4,000. The fund objectives are as follow:

- 1- Reducing the cost of employees' salaries.
- 2- Reducing the number of employees in the Company as a technical study showed that Company's operations can be handled with no more than 2,000 employees.
- 3- Multiplicity of compensation schemes for the years (2000-2011) failing to reduce number of employees or cost of salaries.

According to the defined benefit obligation, the Death and Compensation fund's liability is calculated based on year of service and the present value of the defined obligation is determined by discounting estimated future cash flows using the interest rate on high quality governmental bonds.

Significant actuarial assumptions used to determine death and compensation fund liability as of 31 December are as follow:

	2025	2024
Discount rate	6,2%	6,47%-6,77%
Salary increase rate	3,5% - 6%	3,5% - 6%
Resignation rate:		
Up to the age of 34 years	3% - 5%	3% - 5%
From the age of 35 to 49 years	2% - 5%	2% - 5%
Age of 50 years and over	0% - 5%	0% - 5%

The following table represents sensitivity analysis of changes in significant actuarial assumptions used to determine the present value of death and compensation fund liability as of 31 December:

	Discount rate		Salary increase rate		Resignation rate	
	Percentage	Increase (Decrease)	Percentage	Increase (Decrease)	Percentage	Increase (Decrease)
	%	JD ('000)	%	JD ('000)	%	JD ('000)
<b>2025 -</b>						
	+1	(4,752)	+1	4,979	+1	365
	-1	5,255	-1	(4,801)	-1	(388)
<b>2024 -</b>						
	+1	(4,224)	+1	4,435	+1	435
	-1	4,691	-1	(4,289)	-1	(463)

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**B- Employees' compensations**

The table below illustrates the provisions for the defined contribution plans:

	2025		
	Compensation	Engineers	Total
	fund* JD ('000)	specialty allowances** JD ('000)	JD ('000)
Balance as of 1 January	885	18	903
Provision during the year (company's contribution)	40	-	40
Employees contributions	18	-	18
Payments during the year	(16)	-	(16)
Balance as of 31 December	927	18	945

  

	2024		
	Compensation	Engineers	Total
	fund* JD ('000)	specialty allowances** JD ('000)	JD ('000)
Balance as of 1 January	831	18	849
Provision during the year (company's contribution)	40	-	40
Employees contributions	18	-	18
Payments during the year	(4)	-	(4)
Balance as of 31 December	885	18	903

\* Starting on 1 January 1981, all employees became entitled to be included in the Compensation Fund. Amended starting 1 August 1999, to become JD 450 per year. The employer's share was amended to become JD 310 and the employee share JD 140. The Fund's balance as of 31 December 2025 represents the accumulated funds that have vested to the employees; the Company's contributions are recognized as an administrative expense on monthly basis.

\*\* During 1999 the Company calculated the engineers specialty allowances provision, per a value form count of cassation that includes a final verdict to previous Company's employee that makes the Company pay a premium for spatiality for employees as part of end of service indemnity.

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**C- Employees incentives and retirees' grants**

The details of employees' incentives and retirees' grants provision are as follows:

	2025 JD ('000)	2024 JD ('000)
Employees' incentives provision*	275	275
Retirees' grants provision**	441	460
	<u>716</u>	<u>735</u>

**\* Employees incentives and retirees' grants**

\*The employees' incentives provision for the year 2011 was calculated based on the Company's Board of Directors decision on 2 July 2011 approved an Early Retirement Incentive Plan for the year 2011 and its associated by-laws (the "Plan"). The Plan is applicable only to those employees who meet its conditions, whereby the Plan may not be combined with either the early retirement incentive plan for the year 2000 or with the end of service bonus. The Plan provides the following benefits to those employees who meet the conditions of the plan:

- 1- Granting a JD 1,000 bonus for each year of service as of the hiring date and until the termination date.
- 2- Granting a JD 1,000 bonus for each year of service as of the termination date until attaining the age of seniority (60 years of age for males and 55 years of age for females).
- 3- Granting a bonus equivalent to four salaries for each year in respect of the first five years of service, a bonus equivalent to three salaries for each year in respect of the second five years of service, a bonus equivalent to two salaries for each year in respect of the third five years of service. For purposes of computing the incentive provided for under the Plan, the remaining years of service must not, in all cases, exceed 10 years for females and 15 years for males.
- 4- Benefiting from the medical insurance coverage after retirement. Additionally, the employee who does not meet the conditions of the Plan, or the employee who chooses to leave the company and not take advantage of the early retirement program, still has the right to subscribe to the medical insurance coverage after retirement provided that the subscription must be paid in advance.

Whereby eligibility to the plan and its entitlements shall not affect the eligible employee's rights to receive his/her end-of-service benefits including the six-month bonus, the compensation and death fund entitlements, or the savings fund entitlements.

There was no movement on employees' incentives provision during the years 2025 and 2024.



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**\*\* Retirees' grants provision**

1- On 29 February 2012, the Company's Board of Directors approved the decision to grant the Company's early retirees who retired on early retirement plan for the year 2000 an amount of JD 5,000 for each retiree.

2- On 20 February 2012, the Company's Board of Directors approved the decision to grant the Company's retirees who retired between the period from 1 January 2002 and 4 June 2011. The amount is calculated based on the following formula and the minimum amount is JD 8,000 for each retiree:

$((50\% \times \text{salary subject to social security} \times \text{years of service}) + (25\% \times \text{salary subject to social security} \times \text{remaining years from the termination date until the age of seniority})).$

The movement on retirees' grants provision during the year 2025 and 2024.

	2025	2024
	JD ('000)	JD ('000)
Balance as of 1 January	460	460
Payments	(19)	-
Balance as of 31 December	441	460

Details of employees' benefit provision in the consolidated statement of income are as follow:

	2025	2024
	JD ('000)	JD ('000)
Cost of sales	6,688	7,668
Administrative expenses	647	1,116
Selling and marketing expenses	301	345
Russiefah mine expenses	-	72
Other provisions*	345	358
	7,981	9,559

\*The details of other provisions included in the consolidated statement of income are as follows:

	2025	2024
	JD ('000)	JD ('000)
End-of-service bonus compensation provision	200	200
Bonus compensation – six months	145	158
	345	358

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**(16) ACCOUNTS PAYABLE**

	<u>2025</u>	<u>2024</u>
	JD ('000)	JD ('000)
Due to projects' and contractors	35,097	21,022
Due to foreign suppliers	32,229	20,080
Due to associate companies (Note 35)	6,502	5,849
Electricity Company	2,070	2,413
Due to local suppliers	1,235	1,098
Others	3,192	5,628
	<u>80,325</u>	<u>56,090</u>

**(17) ACCRUED EXPENSES**

	<u>2025</u>	<u>2024</u>
	JD ('000)	JD ('000)
Accrued production bonus	10,208	7,351
Freight and transportation fees	6,699	4,168
Accrued agriculture service fees	4,411	4,064
Fuel, electricity and water expenses	3,359	2,955
Inventory in transit in custody of contractor (Note 9)	2,493	2,189
Demurrage and unloading expense	1,357	1,390
Sales agents' commissions	790	790
Sales rebates	782	837
Port fees	266	266
Accrued medical insurance	246	331
Accrued medical insurance for retired employees	124	124
Loans interest	-	1,011
Others	5,456	5,046
	<u>36,191</u>	<u>30,522</u>

**(18) OTHER CURRENT LIABILITIES**

	<u>2025</u>	<u>2024</u>
	JD ('000)	JD ('000)
Deposits and other provisions	16,892	15,907
Others	3,580	3,523
	<u>20,472</u>	<u>19,430</u>

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**(19) DUE TO BANKS**

This balance represents the utilized amount of overdraft facilities granted by local banks. The ceiling amounted to JD 34,500 thousand as of 31 December 2025 (2024: JD 34,500 thousand) for the JD accounts, and USD 71,500 thousand which amounted to JD 50,622 thousand as of 31 December 2025 (2024: USD 71,500 thousand which amounted to JD 50,622 thousand) for the USD accounts. Average interest rates on those overdrafts facilities ranged between 7,5% to 11% in 2025 (2024: between 7,5% and 18%) for the JD accounts, and SOFR from 4,7% to 7,2% for the USD accounts.

**(20) INCOME TAX**

Income tax expense presented in the consolidated income statement represents the following:

	<u>2025</u>	<u>2024</u>
	JD ('000)	JD ('000)
Current year income tax	171,762	136,768
Amount released from deferred tax asset	2,790	11,173
Deferred tax assets additions	(1,333)	(2,801)
	<u>173,219</u>	<u>145,140</u>

**(A) Income tax provision**

Movement on the income tax provision for is as follows:

	<u>2025</u>	<u>2024</u>
	JD ('000)	JD ('000)
Balance at 1 January	18,828	109,678
Income tax expense for the year	171,762	133,383
Prior years income tax	-	3,385
Transferred from other debit balances	(3,767)	-
Income tax paid	<u>(144,974)</u>	<u>(227,618)</u>
Balance at 31 December	<u>41,849</u>	<u>18,828</u>

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**(B) Reconciliation of the accounting profit to taxable profit**

The details of computed income tax are as follows:

	Phosphate unit	Fertilizer unit	Indo Jordan for Chemicals	Nippon Jordan for Fertilizers	Al Ro'ya	Reconciliations between subsidiaries	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
<b>2025 -</b>							
Accounting profit	525,489	106,693	120,560	14,278	1,252	(2,738)	765,534
Non-taxable profits	(52,920)	(3,868)	(70,760)	(14,278)	-	-	(141,826)
Non-deductible expenses	25,757	6,508	-	-	-	-	32,265
Taxable income	498,326	109,333	49,800	-	1,252	(2,738)	655,973
Provision for income tax	154,481	6,560	10,458	-	263	-	171,762
Effective income tax rate	29%	6%	9%	-	21%	-	22%
Enacted income tax rate and national contribution	31%	6%	21%	-	21%	-	6%-31%
<b>2024-</b>							
Accounting profit	421,057	80,737	87,956	12,880	1,051	(661)	603,020
Non-taxable profits	(87,213)	(60,702)	(38,580)	(12,880)	-	-	(199,375)
Non-deductible expenses	55,931	10,512	-	-	-	-	66,443
Taxable income	389,775	30,547	49,376	-	1,051	(661)	470,088
Provision for income tax	117,508	5,255	10,369	-	251	-	133,383
Effective income tax rate	28%	7%	12%	-	24%	-	22%
Enacted income tax rate and national contribution	31%	6%	21%	-	21%	-	6%- 31%

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**(C) Deferred tax assets**

Movement on the deferred tax assets during the year is as follows:

	2025 JD ('000)	2024 JD ('000)
Balance at 1 January	23,219	30,059
Additions during the year	1,333	2,801
Released from other comprehensive income items	1,102	1,532
Released during the year	(2,790)	(11,173)
Balance at 31 December	<u>22,864</u>	<u>23,219</u>

The details of the deferred tax assets during the year are as follows:

	2025 JD ('000)	2024 JD ('000)
Employees benefits provisions	12,274	11,270
Other provisions	7,200	7,200
Expected credit losses	2,598	2,598
Production bonus provision	-	1,359
Others	792	792
	<u>22,864</u>	<u>23,219</u>

**(D) Tax Status**

**Phosphate Unit -**

The income tax provision for the years ended 31 December 2025 and 2024 was calculated in accordance with income tax law No. (34) for 2014 and its amendments. Noting that under the amended law the tax rate was adjusted starting from January 2020 to become 24% income tax + 7% national contribution. The Company submitted its' tax declarations for the Phosphate Unit up to 2024. The Income and Sales Tax Department has not reviewed the records of the Phosphate Unit for the years 2024 and 2023 up to the date of the preparation of consolidated financial statements. A final settlement was reached up to the year 2022.

**Fertilizer Unit -**

The income tax provision for the years ended 31 December 2025 and 2024 was calculated in accordance with the Aqaba Special Economic Zone Law No. (32) of 2000 and its amendments. The Company has submitted self-assessment tax returns up to the year 2024 for the Fertilizers Unit. The Income and Sales Tax Department has not reviewed the accounting records for the years 2024 and 2023 up to the date of preparation of the consolidated financial statements. A final tax settlement has been reached up to the year 2022.

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**Indo Jordan Chemicals-**

The income tax provision for the years ended 31 December 2025 and 2024 was calculated in accordance with Income Tax Law No. (34) of 2014 and its amendments. The Company submitted its self-assessment tax return for the year 2024 and reached a final settlement with the Income and Sales Tax Department up to the end of 2020. The Income and Sales Tax Department reviewed the accounting records for the year 2020. The Company submitted an objection to the results of the tax assessment for the year 2019; however, the objection was rejected. Accordingly, the Company filed a lawsuit with the Income Tax Court, which was concluded through a final settlement for the years 2019 and 2020.

**Nippon Jordan Fertilizers Company -**

No income tax provision was calculated for the years ended 31 December 2025 and 2024 since the Company is exempted from income tax in accordance with Aqaba Special Economic Zone Authority law. The Company has submitted its tax declarations for the year 2024. On 22 July 2024, the Company filed a lawsuit with the First Instance Tax Court / Aqaba Special Economic Zone, challenging the tax decision issued against the Company related to the years 2021 and 2022. The decision includes a tax claim of JD 84 thousand for income tax and national contribution for the year 2021 and JD 651 thousand for the year 2022. The Company has recorded a provision of JD 735 thousand against this case. The lawsuit is still pending at the court as of date of the preparation of consolidated financial statements.

**Ro'ya for transportation -**

The income tax provision for the years ended 31 December 2025 and 2024 was calculated in accordance with Income Tax Law No. (34) of 2014 and its amendments. The Company submitted its self-assessment tax return for the year 2024 and reached a final settlement with the Income and Sales Tax Department up to the end of 2023.

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**(21) NET SALES/ COST OF SALES**

	2025		
	Net sales	Cost of sales	Gross profit
	JD ('000)	JD ('000)	JD ('000)
Phosphate unit	738,173	107,321	630,852
Fertilizers unit	367,037	254,875	112,162
Indo Jordan Chemicals Company	196,930	89,948	106,982
Nippon Jordan Fertilizers Company	132,429	116,174	16,255
Trading in raw materials	13,841	9,953	3,888
	<u>1,448,410</u>	<u>578,271</u>	<u>870,139</u>
	2024		
	Net sales	Cost of sales	Gross profit
	JD ('000)	JD ('000)	JD ('000)
Phosphate unit	628,450	115,197	513,253
Fertilizers unit	305,263	219,458	85,805
Indo Jordan Chemicals Company	133,713	55,353	78,360
Nippon Jordan Fertilizers Company	132,411	116,481	15,930
Trading in raw materials	13,436	7,355	6,081
	<u>1,213,273</u>	<u>513,844</u>	<u>699,429</u>
	2025		
	JD ('000)		
Finished goods as at 1 January (Note 9)	42,117	58,066	
Production cost (Note 31)	576,779	497,895	
Finished goods as at 31 December (Note 9)	(40,625)	(42,117)	
Cost of sales for the year ended 31 December	<u>578,271</u>	<u>513,844</u>	

Fertilizer unit's production costs include the amounts of JD 2,555 thousand and JD 2,580 thousand for 2025 and 2024 respectively, which represent mining fees on rock phosphate used in the fertilizer unit production (Note 25).

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**(22) SELLING AND MARKETING EXPENSES**

	2025	2024
	JD ('000)	JD ('000)
Loading and unloading expenses	1,161	793
Export department expenses	779	2,106
Vessel loading delay charges	485	320
Packaging materials	435	406
Bank charges on incoming letters of credit	404	403
Governmental fees on agriculture services	347	356
Depreciation (Note 3A)	117	87
Income tax on shipping fees	3	482
Other selling and marketing expenses	1,341	2,264
	<u>5,072</u>	<u>7,217</u>

**(23) ADMINISTRATIVE EXPENSES**

	2025	2024
	JD ('000)	JD ('000)
Donations	14,843	8,663
Salaries and wages	7,103	6,980
Post-retirement health insurance contribution	5,644	5,423
Legal expenses and lawyer fees	1,275	1,409
Taxes and import stamps fees	751	1,278
The Company's contribution to employees' benefits provisions	647	1,116
The Company's contribution to the six-month compensation bonus	602	4,242
Social security contribution	564	604
Maintenance and administrative expenses	352	366
Travel expenses and per diems	304	318
Depreciation (Note 3A)	296	295
Subscriptions and exhibitions	240	230
Hospitality	216	144
Scientific research and development	168	806
Employees saving fund contributions	139	147
Advertising	129	70
Employees' health insurance fund contributions	127	127
Utilities	114	114
Medical expenses	113	357
Post and telephone	43	42
Stationery and printings	38	69
Rent	32	46
Insurance fees	18	50
Others	3,498	5,504
	<u>37,256</u>	<u>38,400</u>



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**(24) RUSSIEFAH MINE EXPENSES**

	2025	2024
	JD ('000)	JD ('000)
Security and protection	67	84
Scientific research and development	21	76
Depreciation (Note 3A)	7	7
Salaries and wages	-	74
Company's contribution in saving fund	-	1
Social security contribution	-	1
Others	19	36
	<u>114</u>	<u>279</u>

**(25) MINING FEES**

The Group is subject to mining fees to the Jordanian Government on each ton of phosphate rocks exported, sold locally or used in the Group's projects. Mining fees are calculated as 5% of gross revenue or JD 1.42 per ton of phosphate, whichever is higher.

Mining fees incurred for the years 2025 and 2024 are as follows:

	2025	2024
	JD ('000)	JD ('000)
Mining fees on sold phosphate	40,416	34,745
Mining fees on phosphate used by the Fertilizers unit (Note 21)	2,555	2,580
	<u>42,971</u>	<u>37,325</u>

**(26) OTHER INCOME, NET**

	2025	2024
	JD ('000)	JD ('000)
Marine loading speed bonus	1,175	1,618
Gas network subscription revenue	1,428	-
Legal interest revenues from court cases	905	-
Dividends income	185	192
Income from settlement of insurance claims	-	397
Others	78	659
	<u>3,771</u>	<u>2,866</u>

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**(27) FINANCE COSTS**

	<u>2025</u>	<u>2024</u>
	JD ('000)	JD ('000)
Interest on lease obligations (Note 3B)	2,880	2,887
Interest on loans	276	2,561
Bank interest and charges – due to banks	335	328
Present value discount for asset retirement obligation (Note 6)	611	635
Present value discount of employees' housing loans (Note 7)	461	-
	<u>4,563</u>	<u>6,411</u>

**(28) FINANCE INCOME**

	<u>2025</u>	<u>2024</u>
	JD ('000)	JD ('000)
Interest income on banks' current accounts and deposits	49,092	59,098
Present value discount on employees housing loan (Note 7)	-	59
	<u>49,092</u>	<u>59,157</u>

**(29) EARNINGS PER SHARE**

	<u>2025</u>	<u>2024</u>
Profit for the year attributable to Company's shareholders (thousand JD's)	589,459	455,304
Weighted average number of shares during the year (thousand shares)	<u>300,000</u>	<u>300,000</u>
	<u>JD/ Fils</u>	<u>JD/ Fils</u>
Basic earnings per share*	<u>1/965</u>	<u>1/518</u>

\* The diluted earnings per share attributable to Company's shareholders is equal to the basic earnings per share.

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**(30) SEGMENT INFORMATION**

The operating segments are organized and managed separately assuming that risks and rewards are affected by the nature of the products and services provided. Each segment represents a separate unit which is measured according to the reports used by the chief operating decision maker of the Group.

The Phosphate Unit extracts mines and sells phosphate to local and international markets and to associate companies.

The Fertilizer Unit purchases the phosphate from the Phosphate Unit and uses it in the production of Fertilizers, Phosphoric Acid and Aluminum Fluoride to be sold to international and local markets and to associate companies.

Indo-Jordan (Subsidiary) produces phosphoric acid and other chemical by-products and sells them to international markets and associate companies.

Nippon (Subsidiary) produces fertilizers and other chemical by-products and sells to international and associate companies.

The raw material trading unit purchases raw materials and explosives and uses them in mining and fertilizers production as well as sell them in local and international markets and to associate companies.

	Phosphate unit	Fertilizers unit	Indo- Jordan Chemicals	Nippon Jordan Fertilizers	Others	Trading in raw materials	Eliminations	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
<b>2025 -</b>								
<b>Revenues</b>								
External sales	738,173	367,037	196,930	132,429	-	13,841	-	1,448,410
Inter-segment sales	121,252	31,973	83,323	-	-	18,730	(255,278)	-
<b>Total Sales</b>	<b>859,425</b>	<b>399,010</b>	<b>280,253</b>	<b>132,429</b>	<b>-</b>	<b>32,571</b>	<b>(255,278)</b>	<b>1,448,410</b>
Gross profit	630,852	112,162	106,982	16,255	-	3,888	-	870,139
<b>Segment results</b>								
Profit before income tax	525,486	102,808	120,560	14,278	1,263	3,888	(2,749)	765,534
Profit for the year	369,604	96,193	110,102	14,278	999	3,888	(2,749)	592,315
Group share of profit from associates and joint ventures	53,819	-	-	-	-	-	-	53,819
Non-controlling interest	2,856	-	-	-	-	-	-	2,856
Capital expenditures	8,957	21,795	6,189	1,459	45	-	-	38,445
Depreciation	3,259	5,829	3,300	244	4	-	-	12,636
Depreciation of right of use assets	2,950	254	189	90	-	-	-	3,483
Finance income	24,036	-	23,408	1,648	-	-	-	49,092

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	Phosphate unit	Fertilizers unit	Indo- Jordan Chemicals	Nippon Jordan Fertilizers	Others	Trading in raw materials	Eliminations	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
<b>2024 -</b>								
<b>Revenues</b>								
External sales	628,450	305,263	133,713	132,411	-	13,436	-	1,213,273
Inter-segment sales	118,048	20,656	83,779	-	-	21,661	(244,144)	-
<b>Total Sales</b>	<b>746,498</b>	<b>325,919</b>	<b>217,492</b>	<b>132,411</b>	<b>-</b>	<b>35,097</b>	<b>(244,144)</b>	<b>1,213,273</b>
Gross profit	513,253	85,805	78,360	15,930	-	6,081	-	699,429

**Segment results**

Profit before income tax	421,048	74,665	87,956	12,880	1,051	6,081	(661)	603,020
Profit for the year	291,902	69,291	77,587	12,880	800	6,081	(661)	457,880
Group share of profit from								
associates and joint ventures	47,784	-	-	-	-	-	-	47,784
Non-controlling interest	2,576	-	-	-	-	-	-	2,576
Capital expenditures	5,519	21,390	4,083	901	24	-	-	31,917
Depreciation	3,169	5,924	3,356	217	3	-	-	12,669
Depreciation of right of use assets	3,101	255	186	90	-	-	-	3,632
Finance income	37,662	-	20,353	1,142	-	-	-	59,157

	Phosphate unit	Fertilizers unit	Indo- Jordan Chemicals	Nippon Jordan Fertilizers	Other	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
<b>Assets and liabilities as at 31 December 2025</b>						
Operating assets	1,012,839	286,909	582,792	82,743	10,232	1,975,515
Investment in associates and joint ventures	390,918	-	69	-	-	390,987
Financial assets at fair value through profit or loss and through other comprehensive income	843	-	-	-	-	843
Liabilities	224,306	82,422	46,130	4,407	588	357,853

	Phosphate unit	Fertilizers unit	Indo-Jordan	Nippon	Other	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
<b>Assets and liabilities as at 31 December 2024</b>						
Operating assets	951,090	281,854	464,687	65,727	9,439	1,772,797
Investment in associates and joint ventures	359,421	-	69	-	-	359,490
Financial assets at fair value through profit or loss and through other comprehensive income	659	-	-	-	-	659
Liabilities	214,468	67,910	26,310	7,443	745	316,876

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**Geographical segments**

Following is a summary of sales by geographical areas:

	Phosphate unit	Fertilizers unit	Indo- Jordan Chemicals	Nippon Jordan Fertilizers	Raw materials	Total
2025 -	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
Asia	479,312	283,253	178,143	76,251	-	1,016,959
Australia	-	-	-	4,482	-	4,482
Europe	60,297	79	-	33,611	-	93,987
Africa	-	80,899	-	18,059	-	98,958
North America	-	39	-	-	-	39
Associates and joint ventures	198,551	-	-	-	-	198,551
Others	13	2,767	18,787	26	13,841	35,434
	<u>738,173</u>	<u>367,037</u>	<u>196,930</u>	<u>132,429</u>	<u>13,841</u>	<u>1,448,410</u>
2024 -						
Asia	464,323	179,451	122,431	79,530	-	845,735
Australia	6,133	-	-	10,509	-	16,642
Europe	9,467	14,920	-	29,048	-	53,435
Africa	-	25,774	73	-	-	25,847
South America	-	-	-	12,191	-	12,191
North America	-	82,791	-	-	-	82,791
Associates and joint ventures	148,509	-	-	-	-	148,509
Others	18	2,327	11,209	1,133	13,436	28,123
	<u>628,450</u>	<u>305,263</u>	<u>133,713</u>	<u>132,411</u>	<u>13,436</u>	<u>1,213,273</u>

The Group operates in the Hashemite Kingdom of Jordan; accordingly, all of its assets and liabilities are within the territory of Jordan, except for the Indonesian project – Petro Jordan Abadi Company and which is located in Indonesia.

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**(31) PRODUCTION COSTS**

	2025 JD ('000)	2024 JD ('000)
Work in progress beginning balance	17,243	12,803
Add:		
Raw materials	245,525	185,778
Mining contractors	162,054	156,009
Salaries and other benefits	60,454	59,090
Utilities	26,681	24,490
Fuel and oil	12,366	12,247
Spare parts and consumables	34,546	25,629
Depreciation (Note 3A)	12,212	12,278
Raw materials purchases	9,953	7,355
Others	28,620	19,459
Less: Work in progress ending balance (Note 9)	(32,875)	(17,243)
	<u>576,779</u>	<u>497,895</u>

**(32) SALARIES AND EMPLOYEES BENEFITS**

	2025 JD ('000)	2024 JD ('000)
Salaries and allowances	44,784	44,330
Production bonus*	10,208	7,351
End of service bonus and death and compensation fund benefits	7,636	9,201
Social security contribution	5,738	5,769
Compensation bonus of six months	747	4,400
Employees medical expenses	1,902	2,036
Saving fund	1,587	1,621
Employees family's health insurance	1,381	1,580
Employees meals subsidy	982	856
End-of-service bonus compensation provision	200	200
	<u>75,165</u>	<u>77,344</u>

- \* Production bonus was calculated at a percentage of 2% of adjusted net income for Jordan Phosphate Mines Company, Indo Jordan Chemicals Company and Nippon Jordan Fertilizers Company separately. Production bonus expense for the year 2025 amounted to JD 8,082 for Jordan Phosphate Mines Company (2024: JD 6,042 thousand), JD 1,874 thousand for Indo Jordan Chemicals Company (2024: JD 1,078 thousand) and JD 252 thousand for Nippon Jordan Fertilizers Company (2024: JD 231 thousand).

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**(33) NEW PHOSPHATE PORT TERMINAL EXPENSES**

	2025	2024
	JD ('000)	JD ('000)
Amortizations (Note 6)	6,358	6,361
Salaries, wages and other benefits	2,889	2,687
Utilities	2,163	2,625
Property and equipment insurance	1,723	1,390
Rent and workers' wages	57	39
Others	2,458	1,720
	<u>15,648</u>	<u>14,822</u>

**(34) COMMITMENTS AND CONTINGENCIES**

**Guarantees and letters of credit**

On the date of the consolidated financial statements, the Group has potential contingencies in the form of letters of credit and issued guarantees as at 31 December 2025 with an amount of JD 70,668 thousand and JD 22,247 thousand respectively (31 December 2024: JD 41,432 thousand and JD 17,906 thousand respectively).

The Group has guaranteed the syndicated bank loan and credit facilities granted to the Jordan Abyad Fertilizers and chemicals Company (Associate Company) managed by Jordan Ahli Bank with a percentage of 130% of its share of the Company's capital amounting to 27,38%, as the Group's share until the date of 31 December 2025 amounted to JD 13,688. On 16 November 2016, Jordan Ahli Bank recorded an amount of JD 7,639 thousand to the Company's account, which represents the syndicated bank loan installment and credit facilities granted and interest due on the Company, except that the company does not have active balances with Jordan Ahli Bank as at 31 December 2025 and 2024. Accordingly, an agreement between Jordan Abyad Fertilizers and Chemicals Company, and Jordan Ahli Bank has been reached to reschedule loans granted to the Company, also an agreement between the partners and the bank has been reached to consider the payment that the bank recorded on 16 November 2016 on the Jordan Phosphate company account as part of the debt that was rescheduled and due on the Jordan Abyad Fertilizers and Chemicals Company.

In addition, the Group has booked a provision against its share of the company's capital according to the requirements of IFRS (9) due to the substantial uncertainty about the ability of the Jordan Abyad Fertilizers and Chemicals Company to continue its operation as a going concern entity. Knowing that by the end of year 2019, the Jordan Abyad Fertilizers and Chemicals Company was unable to pay the interest due on loans.

Jordan Ahli bank has filed a lawsuit against Abyad Company and its guarantor shareholders to claim due payments on the syndicated loan (Finance lease, credit facilities and interest).

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In 2011, the Group guaranteed the loan granted to Petro Jordan Abadi – Indonesian Project in proportion to its share in the company's capital amounting to 50%. Petro Jordan Abadi has fully repaid the loan during the year 2025. The Group's share of the loan guarantee amounted to JD 12,225 thousand as of 31 December 2024.

The Group has provided a provision to cover potential obligations arising from guarantees and letters of credit amounting to JD 46,829 thousand as of 31 December 2025 (31 December 2024: JD 34,893 thousand).

The movement on other provisions is as follows:

	2025 JD ('000)
Balance at 1 January 2025	34,893
Provision during the year	8,936
Transferred from expected credit loss provision (Note 10)	3,000
Balance at 31 December 2025	46,829

**Litigation against the Group**

The Group is a defendant in a number of lawsuits and claims in the ordinary course of business amounting to JD 3,708 thousand as of 31 December 2025 (2024: JD 10,291 thousand). The Group's management believes that it will not bear any material liabilities as a result of these lawsuits.

Moreover, the Group has litigations related to transactions with main contractors and suppliers of the Group, the summary of these litigations are as follows:

**Manajem for Mining Development (Associate)**

**The Group is plaintiff:**

**Lawsuit (1)**

In August 2017, the Company filed a lawsuit against Manajem for Mining Development in the amount of JD 99,046 thousand as a result of breaching the execution of Phosphate Mining Contract (removal of overburden, Mining and crushing Phosphate A1, A2, A3) in area number (1) which located in Mine number (2) North of Shidya Mine) in addition to compensation of damages resulted from contract breach by Manajem as estimated based on technical experience. The case is pending at the court of cassation.

**Lawsuit (2)**

In December 2022, the Company filed a lawsuit against Manajem for Mining Development (Associate Company) as a claim on Company's share from dividends distributed in general assembly meeting dated 28 October 2020 in addition to the consequent delay benefits. The first instance court decided on 31 October 2023 to obligate Manajem for Mining Development with the accrued amounts in addition to the legal interest. The defendant paid an amount of JD 7,435 thousand which represents the Company's accrued dividends and accrued legal interest. Accordingly, the case is considered closed.



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*The Group is defendant:*

During November of 2019, Manajem filed a lawsuit against Jordan Phosphate Mines Company on the subject of a financial claim of JD 3,558 thousand. The court decided to dismiss the case. The plaintiff has submitted a request to appeal the decision. The case is still pending at the appellate court.

**Jordan Ahli bank**

**Lawsuit (1)**

Jordan Ahli Bank filed a lawsuit against Abyad Company (Associate Company) and its guarantor shareholders to claim the due payments on the finance lease loan amounting to JD 26,727 thousand and US dollars 23,554 thousand. During May 2022, the court decided to obligate Jordan Phosphate Mines Company jointly and severally with Abyad Company (Associate Company) to pay JD 20,739 thousand and US dollars 23,177 thousand to Jordan Ahli Bank within the limits of its guarantee share. The Company submitted a request to appeal the court decision. On 20 May 2025, the court decided to dismiss the appeal submitted by the Company and accordingly the Company appealed the decision at the court of cassation. On 27 November 2025, the Court of Cassation decided to dismiss the cassation appeal. The case is still pending regarding the annulment of the judgment, noting that a precautionary seizure has been placed on part of the Company's immovable assets.

**Lawsuit (2)**

Jordan Ahli Bank filed a lawsuit against Abyad Company (Associate Company) and its guarantor shareholders to claim credit facilities amounting to JD 823 thousand and US dollars 15,266 thousand. During December 2022, the court decided to obligate Jordan Phosphate Mines Company jointly and severally with Abyad Company (Associate Company) to pay JD 453 thousand, JD 349 thousand, US dollars 4,368 thousand and US dollars 10,814 thousand to Jordan Ahli Bank within the limits of its guarantee share. The Company submitted a request to appeal the court decision. On 14 May 2025, the court decided to dismiss the appeal submitted by the Company and accordingly the Company appealed the decision at the court of cassation. On 26 October 2025, the Court of Cassation decided to dismiss the cassation appeal noting that a precautionary seizure has been placed on part of the Company's immovable assets.

In the opinion of the Group's management and its legal advisor, the provisions booked are sufficient to settle any contingent liabilities.

**Obligations related to rehabilitation of mines and factories**

The Group's activities are represented in industrial and mining rights, which may have an impact on the environment. The Group performed the environmental impacts study, and in the opinion of the management, there are no impacts that may result in environmental obligations, as at 31 December 2025 and 2024.

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**(35) RELATED PARTY TRANSACTIONS**

Related parties represent balances with associated companies, joint ventures, major shareholders, directors and key management of the Group and the companies in which they are major shareholders.

The Group entered into transactions with associates, joint ventures, related parties, and the Government of the Hashemite Kingdom of Jordan in the normal course of business.

The following is a summary of related parties' transactions for the years ended 31 December 2025 and 2024:

	Related parties			Total	
	Associate companies and joint ventures	Government of Jordan*	Others**	2025	2024
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
<u>Consolidated statement of financial position items:</u>					
Accounts receivable***	45,539	-	30,820	76,359	83,229
Accounts payable	6,502	-	-	6,502	5,849
Loans receivable ***	13,460	-	-	13,460	13,460
Accrued expenses	-	5,005	-	5,005	4,658
Other debit balances	-	34,537	-	34,537	27,509
<u>Off balance sheet items:</u>					
Guaranteed loans	13,688	-	-	13,688	25,913
<u>Consolidated statement of income items:</u>					
Sales	198,551	-	308,523	507,074	522,926
Purchases	28,051	-	-	28,051	38,145
Mining fees	-	42,971	-	42,971	37,325
Port fees	-	5,581	-	5,581	5,218
Other income	6,457	-	-	6,457	5,804
Land lease	-	6,363	-	6,363	6,519

\* The Group purchases goods and services from companies /institutions owned by the Government of Jordan (Major shareholders). The total amounts paid to these companies / institutions amounted to JD 422,557 thousand and JD 454,359 thousand for the years ended 31 December 2025 and 2024 respectively.

\*\* Others include balances and transactions with Jordan Phosphate Mines Company partners in associated companies and projects.

\*\*\* Balances of accounts and loans receivable are shown in net after deducting expected credit losses amounted to JD 6,717 thousand and JD 13,460 thousand as of 31 December 2025 (2024: JD 9,717 thousand and JD 13,460 thousand). Expected future cash inflows from Jordan Abyad Fertilizers Company's loan was discounted using the market interest rate for commercial loans.

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The following is a summary of the compensation (salaries, bonuses and other benefits) of the executive management personnel, departments managers and Group's board of directors:

	2025 JD ('000)	2024 JD ('000)
Salaries and bonuses of executive management and departments managers	1,749	1,736
Bonuses and transportation of the Board of Directors	1,461	1,719

The value of end-of-service indemnity compensation paid to key management personnel whose service ended during 2024 amounted to JD 819 thousand (2025: nil).

**Main transactions with the Government of Jordan:**

The nature of the main transactions with related parties was as follows:

- The Company is liable to pay mining fees to the Government of Jordan at rates determined by the government from time to time.
- The Company has leased the lands on which the mining activities are performed at Sheydieh, Hasa and Abyad mines from the Treasury / Department of Land and Survey.
- The Company has leased the land which the Industrial complex was built on from the Aqaba Development corporation Company/Aqaba Special Economic Zone Authority.
- The Company has leased the land which the New Phosphate Port was built on from the Aqaba Development Corporation Company/ Aqaba Special Economic Zone Authority for (Note 6).

**(36) MATERIAL PARTIALLY OWNED SUBSIDIARIES**

The Group has only one subsidiary which has a material non-controlling interest balance as follows:

Company name	Country of incorporation	Nature of activity	Non-controlling interest shares	
			2025 JD ('000)	2024 JD ('000)
Nippon Jordan Fertilizers Company Limited	Jordan	Production and sale of fertilizers and chemical by-products	20%	20%

Summarized financial information of the subsidiary are provided below. This information is based on amounts before inter-company elimination.

<b>Accumulated balances of non-controlling interest</b>	2025 JD ('000)	2024 JD ('000)
Nippon Jordan Fertilizers Company Limited	12,433	9,599
<b>Profit attributable to non-controlling interest</b>	2025 JD ('000)	2024 JD ('000)
Comprehensive income of Nippon Jordan Fertilizers Company Limited	2,834	2,546

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**A. Financial position**

	2025	2024
	JD ('000)	JD ('000)
Current assets	76,328	59,989
Non-current assets	7,355	6,193
Current liabilities	(18,061)	(14,919)
Non-current liabilities	(3,564)	(3,377)
<b>Difference between book and market value at acquisition</b>	<b>107</b>	<b>107</b>
<b>Total equity</b>	<b>62,165</b>	<b>47,993</b>
<b>Non-controlling interest in equity</b>	<b>12,433</b>	<b>9,599</b>

**B. Income statement**

	2025	2024
	JD ('000)	JD ('000)
Sales revenue	132,428	132,411
Cost of sales	(116,461)	(116,692)
<b>Gross profit</b>	<b>15,967</b>	<b>15,719</b>
Selling and marketing expenses	(1,164)	(1,274)
Administrative expenses	(1,983)	(2,759)
<b>Operating profit</b>	<b>12,820</b>	<b>11,686</b>
Interest income	1,530	1,346
Finance cost	(213)	(205)
Other revenues	118	44
Recovered from Inventory impairment	24	8
<b>Profit for the year</b>	<b>14,279</b>	<b>12,879</b>
Other comprehensive income items	(109)	(151)
<b>Total comprehensive income</b>	<b>14,170</b>	<b>12,728</b>
<b>Total comprehensive income attributable to non-controlling interest</b>	<b>2,834</b>	<b>2,546</b>

**C. Statement of cash flows**

	2025	2024
	JD ('000)	JD ('000)
Operating activities	10,991	22,423
Investing activities	(5,877)	(16,598)
Financing activities	(129)	(119)
<b>Net increase in cash and cash equivalents</b>	<b>4,985</b>	<b>5,706</b>

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**(37) ACQUISITION OF NON-CONTROLLING INTERESTS**

**Acquisition of additional interest in the Nippon Jordan Fertilizers Limited Liability Company:**

During December 2021, the Company acquired an additional 10% interest in the voting shares of Nippon Fertilizers Company, increasing its ownership interest to 80%. Cash consideration of JD 948 thousand was paid to the non-controlling shareholders. The carrying value of the net assets of Nippon was JD 18,720 thousand. Following is a schedule of additional interest acquired.

	<u>JD ('000)</u>
Carrying value of the additional interest	1,872
Cash consideration paid to non-controlling interest	<u>(948)</u>
Reserve arising from the acquisition of non-controlling interests	<u>924</u>

**(38) FAIR VALUES OF FINANCIAL INSTRUMENTS**

Financial instruments include financial assets and financial liabilities.

Financial assets include cash on hand and at banks, accounts receivables, employees housing loans, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and some other current assets. Financial liabilities include due to banks, accounts payable, lease liabilities and some other current liabilities.

Book values of financial instruments do not materially vary from their fair value.

The Group uses the following methods and alternatives of valuating and presenting the fair value of financial instruments:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

	Level 1	Level 2	Level 3	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)
<b>2025-</b>				
<b>Financial assets</b>				
Financial assets at fair value through other comprehensive income	-	-	266	266
Financial assets at fair value through profit or loss	577	-	-	577
<b>2024-</b>				
<b>Financial assets</b>				
Financial assets at fair value through other comprehensive income	38	-	266	304
Financial assets at fair value through profit or loss	355	-	-	355

**(39) RISK MANAGEMENT**

**Interest rate risk**

Interest rate risk is the risk that results from the changes in market value or future cash flows of financial instruments as a result of changes in interest rate.

The Group is exposed to interest rate risk on its interest-bearing assets and liabilities (bank deposits and bank overdraft).

The sensitivity of the consolidated income statement is the effect of the possible assumed changes in interest rates on the group's profit for one year, and it is calculated on financial assets and liabilities bearing a variable interest rate as of 31 December 2025 and 2024.

The following table summarizes the sensitivity analysis for the changes in the interest rates over the consolidated income statement of the Group as of 31 December with all other variables held constant:

	Increase in interest rates	Effect on profit
	Basis points	JD' (000)
<b>2025-</b>		
<b>Currency</b>		
JOD	100	8,870
USD	100	1,390

The effect of the decrease in the interest rates by 100 basis points is expected to be equal and opposite to the effect of the increases shown above.

	Increase in interest rates	Effect on profit
	Basis points	JD' (000)
<b>2024</b>		
<b>Currency</b>		
JOD	100	7,178
USD	100	403

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**Share price risk**

The following table demonstrates the sensitivity of the Group's consolidated statement of income (for financial assets at fair value through profit or loss) and cumulative changes in fair value (for financial assets at fair value through other comprehensive income) to reasonably possible changes in equity prices, with all other variables held constant.

	<i>Change in Index</i>	<i>Effect on Profit</i>	<i>Effect on Equity</i>
	<i>%</i>	<i>JD ('000)</i>	<i>JD ('000)</i>
<b>2025- Index</b>			
Amman Stock Exchange	5	29	13
<b>2024- Index</b>			
Amman Stock Exchange	5	18	15

The effect of decreases in equity prices with the same percentages is expected to be equal and opposite to the effect of the increases shown above.

**Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Accounts Receivables

The Group seeks to limit its credit risk with respect to banks by only dealing with reputable banks and with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables. The majority of the Group's sales are carried out through letters of credit.

The Group sells its products to a large number of phosphate and fertilizers customers. Its largest 7 customers account for 49% of outstanding accounts receivable as at 31 December 2025 (2024: largest 7 customers account for 58%).

Other financial assets

For credit risks resulted from other financial assets, which includes cash and bank deposits. The Group exposure results from the risk that one party fall to discharge obligations that equals the net book value of these financial assets.

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**Liquidity risk**

Liquidity risk is defined as the Group failure to provide the required funding to cover its obligations at their respective due dates.

The Group manages its liquidity risk by ensuring that bank facilities are available when needed.

The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 December 2025 and 2024, based on contractual payment dates and current market interest rates:

	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
As of 31 December 2025	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
Due to banks	24	1,403	-	-	1,427
Accounts payable	80,325	-	-	-	80,325
Accrued expenses	36,191	-	-	-	36,191
Employees' benefits provisions	-	5,768	15,709	143,995	165,472
Lease contracts liabilities	5,970	1,916	36,694	35,139	79,719
Total	122,510	9,087	52,403	179,134	363,134

  

	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
As of 31 December 2024	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
Due to banks	17	669	-	-	686
Accounts payable	56,090	-	-	-	56,090
Accrued expenses	30,522	-	-	-	30,522
Employees' benefits provisions	-	3,352	17,472	144,483	165,307
Loans payable	-	5,583	34,492	-	40,075
Lease contracts liabilities	6,008	2,094	40,255	37,801	86,158
Total	92,637	11,698	92,219	182,284	378,838

**Currency risk**

Most of the Group's transactions are in Jordanian Dinars and US Dollars. The Jordanian Dinar exchange rate is fixed against the US Dollar (USD 1/41 JD).



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**(40) CAPITAL MANAGEMENT**

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

The Group manages its capital structure and makes the necessary adjustments in light of changes in business conditions. The General Assembly approved in its extra ordinary meeting held on 14 April 2025 an increase in the Company's share capital through the capitalization of an amount of JD 52,500 from retained earnings, representing approximately 21% of the authorized and paid-in capital through distribution of free shares to shareholders, bringing the authorized and paid-in capital to JD 300,000 as at 31 December 2025 (31 December 2024: JD 247,500 thousand) (Note 13).

Capital comprises paid in capital, statutory reserve, voluntary reserve, special reserve, acquisition of non – controlling interest reserve and retained earnings, and is measured at JD 1,997,454 thousand as at 31 December 2025 (2024: JD 1,806,828 thousand).

**(41) DIVIDENDS**

The General Assembly approved in its ordinary meeting held on 14 April 2025 to distribute cash dividends to shareholders amounted to 160% of the stock par value from 2024 profits.

The General Assembly approved in its extra ordinary meeting held on 14 April 2025 an increase in the Company's share capital through the capitalization of an amount of JD 52,500 from retained earnings, representing approximately 21% of the authorized and paid-in capital through distribution of free shares to shareholders, bringing the authorized and paid-in capital to JD 300,000 as at 31 December 2025.

The General Assembly, in its ordinary meeting held on 29 April 2024, approved the distribution of cash dividends to shareholders amounted to 130% of the stock par value from 2023 profits.

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**(42) Changes in liabilities arising from financing activities**

	1 January JD'(000)	Cash flows JD'(000)	Additions JD'(000)	Others JD'(000)	31 December JD'(000)
<b>2025 -</b>					
Lease liabilities	40,860	(6,749)	865	2,880	37,847
Long-term loan	29,807	(29,807)	-	-	-
Dividends	3,953	(394,841)	396,000	-	5,112
<b>Total</b>	<b>74,620</b>	<b>(431,397)</b>	<b>396,865</b>	<b>2,880</b>	<b>42,959</b>
	1 January JD'(000)	Cash flows JD'(000)	Additions JD'(000)	Others JD'(000)	31 December JD'(000)
<b>2024 -</b>					
Lease liabilities	43,481	(5,508)	-	2,887	40,860
Long-term loan	34,975	(5,168)	-	-	29,807
Dividends	2,921	(320,718)	321,750	-	3,953
<b>Total</b>	<b>81,377</b>	<b>(331,394)</b>	<b>321,750</b>	<b>2,887</b>	<b>74,620</b>

**(43) STANDARDS ISSUED BUT NOT YET EFFECTIVE**

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

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

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

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

The amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only.

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

### **Contracts Referencing Nature-dependent Electricity — Amendments to IFRS 9 and IFRS 7**

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity, the amendments include:

- Clarify the application of the 'own-use' requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a Company's/Group's/Bank's financial performance and cash flows. The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the IFRS 7 disclosure amendments must be implemented alongside the IFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures.

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted but will need to be disclosed.

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

### **IFRS 18 Presentation and Disclosure in Financial Statements**

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

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

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

This standard will result in new presentation of the consolidated income statement with some new required totals, in addition to the disclosure of management-defined performance measures.

The Group is currently working to identify all impacts the amendments will have on the primary consolidated financial statements and notes to the consolidated financial statements.

**IFRS 19 Subsidiaries without Public Accountability: Disclosures**

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

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

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

**Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21**

In November 2025, the Board issued Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21. The amendments require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate.

If an entity's functional currency is the currency of a non-hyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) and all comparatives at the closing rate at the date of the most recent statement of financial position.

An entity whose functional currency and presentation currency are the currency of a hyperinflationary economy, restates the comparative amounts of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29, to the foreign operation's comparative figures.

The amendments also introduce certain additional disclosure requirements.

The amendments apply for annual reporting periods beginning on or after 1 January 2027 and earlier application is permitted.

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

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**(44) COMPARATIVE FIGURES**

Certain comparative figures for the year 2024 have been reclassified to align with the presentation of the 2025 consolidated financial statements. The reclassification did not result in any impact on the profit or the total equity for the year 2024.

**(45) SUBSEQUENT EVENTS**

Subsequent to the date of the consolidated financial statements, geopolitical tensions in the Middle East escalated. Government authorities and regulatory bodies have continued to emphasize, through public statements, the continuity of operations across key sectors.

These events arose after the date of the consolidated financial statements and have therefore been assessed as non-adjusting events in accordance with International Accounting Standard (IAS) 10 "Events after the Reporting Period." Accordingly, no adjustments have been made to the amounts recognized in the consolidated financial statements as of 31 December 2025.

The Group has assessed the potential implications of these events on its operations, financial position, and performance. Based on currently available information, it is not possible at the current stage to reliably estimate the financial impact of these events on future periods, if any.