

JORDAN PETROLEUM REFINERY COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION FOR THE NINE MONTHS
ENDED SEPTEMBER 30, 2023
TOGETHER WITH THE INDEPENDENT
AUDITOR'S REVIEW REPORT

JORDAN PETROLEUM REFINERY COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
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Review Report

AM/ 000573

H.E. the Chairman and Members of the Board of Directors
Jordan Petroleum Refinery Company
(A Public Shareholding Limited Company)
Amman - Jordan

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Jordan Petroleum Refinery Company ("the Company") and its subsidiaries ("the Group") as of September 30, 2023, and the condensed consolidated interim statement of profit or loss, and the condensed consolidated interim statements of comprehensive income for the three months and nine months ended September 30, 2023, and the condensed consolidated interim statements of changes in owners' equity and the condensed consolidated interim statements of cash flows for the nine months then ended, and a summary for the significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard (34) Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements No. 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Group". A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Other Matter

The accompanying condensed consolidated interim financial information are a translation of the statutory condensed consolidated interim financial information in the Arabic language to which reference should be made.

Amman - Jordan
October 30, 2023


Deloitte & Touche (M.E.) – Jordan

Deloitte & Touche (M.E.)
ديلويت آند توش (الشرق الأوسط)
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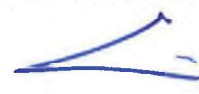
JORDAN PETROLEUM REFINERY COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	September 30, 2023 (Reviewed not Audited) JD	December 31, 2022 (Audited) JD
ASSETS			
Current Assets:			
Cash on hand and at banks		29,119,088	25,975,106
Receivables and other debit balances	8	596,463,589	694,763,625
Crude oil, finished oil products and other supplies	9	516,362,510	525,084,651
Total Current Assets		<u>1,141,945,187</u>	<u>1,245,823,382</u>
Non-Current Assets:			
Financial assets at fair value through other comprehensive income		3,357,796	3,815,231
Deferred tax assets		11,875,306	11,259,849
Investment property - net		2,679,608	2,713,024
Property, plant, equipment and projects under construction - net		213,249,514	188,416,153
Intangible assets - net		14,484,631	14,286,282
Right of use of assets - net		44,099,967	43,875,138
Total Non-Current Assets		<u>289,746,822</u>	<u>264,365,677</u>
TOTAL ASSETS		<u>1,431,692,009</u>	<u>1,510,189,059</u>
LIABILITIES			
Current Liabilities:			
Due to banks	10	593,365,036	696,356,404
Payables and other credit balances	11	400,306,715	372,988,764
Income tax provision	12/a	13,002,547	22,251,354
Lease liabilities - current portion		2,454,756	2,238,082
Total Current Liabilities		<u>1,009,129,054</u>	<u>1,093,834,604</u>
Non-Current Liabilities:			
Due to death, compensation and end-of-service indemnity fund	13	39,982,955	39,217,555
End-of-service indemnity provision		41,687	39,802
Lease liabilities - non-current portion		41,853,890	39,406,199
Total Non-Current Liabilities		<u>81,878,532</u>	<u>78,663,556</u>
TOTAL LIABILITIES		<u>1,091,007,586</u>	<u>1,172,498,160</u>
OWNERS' EQUITY			
Shareholders' equity:			
Authorized and paid-up capital (100,000,000 share at JD 1 per share)	1	100,000,000	100,000,000
Statutory reserve		52,221,595	52,221,595
Voluntary reserve		66,289,408	39,680,675
Fourth expansion project reserve		37,158,976	14,084,234
Financial assets at fair value reserve - net		2,978,072	3,435,507
Difference from purchase of non-controlling interest		(326,472)	(326,472)
Retained earnings		20,383,076	120,066,551
Profit for the period		54,109,576	-
Total Equity Attributable to Owners of the Company		<u>332,814,231</u>	<u>329,162,090</u>
Non - controlling interests		7,870,192	8,528,809
Total Equity		<u>340,684,423</u>	<u>337,690,899</u>
TOTAL LIABILITIES AND EQUITY		<u>1,431,692,009</u>	<u>1,510,189,059</u>
Contra Accounts			
Death, compensation and end-of-service indemnity fund	13	48,338,370	47,857,943

Chairman of the Board of Directors



Chief Executive Officer



THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING AUDITOR'S REVIEW REPORT.

JORDAN PETROLEUM REFINERY COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

(REVIEWED NOT AUDITED)

	Note	For the Three Months Ended September 30,		For the Nine the Months Ended September 30,	
		2023	2022	2023	2022
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
		JD	JD	JD	JD
Net Sales	14	384,107,619	372,902,073	1,239,787,727	1,255,198,386
Less: Cost of sales	15	(344,998,625)	(337,034,644)	(1,124,221,607)	(1,065,833,259)
Gross profit from sales		39,108,994	35,867,429	115,566,120	189,365,127
Add: Operating income and others		2,885,606	2,733,576	13,713,133	6,795,546
Gross profit		41,994,600	38,601,005	129,279,253	196,160,673
Less: Selling and distribution expenses		(11,961,361)	(14,025,945)	(33,110,466)	(42,016,966)
Administrative and general expenses		(3,429,008)	(3,262,384)	(10,162,430)	(10,696,313)
Bank interests and commissions		(9,727,329)	(6,489,994)	(29,450,036)	(16,303,724)
Released from (provision of) lawsuits	11	80,000	288,412	78,159	(1,504,354)
(Provision of) released from expected credit losses	8/j	(1,485,911)	158,643	(1,779,580)	(2,755,207)
(Provision of) slow-moving and obsolete inventory and sediments	9	(541,161)	(671,521)	(268,094)	(1,498,995)
(Provision of) storage fees	11/h	(347,160)	(252,480)	(915,240)	(757,440)
Released from (provision of) employees' vacations	11	51,079	50,174	35,771	(36,866)
Interests income resulting from government's delay		7,507,032	3,470,591	20,144,956	9,724,463
Lease liabilities interests		(715,351)	(647,317)	(2,021,512)	(2,080,350)
Intangible assets amortization		(31,250)	(750,000)	(1,052,083)	(2,250,000)
(Provision of) special tax differences	11/k	-	(3,229,130)	-	(9,687,390)
Profit for the Period before Income Tax		21,394,180	13,240,054	70,778,698	116,297,531
(Expense) of income tax for the period	12/b	(4,672,117)	(3,051,909)	(15,859,579)	(23,481,017)
Profit for the Period		16,722,063	10,188,145	54,919,119	92,816,514
Attributable to :					
Company's shareholders		16,260,886	9,711,110	54,109,576	92,086,159
Non-controlling interests		461,177	477,035	809,543	730,355
		16,722,063	10,188,145	54,919,119	92,816,514
Profit per share for the period attributable to the Company's shareholders -					
Basic & Diluted	16	-/16	-/10	-/54	-/92

Chairman of the Board of Directors

Chief Executive Officer

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JORDAN PETROLEUM REFINERY COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

(REVIEWED NOT AUDITED)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2023 (Reviewed)	2022 (Reviewed)	2023 (Reviewed)	2022 (Reviewed)
	JD	JD	JD	JD
Profit for the period	16,722,063	10,188,145	54,919,119	92,816,514
Items that can not be reclassified subsequently to the condensed consolidated interim statement of profit or loss:				
Change in financial assets valuation reserve - net	(260,443)	250,590	(457,435)	1,218,539
Total Comprehensive Income for the Period	<u>16,461,620</u>	<u>10,438,735</u>	<u>54,461,684</u>	<u>94,035,053</u>
Total Consolidated Comprehensive Income Attributable to:				
Company's shareholders	16,000,443	9,961,700	53,652,141	93,304,698
Non-controlling interests	461,177	477,035	809,543	730,355
	<u>16,461,620</u>	<u>10,438,735</u>	<u>54,461,684</u>	<u>94,035,053</u>

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JORDAN PETROLEUM REFINERY COMPANY
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CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY
(REVIEWED NOT AUDITED)

	Paid-up Capital		Statutory Reserve		Voluntary Reserve		Fourth Expansion Project Reserve		Financial Assets		Difference Resulting from Purchasing Non-controlling Interests		Total Shareholders' Equity		Non-controlling Interests		Total Owners' Equity		
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the Nine Months Ended September 30, 2023 (Reviewed)																			
Balance at the beginning of the period	100,000,000	52,221,595	39,680,675	14,084,234	3,435,507	(457,435)	(326,472)	120,066,551	-	54,109,576	53,652,141	8,528,809	337,690,899	8,528,809	337,690,899				
Total comprehensive income for the period	-	-	-	-	(457,435)	-	-	-	(53,217,466)	-	-	809,543	54,461,684	809,543	54,461,684				
Deducted to reserves	-	-	26,608,733	26,608,733	-	-	-	-	(53,217,466)	-	-	-	-	-	-				
Transfer from fourth expansion reserve to retained earnings	-	-	-	(3,533,991)	-	-	-	3,533,991	-	-	-	-	-	-	-				
Change in non - controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,468,160)	(1,468,160)				
Dividends distributed to shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Balance at the End of the Period	100,000,000	52,221,595	66,289,408	37,158,976	2,978,072	(326,472)	20,383,076	54,109,576	332,814,231	7,870,192	340,684,423								
For the Nine Months Ended September 30, 2022 (Reviewed)																			
Balance at the beginning of the period	100,000,000	48,457,173	26,784,557	4,630,868	2,250,327	(326,472)	72,227,582	-	254,024,035	8,604,276	262,628,311								
Total comprehensive income for the period	-	-	-	-	1,218,539	-	-	92,086,159	93,304,698	730,555	94,035,053								
Deducted to reserves	-	-	12,896,118	12,896,118	-	-	(25,792,236)	-	-	-	-								
Transfer from fourth expansion reserve to retained earnings	-	-	-	(2,121,249)	-	-	2,121,249	-	-	-	-								
Change in non - controlling interests	-	-	-	-	-	-	-	-	-	-	-			(946,744)	(946,744)				
Dividends distributed to shareholders	-	-	-	-	-	-	(30,000,000)	-	(30,000,000)	-	-			-	-				
Balance at the End of the Period	100,000,000	48,457,173	39,680,675	15,405,737	3,468,866	(326,472)	18,556,595	92,086,159	317,328,733	8,387,887	325,716,620								

* Profit for the period and retained earnings includes an amount of JD 11,875,306 as of September 30, 2023, representing the value of deferred tax assets restricted according to the Jordan Securities Commission's instructions (JD 11,259,849 as of December 31, 2022).

- The General Assembly decided in its meeting held on April 5, 2023, to distribute 50% of the company's Cash dividends paid-up capital equivalent to JD 50 million to Company's Shareholders. Also, they decided to allocate an amount of JD 26,608,733 to the voluntary reserve and to allocate an amount of JD 26,608,733 to the fourth expansion project reserve and to deduct 10% to the statutory reserve account from annual net income of both Jordan Petroleum Products Marketing Company and Jordan Lube Oil Manufacturing Company and continuing to stop the deduction of 10% for statutory reserve for the remaining of company's activities and to use the accumulated balance of the voluntary reserve for the purposes of the fourth expansion project.

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JORDAN PETROLEUM REFINERY COMPANY
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CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
(REVIEWED NOT AUDITED)

	Note	For the Nine Months Ended September 30,	
		2023 (Reviewed)	2022 (Reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES:		JD	JD
Profit for the period before income tax		70,778,698	116,297,531
Adjustments :			
Depreciation of property & equipment and investments property		8,267,439	9,705,114
Amortization of intangible assets		1,052,083	2,250,000
Depreciation of right-of-use assets		2,009,712	2,427,047
Interest income resulting from government's delay		(20,144,956)	(9,724,463)
Provision of slow-moving and obsolete inventory and sediments	9	268,094	1,498,995
Provision of expected credit losses	8/j	1,779,580	2,755,207
(Released from) provision of lawsuits	11	(78,159)	1,504,354
Provision of storage fees	11/h	915,240	757,440
(Released from) provision of employees' vacations	11	(35,771)	36,866
Provision of special tax differences	11/k	-	9,687,390
Lease liabilities interests		<u>2,021,512</u>	<u>2,080,350</u>
Net Cash Flows from Operating Activities before Changes in Working Capital Items		66,833,472	139,275,831
Decrease (increase) in receivables and other debit balances		104,557,152	(166,326,866)
Decrease (increase) in crude oil, finished oil products, and supplies		8,722,141	(136,315,098)
Increase in payables and other credit balances		27,317,951	86,265,145
Increase (decrease) in death, compensation, and end-of-service indemnity fund		<u>767,285</u>	<u>(304,501)</u>
Net Cash Flows From (Used in) Operating Activities Before Tax And Provisions Paid		208,198,001	(77,405,489)
Paid from slow-moving and obsolete inventory and sediments provision		(90,333)	-
Income tax paid	12/a	<u>(25,723,843)</u>	<u>(15,122,071)</u>
Net Cash Flows From (Used in) Operating Activities		<u>182,383,825</u>	<u>(92,527,560)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Change in property & equipment, projects under construction, and investment properties - net		<u>(25,223,123)</u>	<u>(17,377,595)</u>
Net Cash Flows (Used in) Investing Activities		<u>(25,223,123)</u>	<u>(17,377,595)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
(Decrease) increase in due to banks		(102,991,368)	148,028,609
(Paid) from lease liabilities		(4,862,544)	(7,869,823)
Dividends distributed to shareholders		<u>(46,162,808)</u>	<u>(27,351,144)</u>
Net Cash Flows (used in) From Financing Activities		<u>(154,016,720)</u>	<u>112,807,642</u>
Net Increase in Cash		3,143,982	2,902,487
Cash on hand and at banks at the beginning of the year		<u>25,975,106</u>	<u>21,424,529</u>
Cash on Hand and at Banks at the End of the Period		<u>29,119,088</u>	<u>24,327,016</u>
<u>Non-cash transactions</u>			
Offsetting agreements	8	71,417,857	17,830,161
Transfers from right of use assets to property, plant and equipment		-	8,172,497

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JORDAN PETROLEUM REFINERY COMPANY
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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. Incorporation and Activities

The Company was established on July 8, 1956, with a capital amounted JD 4 million. This capital was increased in multiple stages, latest decision was taken by Company's general assembly extraordinary meeting held on April 28, 2016, as the capital of the Company increased by capitalizing JD 25 million and distribute it to the shareholders. As a result, the Company's authorized and paid-up capital has reached JD 100 million.

The Company owns main units for refining, segregating, and converting the crude oil components to a set of finished petroleum products, it also owns Jordan Lube-Oil Manufacturing Company (a subsidiary), in addition to Jordan Liquefied Petroleum Gas Manufacturing and Filling Company (a subsidiary), and Jordan Petroleum Products Marketing Company (a subsidiary), and these companies are wholly owned by Jordan Petroleum Refinery Company, and the interim condensed consolidated financial information covers all the operations of refining units and the activities of the subsidiaries Companies owned directly and indirectly by the company.

In addition to importing crude oil, refining and producing it, manufacturing, importing, transporting, distributing, marketing and storing finished petroleum products, the Company repairs, maintains, and imports the gas cylinders, and it also, imports, fills, and distributes the liquefied gas through Jordan Liquefied Petroleum Gas Manufacturing and Filling Company (a subsidiary that is wholly owned), and Jordan Lube-Oil Manufacturing Company (a subsidiary and wholly owned) imports ,produces, mixes, fills, and markets lube-oil products. Moreover, Jordan Petroleum Products Marketing Company (a subsidiary that is wholly owned) imports, distributes, supplies, and sells finished petroleum products to its affiliated stations, other stations, and other parties that supply finished petroleum products through it, in addition to maintenance operations for these stations.

According to the concession termination agreement with the Jordanian Government, dated February 25, 2008, the Company has to segregate some of its activities through establishing new companies that are wholly or partially owned by Jordan Petroleum Refinery Company. During the year 2008, the Company established two wholly owned subsidiaries by Jordan Petroleum Refinery Company which are Jordan Liquefied Petroleum Gas Manufacturing and Filling Company and Jordan Lube Oil Manufacturing Company, in order to separate the gas filling and Lube Oil production activities, and since the company has obtained the necessary licenses from the Energy and Minerals Regulatory Commission to practice these activities at the beginning of March 2022, the company activated the Jordan Lube Oil Manufacturing Company operation and annexed the entire lube oil activities and oil factory to it starting April 1, 2022, and it has activated Jordan Liquefied Petroleum Gas Manufacturing and Filling Company as of January 1, 2023 and annexed all the activities of liquefied gas (except for the gas production activity) of this company, including the three gas stations (Amman, Irbid, and Zarqa) and a workshop for the repair and maintenance of gas cylinders as operating facilities for this company, noting that the company is still negotiating with the government on the amount of commission for the gas activity , which reflects a rate of return on investment of 12% annually in accordance with Council of Ministers Decision No. (7633) adopted in its meeting held on April 30, 2018 in addition the Company established Jordan Petroleum Products Marketing Company (JPPMC) during the year 2013 to act as its marketing department in which it is a subsidiary that is wholly owned by Jordan Petroleum Refinery Company.

The Company at the beginning of March 2022 obtained all the necessary licenses from the Energy and Minerals Regulatory Commission to continue carrying out its various activities. As the company has obtained a license to practice refining and storage activities and licenses to practice different liquefied gas activities for all of the gas stations belonging to it and licenses to practice central distribution activity for liquefied gas for all of the gas stations belonging to it, The Energy and Minerals Regulatory Commission approved The company's waiver of licenses to practice different gas activities and the central distribution of liquified gas for Jordan Liquefied Petroleum Gas Manufacturing and Filling Company on November 2, 2022, the Company also obtained a license to practice different lube oil activities and The Energy and Minerals Regulatory Commission approved for Jordan Petroleum Refinery Company to waive the licenses to practice lube oil activities for Jordan Lube-Oil Manufacturing Company on July 27, 2022 and the company has obtained a permit to execute and build the fourth expansion project that is related to Jordan Petroleum Refinery Company. in addition, the license to perform importing, exporting, transporting, storing, loading and unloading, distributing and whole-sale of oil derivatives, operating and maintaining the Jordan Petroleum Products Marketing company's activity facilities was renewed for an additional 10 years starting from May 1, 2023.

The company also purchased the government's share in its assets in Aqaba and the airports during April 2023, which represented 51% of it, and thus it owned all the assets in its facilities in Aqaba and the airports, in accordance with Council of Ministers' Resolution No. (11147) taken in its session held on March 26, 2023.

2. The Concession Agreement

- a. The concession agreement between the Jordanian Government and the Company has expired on March 2, 2008. Consequently, the Company signed a settlement agreement with the Jordanian Government on February 25, 2008, concerning the expiry of the concession, which was confirmed by the Company's General Assembly in its extraordinary meeting dated March 22, 2008 in which no agreement has been reached regarding the eligibility for retaining the balances of the provision for expected credit losses and the provision for slow-moving and obsolete inventory and sediments at that date. As a result of the agreement between the Company and the Jordanian Government regarding these two provisions, the Ministry of Finance Letter No. (4/18/28669) was received on August 29, 2019. The letter stated the ministry's approval that the Company should clear its tanks from sediments and water, that the Government should bear the associated costs, and that the Company should write off the materials, spare parts, and supplies no longer needed and transfer the surplus balance from the provision for slow-moving and obsolete inventory and sediments to the Ministry of Finance. The letter also included the ministry's approval for the Company to retain the balance of expected credit losses provision and in case the Company recovers any amount that was recorded within the provision, such amounts will be recorded for Ministry of Finance.
- b. Profit for the period ended April 30, 2018, and for the years 2011 until the end of year 2017, was calculated according to the meeting minutes regarding the future operations of Jordan Petroleum Refinery Company that was agreed in accordance with Council of Ministers' Resolution No. (1329), in their meeting held on September 13, 2012, which was illustrated in the Prime Minister's Letter No. (31/17/5/24694) dated September 17, 2012, and approved by the Company's General Assembly, in their extraordinary meeting held on November 8, 2012, which included the following:
1. Through the oil products pricing mechanism, annual net profit of JD 15 million after tax shall be achieved for the Jordan Petroleum Refinery Company while keeping the changes in the Company's expenditures within the normal rates. Otherwise, the Government should be consulted concerning any deviations in these rate.
 2. The Government has the right to appoint an external auditor (public accountant) to audit the Company's financial statements for the purposes stipulated by the Government.
 3. Profit from the Jordan Petroleum Products Marketing Company owned by Jordan Petroleum Refinery Company, and any other profit from other future companies owned by it and operating according to licenses issued by the Ministry of Energy and Mineral Resources or the sector regulator, shall be excluded from the above-mentioned profit, provided that their standalone financial statements or their own accounts are separated.
 4. The Lube-Oil Factory's profit shall be excluded from the above-mentioned profit, provided that the Lube-Oil Factory is charged with the related fixed and variable costs, whether directly or indirectly, and provided that its standalone financial statements or its own accounts are separated.
 5. The liquefied Petroleum gas (LPG) activity profit shall be excluded from the above-mentioned profit, provided that its standalone financial statements or its own accounts are separated.
 6. The profit granted to Jordan Petroleum Refinery Company of 10 cents for each barrel from refining the Iraqi crude oil shall also be excluded from the above-mentioned profit, provided that this profit is subjected to income tax.
 7. The current or future financial statements shall not be charged with any provisions expenditures or related to prior years, except for the committed provisions or expenditures (provisions and employees' rights, expected credit losses, gas cylinders write-off provisions, provisions for lawsuits raised against the Company, slow moving and obsolete inventory and sediment, self-insurance provisions, etc.), provided that these provisions and its financial statements shall be audited by the Government.

8. All the above points apply on the year 2011, until the end of the transitional period which is 5 years, starting from the operations commencement date of the marketing companies on September 1, 2012, noting that marketing and selling petroleum products companies started its operations on May 1, 2013. The financial relationship between the Company and Government has been terminated, beside the above decision was stopped from May 1, 2018, pursuant to the Council of Ministers' Decision No. (7633) adopted in its meeting held on April 30, 2018.

The calculated profit difference was recorded according to this method when calculating the profits according to the commercial basis in the Ministry of Finance's account (The Relationship) for the period ended April 30, 2018, and for the years from 2011 until the end of the year 2017, under the item of profit settlement with the Government. Noting that the results of the liquefied gas business activities were not excluded from the profits mentioned in item No.(5) above according to the meeting minutes regarding the future operations of Jordan Petroleum Refinery Company, and despite that the Council of Ministers' Decision No. (7633), adopted in its meeting held on April 30, 2018, has set the commission for gas activity for the period from May 1, 2018 to December 31, 2018 at JD 43 per gas ton sold, as the filling liquefied gas stations rate of return on investment was set for calculating the commission purposes with a rate of 12% per annum as of the beginning of year 2019, Where Any surplus/shortage arising from the increase/decrease in the rate of return on investment from the target value in calculating the amount of commission for filling stations for the subsequent period, either downward or upward. And so as the above mechanism may not cause any increase in the cylinder's cost charged to citizens or a subsidy by the Treasury/ Ministry of Finance for this activity. The fair value of commission, which reflects a rate of return on investment at 12%, has not been determined by the government to date. noting, the Company has already provided the Energy Sector and Minerals Regulatory commission and the Ministry of Energy and Mineral Resources with all the information and data related to the gas activity for determining the commission amount for the years 2019 and 2020, the Ministry of Energy & Mineral Resources has assigned an auditor and external studies company to determine the commission amount for the years 2019 and 2020. Accordingly, the company provided the entities which was appointed by the Ministry of Energy and Mineral Resources to collect the required data. At the same time, these entities has provided the Ministry of Energy and Mineral Resources with it's final report therefore, no decision has been reached by the government regarding the final commission that reflects a 12% annual rate of return on investment according to the above-mentioned Council of Ministers' Decision No. (7633). As a result, the company is still negotiating with the government to reach an agreement on the final commission amount and based on that a new study Company has been appointed by the Ministry of Energy and Mineral Resources to determine the final Commission amount, noting that this company has finished its work and provided the final reports to the Ministry of Energy and Mineral Resources. Accordingly, the Ministry informed the company of the value of the commission that has been set, and the company objected to this value. Accordingly, a committee was formed consisting a representatives of the Ministry of Energy and Mineral Resources, and a representatives of the Ministry of Finance, the Energy and Minerals Regulatory Commission and the Foreign Studies Company and JPRC in order to arrive at the fair commission value, which reflects a rate of return on investment for this activity at 12% annually. The committee has submitted its report to the concerned Ministries and it is still waiting for the commission recommendation by Council of Ministers. The government has not appointed auditors and study companies to determine the fair commission value for the gas activity for the years 2021 and 2022 until now and the company is still conducting vigorous meetings and negotiations with the relevant government agencies to obtain a fair commission that reflects what was stated in the Council of Ministers' Resolution No. (7633) mentioned above.

3. End of the Financial Relationship with the Government

According to the meeting minutes regarding the Company's future operations signed on September 13, 2012, the financial relationship between Jordan Petroleum Refinery Company and the Jordanian Government ended since May 1, 2018 and in its meeting held on April 30, 2018, the Council of Ministers issued Decision No. (7633), which included extending the exemption of oil derivatives from Jordan Petroleum Refinery Company's refining activity from implementing the Jordanian specifications throughout the period of implementation of the Fourth Expansion Project as of May 1, 2018, provided that commitment is made regarding the project implementation stages and that Jordan Petroleum Refinery Company's production may not exceed 46% of the local market needs for non-conforming oil derivatives. The decision also mandated the Ministry of Finance to follow up on the procedures' implementation concerning the below points, and submit any related observations to the Council of Ministers:

1. The Ministry of Finance calculate the amounts due to the Jordan Petroleum Refinery Company until April 30, 2018, and such amounts shall be paid in installments during the years 2018, 2019 and 2020 with interest thereon of (30%, 40% and 30%). Moreover, these amounts shall be paid after issuance of the General Budget Law and before the end of the second quarter of each year for the same year until full repayment in the year 2020, the Ministry of Finance shall provide the Jordan Petroleum Refinery Company with a letter stating the amounts due to Jordan Petroleum Refinery Company as of April 30, 2018 and guaranteeing their payment with interest at the actual cost borne by the Company during the above period at the rates outlined above.

As a result of the Government's failure to comply with the above decision, and based on the agreement between the Company and the Government, the Council of Ministers' issued Decision No. (6399) that was adopted at its meeting held on September 9, 2019. This decision stipulated that the Company shall borrow an amount equivalent to around JD 457 million from banks to pay part of the debt balances due to the Company from the Government until December 31, 2018. In return, the Ministry of Finance will issue pledges to pay the loans and interest thereon to the assigned banks. Consequently, during the first half of October 2019, the Company withdrew an amount of JD 455,505,000 from the banks assigned by the Ministry of Finance. Accordingly, the Ministry of Finance issued pledges to these banks that it shall pay the loans installments and interest thereon to the assigned banks. As a result, the Company reduced the withdrawn amount from banks of JD 455,505,000 from receivables due from security agencies, ministries, government agencies, and departments, and part of the Ministry of Finance's debt under the signed agreement between the Company and the government on June 16, 2020, represented by the Minister of Finance , after the Council of Ministers' approval and authorization to the Minister of Finance to sign it on behalf of the Jordanian Government, in accordance with Council of Ministers' decision No. (9158), adopted at its meeting held on March 24, 2020.

Moreover, the Ministry of Finance has committed to pay all the bank loans and interests amounts, as these amounts were encumbered within the General Budget Law for the year 2020, under the item of loans' installments to address government arrears, according to the Ministry of Finance's Letter No. (18/4/9200) dated May 14, 2020. Noting that, the Jordanian government has paid all of the loans and interest due to the assigned banks on their due dates.

The Council of Ministries issued Decision No. (5011) adopted in its meeting held on December 19, 2021, which included that the Jordan Petroleum Refinery Company borrows an amount of JD 105,000,000 , equivalent in US dollars, from the banks assigned by the Ministry of Finance in return for issuing Pledges to these banks by the Ministry Of Finance on behalf of the government to pay the value of the installments and interests owed on them and to guarantee the provisions that the government has allocated for this purpose in the general budget for 2022 and authorizing the Minister of Finance to sign the pledges issued to banks and authorizing him to sign an agreement to organize the payment of debts owed by the government on its behalf, accordingly the Company withdrew an amount of JD 105,000,000, in the equivalent of US dollars, on December 31, 2021 from the banks assigned by the Ministry of Finance, and this amount was reduced from the receivables owed by the security authorities according to the loan payment agreement signed by the company's delegates and the government represented by th Minister of Finance.

The Council of Ministers issued decision No. (11231) taken in its session held on April 2, 2023, which includes the Jordan Petroleum Refinery Company borrowing an amount of JD 105,000,000 in the equivalent of US dollars, from the banks assigned by the Ministry of Finance in return for the Ministry of Finance issuing pledges to repay the loans and their interests to these banks on their due date, with the guarantees of the provisions allocated for this purpose in the public budget starting from the year 2023. The decision included authorizing the Minister of Finance to sign the payment undertakings on behalf of the government and approving the form of the agreement to repay the loan amount that will be signed between the company and the government and authorizing the Minister of Finance to sign it on behalf of the government. Accordingly, the company withdrew the amount of JD 105,000,000 in its equivalent in US dollars from banks during May 2023, and the loan amount was reduced as part of the debt of the Jordanian Air Force and the main account of the Ministry of Finance - the relationship according to the agreement signed between the authorized representatives of the company and the government represented by the Minister of Finance.

In the opinion of the company's management and the company's legal advisors, the company does not have any obligations regarding the above loans and pledges (Note 8/e).

The company signed a financial settlement on June 23, 2022, with the National Electricity Company to pay the debt owed by it in addition to the delayed payments and interest installments. The agreements also included that the amount due must be paid over (12) equal installments starting from July 2022, noting that the National Electricity Company was committed in paying the due installments according to the agreement on their due dates and the last installment of the financial settlement agreement was paid during June 2023. Amount equivalent to JD 3.2 million remains due from the Samra Electricity Generating Company, which has been pending for several years by the competent courts, so that it will be settled when the final and definitive judgment decision is issued (Note 8/a).

2. Jordan Petroleum Refinery Company shall treat the sediments and water in the tanks, and it shall dispose those idle materials and spare parts that are no longer needed. Moreover, the obsolete inventory shall be valued on April 30, 2018; the cost of the sediments and water, as well as the disposal costs thereof, shall be calculated; and the surplus shall be transferred to the Ministry of Finance. As a result of the agreement between the Company and the Government, the Ministry of Finance issued Letter No. (4/18/28669), dated August 29, 2019, which included its approval for the Company to clean its tanks from sediments and water as the Government bears this cost, and the company must write off the materials, spare parts and supplies no longer needed, and transfer the surplus balance of the slow-moving and obsolete inventory and sediments and water provision to the Ministry of Finance. Accordingly, the Company tendered the treatment of sediments and water, whereby the Company which was awarded the tender cleaned the major part of the sediments and water, then the company left the kingdom and they stopped working due to covid-19 virus pandemic and the cleaning those tanks has not been continued to date moreover, a specialized committee was appointed to study the stock of spare parts and other supplies and to determine the materials and supplies that could be used instead of buying similar materials, as well as the materials and supplies no longer needed in order to write them off, and this matter is still under process where the materials are written off immediately due to the large size of the company's warehouses (Note 9).
3. Jordan Petroleum Refinery Company shall maintain JD 5 million as a provision for the write-off, repair, and replacement of the gas cylinders, and transfer the remaining JD 5 million to the Ministry of Finance's account. In case the actual value of the write-off, repair, and replacement of the cylinders exceeds the said amount, the difference shall be transferred from the Ministry of Finance from the deposits item. But, if the actual value is lower, the difference shall be transferred to the Ministry of Finance, provided that this matter be addressed in the future through the pricing mechanism. Accordingly, the Company released an amount of JD 5 million during the period ended April 30, 2018, which was reversed to the Ministry of Finance's account, and the Ministry of Finance approved this action, pursuant to the Ministry of Finance's Letter No. (4/18/28669), dated August 29, 2019 (Note 11/d).
4. Jordan Petroleum Refinery Company shall delete the interest of JD 79.2 million on the National Electricity Company's borrowings, provided that settlement be implemented between the National Electricity Company and the Government, noting that the Company has deleted these amounts from the consolidated statement of financial position based on the Ministry of Finance's Letter No. (18/73/33025), dated November 25, 2018, addressed to the National Electricity Company. The letter states that the Ministry of Finance has recorded the interest as an due amount on the National Electricity Company to the Government at the Ministry of Finance until full payment is occurred. In addition, the Ministry of Finance issued its approval to delete the interest of JD 79.2 million on the National Electricity Company's borrowings, pursuant to the Ministry of Finance's Letter No. (4/18/28669), dated August 29, 2019. Accordingly, the Company has deleted the interest on the National Electricity Company's borrowings from the Company's records.

5. Jordan Petroleum Refinery Company's tax status shall be rectified, as the tax has been included in the oil derivatives selling prices bulletin (IPP) after the refinery gate price item. In this respect, the refinery gate price item does not include general and special taxes. Instead, taxes are included after this item, and it will be collected from the marketing companies and transferring it to the State Treasury. And based on that the Income and Sales Tax Department letter No. (20/4/347) dated February 16, 2021 received and included that the collection of general and special taxes on Jordan Petroleum Refinery's sales to the three marketing companies will happen only through the marketing companies and that the JPRC is not obligated to pay taxes on its sales to the marketing companies and is obligated only to Pay the tax on its sales to other customers (Note 8/f) / (Note 11/b).
6. The Government shall afford any taxes, government fees, or tax differences during its relationship with the Company, since the company profit after tax during that period was guaranteed.
7. Gasoline (95) used for the mixing process to produce gasoline (90) and (95) shall be exempted from the tax differences between import and sale in accordance with the Council of Ministries' Decision No. (6953), adopted in its meeting held on March 19, 2018. Moreover, the necessary procedures shall be facilitated concerning the implementation of the Council of Ministers' Decision No. (13363), adopted in its meeting held on January 3, 2016, including exempting the Company's imports sold to the marketing companies inside the kingdom. The decision stipulates exempting Jordan Petroleum Refinery Company from general and special taxes on the quantities sold exclusively to the marketing companies inside the Kingdom as of May 1, 2013. The decision also prescribes resolving all pending issues with the Customs Department and completing all customs statements, whether pending at the Customs Department or the Jordan Standards and Metrology Organization before the relationship with the Government expired. Moreover, a committee was formed by the Ministry of Finance and the Ministry of Energy and Mineral Resources comprising representatives from the Jordan Customs Department, the Income and Sales Tax Department, and Jordan Petroleum Refinery Company. During October 2019, the said committee completed its work and submitted its final report to the Ministry of Finance and the Ministry of Energy and Mineral Resources. Accordingly, the Ministry of Finance and the Ministry of Energy and Mineral Resources approved the quantities stated in the committee's report, therefore the Customs Department prepared the customs statements and exempted the outstanding customs statements according to the above decisions. Meanwhile, the customs statements amount subject to general and special tax were determined. Moreover, the Company submitted a request to the Ministry of Finance to perform an offsetting to the general and special sales taxes, included in the un-exempted customs statements that are not part of the above-mentioned decision, with part of the Ministry of Finance receivables (primary account). The Customs Department approved the offset request dated March 16, 2020. Moreover, the Offsetting Committee agreed, based on the instructions, policies, procedures, and basis for performing offset No. (1) for the year 2017, on performing the offset between the amounts due to the Jordan Petroleum Refinery Company and the amount due to of the Customs Department. The offset, dated on July 6, 2020, represents the general and special sales taxes of JD (58,042,756) on Jordan Petroleum Refinery Company's imports. In the meantime, the above-mentioned offsetting was performed, and all pending customs statements at the Customs Department have been completed (Note 8/f) / (Note 11/b).

8. The Government's strategic inventory, which has been quantified and valued, shall be transferred to the Jordan Oil Terminals Company (JOTC). Accordingly, the Jordan Petroleum Refinery Company began transferring the quantities of the strategic inventory to the Jordan Oil Terminals Company (JOTC) starting April 2018, and the company completed transferring the entire remaining quantities during the 2021 to the Jordan Oil Terminals Company (JOTC) according to the quantities that It was requested by the Jordan Oil Terminals Company (JOTC) and the Ministry of Energy and Mineral Resources. In addition, the company transferred the government's aircraft fuel material to the Royal Air Force during July 2020, and it transferred the government's asphalt to the Ministry of Public Works during 2020 upon the request of the Ministry of Energy and Mineral Resources. Moreover during February 2021 the company exported fuel oil 3.5% owned by the government at the request of the Ministry of Energy and Mineral Resources, The company also received a letter from the Ministry of Finance and the Ministry of Energy and Mineral Resources includes the sale of government-owned crude oil to the company as of the beginning of March 2021 on the basis of crude oil prices issued by Aramco for March 2021, and the company purchased these quantities during June 2021, in implementation of the Council of Minister's Decision No. (1150) taken in its meeting held on February 3, 2021. In addition, the remaining amount of the strategic inventory of kerosene owned by the government was exchanged for diesel, according to the Council of Minister's Decision No. (3273) taken in its meeting held on August 11, 2021, Accordingly, the government has no quantities of the strategic inventory as deposits with the company where the transfer of the entire quantity of the strategic inventory was completed by the end of 2021, bearing in mind that the approval of the Ministry of Finance was received to finally settle the value and quantity of the inventory in accordance with the letter of the Ministry of Finance No. (4/18/28669) dated August 29, 2019 (Note 18).
9. The Ministry of Finance shall retain the doubtful debts provision (provision for expected credit losses). In case any debt that was raised during the relationship with the Government is written off, the Ministry of Finance is committed to pay the debt to Jordan Petroleum Refinery Company. As a result of the agreement between the Ministry of Finance and the Company, the Ministry of Finance agreed that the Company shall retain the balance of the provision for doubtful debts (provision for expected credit losses). In case the Company recovers any receivable amount recorded within the provision, the recovered amount shall be recorded in favor of the Ministry of Finance's account, under the approval of the Ministry of Finance in its letter No. (4/18/28669), dated August 29, 2019 (Note 8/j).
10. The rate of return on investment shall be determined for liquified petroleum gas filling stations for the purpose of calculating the commission at (12%) annually. Moreover, the commission amount for the period from May 1, 2018 to December 31, 2018 shall be set at JD 43 per ton. Any surplus/shortage arising from the increase/decrease in the rate of return on investment compared to the targeted value shall be treated when calculating the filling stations' commission amount in the subsequent period whether it increased or decreased. Meanwhile, the above mechanism may not cause any increase in the cylinder's cost charged to citizens or entail a subsidy by the Treasury / Ministry of Finance in this regard. Moreover, the Company has already provided the Energy and Minerals Regulatory Commission and the Ministry of Energy and Mineral Resources with all information and data related to the gas activity for determining the commission amount for the years 2019 and 2020 which reflect the rate of return on investment for this operational line by 12% annually. In addition, the Ministry of Energy and Mineral Resources has appointed an auditor and an external studies company to determine the commission amount for the years 2019 and 2020. At the same time, the Company has provided the entities appointed by the said ministry with all the required data, and these entities provided the ministry of energy and mineral resources with their final report, but no decision has been reached by the government regarding the final commission amount that covers the rate of return on investment by 12% annually according to the above-mentioned Council of Ministers' Decision No. (7633). As a result, the company is still negotiating with the government to reach an agreement on the final commission amount and based on that a new studies the company has been appointed by the Ministry of Energy and Mineral Resources to determine the final commission amount, noting that this company has finished its work and provided the final reports to the Ministry of Energy and Mineral Resources , Accordingly, the Ministry informed the company of the value of the commission that it set, and the company objected to this value and accordingly a committee was formed from a representatives of Ministry of Energy and Mineral Resources, a representatives of Ministry of Finance, the Energy and Minerals Regulatory Commission, the Foreign Studies Company and JPRC to reach the fair commission value, which reflects a rate of return on investment for this activity at 12% annually. The committee completed its report for the assigned Ministries and awaiting the recommendation for council of ministers for fair commission value. The government has not appointed auditors and study companies to determine the fair commission value for the gas activity for the years 2021 and 2022 until now and the company is still conducting vigorous meetings and negotiations with the relevant government agencies to obtain a fair commission that reflects what was stated in the Council of Ministers' Resolution No. (7633) mentioned above.

11. The rental value of the assets transferred from Jordan Petroleum Refinery Company to Jordan Petroleum Products Marketing Company (JPPMC) shall be calculated according to the Land and Survey Department's approved rate of (8%) on the land and buildings valued at JD 4.9 million from these buildings transfer date up to date. Moreover, the Company insists on rejecting the above clause, as the transferred assets are owned by the Jordan Petroleum Refinery Company under the concession expiry agreement which stipulated that the gas stations are owned by Jordan Petroleum Refinery Company and that they are transferred to the Jordan Petroleum Products Marketing Company owned by Jordan Petroleum Refinery Company. In addition, the Company has the right to dispose of its assets legally, pursuant to Article (236) of the Civil Law. Meanwhile, the assets were transferred at their net book value similar to the assets transferred at their net book value to other marketing companies under the agreement signed between the three marketing companies and the Ministry of Energy and Mineral Resources. Moreover, the concession expiry agreement stipulated that the Jordan Petroleum Products Marketing Company owned by Jordan Petroleum Refinery Company applies to other marketing companies. Moreover, negotiations took place between the Company and the Government, resulting in an agreement that the Ministry of Finance would recommend to the Council of Ministers the cancellation of this item, Accordingly, the Council of Ministers' Decision No. (1080) was issued in its meeting held on January 24, 2021, which included considering this item as canceled from the Council of Ministers' Decision No. (7633) adopted in its session held on April 30, 2018, and include that the JPRC does not require a rental return for the transferred assets of the Jordan Petroleum Products Marketing Company (a subsidiary and wholly owned).
- In implementation of the Council of Ministers' Decision No. (11110), adopted in its meeting held on August 16, 2015, and the decision of the Company's General Assembly, adopted in its meeting held on November 8, 2012, the land swap operation between Aqaba Special Economic Zone Authority (ASEZA) and the Jordan Petroleum Refinery Company was done during September 2019. In the swap, the authority ceded (6) plots of land of an area of four hundred forty-two thousand square meters (442,000 M²) to Jordan Petroleum Refinery Company. In return, the Company ceded its own plot of land no. (23), Parcel (13), Tract (13) of an area of approximately eighty-eight thousand square meters (88,000 M²), located within the southern port tract, to Aqaba Special Economic Zone Authority (ASEZA).
 - In accordance to the Council of Minister's Decision No. (11127) taken in its session held on March 26, 2023, The company purchased the government's share of its assets in Aqaba and the airports, which represented 51% of the value of these assets, according to the end of the concession agreement in 2008 signed between the company and the government, where the company paid and transferred an amount of JD (20.4) million to the Ministry of Finance during the month of April 2023, noting that the value of assets has been determined at fair value (market) by the consultant appointed by the government (Chann Oil Consulting Company) and upon that these assets have become fully owned by the company and the company started to develop, expand and diversify its activities in Aqaba and the airports.
4. Commencing Operations on Commercial Terms after the End of the Financial Relationship with the Government
1. The Company recorded delay interests on the Ministry of Finance's "The Financial Relationship" balance between the Company and the Government due and unpaid balances and at the company's effective borrowing rate starting from May 1, 2018, according to the Council of Ministers' Decision No. (7633), taken in its meeting held on April 30, 2018.
 2. The Company has recorded fees for storing the strategic inventory owned by the government at an amount of JD 3.5 per cubic meter according to the storage capacities for each material effective May 1, 2018 based on the Ministry of Finance's approval through Letter No. (18/4/33072), dated November 25, 2018, noting that all of the strategic inventory quantities owned by the government were transferred during 2021, and according to that, no amounts were recorded during year 2022, and the period ended on September 30, 2023.

3. the calculation of profit settlement with the Government item has been discontinued, and the related balance has been recognized in the consolidated statement of profit or loss until April 30, 2018, according to the Council of Ministers' Decision No. (7633), taken in its meeting held on April 30, 2018. The decision terminated the financial relationship between the Company and the Jordanian Government, and the Company become working on commercial terms starting from first of May 2018 (Note 3).
4. Jordan Liquefied Petroleum Gas Manufacturing and Filling Company after transferring all its different liquefied gas activities to it (except for the liquefied gas production activity) which was activated as of January 1, 2023, recorded an amount of JD 5,537,417 during the period ended September 30, 2023 as revenue against the commission difference of filling the Liquefied gas according to the Council of Ministers' Decision No. (7633), taken in its meeting held on April 30, 2018. This decision has set the commission amount for the period starting from the first of May to the end of December 2018 at JD 43 per ton sold. Accordingly, the Company recorded an amount of JD 18 of each ton of gas sold, representing the commission difference included in the (IPP) amounting to JD 25 and the stated commission, in the Council of Ministers Decision mentioned above and amounting to JD 43 in consistency with year 2018 as a precautionary measure of raising the value of the commission before it is approved by the concerned official authorities and ministries. Whereas the Government has not amended the oil derivatives price bulletin (IPP) up to date, and the final commission for the years 2019, 2020, 2021, 2022, and the period ended September 30, 2023 which reflect the average of return on investment by 12% annually. Noting that after the agreement on the final commission amount is reached, its financial impact will be reflected in the subsequent periods.

5. Basis of Preparation

- The condensed consolidated interim financial information for the Company and its subsidiaries for the nine months ended September 30, 2023 has been prepared in accordance with International Accounting Standard (34) (Interim Financial Reporting).
- The condensed consolidated interim financial information is stated in Jordanian Dinar, which is the functional and presentation currency of the Company and its subsidiaries.
- The condensed consolidated interim financial information does not include all information and notes required in the annual consolidated financial statements and should be read with the Company's annual consolidated financial statements for the year ended December 31, 2022. The results for the nine months ended September 30, 2023 are not necessarily indicative of the expected results for The financial year ended December 31, 2023.

- The Company owns directly or indirectly the following subsidiaries as of September 30, 2023:

Company's Name	Authorized Capital	Ownership	Location	Establishment Date	Note
	JD	%			
Jordan Petroleum Products Marketing Company	65,000,000	100	Amman	February 12, 2013	Operating
Hydron Energy Company LLC	5,000,000	100	Amman	April 29, 2003	Operating
Jordan Liquefied Petroleum Gas Manufacturing and Filling Company*	4,000,000	100	Amman	May 28, 2008	Operating
Jordan Lube - Oil Manufacturing Company **	6,000,000	100	Amman	May 28, 2008	Operating
AL-Nuzha and Istiklal Gas Station for Fuel and Oil Company	5,000	60	Amman	January 8, 2014	Operating
Al-Karak Central Gas Station for Fuel Company	5,000	60	Al Karak	November 26, 2014	Operating
Rawaby Al-Queirah Gas Station for Fuel and Oil Company	5,000	60	Al Aqaba	June 22, 2015	Operating
Al-Aon for Marketing and Distribution Fuel products Company	1,005,000	60	Amman	January 10, 2016	Operating
Al-Kamel Gas Station for Oil and Fuel Company	5,000	60	Amman	February 26, 2017	Operating
Al-Wadi Al-A'abiyah Gas station for Fuel Company	5,000	60	Amman	August 4, 2015	Operating
Al-Tanmwieh Al-A'ola Gas Station for Fuel Company***	4,406,428	60	Amman	November 19, 2015	Operating
Al-Qastal Gas Station for Fuel and Oil Company	5,000	60	Amman	June 19, 2017	Operating
Taj Amon Gas Station for Fuel and Oil Company	5,000	90	Amman	September 20, 2017	Operating under renovation
Al-Shira' Gas Station for Fuel and Oil Company	5,000	60	Al Aqaba	February 19, 2017	Non-Operating under renovation
Al-Failaq for Fuel and Oil Company ****	1,513,993	100	Amman	July 7, 2020	Non-Operating

* The capital of the Jordan Liquefied Petroleum Gas Manufacturing and Filling Company was completely paid on September 7, 2022, and its commercial operations has been activated and the entire liquefied gas activity (except gas production activity), gas filling stations and repair and maintenance workshop for gas cylinders have been annexed to it, starting from of January 1, 2023.

** The capital of the Jordan Lube Oil Manufacturing Company was increased to JD 6 million according to the company's board of directors' decision No. (97-1/2021) taken in its meeting held on December 30, 2021, in a preparation for activating this company and annexing the entire lube oil activities and oil factory to it. In addition, capital raising procedures of Jordan Lube Oil Manufacture Company have also been completed on March 21, 2022, so that the authorized and paid-up capital of the Company became JD 6 million, the company was activated and started its operations as of April 1, 2022 and annexing the entire lube oil activities and oil factory to it.

*** The capital of the Al-Tanmwieh Al-A'ola Gas Station for Fuel Company was increased to JD 4,406,428 instead of JD 5,000, according to the General Assembly decision in its extraordinary meeting on September 11, 2022.

**** The capital of the Al-Failaq Gas Station for Fuel and Oil Company was increased to JD 1,513,993 instead of JD 5,000, according to the General Assembly decision in its extraordinary meeting on July 19, 2023.

- Jordan Petroleum Products Company sold The German fuel company on August 23, 2023 as the company recorded a profit of JD 44,333 from the sale of the gas station.
- Jordan Petroleum Products Marketing Company receives a marketing commission of 12 fills per each liter sold from finished petroleum products and a retail commission of 15 fills per each liter sold from finished petroleum products until August 31, 2018. The retail commission has been amended to become 18 fills per each liter sold from finished petroleum products as of September 1, 2018. In addition, it receives other commissions, representing evaporation loss allowance and transport fees and that is according to the petroleum products selling prices bulletin (IPP).
- During the period ended on September 30, 2023, Al-Muneirah Gas Station for Fuel and Oil Company, Al-Tariq Al-Da'ari Gas Station for Fuel Company, Qaws Al-Nasser for Fuel Stations Management Company, Al-Khairat for Fuel Company, Al-Markzeya Gas Station for Fuel Trade Company, and Al Benzol Gas station for Fuel Stations Management Company, were merged with Jordan Petroleum Products Marketing Company (a subsidiary and wholly owned) noting that these companies were subsidiaries of this company.

6. Significant Accounting Policies

The accounting policies followed in preparing the condensed consolidated interim financial information for September 30, 2023 are consistent with the accounting policies followed in preparing the consolidated financial statements for the year-ended December 31, 2022. However, the revised international financial reporting standards, which became effective for financial periods beginning on or after the first of January 2023, were followed in preparing the Company's condensed consolidated interim financial information, which did not materially affect the amounts and disclosures contained in the condensed consolidated interim financial information for the previous period and years, noting that it may have an impact on the accounting treatment of future transactions and arrangements.

IFRS 17 Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. And the general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the Board issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The date of the amendments for the initial application of IFRS 17 (incorporating the amendments) has been postponed to annual reporting periods beginning on or after January 1, 2023. At the same time, the Board issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after January 1, 2023.

In December 2021, the IASB issued Initial Application of IFRS 17 and IFRS 9—Comparative Information (Amendment to IFRS 17) to address implementation challenges that were identified after IFRS 17 was published. The amendment addresses challenges in the presentation of comparative information.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the company first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application. Adjustments are applied retrospectively, unless this is impracticable, in this case a modified retrospective approach or a fair value approach is applied.

Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the consolidated statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or noncurrent is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether the company will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. And adjustments are applied retrospectively.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2. Adjustments are applied retrospectively.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors

The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments.

Amendments to IAS 12 Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, the company does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, the company is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
 - Right-of-use assets and lease liabilities
 - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

7. Changes in Critical Accounting Judgments and Key Sources of Estimation Uncertainty

The preparation of the condensed consolidated interim financial statements and the adoption of accounting policies require the management to make judgments, estimates, and assumptions that affect the amounts of financial assets and financial liabilities and the disclosure of contingent liabilities. These estimates and judgments also affect revenues, expenses, and provisions, in general, as well as expected credit losses, and changes in fair value shown in the condensed consolidated interim statement of comprehensive income and in owners' equity. In particular, the Company's management is required to make judgments to estimate the amounts and timing of future cash flows. The above-mentioned estimates are based on multiple hypotheses and factors with varying degrees of estimation and uncertainty. Actual results may differ from estimates as a result of changes in these conditions and circumstances in the future.

Management believes that its estimates in the condensed consolidated interim financial information are reasonable and similar to the estimates adopted in preparing the consolidated financial statements for the year 2022.

8. Receivables and Other Debit Balances

This item consists of the following:

	September 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Ministries, Governmental entities, security authorities and electricity companies – fuel (a)	67,745,072	134,240,544
Fuel clients and others (b)	57,979,699	56,837,560
Alia Company - Royal Jordanian Airlines (c)	10,484,530	4,067,080
Checks under collection (d)	36,024,658	32,862,332
Total receivables	<u>172,233,959</u>	<u>228,007,516</u>
Ministry of Finance – the relationship (e)	287,064,312	328,281,832
General sales tax deposits (f)	136,312,966	132,980,013
Other debit balances (g)	2,463,492	3,371,057
Employees' receivables	2,011,137	1,938,144
Payments, deposits, letters of credit and purchase orders – subsidiary company	1,484,036	1,789,186
Prepaid expenses (h)	7,766,156	9,618,631
Contract acquisition expenses – subsidiary company (i)	13,130,986	13,001,121
	<u>622,467,044</u>	<u>718,987,500</u>
<u>Less: Expected credit losses provision (j)</u>	<u>(26,003,455)</u>	<u>(24,223,875)</u>
	<u>596,463,589</u>	<u>694,763,625</u>

- The Company is adopting a policy of dealing with only creditworthy counterparties in order to reduce the risk of financial loss from credit defaults. The following table shows the aging of receivable:

	September 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
1 day – 119 days	123,705,033	75,503,198
120 days – 179 days	3,983,891	54,297,575
180 days – 365 days	15,284,082	59,341,442
More than a year *	29,260,953	38,865,301
Total	<u>172,233,959</u>	<u>228,007,516</u>

- The Company reviews the aging of the receivables and the adequacy of the provisions to be booked at the end of each financial period.

* This item includes receivables due from ministries, government authorities, and security agencies guaranteed by the government whose maturity more than a year, amounting to JD 11,349,404. In management opinion, the company has the ability to collect these receivables and there is no need to allocate any additional provisions for them. Receivables also include amounts due from Partners in subsidiaries amounting to JD 3,542,771 classified as more than one year and in management opinion, there is no need to record any additional provisions for them, as agreements have been signed with these partners to pay off those receivables with real estate guarantees, with the transfer of profits resulting from the operations of the subsidiaries of the Jordanian Petroleum Products Marketing Company (a subsidiary that is wholly owned).

- a- This item includes receivables for fuel withdrawals by ministries, government agencies, and security agencies related to refining activity with an amount of JD 27,302,191, an amount of JD 5,286,417 for previous receivables related to lube oil sales from the lube oil factory before first of April 2022, and an amount of JD 99,799 for Jordan Liquefied Petroleum Gas Manufacturing and Filling Company which was activated as of January 1, 2023, after all the different liquefied gas activities have been annexed to it (except for gas production activity), and the amount of JD 32,070,119 for Jordan Petroleum Products Marketing Company and the amount of JD 2,986,546 for the Jordan Lube Oil Manufacturing Company as of September 30, 2023 that was activated as of April 1, 2022 and the entire activity of lube oil and oil factory has been annexed to it.

- The company signed a financial settlement agreement on June 23, 2022, with the National Electricity Company to pay the debt owed by it in addition to the interest of delayed payments and installments. The agreements also included that the amount due must be paid over 12 equal installments starting from July 2022. Accordingly, the National Electric Power Company has committed to pay the installments on their due dates, and the last installment of the financial settlement agreement was paid during the month of June 2023, and an amount equivalent to JD 3.2 million remains due from the Samra Electricity Generating Company, which has been pending for several years by the competent courts, so that it will be settled upon the issuance of the final judgment decision.
- The Company committed to reduce the debt of Governmental departments and institutions and security authorities by JD 317,601,186 during the year 2019, according to the company's borrowing agreement from the banks by an amount of JD 455,505,000 on behalf of the government to pay part of the debt due from the government in exchange for issuing undertakings by the Ministry of Finance to pay the amount of loans and interest Due and signed between the company and the Jordanian government represented by the Minister of Finance, according to the Council of Minister's decision No. (9158) taken in its session held on March 24, 2020.
- The company committed to reduce the debt of the security authorities by an amount of JD 105,000,000 during the year 2021, according to an agreement for the company to borrow from the banks assigned by the Ministry of Finance by an amount of JD 105,000,000 on behalf of the government to pay part of the debt owed by the government in return for the Ministry of Finance issuing pledges to the banks to pay the amount of the installments and interest payable thereon, in implementation of the Council of Minister's Decision No. (5011) adopted in its meeting held on December 19, 2021.
- The company committed to reduce the debt of the Jordanian Air Force by an amount of JD 47,022,677 , and reduce the balance of the main account of the Ministry of Finance - the relationship by an amount of JD 57,977,323 during June 2023, according to an agreement for the company to borrow from the banks assigned by the Ministry of Finance by an amount of JD 105,000,000 on behalf of the government to pay part of the debt owed by the government in return for the Ministry of Finance issuing pledges to the banks to pay the amount of the installments and interest payable thereon, in implementation of the Council of Minister's Decision No. (11231) taken in its session held on April 2, 2023, which also authorized the Minister of Finance to sign the agreement between the company and the government on behalf of the government.
- Upon on the offsetting request by Jordan petroleum Products Marketing Company to the Ministry of Finance to offset the debt accrued on the Ministry of Health in an amount of JD 1,970,377 with part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during April 2022.
- Upon on the offsetting request by Jordan petroleum Products Marketing Company to the Ministry of Finance to offset the debt accrued on the Ministry of Education in an amount of JD 1,708,179 with part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during April 2022.
- Upon the offsetting request of Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Jordanian Royal Medical Services debts in the amount of JD 1,252,445 against part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during April 2022.
- Upon on the offsetting request by Jordan petroleum Products Marketing Company to the Ministry of Finance to offset the debt accrued on Jordanian Armed Forces – Arab Army in an amount of JD 6,434,787 with part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during June 2022.

- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Jordanian Royal Medical Services debts in the amount of JD 1,079,446 against part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during June 2022.
- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Ministry of Education debts in the amount of JD 745,027 against part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during September 2022.
- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Jordanian Armed Forces – Arab Army debts in the amount of JD 4,233,789 against part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during September 2022.
- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Jordanian Royal Medical Services debts in the amount of JD 406,111 against part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during September 2022.
- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Royal Medical Services debts in an amount of JD 506,967 against part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during January 2023.
- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Jordanian Armed Forces – Arab Army debts in an amount of JD 2,337,754 against part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during January 2023.
- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Ministry of Health debts in an amount of JD 3,035,697 against part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during January 2023.
- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Ministry of Education debts in an amount of JD 1,426,754 against part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during January 2023.
- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Jordanian Armed Forces – Arab Army debts in the amount of JD 4,811,919 against part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during March 2023.
- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Jordanian Royal Medical Services debts in the amount of JD 1,941,971 against part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during May 2023.
- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Ministry of Education debts in the amount of JD 1,531,569 against part of the Company's accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during June 2023.

- Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Jordanian Armed Forces – Arab Army debts of JD 5,204,908 against part of the Company’s accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during June 2023.
 - Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Ministry of Social Development debts of JD 457,308 against part of the Company’s accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during August 2023.
 - Upon on the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Royal Medical Services debts of JD 1,160,770 against part of the Company’s accrued taxes, the offsetting committee approved the request, and the mentioned offsetting was performed during August 2023.
 - The company signed an agreement to provide oil derivatives to Jordanian Royal Air Force on May 26, 2021 included a payment deadline by 15 days since the day of receiving the invoices and according to that the Jordanian Royal Air Force was committed to pay its withdrawals as the due date. The agreement was also extended for another year according to the letter of the General Command of the Jordanian Armed Forces - Arab Army No. (AH 2/4/1180) dated February 14, 2022 and the agreement was automatically renewed for the new year based on the agreement of the two parties.
- b. This item includes receivables of different fuel clients and other receivables in an amount of JD 8,906,712 related to the refining activities, and an amount of JD 11,484 related to Jordan Liquefied Petroleum Gas Manufacturing and Filling Company which was activated as of the beginning of January 2023 after all the different liquefied gas activities have been annexed to it (except for gas production activity), and an amount of JD 46,747,483 related to Jordan Petroleum Products Marketing Company, and an amount of JD 2,314,020 related to Jordan Lube Oil Manufacturing Company as on September 30, 2023, noting that the Jordan Lube Oil Manufacturing Company was activated as of April 1, 2022 and the entire lube oil activities and oil factory has been annexed to it.
- c. This item includes receivables with an amount of JD 10,461,027 related to Jordan Petroleum Products Marketing Company and an amount of JD 14,793 related to Jordan Lube Oil Manufacturing Company and an amount of JD 8,710 related to the oil factory before the first of April 2022 as of September 30, 2023, noting that Jordan Lube Oil Manufacturing Company was activated as of April 1, 2022, and the entire lube oil activities and oil factory has been annexed to it.
- On March 6, 2016, the Company signed a settlement agreement related to the outstanding debt with Alia Company - Royal Jordanian Airlines, whereby 10% of the debt balance was paid during March 2016. Meanwhile, Alia Company – Royal Jordanian Airlines commits to pay the remaining amount in 60 installments, the first of which is due on March 31, 2016, and the last on February 28, 2021 at the effective borrowing average rate incurred by Jordan Petroleum Refinery Company. Moreover, Alia Company – Royal Jordanian Airlines undertakes to pay all the subsequent invoices on their due date. Accordingly, Jordan Petroleum Refinery Company has not recorded any additional provisions as a result of this settlement. Furthermore, the Ministry of Finance has informed Jordan Petroleum Refinery Company through Letter No. (18/4/15391) dated September 26, 2016, that the provision recorded for Alia Company – Royal Jordanian Airlines should be reversed, since Alia Company – Royal Jordanian Airlines is committed to paying its payments, provided that Alia Company – Royal Jordanian Airlines continues to comply with the settlement according to the agreement signed with the Company on March 2016 and pay its monthly withdrawals on time. Accordingly, Jordan Petroleum Refinery Company has reversed the provision recorded for Alia Company – Royal Jordanian Airlines of about JD 31 million in year 2016.

- In accordance with the Council of Minister's Decision No. (11131), taken in its meeting held on August 16, 2015, a quantity discount was granted to jet fuel consumers on the selling price of Jet fuel approved by the monthly Fuel Pricing Committee according to the consumption segments from August 1, 2015 to December 31, 2016, provided that the said discount is calculated annually. Moreover, the Council of Ministers issued Decision No. (293), adopted in its meeting held on October 23, 2016, which stipulated amendment of the Jet fuel consumption segments for one year as of October 31, 2016. Additionally, in its meeting held on February 26, 2017, the Council of Ministers issued Decision No. (1958), which approved amendment of the implementation commencement date of the decision amending the discount segments under the Council of Ministers' Decision No. (293), retroactively effective from August 1, 2015, instead of October 31, 2016. Based on the above decisions, the discount due to Alia Company – Royal Jordanian Airlines for the period from August 1, 2015 to July 31, 2017 amounted to JD 29,947,993.
- Pursuant to the Company's Board of Directors' Decision No. (5/2/1), taken in its meeting No. (1/2018), dated March 12, 2018, the Company reduced the amount of JD 15,523,797 from Alia Company – Royal Jordanian Airlines debt during the year 2017, provided that the remaining discount balance is reduced from the Company's monthly withdrawal invoices after deducting the outstanding and unpaid invoices from the date of signing a new agreement between the two Companies until July 31, 2018. The discount due for the period from August 1, 2017 to the expiry of the specified discount shall be treated under the Council of Ministers' decisions by reducing (40%) of Alia Company – Royal Jordanian Airlines debts, and (60%) of the Company's monthly withdrawals. In case the relationship with the Government is terminated, the discount shall be calculated up to April 30, 2018, according to the same rates stated above. After this date, the Council of Ministers' decisions shall be applied independently from Jordan Petroleum Refinery Company. Pursuant to the Council of Ministers' Decision No. (4141), adopted in its meeting held on August 20, 2017, the extension of the discount period granted to Alia Company – Royal Jordanian Airlines was approved for an additional year effective from October 31, 2017.
- Pursuant to the Council of Ministers' Decision No. (5614), adopted in its meeting held on December 17, 2017, the interest rate charged on Alia Company – Royal Jordanian Airlines' debt due to Jordan Petroleum Refinery Company, which was 4.4% per annum on December 20, 2016, has been reduced to 0.5% per annum. Moreover, interest income for the years 2015 and 2016 to date has been reversed in the form of a future balance, so that the resulting financial impact will be settled within the financial relationship between the Ministry of Finance and Jordan Petroleum Refinery Company. As of May 1, 2018, the Company has calculated the effective borrowing average interest rate annually in accordance with the debt settlement agreement with Alia Company. Moreover, implementation of the above decision has been suspended.
- Pursuant to the Council of Ministers' Decision No. (1958), adopted in its meeting held on February 26, 2017, it was approved to charge the discount granted to Alia Company on the Ministry of Finance's account directly without reducing the discount from the Company's sales revenue.
- During the period ended April 30, 2018, the Company recorded an amount of JD 11,659,699 on the Ministry of Finance's account as a discount to Alia Company according to the above-mentioned Council of Ministers' decisions. The amount of JD 4,663,880 has been reduced from the balance of the debt settlement agreement, and the amount of JD 6,995,819 was recorded as deposits to Alia Company, pursuant to the Company's Board of Directors' Decision No. (5/2/1). The Company did not calculate any discounts from May 1, 2018.

- The Company addressed its Letter No. (2/25/51/1/1/6814), dated September 30, 2018, to Alia Company – Royal Jordanian Airlines, stating that if Alia Company is willing to continue to implement the decisions of the Council of Ministers regarding the discount and reduce the interest rate through Jordan Petroleum Refinery Company, the Company shall be provided with a letter from the Ministry of Finance stating its approval to record the amount of the discount and interest difference directly on the Ministry of Finance’s accounts. These amounts shall be taken within the settlement of the financial relationship between Jordan Petroleum Refinery Company and the Government, pursuant to the Council of Ministers’ Decision No. (7633), adopted in its meeting held on April 30, 2018.
- Alia Company – Royal Jordanian Airlines has invited licensed Companies to tender for supplying Royal Jordanian aircraft with jet fuel according to the decision of the Ministry of Energy and Mineral Resources, which includes the decision for the licensed marketing companies to start the activity of supplying jet fuel. The tender was awarded to the Jordan Petroleum Products Marketing Company – a subsidiary. As a result, an agreement for the jet-fuel supply was signed between Alia Company – Royal Jordanian Airlines and Jordan Petroleum Products Marketing Company on November 1, 2018. Consequently, the direct supply activity to Alia Company – Royal Jordanian Airlines has been transferred from Jordan Petroleum Refinery Company to Jordan Petroleum Products Marketing Company – a subsidiary company. A new supply agreement was also signed between Alia Company - Royal Jordanian Airlines and the Jordan Petroleum Products Marketing Company - a subsidiary company that expires on February 11, 2024.
- Pursuant to the Council of Ministers’ Decision No. (2674), adopted in its meeting held on January 9, 2019, the quantity discount granted to Alia Company - Royal Jordanian Airlines was extended to November and December of 2018.
- Pursuant to the Council of Ministers’ Decision No. (3874), adopted in its meeting held on March 27, 2019, the quantity discount granted to Alia Company – Royal Jordanian Airlines was extended from January 1, 2019 to December 31, 2019, provided that the discount is settled on the financial relationship between the Government and the Jordan Petroleum Refinery Company.
- Pursuant to the Ministry of Finance’s Letter No. (18/4/20267), dated September 27, 2019, which included the request of the Ministry of Finance to charge the discount difference due to Alia Company - Royal Jordanian Airlines, according to the above-mentioned decisions, to the financial relationship between the Government and Jordan Petroleum Refinery Company until the end of the due discount, Jordan Petroleum Refinery Company has recalculated the due discount up to July 31, 2018, but has not calculated the discount after this date, as the direct supply relationship between Jordan Petroleum Refinery Company and Alia Company – Royal Jordanian Airlines ended on October 31, 2018. This resulted in recording an amount of JD 9,645,385 in the balance of the financial relationship between the Company and the Government, accompanied by a decrease in Alia Company - Royal Jordanian Airlines debt settlement agreement of JD 3,858,154, and the recording of an amount of JD 5,787,231, as discount deposits due to Alia Company –Royal Jordanian Airlines within accounts payable and other credit balances.
- Based on the agreement between the Jordan Petroleum Refinery Company and Alia Company - Royal Jordanian Airlines signed on November 26, 2019, and after all the balances between the two Companies have been matched, both parties agreed to offset the accrued outstanding balance due from Alia Company - Royal Jordanian Airlines related to the refining activity against the discount deposits balances and interest deposit balances of Alia Company - Royal Jordanian Airlines. Accordingly, the offsetting took place and resulted in an amount of JD 11,253,235, payable to Alia Company - Royal Jordanian Airlines, which was booked in the Company’s records for the refining (Note 11/J).

- Pursuant to the Council of Ministers' Decision No. (1976), adopted in its meeting held on April 18, 2021, It was approved that the Ministry of Finance would pay the discounts owed to Alia Company - Royal Jordanian Airlines that are not paid for its jet-fuel withdrawals according to the discount decisions granted to Alia Company - Royal Jordanian Airlines for its withdrawals according to a mechanism to be agreed upon between the Ministry of Finance and Alia Company - Royal Jordanian Airlines isolating the Jordan Petroleum Refinery Company, with the aim of not obligating the government with any additional obligations as a result of increasing the balance of the financial relationship between the Jordan Petroleum Refinery Company and the government and the consequent interests of delayed payments due to the company.
- D. The maturity of checks under collection related to the refining activity as of September 30, 2023 extends until October 5, 2023 which amounted to JD 633,585 while the maturity of the checks related to Jordan Petroleum Products Marketing Company extends until June 10, 2025 which amounted to JD 32,051,166, and the maturity of the checks related to Jordan Liquefied Petroleum Gas Manufacturing and Filling Company which was activated as of the beginning of January 2023 after all the liquefied gas activities have been annexed to it (except for gas production activity) extends until April 17, 2025 which amounted to JD 804,510, and the maturity of the checks related to Jordan Lube Oil Manufacturing Company extends until March 2, 2024 which amounted to JD 2,535,397, noting that Jordan Lube Oil Manufacturing Company has been activated as of April 1, 2022 and the entire lube oil activities and oil factory has been annexed to it.
- E. The Ministry of Finance item (the relationship) as of September 30, 2023 includes an amount of JD 210,590,518 related to the refining activity, and an amount of JD 13,141,230 related to Jordan Petroleum Products Marketing Company, and an amount of JD 63,332,564 related to Jordan Liquefied Petroleum Gas Manufacturing and Filling which was activated as of the beginning of January 2023 after all the different liquefied gas activities have been annexed to it (except for gas production activity).
- As per the Ministry of Finance's Letter No. (8AR/4/5197), dated February 18, 2020, the balance of the financial relationship between the company and the Government as of December 31, 2018 of JD 591,669,659 was confirmed, provided that the National Electricity Company match its debt as per its own records with that as per the records of Jordan Petroleum Refinery Company. Accordingly, the National Electricity Company confirmed the balance in its letter No. (7216/2503), dated March 11, 2020, and requested that it be allowed to pay the balance over three years in equal monthly installments. The company did not accept the National Electricity company's request and it did give a juridical warning to pay all the due amounts and its interest, as a result of the National Electricity Company's failure to pay the accrued amounts, the Company has filed a case against the National Electricity Company at the competent courts. Accordingly, a financial settlement agreement was signed between the two companies to pay the debt owed by the National Electricity Company in return for dropping the lawsuit, and the agreement included that the amount due in addition to the interests of the delayed payment and installments will be paid in (12) equal installments starting from July 2022 accordingly, the National Electricity Company has committed to pay the due installments on their due date, and the last installment of the financial settlement agreement was paid during the month of June 2023, and an amount equivalent to JD 3.2 million remains due from the Samra Electricity Generating Company, which has been pending for several years by the competent courts, so that it will be settled when the final and definitive judgment decision is issued
 - The Company has committed to reducing the Ministry of Finance's debt (the relationship) by JD 137,903,814 during the year 2019, according to the Company's borrowing agreement with banks of JD 455,505,000, on behalf of the Government to pay part of the debt owed by the Government against the issuance of pledges by the Ministry of Finance to pay the loan amount and interest thereon. The agreement was signed between the Company and the Jordanian Government at June 16, 2020 and after the Council of Ministers approved the agreement and authorized the Minister of Finance to sign it on behalf of the Jordanian Government, according to the Council of Ministers' Decision No. (9158), taken in its meeting held on March 24, 2020.

- Upon offsetting request submitted by the Jordan Petroleum Refinery Company to the Ministry of Finance for offset procedure between part of the Ministry of Finance's debt (the main account of the Ministry of Finance – The Relationship) in favor of the company and the general and special tax included in the customs statements for the benefit of the Customs Department, the Customs Department approved this procedure on March 16, 2020, and the offsetting Committee agreed this procedure on July 6, 2020, to conduct an offsetting in an amount of JD 58,042,756, and the above offsetting procedure was completed during the month of July of the year 2020.
- Upon on the offsetting request by the Jordan Petroleum Refinery Company submitted to the Ministry of Finance, for offsetting the Ministry of Finance relationship account due to the company amounted to JD 137,667,786 and the balance of the deposits differences of oil derivatives pricing and surplus due to the government in the amount of JD 44,167,683 and the balance of establishing alternative tanks deposits due to the government in the amount of JD 93,500,103 for the balances as of September 30, 2020, the Ministry of Finance letter No. (18/4/694) was received on January 10, 2021, which includes the approval of the above-mentioned offsetting based on the offsetting instructions, and that the offsetting was carried out at the Ministry of Finance on January 4, 2021, and that the offsetting is recorded in the financial statements for the year 2020, according to the balances of the financial relationship between the company and the government as of September 30, 2020 contained in the company's letter No. (2/25/51/1/8988) dated December 15, 2020.
- The balances of general and special taxes included in the balance of the financial relationship between the company and the government below are matched with the records of the Income and Sales Tax Department as of September 30, 2023.
- According to the Council of Ministers' Decision No. (5011) adopted in its meeting held on December 19, 2021, the company borrowed an amount of JD 105,000,000, equivalent in US dollars, from the banks assigned to it by the Ministry of Finance on December 31, 2021 against for the Ministry of Finance issuing pledges to repay the loan amounts and their interest to the banks, also, the receivables of the security authorities were reduced according to the agreement concluded between the company and the Ministry of Finance, as the decision authorized the Minister of Finance to sign this agreement on behalf of the government.
- According to the Council of Ministers' Decision No. (11231) taken in its meeting held on April 2, 2023, the company borrowed an amount of JD 105,000,000, equivalent in US dollars, from the banks assigned to it by the Ministry of Finance during May, 2023 against the Ministry of Finance issuing pledges to repay the loan amounts and their interest to the banks, and reduce the debt of the Jordanian Air Force by an amount of JD 47,022,677 and the balance of the main account of the Ministry of Finance - the relationship was reduced by an amount of JD 57,977,323, according to the agreement concluded between the company and the Ministry of Finance, as the decision authorized the Minister of Finance to sign this agreement on behalf of the government.

- According the Council of Ministers' decision No. (5329) adopted in its session held on July 10, 2019, which included the approval to authorize the Jordan Petroleum Refinery Company to implement the terms of the Memorandum of Understanding for the processing and transportation of crude oil between the government of the Republic of Iraq and the government of the Hashemite Kingdom of Jordan, the company signed the agreement on August 1, 2019 and the company issued a letter of credit in favor of the Central Bank of Iraq to cover the value of the amount of 10 thousand barrels per day throughout the year according to the monthly average price of a barrel of Brent crude oil minus 16 US dollars, noting that the quantities of Iraqi oil were supplied at the end of August of 2019 and according to the minutes signed between the concerned parties in the Ministry of Finance, the Ministry of Energy and Mineral Resources, and the Jordan Petroleum Refinery Company on March 10, 2020, the balances and accounts of Iraqi crude oil were reconciled until December 31, 2019, and according to the minutes signed between those concerned in the Ministry of Finance and the Ministry of Energy and Mineral Resources And the Jordan Petroleum Refinery Company, on September 30, 2020, Iraqi crude oil balances and accounts were reconciled up to April 30, 2020, noting that Iraqi oil supply was stopped during the May and June 2020 due to the decrease in international prices and it started to be supplied again on the first of July 2020 and its supply ended by the end of November 2020 and the Iraqi oil balances and accounts were reconciled until the end of the current tender according to the minutes signed between the concerned parties in the Ministry of Finance And the Ministry of Energy and Mineral Resources and the Jordan Petroleum Refinery Company on December 20, 2020, Noting that the government of Jordan agreed with the Iraqi Ministry of Oil to renew the agreement, the supply of Iraqi oil was started under the new agreement as of the beginning of September 2021, Moreover, the Jordan Petroleum Refinery Company was authorized to implement the terms of the agreement on behalf of the Jordanian government according to the letter of Ministry of Energy No.(MNG/5483/8/21) dated August 12, 2021 based on Prime Minister's Decision No. (1391) adopted in its meeting held on February 17, 2021. The Iraqi oil balances and accounts for the period from the beginning of September to the end of December 2021 were also matched according to the signed minutes between the concerned parties in the Ministry of Finance, the Ministry of Energy and Mineral Resources and Jordan Petroleum Refinery Company on February 21, 2022. The Iraqi oil balances and accounts was also matched for the year ended 2022 according to the signed minutes between the concerned parties in the Ministry of Finance, the Ministry of Energy and Mineral Resources and Jordan Petroleum Refinery Company on February 27, 2023, the Iraqi oil balances and accounts for the first quarter of 2023 was matched according to the signed minutes between the concerned parties in the Ministry of Finance, the Ministry of Energy and Mineral Resources and Jordan Petroleum Refinery Company on June 4, 2023, and a new contract for the supply of Iraqi oil was signed on May 15, 2023 for a period of one year, extendable by the same previous conditions and prices, but the supply quantities have been increased to become 15,000 barrels per day instead of 10,000 barrels per day, starting from August 2023.
- Based on the offsetting request submitted by the Jordan Petroleum Refinery Company to the Ministry of Finance, which includes a request for a procedure between part of the accounts of the Ministry of Finance - the relationship in the amount of JD 49,002,240 and the balance of deposits of oil derivatives pricing differences and surpluses due to the government in the amount of JD 153,383 and fees and allowances according to the oil derivatives sale price bulletin (IPP) in the amount of JD 48,848,857, for the balances as of September 30, 2022, and the Ministry of Finance's issued letter No. (18/4/2068) dated January 23, 2023, containing the approval of the mentioned offsetting procedure, according to the balances of the financial relationship between the company and the government as of September 30, 2022 where it is contained in the company's letter No. (25/51/1/8969) dated November 16, 2022. The mentioned offset was made during January 2023.

- The Ministry of Finance's balances related to Jordan Petroleum Products Marketing Company were confirmed as of December 31, 2021 through the Ministry of Finance's approval of the Jordan Petroleum Products Marketing Company's Letter No. (111/2/859), dated February 9, 2022.
- The balances of the Ministry of Finance for the Jordan Petroleum Products Marketing Company were approved as of December 31, 2022, through the Ministry of Finance's approval on the Jordan Petroleum Products Marketing Company's letter No. (111/3/615) dated January 29, 2023.
- The Company signed an agreement for supplying oil derivatives with Royal Jordanian Air Force on May 26, 2021 included payment deadline of 15 days starting from the invoices receiving day, and according to that Jordanian Royal Air force was committed to pay all due amounts on time. The agreement was also extended for another year according to the letter of the General Command of the Jordanian Armed Forces - Arab Army No. (AH 2/4/1180) dated February 14, 2022 and the agreement was extended automatically for the new year based on the agreement of the two parties.
- The balance of the financial relationship between the Company and the Government related to the refining and gas activity as of April 30, 2018 (the end of the financial relationship with the Government) is as follows:

	April 30, 2018 (Audited)
<u>Amounts Owed to the Company:</u>	
Ministry of Finance primary account (the relationship)	JD 220,480,978
General sales tax deposits	101,792,998
Debts of security authorities, Governmental departments and institutions, and the National Electricity Company: *	
Armed Forces / Directorate of Supply	101,513,938
Royal Air Force	136,424,517
Directorate of General Security	45,627,576
Directorate General of the Gendarmerie	9,553,718
Civil Defense	3,259,795
Departments, ministries, and Governmental agencies and Institutions	3,280,986
National Electricity Company**	76,413,291
Total Debts of Security Authorities, Governmental Departments and Institutions, and the National Electricity Company	376,073,821
Total Amounts owed to the Company	698,347,797
 <u>Less: Amounts Owed to the Government:</u>	
Deposits differences of oil derivatives pricing and surplus	43,746,064
Special sales tax deposits	1,738,247
Deposits for constructing alternative tanks – the Ministry of Energy	93,500,103
Fees and allowances according to the oil derivatives pricing bulletin (IPP)	21,244,292
Total amounts due to the Government	160,228,706
Balance Owed by the Government to the Company	538,119,091

- The balance of the financial relationship between the Company and the Government related to the refining and gas activity as of December 31, 2018 (Which was confirmed by the Ministry of Finance letter No. (8AR/4/5197)) is as follows:

	December 31, 2018 (Audited)
<u>Amounts Owed to the Company:</u>	JD
Ministry of Finance primary account (the relationship)	267,790,407
General sales tax deposits	106,334,261
Debts of security authorities, Governmental departments and institutions, and the National Electricity Company: *	
Armed Forces / Directorate of Supply	88,823,533
Royal Air Force	168,094,404
Directorate of General Security	45,626,257
Directorate General of the Gendarmerie	8,425,446
Civil Defense	3,269,279
Departments, ministries, and Governmental agencies and Institutions	3,362,267
National Electricity Company**	76,378,522
Total Debts of Security Authorities, Governmental Departments and Institutions, and the National Electricity Company	393,979,708
Total Amounts owed to the Company	768,104,376
<u>Less: Amounts Owed to the Government:</u>	
Deposits differences of oil derivatives pricing and surplus	44,022,727
Special sales tax deposits	2,861,098
Deposits for constructing alternative tanks - Ministry of Energy	93,500,103
Fees and allowances according to the oil derivatives pricing bulletin (IPP)	36,050,789
Total amounts due to the Government	176,434,717
Balance Owed by the Government to the Company	591,669,659

- The balance of the financial relationship between the Company and the Government related to the refining and gas activities as of December 31, 2019 (after reducing the amount of JD 455,505,000 – government's loan) is as follows:

	December 31, 2019 (Audited)
<u>Amounts Owed to the Company:</u>	JD
Ministry of Finance primary account (the relationship)	211,997,358
General sales tax deposits	114,624,265
Debts of security authorities, Governmental departments and institutions, and the National Electricity Company: *	
Armed Forces / Directorate of Supply	1,074,301
Royal Air Force	59,938,960
Directorate of General Security	2,181
Departments, ministries, and Governmental agencies and Institutions	3,550,513
National Electricity Company**	72,147,468
Total Debts of Security Authorities, Governmental Departments and Institutions, and the National Electricity Company	136,713,423
Total Amounts owed to the Company	463,335,046
<u>Less: Amounts Owed to the Government:</u>	
Deposits differences of oil derivatives pricing and surplus	44,134,309
Special sales tax deposits	(2,189,866)
Deposits for constructing alternative tanks - Ministry of Energy	93,500,103
Fees and allowances according to the oil derivatives prices bulletin (IPP)	48,609,966
Total amounts due to the Government	184,054,512
Balance Owed by the Government to the Company	279,280,534

- The balance of the financial relationship between the Company and the Government related to the refining and gas activity as of September 30, 2020 (Which was confirmed by the Ministry of Finance according to the Ministry approval on the offsetting dated January 4, 2021) is as follows:

	September 30, 2020 (Reviewed)
<u>Amounts Owed to the Company:</u>	JD
Ministry of Finance primary account (the relationship)	194,763,517
General sales tax deposits	122,602,265
Special sales tax deposits	44,997,572
Debts of security authorities, Governmental departments and institutions, and the National Electricity Company: *	
Armed Forces / Directorate of Supply	1,325,578
Royal Air Force	92,293,727
Directorate of General Security	2,475
Departments, ministries, and Governmental agencies and Institutions	2,421,811
National Electricity Company**	72,147,468
Total Debts of Security Authorities, Governmental Departments and Institutions, and the National Electricity Company	168,191,059
Total Amounts owed to the Company	530,554,413
<u>Less: Amounts Owed to the Government:</u>	
Deposits differences of oil derivatives pricing and surplus	44,167,683
Deposits for constructing alternative tanks - Ministry of Energy	93,500,103
Fees and allowances according to the oil derivatives pricing bulletin (IPP)	50,718,837
Total amounts due to the Government	188,386,623
Balance Owed by the Government to the Company	342,167,790

- The balance of the financial relationship between the Company and the Government related to the refining and gas activities as of December 31, 2020 is as follows:

	December 31, 2020 (Audited)
<u>Amounts Owed to the Company:</u>	JD
Ministry of Finance primary account (the relationship)	68,240,240
General sales tax deposits	123,188,580
Special sales tax deposits	33,757,592
Debts of security authorities, Governmental departments and institutions, and the National Electricity Company: *	
Armed Forces / Directorate of Supply	1,374,855
Royal Air Force	103,436,845
Directorate of General Security	2,632
Departments, ministries, and Governmental agencies and Institutions	3,290,168
National Electricity Company**	72,147,468
Total Debts of Security authorities, Governmental Departments and Institutions, and the National Electricity Company	<u>180,251,968</u>
Total Amounts Owed to the Company	<u>405,438,380</u>
 <u>Less: Amounts Owed to the Government:</u>	
Deposits differences of oil derivatives pricing and surplus	19,104
Deposits for constructing alternative tanks - Ministry of Energy	-
Fees and allowances according to the Oil derivatives pricing bulletin (IPP)	<u>51,514,419</u>
Total Amounts Owed to the Government	<u>51,533,523</u>
Balance Owed to the Company from the Government	<u><u>353,904,857</u></u>

- The balance of the financial relationship between the Company and the Government related to the refining and gas activities as of December 31, 2021 is as follows:

	December 31, 2021 (Audited)
<u>Amounts Owed to the Company:</u>	JD
Ministry of Finance primary account (the relationship)	165,747,052
General sales tax deposits	126,294,176
Special sales tax deposits	182,255
Debts of security authorities, Governmental departments and institutions, and the National Electricity Company: *	
Armed Forces / Directorate of Supply	-
Royal Air Force	13,286,270
Directorate of General Security	2,025
Departments, ministries, and Governmental agencies and Institutions	2,413,667
National Electricity Company**	72,147,468
Total Debts of Security authorities, Governmental Departments and Institutions, and the National Electricity Company	<u>87,849,430</u>
Total Amounts Owed to the Company	<u>380,072,913</u>
 <u>Less: Amounts Owed to the Government:</u>	
Deposits differences of oil derivatives pricing and surplus	108,433
Deposits for constructing alternative tanks - Ministry of Energy	-
Fees and allowances according to the Oil derivatives pricing bulletin (IPP)	<u>46,680,255</u>
Total Amounts Owed to the Government	<u>46,788,688</u>
Balance Owed to the Company from the Government	<u><u>333,284,225</u></u>

- The balance of the financial relationship between the company and the government related to the refining and gas activity as of September 30, 2022 (confirmed by the Ministry of Finance pursuant to the Ministry's approval of the offsetting procedure on January 23, 2023) is as follows:

	September 30, 2022 (Reviewed)
<u>Amounts Owed to the Company:</u>	<u>JD</u>
Ministry of Finance primary account (the relationship)	266,543,378
General sales tax deposits	129,220,485
Special sales tax deposits	533,981
Debts of security authorities, Governmental departments and institutions: *	
Armed Forces / Directorate of Supply	30,109
Royal Air Force	43,149,216
Directorate of General Security	5,454
Departments, ministries, and Governmental agencies and Institutions	<u>5,271,713</u>
Total Debts of Security Authorities, and Governmental Departments and Institutions	<u>48,456,492</u>
Total Amounts owed to the Company	<u>444,754,336</u>
<u>Less: Amounts Owed to the Government:</u>	
Deposits differences of oil derivatives pricing and surplus	153,383
Deposits for constructing alternative tanks - Ministry of Energy	-
Fees and allowances according to the Oil derivatives pricing bulletin (IPP)	<u>48,848,857</u>
Total amounts due to the Government	<u>49,002,240</u>
Balance Owed by the Government to the Company	<u>395,752,096</u>
National Electricity Company **	<u>71,158,551</u>
Balance owed to the company by the government and the National Electricity Company	<u>466,910,647</u>

- The balance of the financial relationship between the Company and the Government related to the refining and gas activities as of December 31, 2022 (Confirmed according to the memorandum of understanding signed between the company and the government of the Hashemite Kingdom of Jordan on June 6, 2023) is as follows:

	December 31, 2022 (Audited)
<u>Amounts Owed to the Company:</u>	<u>JD</u>
Ministry of Finance primary account (the relationship)	296,970,716
General sales tax deposits	130,914,449
Special sales tax deposits	1,779,821
Debts of security authorities, Governmental departments and Institutions: *	
Armed Forces / Directorate of Supply	51,936
Royal Air Force	47,022,677
Directorate of General Security	5,454
Departments, ministries, and Governmental agencies and Institutions	<u>2,878,891</u>
Total Debts of Security Authorities, and Governmental Departments and Institutions	<u>49,958,958</u>
Total Amounts owed to the Company	<u>479,623,944</u>
<u>Less: Amounts Owed to the Government:</u>	
Deposits differences of oil derivatives pricing and surplus	178,851
Deposits for constructing alternative tanks - Ministry of Energy	-
Fees and allowances according to the Oil derivatives pricing bulletin (IPP)	<u>49,561,345</u>
Total amounts due to the Government	<u>49,740,196</u>
Balance Owed by the Government to the Company	<u>429,883,748</u>
National Electricity Company **	<u>48,255,316</u>
Balance owed to the company by the government and the National Electricity Company	<u>478,139,064</u>

- The balance of the financial relationship between the Company and the Government related to the refining and gas activities as of September 30, 2023 (After reducing the amount of JD 105 million - the government loan and the offset of JD 49,002,240 that occurred on January 23, 2023) is as follows:

<u>Amounts Owed to the Company:</u>	<u>September 30, 2023 (Reviewed)</u> JD
Ministry of Finance primary account (the relationship)	273,923,082
General sales tax deposits	135,270,941
Special sales tax deposits	2,403,918
Debts of security authorities, Governmental departments and Institutions: *	
Armed Forces / Directorate of Supply	148,034
Royal Air Force	19,656,792
Directorate of General Security	5,454
Departments, ministries, and Governmental agencies and Institutions	4,390,716
Total Debts of Security Authorities, and Governmental Departments and Institutions	<u>24,200,996</u>
Total Amounts owed to the Company	<u>435,798,937</u>
<u>Less: Amounts Owed to the Government:</u>	
Deposits differences of oil derivatives pricing and surplus	136,023
Deposits for constructing alternative tanks - Ministry of Energy	-
Fees and allowances according to the Oil derivatives pricing bulletin (IPP)	2,788,419
Total amounts due to the Government	<u>2,924,442</u>
Balance Owed by the Government to the Company	<u>432,874,495</u>
National Electricity Company **	<u>3,200,994</u>
Balance owed to the company by the government and the National Electricity Company	<u>436,075,489</u>

- * According to the minutes of the Company's meetings with the Ministry of Finance held on November 8, 9 and 16, 2017, in order to determine the balances of the financial relation between Jordan Petroleum Refinery Company and the Government (excluding Jordan Petroleum Products Marketing Company and the Lube Oil Factory) for the balances as of September 30, 2017, the Ministry of Finance committed a pledge for all of the debt balances of the Armed Authorities, Royal Air Force, Directorate of General Security, the General Directorate of Gendarmerie, other security authorities, and governmental departments, within its budget as well as the debts of the National Electric Power Company for the refining and gas activities of JD 319,468,856 as of September 30, 2017, the two parties have agreed that no provision would be made for the debts of Royal Jordanian Company, municipalities, governmental universities, and managerially and financially independent governmental institutions during the relationship period, provided that if those amounts are not collected through the judiciary, and the Company is required to write them off, the Ministry of Finance pledges to pay those debts and any related costs.

- ** The company signed a financial settlement on June 23, 2022, with the National Electricity Company to pay the debt owed by it and the interest of delayed payments and installments. The agreements also included that the amount due must be paid over (12) equal installments starting from July 2022, and the National Electricity Company has committed to pay the due installments on their due dates, and the last installment of the financial settlement agreement was paid during the month of June 2023, and an amount equivalent to JD 3.2 million remains due from the Samra Electricity Generating Company, which has been pending for several years by the competent courts, so that it will be settled when final judgment decision is issued.

- Based on the offsetting request submitted by the Jordan Petroleum Refinery Company to the Ministry of Finance, which includes a request for offsetting a procedure between part of the accounts of the Ministry of Finance - the relationship in the amount of JD 49,002,240 and the balance of deposits differences of oil derivatives pricing and surplus due to the government in the amount of JD 153,383 and fees and allowances according to the oil derivatives sale price bulletin (IPP) in the amount of JD 48,848,857, for the balances as of September 30, 2022, and the Ministry of Finance's issued letter No. (18/4/2068) dated January 23, 2023, containing the approval of the mentioned offsetting procedure, was received according to the balances of the financial relationship between the company and the government as of September 30, 2022 where it is contained in the company's letter No. (25/51/1/8969) dated November 16, 2022. The mentioned offset was made during January 2023.
- f. The general sales tax deposits item includes an amount of JD 129,080,105 related to the refining activity, and an amount of JD 622,905 related to Jordan Petroleum Products Marketing Company, and an amount of JD 6,190,836 related to Jordan Liquefied Petroleum Gas Manufacturing and Filling Company which was activated as of the beginning of January 2023 after all the different liquefied gas activities have been annexed to it (except for gas production activity), and an amount of JD 419,120 related to Jordan Lube Oil Manufacturing Company as of September 30, 2023. Noting that the Jordan Lube Oil Manufacturing Company has been activated as of April 1, 2022 and the entire oil activity and oil factory has been annexed to it.
- According with the Council of Ministers' Decision No. (6953), taken in its meeting held on March 19, 2018, approval was obtained on exempting the quantities of gasoline (95) used in the production of gasoline (90) and (95) of (2,360,253) tons from the general and special sales tax for the period from May 1, 2013, until September 30, 2017. The decision shall include any quantity of gasoline (95) used in the mixing process for the production of gasoline (90 and 95) until the end of the financial relationship between the Government and the Jordan Petroleum Refinery Company. Noting that, the outstanding customs statements at the Customs department were finalized during July 2020.
- According to Law No. (107) for year 2019, the Amended Special Tax Law, the general and special taxes, fees and allowances have been combined in the price bulletin (IPP) under the special taxes item and have been determined for each material as per the law described above.
- In accordance with the Council of Ministers' Decision No. (6544), taken at its meeting held on September 23, 2019, gasoline 90 and 95 was included in Schedule No. 2 annexed to the General Sales Tax Law on the sales which is related to goods and services subject to the General Sales Tax at a percentage or for an amount of (Zero).
- In its meeting held on January 3, 2016, under Decision No. (13363), based on the recommendations of the Economic Development Committee in its session held on December 22, 2015, the Council of Ministers approved exempting the Company from general and special sales tax effective from May 1, 2013 on its imports for quantities sold to the marketing companies only, provided that the general sales tax and special sales tax thereon shall be paid by those companies within the pricing structure of (IPP). Moreover, the outstanding customs statements at the Jordan Customs Department were finalized during July 2020.
- The letter of Income and Sales Tax Department No. (20/4/347) dated February 16, 2021 which included the approval of the department to collect general and special taxes on the sales of JPRC to the three marketing companies through marketing companies only, and that JPRC is not obligated to pay taxes on its sales to the three marketing companies and is only obligated to pay tax on its sales to other customers.
- Upon on the offsetting request by the Jordan Petroleum Refinery Company submitted to the Ministry of Finance, for offsetting part of the Ministry of Finance's debt (the Ministry of Finance relationship account) in favor of the Company with the general and special tax on the customs' statements held at the Customs Department, and it was approved on March 16, 2020, by the Customs Department, and on July 6, 2020, by the Offsetting Committee for a total amount of JD 58,042,756. The above-mentioned offsetting was completed during July 2020.

- Pursuant to the Council of Ministers' Decision No. (2898) adopted in its session held on July 7, 2021, they accept to exempt the company's imports of crude oil and oil derivatives from customs fees (Standard fee) until April 30, 2022.
 - Pursuant to the Council of Ministers' Decision No. (7278) adopted in its session held on June 5, 2022 the Council of Ministers' Decision No. (2898) was extended until April 30, 2023, which includes exempting the Jordan Petroleum Refinery Company's imports of crude oil and finished petroleum products from customs fees (Standard fee).
 - Pursuant to the Council of Ministers' Decision No. (12135) taken in its session held on June 18, 2023 the Council of Ministers' Decision No. (7278) was extended until April 30, 2024, which includes exempting the Jordan Petroleum Refinery Company's imports of crude oil and finished petroleum products from customs fees (Standard fee).
 - Pursuant to the Council of Ministers' Decision No. (9298) taken in its session held on November 6, 2022, imported petroleum gas has been exempted from customs fees for a period of one year, starting from January 1, 2023.
- g. This item consists mainly of the current account of Company employees' Housing Fund, deposits for the Jordan Customs Department, and other debit balances.
- h. This item consists mainly of prepaid expenses account related to Company's insurance, rents, marketing, security and protection; and contractors' prepayments for gas stations establishment, including an amount of JD 4,185,950 related to the refining activity, and an amount of JD 3,295,065 related to Jordan Petroleum Products Marketing Company, and an amount of JD 33,992 related to Jordan Liquefied Petroleum Gas Manufacturing and Filling Company which was activated as of the first of January 2023 after all the different liquefied gas activities have been annexed to it (except for gas production activity), and an amount of JD 251,149 related to Jordan Lube Oil Manufacturing Company as on September 30, 2023. Noting that the Jordan Lube Oil Manufacturing Company has been activated as of April 1, 2022 and the entire lube oil activities and oil factory has been annexed to it.
- i. This item represents what was paid to the gas stations' owners according to agreements through which Jordan Petroleum Products Marketing Company (a wholly owned subsidiary) supplies these gas stations with their fuel needs. According to these agreements, the Company shall participate in building or modernizing the gas stations and installing pumps. In addition, the gas stations shall bear the trade name for the Jordan Petroleum Products Marketing Company as their authorized distributor, and the related amounts shall be amortized over the contracts period or the useful life of the assets, whichever is lower.
- j. The movement on the provision for expected credit losses is as follows:

	<u>September 30, 2023 (Reviewed)</u>	<u>December 31, 2022 (Audited)</u>
	JD	JD
Balance at the beginning of the year	24,223,875	23,205,635
Recorded during the period/year	<u>1,779,580</u>	<u>1,018,240</u>
Balance at the End of the Period/Year	<u>26,003,455</u>	<u>24,223,875</u>

- This item includes expected credit losses provision with an amount of JD 5,259,565 related to the refining activity and an amount of JD 2,030,460 related to the oil factory before the beginning of April 2022, and an amount of JD 18,659,566 related to Jordan Petroleum Products Marketing Company, and an amount of JD 53,864 related to Jordan Lube Oil Manufacturing Company as on September 30, 2023. Noting that Jordan Lube Oil Manufacturing Company has been activated as of April 1, 2022, and the provision was calculated after taking into consideration the receivables guaranteed by Jordanian Government.

9. Crude Oil, Finished Oil Products, and Other Supplies

This item consists of the following:

	September 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Finished oil derivatives and lube oil	257,691,033	273,869,349
Crude oil and materials under process	110,995,411	123,503,424
Raw materials, spare parts, and other supplies	61,798,273	55,060,142
Goods in transit	94,151,637	80,840,381
<u>Less:</u> Provision of slow-moving, obsolete inventory and sediments	(8,273,844)	(8,188,645)
	<u>516,362,510</u>	<u>525,084,651</u>

- The movement on the Provision of slow-moving, obsolete inventory and sediments as follows:

	For The Period Ended September 30, 2023 (Reviewed)	For The Year Ended December 31, 2022 (Audited)
	JD	JD
Balance at the beginning of the year	8,188,645	7,238,287
Added during the period/year	268,094	963,888
Written-off materials during the period/year	(92,562)	(13,530)
Paid during the period/year	(90,333)	-
Balance at the End of the Period/Year	<u>8,273,844</u>	<u>8,188,645</u>

10. Due to Banks

This item consists of current debit accounts and short-term loans granted by several local banks to finance the Company's activities and its subsidiaries, at annual interest and murabaha rates ranging from 4.25% to 8%, during the period ended September 30, 2023, in addition to the Company's guarantee as legal personality in this regard this item includes an amount of JD 572,625,734 related to refinery activity, and an amount of JD 20,739,302 related to Jordan Petroleum Products Marketing Company as of September 30, 2023.

11. Payables and Other Credit Balances

This item consists of the following:

	September 30, 2023 (Reviewed) JD	December 31, 2022 (Audited) JD
Deposits of the differences of oil derivatives pricing and surplus (a)	4,913,557	1,217,882
Special sales tax deposits on oil derivatives (b)	84,876,939	54,395,225
Deposits of construction of alternative tanks - Ministry of Energy (c)	-	-
Suppliers and obligations from purchases, supplies, services and others	205,481,715	168,003,564
Gas cylinders Write-off and maintenance provision (d)	5,000,000	5,000,000
Fees and allowances according to the oil derivatives price bulletin (IPP) (e)	2,788,419	49,561,345
Lawsuits provision (Note 17/b)	4,156,499	4,234,658
Advance payment from customers (f)	7,463,431	8,828,372
Shareholders' deposits	18,345,900	14,066,303
Creditors and other credit balances	21,266,599	28,093,783
Retention deducted from contractors	354,176	462,204
Employees' vacations provision	2,099,973	2,135,744
Subsidiary companies import pricing differences (g)	18,739,371	17,174,463
Storage fees provision (h)	115,722	84,162
Balances retained against acquisition of subsidiary (i)	858,820	874,045
Alia company deposits – Royal Jordanian Airlines (j)	11,253,235	11,253,235
Special tax differences provision (k)	7,603,779	7,603,779
Jordan Oil Terminals Company's Diesel and Gasoline deposits - inventory turnover (L)	4,988,580	-
	<u>400,306,715</u>	<u>372,988,764</u>

- a. This item includes deposits of the differences of oil derivatives pricing and surplus amounted to JD 136,023, related to the refining activities, and JD 4,777,534 related to Jordan Petroleum Products Marketing Company as of September 30, 2023.
- This item includes deposits amounts resulting from oil derivatives pricing and surplus differences between total cost including taxes, fees, and transportation charges, actual selling prices according to oil derivatives pricing bulletin (IPP) and the published price effective from March 2, 2008. These differences are considered as the Government's right according to the Ministry of Energy and Mineral Resources' Letter No. (9/4/1/719), dated February 16, 2009 and the Ministry of Finance's Letter No. (18/4/9952), dated April 29, 2009. Consequently, the Company was obliged, effective from March 2008 to record the results of the differences of prices in favor of the Ministry of Finance. Additionally, the Government has claimed the differences in the pricing of oil derivatives effective from December 14, 2008 according to the decision of the oil derivatives pricing committee, in its meeting held on December 13, 2008 provided that the pricing surplus be recorded as deposits under the liabilities within the Company's consolidated financial statements.

- Upon the offsetting request of the Jordan Petroleum Refinery Company submitted to the Ministry of Finance, for offsetting part of the Ministry of Finance relationship account due to the company amounted to JD 137,667,786 and the balance of the deposit differences of oil derivatives pricing and surplus due to the government in the amount of JD 44,167,683 and the balance of establishing alternative tanks deposit due to the government in the amount of JD 93,500,103 for the balances as of September 30, 2020. the Ministry of Finance letter No. (18/4/694) was received on January 10, 2021, which includes the approval of the above-mentioned offsetting based on the offsetting instructions, and that the offsetting was carried out at the Ministry of Finance on January 4, 2021, and that the offsetting is recorded in the financial statements for the year 2020, according to the balances of the financial relationship between the company and the government contained in the company's letter No. (2/25/51/1/8988) dated December 15, 2020.
- Upon the offsetting request of Jordan Petroleum Refinery Company submitted to the Ministry of Finance, which includes offsetting part of the Ministry of Finance (the relationship) account due to the government amounted to JD 49,002,240 and the balance of deposits of the differences of oil derivatives pricing and surplus due to the government in the amount of JD 153,383, and the Fees and allowances according to oil derivatives pricing bulletin (IPP) in the amount to JD 48,848,857 for the balances as of September 30, 2022, and the Ministry of Finance's letter No. (18/4/2068) dated January 23, 2023, containing the approval of the mentioned offsetting, was received according to the balances of the financial relationship between the company and the government as of September 30, 2022 contained in the company's letter No. (25/51/1/8969) dated November 16, 2022, and the mentioned offsetting was made during January 2023.
- The movement on the deposits of oil derivatives pricing differences and surplus is as follows:

	September 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Balance at the beginning of the year	1,217,882	5,312,638
Recorded during the period/year	3,849,058	1,324,510
Paid during the period/year	(153,383)	(5,419,266)
Balance at the End of the Period/Year	<u>4,913,557</u>	<u>1,217,882</u>

- b. This item includes an amount of JD 659,321 related to the refining activity due for income and sales tax department on the company, and an amount of JD 87,250,873 related to the Jordan Petroleum Products Marketing Company due for income and sales tax department on the company, and an amount of JD (3,063,239) related to the Jordan Liquefied Petroleum Gas Manufacturing and Filling Company due for company from the Income and Sales Tax Department which was activated as of the beginning of January 2023 after all the different liquefied gas activities have been annexed to it (except for gas production activity), and an amount of JD 29,984 related to Jordan Lube Oil Manufacturing Company due for income and sales tax department on the company as of September 30, 2023. Noting that Jordan Lube Oil Manufacturing Company has been activated as of April 1, 2022, and the entire lube oil activities and oil factory has been annexed to it.
- Under Law No. (107) for the year 2019, the amended Special Tax Law, the general and special taxes, fees and stamps mentioned in the oil derivatives pricing bulletin (IPP) have been combined under special tax and specified for each item as per the above-mentioned law.
- Upon the offsetting request of the Jordan Petroleum Refinery Company submitted to the Ministry of Finance, for offsetting part of the Ministry of Finance's debt (the Ministry of Finance relationship account) in favor of the company against the general and special tax on the customs' statements held at the Customs Department, it was approved on March 16, 2020, by the Customs Department, and on July 6, 2020, by the Offsetting Committee, for a total amount of JD 58,042,756. The above-mentioned offsetting was completed during July 2020.

- The company received a letter from Income and Sales Tax Department No. (20/4/347) dated February 16, 2021 which included the approval of the department to collect general and special taxes on the sales of the Jordan Petroleum Refinery Company to the three marketing companies through marketing companies only, and that the Jordan Petroleum Refinery Company is not obligated to pay taxes on its sales to the three marketing companies and is only obligated to pay tax on its sales to other customers.
- c. According to His Excellency the Prime Minister's Letter No. (58/11/1/5930), dated March 24, 2010, an amount of JD (34) was added to the price of unleaded gasoline per ton sold from both types of gasoline (90 and 95) within the pricing mechanism of oil derivatives, starting from April 16, 2010. Moreover, the related proceeds are recorded in a special account maintained by the Company for the Government, represented by the Ministry of Energy and Mineral Resources, to build tanks for the storage of crude oil and/ or oil derivatives at an average of (70) thousand tons in Aqaba and paid to the Ministry of finance, the pricing mechanism of oil derivatives were ceased, starting from the first of December 2016, according to the oil derivatives selling prices bulletin (IPP).
- Upon the offsetting request of the Jordan Petroleum Refinery Company submitted to the Ministry of Finance, for offsetting part of the Ministry of Finance relationship account due to the company amounted to JD 137,667,786 and the deposit balance of the differences in pricing of derivatives and surpluses due to the government in the amount of JD 44,167,683 and the balance of establishing alternative tanks due to the government in the amount of JD 93,500,103 for the balances as of September 30, 2020, the Ministry of Finance letter No. (18/4/694) was received on January 10, 2021, which includes the approval of the above-mentioned offsetting based on the offsetting instructions, and that the offsetting was carried out at the Ministry of Finance on January 4, 2021, and that the offsetting is recorded in the financial statements for the year 2020, according to the balances of the financial relationship between the company and the government as of September 30, 2020 contained in the company's letter No. (2/25/51/1/8988) dated December 15, 2020.
- d. The movement on the Gas cylinders Write-off and maintenance provision is as follows:

	September 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Balance at the beginning of the year	5,000,000	5,000,000
Recorded during the period/year *	3,076,343	4,373,316
Released during the period/year *	(3,076,343)	(4,373,316)
Balance at the End of the Period/Year	<u>5,000,000</u>	<u>5,000,000</u>

- * During the period ended September 30, 2023, a provision of JD 3,076,343 was recorded through Jordan Liquefied Petroleum Gas Manufacturing and Filling Company which was activated as of the beginning of January 2023 after all the different liquefied gas activities have been annexed to it (except for gas production activity), against gas cylinders write-off, maintenance and repair cost, according with oil derivatives selling prices bulletin (IPP) amounting to JD (10) for each ton of gas sold. And an amount of JD 3,076,343 has been released during the same period. Moreover, the number of gas cylinders sold during the period ended September 30, 2023 was around 24.6 million cylinders.
- e. This item represents fees, allowances, and the deposits recorded for the Ministry of Finance's according to the oil derivatives selling prices bulletin (IPP) relating to the refining activity.

- The movement on this item is as follows:

	September 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Balance at the beginning of the year	49,561,345	46,680,255
Recorded during the period/year	2,081,321	2,887,033
Paid during the period/year	(48,854,247)	(5,943)
Balance at the End of the Period/Year	<u>2,788,419</u>	<u>49,561,345</u>

- Upon the offsetting request from Jordan Petroleum Refinery Company submitted to the Ministry of Finance, which includes offsetting part of the Ministry of Finance (the relationship) account due to the government amounted to JD 49,002,240 and the balance of deposits of the differences of oil derivatives pricing and surplus due to the government in the amount of JD 153,383, and the Fees and allowances according to oil derivatives pricing bulletin (IPP) in the amount of JD 48,848,857 for the balances as of September 30, 2022, and the Ministry of Finance's letter No. (18/4/2068) dated January 23, 2023, containing the approval of the mentioned offsetting, was received according to the balances of the financial relationship between the company and the government as of September 30, 2022 contained in the company's letter No. (25/51/1/8969) dated November 16, 2022, and the mentioned offsetting was made during January 2023.
- f. This item represents advance payments from fuel, gas, and lube oil clients against finished oil derivatives, liquefied gas and lube oil products purchases.
- g. This item represents pricing differences from imported finished oil derivatives between the cost of imported finished oil derivatives during the years from 2017 until the period ended September 30, 2023, and the Refinery Gate price included in the oil derivatives pricing bulletin (IPP) concerning the imports of Jordan Petroleum Products Marketing Company (a subsidiary and wholly owned) related to finished oil derivatives. In this regard, the Company recorded the difference between the actual import cost and the refinery gate price of oil derivatives as per the oil derivatives of prices bulletin (IPP) under the item of import pricing differences within payables and other credit balances, as the Company is uncertain as to whether it is the right for the Company or for the Ministry of Finance, and therefore, If it was the company's rights, this balance becomes a revenue for the company, and if it is the Ministry of Finance's rights, it is transferred from the deposits account without affecting the consolidated statement of profit or loss.
- h. The Company has recorded a provision for storage fees against the claim of the Jordan Oil Terminals Company (JOTC) under its Letter No. (1/64/2018), dated April 3, 2018. In the letter, JOTC claimed storage fees on fuel oil at 3.5% and 1%, by JD 3.5 per cubic meter stored as of May 25, 2017. However, Jordan Petroleum Refinery Company rejected this claim. Based on this rejection, Letter No. (2/20/408), dated January 3, 2019, from the Energy & Minerals Regulatory Commission (EMRC) was received. The letter specified the initial storage fees at JD 2 per month, instead of JD 3.5 per cubic meter stored. However, the fees shall be studied by the Energy & Minerals Regulatory Commission (EMRC) during the first half of the year 2019. Moreover, the claim shall be re-examined for the period from May 25, 2017 until the end of the financial relationship between the Company and the Government, together with the related impact on the Government. Noting that, EMRC has not determined the final storage fees yet.
- The Company received Letter No. (18/4/12022), dated September 23, 2020, from the Ministry of Finance, which includes the Ministry of Finance's request to the Company to pay the fuel oil storage fees for JOTC for the period from May 25, 2017, until April 30, 2018, as the government has borne the cost of storage fees according to the financial relationship between the Company and the government for that period. In this respect, the Company paid the amount recorded until the end of the financial relationship with the government.

- The company signed a settlement minutes with the JOTC on June 6, 2021, included matching the balance between the two companies and record the due amount for the JOTC which include that it has to be paid on six equal monthly instalments, In Addition, the payment of storage fees of fuel oil 3.5% on a monthly basis and to send claims to the National Electricity Company for its share of the storage fees for fuel Oil 1%. Moreover, the company through April 2021 exported the Fuel Oil 1% which was imported for The national Electricity Company since the Egyptian Oil was interrupted , The National Electricity pledged the Company to purchase the fuel oil and to pay all the costs , but it did not commit the pledge and as a result of that the Company sent a judicial warning including their claim for the difference of Importing and exporting values , Included in claimed costs the cost of the material storage in JOTC tanks. As a result of the non-response of the National Electric Company, the company filed a case against the National Electric Company to collect the difference in the value of fuel oil 1% exported and all the costs of importing and storing it with the competent courts and the case is still pending on the competent courts.
- The movement on this item is as follows:

	September 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Balance at the beginning of the year	84,162	84,162
Recorded during the period/year	915,240	1,009,920
Paid during the period/year	(883,680)	(1,009,920)
Balance at the End of the Period/Year	<u>115,722</u>	<u>84,162</u>

- i. This item represents the amount retained by Jordan Petroleum Products Marketing Company (a wholly owned subsidiary) against any future liabilities that may arise on Hydron Energy Company LLC, after it's owned Hydron Company and in accordance with the agreement between both parties.
- j. Based on the agreement between Jordan Petroleum Refinery Company and Alia Company - Royal Jordanian Airlines signed on November 26, 2019, and after all the balances between the two Companies had been matched, both parties agreed to offset the accrued outstanding balance due from Alia Company - Royal Jordanian Airlines related to the refining activity against the discount deposits balances and interest deposit balances of Alia Company - Royal Jordanian Airlines. Accordingly, the offsetting took place and resulted in an amount of JD 11,253,235, payable to Alia Company - Royal Jordanian Airlines and booked in the Company's records for the refining activity.
- k. The Income and Sales Tax Department imposed a special tax differences, upon auditing the Jordan Petroleum Products Marketing Company (a wholly owned subsidiary), on the company's sales for the Al-Masar and Al-Tarawneh coalition, the Saad Al-Mobti and Partners coalition, the Al-Aoun and BCM coalition, despite the presence of decisions issued by the Prime Ministry exempting the withdrawals of these coalitions from the tax on diesel, and accordingly the company filed a case with the competent courts to respond to the claim of the Income and Sales Tax Department based on the Income and Sales Tax Department subjecting the sales of exempt entities under Prime Ministry decisions to the Tax Department therefore, the company offered a financial settlement to The Income and Sales Tax Department which contains that the company pay 50% from of the value of the special sales tax differences in exchange for exempting the company from fines represented by a fine of double tax amount, penal fines, and late payment fines. The company is still waiting for the Council of Ministries decision to exempt it from these fines.
- l. This item represents deposits due to Jordan Oil Terminals Company (JOTC) in exchange for withdrawals from government-owned Diesel and Gasoline in the Madouneh area, according to a memorandum of understanding signed between Jordan Petroleum Products Marketing Company (a wholly owned subsidiary), JOTC and the Ministry of Energy and Mineral Resources regarding the inventory recycling owned by the Jordanian government, and that the Jordan Petroleum Products Marketing Company (a wholly owned subsidiary) supplies alternative quantities upon the readiness of the storage facilities of JOTC.

12. Provision for Income Tax

a. The movement on the income tax provision is as follows:

	September 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Provision of income tax at the beginning of the year	22,251,354	6,414,333
<u>Add</u> : Income tax expense for the period/year	16,475,036	30,938,298
<u>Less</u> : Income tax paid during the period/year	(25,723,843)	(15,101,277)
Provision for Income Tax at the End of the Period/Year	<u>13,002,547</u>	<u>22,251,354</u>

b. The details of the income tax expense for the period ended September 30, 2023 and 2022 are as following:

	For the Nine Months Ended September 30,	
	2023 (Reviewed)	2022 (Reviewed)
	JD	JD
Income tax for the period	16,475,036	26,925,192
Deferred taxes impact for the period	(615,457)	(3,444,175)
Income Tax Expense for the Period	<u>15,859,579</u>	<u>23,481,017</u>

- The company obtained a final and definitive settlement from the Income and Sales Tax Department until the end of 2020. Also, the company's tax expense was calculated and paid for the years 2021 and 2022, and the tax declaration were submitted for the years 2021 and 2022. The tax expense was calculated for the period ending on September 30, 2023, in accordance with Jordanian income tax law, and in the opinion of the company's management and tax consultant, the provisions taken in the interim condensed consolidated financial information are sufficient for the purposes of tax obligations.
- The Jordan Petroleum Products Marketing Company (a wholly owned subsidiary) reached a final and irrevocable tax settlement with the Income and Sales Tax Department until the end of the year 2021. In addition, the company submitted its tax returns for 2022, and paid the declared tax thereof. and the tax expense for the period ending on September 30, 2023, has been calculated in accordance with Jordanian Income Tax Law. In the opinion of the company's management and tax advisor, the provisions stated in the condensed consolidated interim financial information are sufficient to cover its tax obligations.
- The income tax declarations have been submitted for all the subsidiary companies of the Jordan Petroleum Products Marketing Company for the years 2021 and 2022 according to the rules and the declared amounts were paid, Moreover, the tax expense was calculated for the period ending on September 30, 2023, according to the Jordanian Income Tax Law. In the opinion of the Company's management and tax advisor, the provisions stated in the condensed consolidated interim financial information are sufficient to cover its tax obligations.
- Jordan Lube Oil Manufacturing Company (a wholly owned subsidiary) reached a final and irrevocable tax settlement with the Income and Sales Tax Department until the end of the year 2021. In addition, the company submitted its tax returns for the years 2022, and paid the declared tax thereof. and the tax expense for the period ending on September 30, 2023, has been calculated in accordance with Jordanian Income Tax Law. In the opinion of the company's management and tax advisor, the provisions stated in the condensed consolidated interim financial information are sufficient to cover its tax obligations.

- Jordan Liquefied Petroleum Gas Manufacturing and Filling Company (a wholly owned subsidiary) reached a final and irrevocable tax settlement with the Income and Sales Tax Department until the end of 2021, and the tax declaration were submitted and the tax was paid for the year 2022 and the tax expense for the period ended September 30, 2023 has been calculated in accordance with Jordanian Income Tax Law. In the opinion of the company's management and tax advisor, the provisions stated in the condensed consolidated interim financial information are sufficient to cover its tax obligations.
- The income tax rate for the refining activity and the Jordan Lube Oil Manufacturing Company is 19% plus a national contribution of 1%, and income tax rate for Jordan Petroleum Products Marketing Company and its subsidiaries, Jordan Liquefied Petroleum Gas Manufacturing and Filling Company is 20% plus a national contribution of 1%.

13. Death, Compensation, and End-of-Service Indemnity Fund

According to the Board of Directors' resolution to merge the death, disability, and indemnity fund with the staff end-of-service indemnity into one fund, namely the (death, compensation and end-of-service indemnity fund), and according to the General Announcement No. 11/2012, issued by Jordan Petroleum Refinery Company, dated March 3, 2012, the employee shall receive, at the end of his service, 150% of their monthly gross salary based on the last salary received. However, this amount may not exceed JD 2,000 for every work year for those whose gross monthly salaries do not exceed JD 2,000. If the monthly gross salary exceeds JD 2,000, the employee shall be paid a one-month gross salary for every work year as an end-of-service compensation according to the last salary paid. The Board of Directors shall determine the amount of the provision every year, in light of the amount of this liability, to enable the Company to set up the full provision within five years according to Appendix No. (5) of the above-mentioned New Fund Law. Moreover, there is no shortage in the required provision balance as of September 30, 2023.

14. Net Sales

This item consists of the following:

	For the Nine Months Ended September 30,	
	2023 (Reviewed) JD	2022 (Reviewed) JD
Refinery activity sales *	187,816,259	398,872,120
Lube-oil factory sales**	-	7,202,736
Jordan Petroleum Products Marketing Company sales	1,333,651,581	1,270,785,858
Jordan Lube Oil Manufacturing Company Sales**	21,066,956	13,523,655
Jordan Liquefied Petroleum Gas Manufacturing and Filling Company Sales***	159,878,855	-
<u>Less:</u> fees, allowances and taxes according to the oil derivatives prices bulletin (IPP)	<u>(462,625,924)</u>	<u>(435,185,983)</u>
	<u>1,239,787,727</u>	<u>1,255,198,386</u>

* Sales of refining activity for period ending on September 30, 2022 (Comparative period) includes sales of gas activity.

- The total sales of the Jordan Petroleum Refinery Company to the Jordan Petroleum Products Marketing Company (a wholly owned subsidiary) of finished oil derivatives amounted to JD 593,660,974 and the total sales of Jordan Liquefied Petroleum Gas Manufacturing and Filling Company (a wholly owned subsidiary) from the liquefied gas material amounted to JD 33,114,328 during the period ending on September 30, 2023.

** Jordan Lube Oil Manufacturing Company has been activated as of April 1, 2022, and the entire activity and oil factory has been annexed to it.

*** Jordan Liquefied Petroleum Gas Manufacturing and Filling Company has been activated as of the beginning of January 2023, and the entire liquefied gas activities has been annexed to it (except for gas production activity).

15. Cost of Sales

This item consists of the following:

	For the Nine Months Ended September 30,	
	2023	2022
	(Reviewed)	(Reviewed)
	JD	JD
Crude oil and materials under process at the beginning of the year	123,503,424	80,349,582
Purchases of crude oil and raw materials used in production	28,693,356	161,921,320
<u>Less:</u> crude oil and materials under process at the end of the period	<u>(110,995,411)</u>	<u>(117,533,751)</u>
Cost of Materials used in Production	41,201,369	124,737,151
Industrial expenses	51,443,788	46,386,154
Total Production Cost	92,645,157	171,123,305
<u>Add:</u> Finished products at the beginning of the year	273,869,349	218,959,468
Purchases of finished products	1,074,386,855	1,340,527,362
<u>Less:</u> Finished products at the end of the period	<u>(257,691,033)</u>	<u>(328,996,239)</u>
Subsidy of oil derivatives charged on the Ministry of Finance account *	(62,837,779)	(336,656,735)
<u>Add:</u> Surplus of oil derivatives pricing difference recorded to the Ministry of Finance account *	<u>3,849,058</u>	<u>876,098</u>
	<u>1,124,221,607</u>	<u>1,065,833,259</u>

- The average purchase cost of crude oil barrel amounted to USD 85,96 for the nine months ended September 30, 2023 (USD 108,86 for the nine months ended September 30, 2022).

* This item represents the difference in selling price to consumer comparing the price specified in oil derivatives price bulletin (IPP), as it resulted in an amount of JD 25,378 as subsidy and an amount of JD 110,555 as a surplus from the sales of the refining activity, and an amount of JD 2,580,213 as a subsidy, and an amount of JD 3,738,503 as a surplus from the sales of the Jordan Petroleum Products Marketing Company (a wholly owned subsidiary), and an amount of JD 60,232,188 as a subsidy from the sales of Jordan Liquefied Petroleum Gas Manufacturing and Filling Company (a wholly owned subsidiary) which has been activated as of the first of January 2023 after all the liquefied gas activities have been annexed to it (except for gas production activity).

16. Profit Earnings per Share for the Period – Basic and Diluted

Earnings per share for the period for the Company's shareholders - basic and diluted is calculated by dividing profit for the period attributable to the Company's shareholders by the weighted-average number of shares during the period. It is calculated as follows:

	For the Nine Months Ended September 30,	
	2023	2022
	(Reviewed)	(Reviewed)
	JD	JD
Profit for the period attributable to shareholders (JD)	54,109,576	92,086,159
Weighted-average number of shares (Share)	100,000,000	100,000,000
Profit Earnings per Share for the Period-Basic and Diluted (Fils/Share)	-/54	-/92

17. Contingent Liabilities and Financial Commitments

- a. As of the condensed consolidated interim statement of financial position date, the Company was contingently liable and financially committed as follows:

	September 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Letters of credit and bills of collections*	914,328,679	968,586,603
Banks' letters of guarantee	6,083,287	6,556,362
Contracts for projects under construction	58,429,275	15,257,702

- * This item includes letter of credit guarantee (standby L/Cs) in an amount of around JD 163 million which is equivalent to USD 230 million in favor of Saudi Aramco Company as of September 30, 2023 (around JD 163 million which is equivalent to USD 230 million as of December 31, 2022).
- b. There are lawsuits filed against the company in the courts for claims amounting in total JD 4,156,499 as of September 30, 2023, of which an amount of JD 3,030,000 is related to the refining activity and an amount of JD 1,126,499 is related to the Jordan Petroleum Products Marketing Company (JD 4,234,658 as of December 31, 2022). Noting that some of the cases are filled against the government and the company together from previous years, and the obligations that could ensue on the Company from the outstanding lawsuits were estimated and the required provision for the outstanding lawsuit has been recorded within payables and other credit balances item, and in the opinion of the Company's management and the legal advisor, the provisions taken are sufficient to meet any future obligations.
- c. According to the minutes of the Company's meetings with the Ministry of Finance held on November 8, 9 and 16, 2017, to determine the balances of the financial relation between Jordan Petroleum Refinery Company and the Government (excluding Jordan Petroleum Products Marketing Company and the Lube-Oil Factory) for the balances as of September 30, 2017, it was agreed as follows:
1. To confirm the balance of the Ministry of Finance's main account of JD 195,194,153, and the balance of the general sales tax deposits of JD 97,388,860, and the balance of special sales tax deposits of JD 937,034 as of September 30, 2017 as a right for Jordan Petroleum Refinery Company for the refining and gas activity. Moreover, the Ministry of Finance has also taken a pledge for all of the debt balances of the Armed Forces, Royal Air Force, Public Security Directorate, the General Directorate of the Gendarmerie, other security forces, and governmental departments, within its budget as well as the debts of the National Electric Power Company for refining and gas activities of JD 319,468,856 as of September 30, 2017. While the two parties have agreed that no provision would be recorded for the debts of Royal Jordanian Company, municipalities, governmental universities, and administratively and financially independent governmental institutions during the relationship period, provided that if those amounts are not collected through the judiciary, and the Company is required to write them off, the Ministry of Finance pledges to pay those debts and any related costs.

2. To confirm the deposits balances of price differences and surplus of JD 43,488,857, and deposits for setting up alternative tanks of JD 93,500,103 as well as stamps fees according to (IPP) of JD 9,051,757 as of September 30, 2017 as a right for the Government.
 3. The two parties have not reached an agreement on the value of the strategic inventory deposits, as the Government is claiming the amount of valuation in 2008 of JD 156,787,303. Meanwhile, Jordan Petroleum Refinery Company is objecting to this amount since these quantities of inventory are deposits booked by the Company and will be refunded as quantities in case the relationship with the Government is terminated.
 4. The two parties have not reached an agreement as to which party will maintain the gas cylinders replacement, maintenance and repair provision balance of JD 10 million.
 5. The two parties have agreed that the provision for lawsuits and other liabilities balance of JD 6.3 million as of September 30, 2017 is a right to Jordan Petroleum Refinery Company. In this regard, if any amount for a lawsuit was won by the Company, the booked amount will be transferred to the Government. On the other hand, any judicial expense incurred by the Company during the period of its relationship with the Government will be borne by the Ministry of Finance except for the booked provision.
 6. The two parties have agreed that the other provisions balance of JD 234 thousand as of September 30, 2017 is the right of Jordan Petroleum Refinery Company.
 7. The two parties have agreed that the income tax provision as of September 30, 2017 is the right of the Government and shall be transferred to the Income and Sales Tax Department on the due date in accordance with the Income and Sales Tax Law.
 8. The two parties have agreed that the labor provisions balance (provision for work injuries compensation; provision for employees' vacation; provision for end- of- service indemnity; and provision for death, compensation, and end-of-service indemnity) as of September 30, 2017 is the right of Jordan Petroleum Refinery Company.
 9. The two parties have not reached an agreement as to which party will maintain the provision for doubtful debts balance (expected credit losses provision) of JD 10.5 million as of September 30, 2017.
 10. The two parties have agreed that the provision for the legal compensation balance of JD 6.27 million as of September 30, 2017 is a right to the Jordanian Government. Meanwhile, the full amount has been paid before the end of 2017.
 11. The two parties have agreed that the penalty and delay in payments provision balance of JD 2.74 million as of September 30, 2017 is a right to the Jordanian Government. Meanwhile, the full amount has been paid before the end of 2017.
 12. The two parties have not reached an agreement as to who will maintain the provision for slow-moving and obsolete and sediments inventory balance of JD 19.9 million as of September 30, 2017.
- d. In accordance with the Council of Ministers' Decision No. (7633), taken in its meeting held on April 30, 2018, the financial relationship between the company and the government has ended and the company has been operating on a commercial basis as of May 1, 2018 (Note 3).

18. Strategic Inventory Deposits – The Ministry of Finance

Pursuant to the Council Ministers' Decision No. (7633), taken in its meeting held on April 30, 2018, the Ministry of Finance was mandated to follow up on implementing the procedures and submit any related conclusions to the Council of Ministers regarding the transfer of the Government's strategic inventory, which has been determined in terms of quantity and value, to the Jordan Oil Terminals Company (JOTC). Additionally, Jordan Petroleum Refinery Company started transferring the strategic inventory to JOTC as of April 2018, and the Company fully transferred the remaining quantities to the Jordan Oil Terminals Company (JOTC) during 2021 according to the quantities requested by the Jordan Oil Terminals Company (JOTC) and the Ministry of Energy and Mineral Resources as per JOTC's storage capacity. During July 2020, the company transferred the government's jet fuel to the Air Force and transferred the government's asphalt to the Ministry of public Works during the year 2020 at the request of the Ministry of Energy and Mineral Resources. During February 2021, the company exported the fuel oil %3.5 owned by the government at the request of the Ministry of Energy and Mineral Resources and transferring its amount to the Ministry of Finance. The company also received a letter from the Ministry of Finance and the Ministry of Energy and Mineral Resources that includes the government's sale of crude oil owned by the government to the company as of the beginning of March 2021 on the basis of crude oil prices issued by Aramco for March 2021, and the company purchased these quantities during March 2021, in implementation of Council of Ministers decision No. (1150) taken in its session held on February 3, 2021. In addition, the remaining amount of the strategic inventory of kerosene owned by the government was exchanged for diesel, according to the Council of Minister's Decision No. (3273) taken in its meeting held on August 11, 2021. Accordingly, the government has no quantities of the strategic inventory as deposits with the company where all quantities have been transferred by the end of the year 2021, and upon that the storage fees were not recorded during 2022 and the period ended September 30, 2023, bearing in mind that the approval of the Ministry of Finance was received to finally settle the value and quantity of the inventory in accordance with the letter of the Ministry of Finance No. (4/18/28669) dated August 29, 2019.

19. Ministry of Finance and Related Parties' Balances and Transactions

- The balances and movements resulting from transactions with the Ministry of Finance and related parties are as follows:

	September 30, 2023 (Reviewed)	December 31, 2022 (Audited)
<u>Balances:</u>	JD	JD
Ministry of Finance – the relationship (Note 8/e)	287,064,312	328,281,832
Ministry of Finance – deposits of oil derivatives pricing differences and surplus (Note 11/a)	(4,913,557)	(1,217,882)
	For the Period Ended September 30,	
	2023 (Reviewed)	2022 (Reviewed)
	JD	JD
<u>Transactions:</u>		
Ministry of Finance – oil derivatives subsidy charged on the Ministry of Finance (Note 15)	62,837,779	336,656,735
Ministry of Finance – surplus differences for oil derivatives pricing charged to the Ministry of Finance (Note 15)	(3,849,058)	(876,098)

- Executive management and members of the Board of Directors' salaries, remuneration, and other benefits amounted total of JD 1,321,170 for the period ended September 30, 2023, (JD 1,241,020 for the period ended September 30, 2022).

20. Distribution of Assets, Liabilities and Results by Sector

The information relating to the Company's disclosed segments is set out below in accordance with IFRS 8. This standard requires identifying segments that can be reported based on the internal reports that are regularly reviewed by the Company's chief operating decision maker and are used to allocate resources to segments and to assess their performance. In addition, the Company's primary activity is represented in conducting activities related to crude oil, oil derivatives, liquefied petroleum gas and lube oil. The majority of the Company's revenues, profits, and assets relate to its operations in the Hashemite Kingdom of Jordan. Inter-sectorial sales are recognized at normal selling prices.

- The Company is organized, for management purposes, into the following four major business sectors:
 - a. Refining: This sector import separates and converts the components of imported crude oil into a set of various finished Petroleum products. This sector depends on licensing from the American UOP Company in the majority of its operations. The company also imports finished Petroleum products and liquefied gas to meet the excess demand for production and performs storage activities.
 - b. Distribution: Distribution links the production and refining activities within the company and importing on one hand, and all customers in the various areas of the Kingdom, on the other, as it is responsible to meet all customers requests of company's productions and imports of finished petroleum products and liquified gas and different lube oil products.
 - c. Lube-oil Manufacturing: This sector includes the manufacturing, production, filling, transporting, marketing, and importing of various types of lube oil required in the local and foreign markets.
 - d. Liquefied Gas Manufacturing and Filling: This sector includes producing and importing and filling liquefied gas; and distributing, manufacturing, repairing, maintaining, and gas cylinders are also filled at the three gas stations (subsidiaries) owned by the company.
- All of the Company's assets, liabilities, and operations are inside the Hashemite Kingdom of Jordan.

- The following are the Company's activities distributed according to activity type:

	Refining Activity	Lube Oil Factory*	Jordan Petroleum Products Marketing Company	Jordan Lube Oil Manufacturing Company*	Jordan Liquefied Petroleum Gas Manufacturing and Filling Company**	Other	Total
	JD	JD	JD	JD	JD	JD	JD
For the period ended 30 September 2023 (reviewed):							
Profit for the period after tax	31,408,337	-	15,707,842	5,578,928	2,224,012	-	54,919,119
For the period ended 30 September 2022 (reviewed):							
Profit for the period after tax	69,810,932	2,338,962	16,906,095	3,715,433	-	45,092	92,816,514

September 30, 2023 (Reviewed)

	Refining activity	Jordan Petroleum Products Marketing Company	Jordan Lube Oil Manufacturing Company*	Jordan Liquefied Petroleum Gas Manufacturing and Filling Company**	Total
	JD	JD	JD	JD	JD
Total sector's assets	889,160,292	421,334,486	20,108,690	101,088,541	1,431,692,009
Total sector's liabilities	679,536,785	309,950,951	7,393,287	94,126,563	1,091,007,586

December 31, 2022 (Audited)

	Refining Activity and filling gas cylinders activity	Lube Oil Factory*	Jordan Petroleum Products Marketing Company	Jordan Lube Oil Manufacturing Company*	Other	Total
	JD	JD	JD	JD	JD	JD
Total sector's assets	1,120,988,247	6,025,379	362,405,517	15,810,221	4,959,695	1,510,189,059
Total sector's liabilities	917,686,621	2,951,987	247,539,749	4,098,074	221,729	1,172,498,160

* The Jordan Lube Oil Manufacturing Company has been activated as of April 1, 2022, and the entire activity and oil factory has been annexed to it.

** Jordan Liquefied Petroleum Gas Manufacturing and Filling Company has been activated as of the first of January 2023 after all the liquefied gas activities have been annexed to it (except for gas production activity) Including the three gas stations and a workshop for maintaining and rehabilitating cylinders as facilities in which it operates.

- The following are the Company's business analysis results according to activity type (before consolidating the business results):

For the period ended September 30, 2023

	Note	Refining activity JD	Jordan Petroleum Products Marketing Company JD	Jordan Lube Oil Manufacturing Company* JD	Jordan Liquefied Petroleum Gas Manufacturing and Filling Company** JD	Total JD
Net Sales	14	801,969,731	903,776,164	21,066,956	139,750,178	1,866,563,029
<u>Less:</u> Cost of sales	15	<u>(758,610,292)</u>	<u>(855,331,057)</u>	<u>(12,278,593)</u>	<u>(133,358,823)</u>	<u>(1,759,578,765)</u>
Gross profit from sales		43,359,439	48,445,107	8,788,363	6,391,355	106,984,264
<u>Add:</u> Operating income and Other		<u>25,876,689</u>	<u>3,007,785</u>	<u>34,532</u>	<u>135,333</u>	<u>29,054,339</u>
Gross profit		69,236,128	51,452,892	8,822,895	6,526,688	136,038,603
<u>Less:</u> Selling and distribution expenses		<u>(12,647,309)</u>	<u>(21,994,163)</u>	<u>(1,302,101)</u>	-	<u>(35,943,573)</u>
General and administrative expenses		(6,468,315)	(3,307,031)	(359,193)	(1,401,903)	(11,536,442)
Bank interest and commissions		(27,967,211)	(1,564,845)	(187,941)	(2,282,270)	(32,002,267)
Released from lawsuits provision	11	11,242	66,917	-	-	78,159
(Provision of) expected credit losses	8/J	(315,736)	(1,463,844)	-	-	(1,779,580)
(Provision of) slow-moving and obsolete inventory and sediments	9	(268,094)	-	-	-	(268,094)
(Provision of) storage fees	11/H	(915,240)	-	-	-	(915,240)
Released from employees' vacations provision	11	35,771	-	-	-	35,771
Interest income resulting from government's delay		20,144,956	-	-	-	20,144,956
Lease liabilities interest		-	(2,021,512)	-	-	(2,021,512)
Amortization of intangible assets		-	(1,052,083)	-	-	(1,052,083)
Profit for the Period before Income Tax		40,846,192	20,116,331	6,973,660	2,842,515	70,778,698
Income tax (expense) for the period	12/b	<u>(9,437,855)</u>	<u>(4,408,489)</u>	<u>(1,394,732)</u>	<u>(618,503)</u>	<u>(15,859,579)</u>
Profit for the Period		<u>31,408,337</u>	<u>15,707,842</u>	<u>5,578,928</u>	<u>2,224,012</u>	<u>54,919,119</u>

* The Jordan Lube Oil Manufacturing Company has been activated as of April 1, 2022, and the entire activity and oil factory has been annexed to it.

** Jordan Liquefied Petroleum Gas Manufacturing and Filling Company has been activated as of the first of January 2023 and all the liquefied gas activities have been annexed to it (except gas production activity) Including the three gas stations and a workshop for maintaining and rehabilitating cylinders as facilities in which it operates.

For the period ended September 30, 2022

	Note	Refining Activity and filling gas cylinders activity JD	Lube Oil Factory* JD	Jordan Petroleum Products Marketing Company JD	Jordan Lube Oil Manufacturing Company* JD	Other JD	Total JD
Net Sales	14	996,830,165	7,202,736	866,613,251	13,523,655	-	1,884,169,807
<u>Less:</u> Cost of sales	15	(879,897,823)	(4,095,606)	(803,006,228)	(7,805,023)	-	(1,694,804,680)
Gross profit from sales		116,932,342	3,107,130	63,607,023	5,718,632	-	189,365,127
<u>Add:</u> Operating income and Other		7,549,148	4,222	2,431,595	152,370	-	10,137,335
Gross profit		124,481,490	3,111,352	66,038,618	5,871,002	-	199,502,462
<u>Less:</u> Selling and distribution expenses		(23,139,061)	(379,451)	(20,581,789)	(788,392)	-	(44,888,693)
General and administrative expenses		(6,156,905)	(91,992)	(4,143,759)	(303,657)	-	(10,696,313)
Bank interest and commissions		(14,371,114)	-	(2,255,765)	(191,999)	45,092	(16,773,786)
Lawsuits (provision)	11	(1,196,718)	-	(307,636)	-	-	(1,504,354)
Released from (Provision of) expected credit losses	8/J	-	200,636	(2,955,843)	-	-	(2,755,207)
slow-moving and obsolete inventory and sediments (provision)	9	(1,498,995)	-	-	-	-	(1,498,995)
Storage fees (provision)	11/H	(757,440)	-	-	-	-	(757,440)
Employees' vacations (provision)	11	(36,866)	-	-	-	-	(36,866)
Interest income resulting from government's delay		9,724,463	-	-	-	-	9,724,463
Lease liabilities interest		-	-	(2,080,350)	-	-	(2,080,350)
Amortization of intangible assets		-	-	(2,250,000)	-	-	(2,250,000)
Special tax differences (provision)	11/K	-	-	(9,687,390)	-	-	(9,687,390)
Profit for the Period before Income Tax		87,048,854	2,840,545	21,776,086	4,586,954	45,092	116,297,531
Income tax (expense) for the period	12/b	(17,237,922)	(501,583)	(4,869,991)	(871,521)	-	(23,481,017)
Profit for the Period		69,810,932	2,338,962	16,906,095	3,715,433	45,092	92,816,514

* The Jordan Lube Oil Manufacturing Company has been activated as of April 1, 2022, and the entire activity and oil factory has been annexed to it.

21. Future Plan

Regarding the fourth expansion project, the company, in coordination with all project consultants, addressed the coalition with the best offer consisting of Italian, Chinese and Japanese companies (Tecnimont-Sinopec (GPEC) - Itochu) to explain the next steps that need to be accomplished to secure financing for the project through export financing agencies (Italian, Chinese and Japanese) in agreement with the coalition.

The two members of the coalition (the Italian and Chinese companies) also began filling out the financing application form for the project for the part in which the export credit agencies of these countries will participate.

As for information related to the company, the financial advisor has almost completed filling out the information required for the project financing model, and the draft model will be submitted during the month of November 2023 to the two export financing agencies (Italian and Chinese) to express their opinion before submitting it officially.

As for Japanese financing, the Japanese financing agency NEXI has obtained approval from the Japanese Ministry of Economy, Trade and Industry to finance the company's project, while financing through the Japanese financing agency JBIC is still being studied by the Japanese Ministry of Finance.

Regarding the financial advisor for coordination with export credit agencies, three offers have been received from advisors identified by the Italian Finance Agency, and these offers are under study.

The company, in coordination with the two financing agencies (Italian and Chinese), also began soliciting offers from due diligence consultants (technical, environmental, market, etc.), and the company is following up with local and external investors to ensure that the required part is covered as a contribution to the financing (Equity).

At the beginning of March 2022, the company obtained all the necessary licenses from the Energy and Minerals Regulatory Authority to continue practicing all its various activities, as it obtained a license to practice refining and storage activities, licenses to practice all various liquefied gas activities, central distribution of liquefied gas, and a license to practice various mineral oil activities. In addition to a permit to build the company's fourth expansion project, the company has activated the work of the Jordan Lube Oil Manufacturing Company as of April 1, 2022 and has attached an oil factory and all the various mineral oil activities to this company. The company has waived the licenses granted to it to practice the various mineral oil activities for this company. On July 27, 2022, after the approval of the Energy and Minerals Sector Regulatory Authority, and the company is currently working on developing it, diversifying its products, expanding its share in the local market, and opening new foreign markets for its products.

The company has also activated the work of the Jordan Liquefied Petroleum Gas Manufacturing and Filling Company, as of the first of January 2023, and has attached all the various liquefied gas activities (with the exception of gas production activity) to this company and has attached the three liquefied gas filling stations (Amman, Irbid, and Zarqa) and a gas cylinder repair and rehabilitation workshop to this company as operating facilities, and the company waived the licenses granted to it to practice various gas activities and the activity of central distribution of liquefied gas to this company on November 2, 2022, after the approval of the Energy and Minerals Sector Regulatory Authority for that, and the company is currently working to develop it, reduce its costs, and expand its share by exercising Central distribution activity for liquefied gas.

At the level of the financial relationship with the government, the company is still communicating with the government to agree on the remaining matters related to the financial relationship between them, and to resolve the remaining problems, especially the payment of the amounts owed by the government, after the company concluded during the June 2022 with the National Electricity Company a financial settlement agreement to pay the debt. The National Electricity Company, and the interests of delaying payment, and the interests of the installment process, within a year in equal installments starting in July 2022. The entire amount of the agreement has been paid by the National Electricity Company, and negotiations with the government are still ongoing to determine the value of the gas activity commission, which reflects a rate of return on investment at a rate of 12% annually, in implementation of what was stated in Counsel of Ministers Resolution No. (7633) taken at its session held on April 30, 2018, and to pay the gas subsidy amounts and financial relationship balances due from the government.

Note that what was stated in Counsel of Ministers Resolution No. (11231) taken at its session held on April 2, 2023, was implemented during May 2023, which included approval for the Jordanian Petroleum Refinery Company to borrow an amount equivalent to 105 million Jordanian dinars in US dollars on behalf of the government in exchange for issuing pledges. By the government to pay loan installments and interest due on them, and this amount was deposited in the company's accounts.

The Jordanian Petroleum Products Marketing Company continues the path of development and expansion by opening and managing new stations, as it entered the Karak / Al-Qasr station, Al-Qatraneh station / Ruba Al-Amir, Zaid Al-Fawair station / Ain Al-Basha, Fandi Al-Faouri station, Beit Eids station, Al-Athamna / Jerash station, Al-Laith Plaza station, Um Uthaina station. Ebin/Amer Al-Moumani, Al-Qaisi/Tafila station, Malka/Muhammad Al-Ali station, Beino/Sweileh station, Bain al-Darbin/Sakhrah station, Haif/Al-Nashmi station, Yarqa/Al-Shinikat station, Lubb and Malih municipality station, and Al-Sahker Al-Zaity station, service until the end of the third quarter of the year 2023.

After passing the global external audit, the company also obtained international quality certificates in managing the quality of services and products, occupational health and safety systems, and environmental management systems (ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018). All employees are currently being intensively trained on the latest management systems. Quality, occupational health and safety.

The (EFWATEERCOM) electronic payment system service was also activated for the company and its subsidiaries, smart applications were activated to provide technical support to customers at their stations, and the accounting system was implemented that includes customers following up on their accounts through an electronic application on their mobile phones.

Until the end of the year 2023, it is planned to open and manage Al al-Bayt University station/Mafraq, Aswar Badr station, Wadi Araba development station, supply station/Deir al-Sanaa, Al-Adwan station/Jordan Street, Basira station/Tafila, Shajara Gate station, Alina station/Imad al-Jamal, Jurf al-Darawish station, and Al-Sarih station/ Al-Ajlouni, Ham/Sayyaf Al-Younis station, Aqaba stores, site station, completion of Al-Hashimiyah stores, Abdullah Ghosheh station, Al-Shishani station, and Al-Shiraa station, and beginning the construction of Al-Shidiya station and Azraq base station, in addition to continuing to modernize old stations, including fifteen stations for the Royal Jordanian Air Force and public security stations.

The latest systems have also been applied to protect facilities against theft and risks in stations classified as high risk. Pre-flood warning systems and water detection have been implemented in station tanks. A television surveillance system will be applied to the tanks of the home transportation and distribution fleet through the central control room, in addition to automation. Tank meters and inventory, and completing inventory automation and electronic sales systems in all stations managed and provided by the company.

Work is underway to activate the incentive and loyalty systems for the company's customers by adding points to purchases that are later exchanged by customers for products or services through an electronic application on their mobile phones.

Jordan Lube Oil Manufacturing Company continues its plan to modernize its production lines to raise production efficiency in the mineral oils factory by adding a new line for filling barrels with a capacity of (209) liters.

Work is also currently underway to study the possibility of using solar energy in the process of heating base oils and improvers in the tanks of the oil factory, and work will be done to modernize the computerized systems to link the work procedures between the various activities of the company so that they become electronic.

Work is currently underway to modernize the infrastructure of the mineral oil factory and rehabilitate its floor. It is planned to purchase cranes and modern handling equipment for mineral oils, and to purchase additional shipping vehicles to improve the goods distribution service to customers.

Work is currently underway to install a system to dissolve the viscosity coefficient improver, and it is expected that the process of installation and operation will be completed during the fourth quarter of 2023. Two new tanks will be constructed at the factory site in Zarqa to expand the import of mineral oil improvers in bulk form in flexible tanks. Preparation is currently underway. Terms of reference for establishing five tanks in Aqaba to store base oils and unload vessel in order to reduce costs to a minimum.

New types of mineral oils with higher performance levels will be produced, such as gasoline engine oil with performance level (API SP) and diesel engine oil with performance level (CK4 and CJ4), where additives have been purchased for their production and are expected to begin production during the last quarter of 2023.

Work is also currently underway to renew the laboratory's accreditation and expand the scope of accreditation obtained by the laboratory (ISO 17025) from the Accreditation Unit of the Institution for Standardization and Metrology and the International ILAC Organization. Work is also underway to follow up on obtaining international accreditations for Jopetrol oils (such as Mercedes-Benz, API, and others) in support of marketing campaigns. Obtaining the (Jordanian Quality Mark) was renewed during the third quarter.

As for export, it is within the plan of Jordan Lube Oil Manufacturing Company to continue exporting to Palestine, Iraq, Lebanon and Yemen, and to expand exports to Chad to include all regions of Chad in addition to neighboring regions such as Cameroon.

As for Jordan Liquefied Petroleum Gas Manufacturing and Filling Company, after it was activated and began to carry out its commercial activities as of the first of January 2023, work is currently underway to develop and improve the work performance of this company and reduce its costs to the minimum possible, as projects have been referred to install a solar energy system in stations. Gas a tender was also referred to establish storage capacities of approximately 10,000 tons at the company's site in Zarqa. The company is also in the process of establishing new storage capacities at its site in Aqaba, and the company is working to develop and practice the activity of the central distribution process for liquefied gas.

22. Fair Value Hierarchy

a. Financial Assets and Financial Liabilities for the Company Measured at Fair Value on a Recurring Basis.

Some of the financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table provides information about how the fair value of these financial assets and financial liabilities is determined (valuation techniques and key inputs):

	Fair Value as at		Fair Value Hierarchy	Valuation Techniques and Key Inputs	Significant Unobservable Inputs	Relationship of Unobservable Inputs and Fair Value
	September 30, 2023 (Reviewed)	December 31, 2022 (Audited)				
Financial Assets	JD	JD				
Financial assets at fair value						
Financial assets at fair value through other comprehensive income:						
Companies' shares	3,357,796	3,815,231	Level 1	Listed prices in financial markets	Not applicable	Not applicable
Total financial assets at fair value	<u>3,357,796</u>	<u>3,815,231</u>				

There were no transfers between level 1 and level 2 during the financial period.

b. Financial assets and financial liabilities of the Company not specified at fair value on an ongoing basis.

We believe that the book value of the financial assets and financial liabilities shown in the Company's condensed consolidated interim financial information approximates their fair value. Meanwhile, investment properties and gas stations were evaluated for the subsidiaries upon acquisition.

23. Approval of the condensed consolidated interim financial information

The accompanying condensed consolidated interim financial information was approved by the Board of Directors and approved for publication on October 30, 2023.