ARAB POTASH COMPANY
(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2024

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(PUBLIC SHAREHOLDING COMPANY)

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ARAB POTASH COMPANY
PUBLIC SHAREHOLDING COMPANY

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR END 31 DECEMBER 2024

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Arab Potash Company (a Public Shareholding Company) (the "Company") and its subsidiaries (together the "Group") as of 31 December 2024, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as of 31 December 2024;
- the consolidated statement of income for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in shareholders' equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

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

Independence

We are independent of the (Group) in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in the Hashemite Kingdom of Jordan. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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OUR AUDIT APPROACH

OVERVIEW

Key Audit Matter	Employees' benefit obligations

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the Group's structure, the accounting processes and controls and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Employees' benefit obligations (Death and compensation fund) • The Group has different employee benefit programs, some of which are defined contribution plans where the Group's obligations are limited to the contribution made. Other plans constitute "defined benefit plans" including the Death and Compensation Fund which represents benefits for retired, resigned or deceased employees. Further details of this plan are illustrated in Note (19).	To evaluate the accounting treatments applied by the Group and to test the reasonableness of management's estimates, we performed the following procedures:

Key audit matters (continued)

• Under International Accounting Standard 19 'Employee Benefits', the measurement of employees' benefit obligations requires estimates relating to expected future payments and the application of actuarial assumptions in connection with salary growth rates, staff turnover and use of an appropriate discount rate. The assumptions used, and the sensitivities to their changes, are disclosed in Note (19). The Group appointed an independent actuary to develop an estimate of the Death and Compensation Fund obligations. • The balance of this obligation amounted to JD 58,644 thousand as at 31 December 2024 (2023: JD 56,214 thousand). This subject is considered a key audit matter given the materiality of the employees benefit plans, Death and Compensation Fund in particular, to the consolidated financial statements and the significant estimates and judgments used in the calculation of the obligation as mentioned above.	• We obtained the latest signed agreements between the Group and the General Union of Mines and Mining Employees, in addition to the internal bylaws for the Death and Compensation Fund and its subsequent amendments. • We also obtained an understanding of the different benefit schemes available to employees of the Group and assessed whether the Group's accounting policies had been applied consistently over each of the presented years, and whether the applied techniques to calculate obligations at the year-end complied with the requirements of IAS 19 "Employee Benefits". • Management provided us with the independent actuarial report used by management to calculate the obligations of defined employees' benefits. We assessed the independence and professional qualifications of the appointed actuary, together with the scope of work that the actuary was requested to perform. • We utilised our internal actuarial expert to assess the reasonableness of the key assumptions (discount rate, inflation rates, attrition and mortality assumptions) adopted by the independent actuary for the estimation of the Death and Compensation Fund obligations based on their experience in similar industries. • We tested on a sample basis the accuracy and the completeness of the information used in the actuarial calculation which was provided by management by tracing to employees' contracts, payroll sheets, employees' information including, but not limited to, date of hire, age, current salary and grade. • We reviewed the disclosures included in the consolidated financial statements to assess the adequacy of disclosures based on IAS 19 "Employee Benefits" requirements in Note (19).

Other information:

Management is responsible for the other information. The other information comprises the Management's annual report (but does not include the consolidated financial statements and our auditor's report thereon) which we obtained prior to the date of this auditor's report.

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

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

If, based on the work we have performed, the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements.

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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

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

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

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

Report on other legal and regulatory requirements

The Group maintains proper accounting records which are consistent, in all material aspects, with the accompanying consolidated financial statements. We recommend the General Assembly to approve them.

For and on behalf of PricewaterhouseCoopers "Jordan"

Omar Jamal Kalanzi
License No. (1015)

Amman - Jordan
25 March 2025

Certified Public Accountants
pwc
Amman - Jordan

ARAB POTASH COMPANY
PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	31 December 2024	31 December 2023
		JD "000"	JD "000"
Assets			
Non-current assets			
Financial assets at fair value through other comprehensive income	9	760	801
Investments in financial assets at amortised cost	10	20,289	20,425
Employees' housing loans	11	14,433	13,961
Other non-current assets	17	70,564	77,488
Investments in associates	7	9,654	7,084
Investments in joint ventures	8	244,587	256,323
Property, plant and equipment	5	859,930	760,868
Access rights	6	12,522	13,932
Right of use asset	31	1,978	2,667
Deferred tax assets	23	22,816	23,434
		1,257,533	1,176,983
Current assets			
Finished goods inventory	13	32,308	23,088
Consumable inventory	14	54,626	50,943
Employees' housing loans	11	2,696	2,740
Accounts receivable	12	100,325	164,623
Other current assets	15	81,961	52,737
Time deposits with original maturities of more than three months	16	417,369	419,419
Cash and cash equivalents	16	64,983	96,815
		754,268	810,365
Total assets		2,011,801	1,987,348
Shareholders' equity and liabilities			
Shareholders' equity			
Authorized issued and paid in capital	1	83,318	83,318
Statutory reserve	18	50,464	50,464
Voluntary reserve	18	80,699	80,699
Fair value reserve	9	103	144
Re-measurement of post-employment benefit obligations		(13,474)	(11,768)
Retained earnings		1,587,172	1,511,495
Net shareholders' equity		1,788,282	1,714,352

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

	Notes	31 December 2024	31 December 2023
		JD "000"	JD "000"
Liabilities			
Non-current liabilities			
Lease liabilities	31	1,713	2,552
Death and compensation fund obligations	19	54,253	53,386
Other non-current liabilities	22	21,702	21,217
		77,668	77,155
Current liabilities			
Lease liabilities	31	1,041	893
Mining fees to the Government of Jordan	26	4,266	28,598
Trade payables		24,502	20,196
Other current liabilities	20	60,891	63,488
Death and compensation fund obligations	19	4,391	2,828
Income tax provision	23	50,760	79,838
		145,851	195,841
Total liabilities		223,519	272,996
Total shareholders' equity and liabilities		2,011,801	1,987,348

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

ARAB POTASH COMPANY
PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024	2023
		JD "000"	JD "000"
Revenues from contracts with customers	21	651,449	792,523
Cost of sales	24	(376,222)	(383,161)
Gross profit	21	275,227	409,362
Administrative expenses	25	(16,385)	(19,021)
Selling and distribution expenses	27	(21,198)	(20,449)
Reversal of (provision on) impairment of financial assets	16	2,165	(1,190)
Corporate social responsibility expenses	33	(7,068)	(7,540)
Potash mining fees	1/ 26	(33,666)	(53,028)
Operating profit		199,075	308,134
Finance income		32,364	26,641
Finance costs	28	(4,862)	(5,413)
Other (loss) income, net		(3,384)	961
Profit before the Group's share of profit from associates and joint ventures and income taxes		223,193	330,323
Group's share of profit from associates and joint ventures	7/8	30,170	67,015
Profit before income tax		253,363	397,338
Income tax expense	23	(69,374)	(104,694)
Profit for the year		183,989	292,644
		JD / Fills	JD / Fills
Earnings per share			
Basic and diluted earnings per share	29	2/208	3/512

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

ARAB POTASH COMPANY
PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 JD "000"	2023 JD "000"
Profit for the year		183,989	292,644
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Re-measurement of post-employment benefit obligations	19	(1,591)	(3,649)
Group's share of joint ventures re-measurement of post-employment benefit obligations	7/8	(609)	(1,089)
Changes in the fair value of equity investments at fair value through other comprehensive income	9	(41)	(34)
Income tax relating to these items		494	1,125
Total comprehensive income for the year		182,242	288,997

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

ARAB POTASH COMPANY
PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Paid in share capital	Statutory reserve	Voluntary reserve	Fair value reserve	Re-measurement of post-employment benefit obligations	Retained earnings	Net shareholders' equity
	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"
2024							
Balance at 1 January 2024	83,318	50,464	80,699	144	(11,768)	1,511,495	1,714,352
Profit for the year	-	-	-	-	-	183,989	183,989
Other comprehensive income (loss) for the year	-	-	-	(41)	(1,706)	-	(1,747)
Total comprehensive income (loss) for the year	**-**	**-**	**-**	**(41)**	**(1,706)**	**183,989**	**182,242**
Transactions with shareholders in their capacity as owners							
Dividends distribution (Note 18)	-	-	-	-	-	(108,312)	(108,312)
Balance at 31 December 2024	**83,318**	**50,464**	**80,699**	**103**	**(13,474)**	**1,587,172**	**1,788,282**
2023							
Balance at 1 January 2023	83,318	50,464	80,699	178	(8,155)	1,368,824	1,575,328
Profit for the year	-	-	-	-	-	292,644	292,644
Other comprehensive income (loss) for the year	-	-	-	(34)	(3,613)	-	(3,647)
Total comprehensive income (loss) for the year	**-**	**-**	**-**	**(34)**	**(3,613)**	**292,644**	**288,997**
Transactions with shareholders in their capacity as owners							
Dividends distribution (Note 18)	-	-	-	-	-	(149,973)	(149,973)
Balance at 31 December 2023	**83,318**	**50,464**	**80,699**	**144**	**(11,768)**	**1,511,495**	**1,714,352**

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

	Notes	2024 JD "000"	2023 JD "000"
Operating activities			
Profit for the year before income tax		253,363	397,338
Adjustments:			
Depreciation	5	66,816	56,280
Depreciation on right of use asset	31	689	689
Amortisation	6/10/17	6,005	4,821
Finance income		(32,364)	(26,641)
Finance costs	28	4,862	5,413
Share of profit from associates and joint ventures	7/8	(30,170)	(67,015)
(Reversal of) provision for impairment losses on financial assets	16	(2,165)	1,190
End of service indemnity provision		18	(182)
Potash mining fees		33,666	53,028
Provision (reversal) for slow moving spare parts and inventory	13/14	351	(829)
Provision for unpaid employees' leaves		(375)	(371)
Legal cases compensation provision		2,385	79
Death and compensation provision	19	7,920	8,290
Working capital changes:			
Finished goods inventory		(9,220)	19,318
Consumable inventory		(4,034)	2,611
Accounts receivable		64,298	118,274
Other assets		(10,654)	(1,915)
Trade payables and accruals		4,306	5,141
Other current liabilities		(4,243)	(19,454)
Net cash flows from operating activities before paid income tax, mining fees and death and compensation fund		351,454	556,065
Income tax paid	23	(97,340)	(221,127)
Mining fees	26	(57,998)	(101,563)
Death and compensation fund	19	(7,081)	(9,504)
Net cash flows generated from operating activities		189,035	223,871

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

	Notes	2024 JD "000"	2023 JD "000"
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5	(165,878)	(183,517)
Finance income received		29,151	24,417
Dividends received from associates and joint ventures	7/8	25,836	77,700
Granted employees' housing loans		(3,488)	(3,519)
Proceeds from employees housing loans		3,060	2,960
Short term deposits with maturity above three months and less than a year	16	4,215	35,104
Net cash flows used in investing activities		(107,104)	(46,855)
FINANCING ACTIVITIES			
Finance costs paid		(4,660)	(5,160)
Dividends paid to shareholders	18	(108,210)	(149,475)
Lease liability paid	31	(893)	(893)
Net cash flows used in financing activities		(113,763)	(155,528)
(Decrease) Increase in cash and cash equivalents		(31,832)	21,488
Cash and cash equivalents at 1 January	16	96,815	75,327
Cash and cash equivalents at 31 December	16	64,983	96,815

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

(1) GENERAL INFORMATION

Arab Potash Company "APC", the "Company", is a public shareholding company that was founded and registered on 7 July 1956 in Amman – Jordan. During 1958, the Company was granted a concession from the Government of the Hashemite Kingdom of Jordan to exploit the minerals and salts of the Dead Sea brine. The concession expires after 100 years from the grant date, after which, the Company's factories and installations become the property of the Government of the Hashemite Kingdom of Jordan. Based on the agreement, the Company will not be responsible for any decommissioning costs. The concession agreement was amended during 2003 in accordance with the Temporary Law Number (55) of 2003, whereby amendments included the annual fees for usage of mining lands within the concession area, the concession area borders, and the exclusive rights given to the Company. On 11 May 2010 the Government of Jordan and APC agreed to amend the annual fees of the concession lands in Ghour Al Safi site to JD 1.5 million per annum; subject to annual increase in accordance with the Consumer Price Index to become JD 2,029 thousand as of 31 December 2024 (2023: JD 1,987 thousand).

Under the terms of the concession, the Government of the Hashemite Kingdom of Jordan is entitled to a mining fee of JD 8 for each ton of potassium chloride, ("Potash") exported by the Company. On 12 February 2008 the Council of Ministers resolved to increase the mining fees to JD 15 for each ton exported, effective 17 March 2008. On 5 August 2008 the Council of Ministers resolved to increase the mining fees to JD 125 for each ton mined, effective 16 September 2008 with maximum mining fees payable limited to 25% of the Company's net profit after tax for the year excluding the Company's share in the results of its subsidiaries, associates and joint ventures.

Potash mining fees for the years 2024 and 2023 were calculated based on 25% of the Company's net income after tax excluding the Company's share of the results of its subsidiaries, associates and joint ventures. Mining fees were presented in a separate line item within the consolidated statement of income.

The authorized issued and paid in share capital is JD 83,317,500 distributed into 83,317,500 shares with a par value of JD 1 per share, that are all listed in Amman stock exchange market-Jordan.

The Company and its subsidiaries (the "Group") produce and market Potash, Salt, Potassium Nitrates, Di-Calcium Phosphate, mixed salts and mud in the international market.

The registered address of the Company is P. O. Box 1470 Amman 11118, the Hashemite Kingdom of Jordan.

The consolidated financial statements were authorised for issue by the board of directors on 20 March 2025. These consolidated financial statements require the approval of the General Assembly of the shareholders of the Company.

(2) MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards and the related interpretations.

The consolidated financial statements of the Group are prepared under the historical cost convention, except for financial assets and obligations under the projected unit credit method at fair value through other comprehensive income and that have been measured at fair value at the date of these consolidated financial statements.

The consolidated financial statements of the Group are prepared in accordance with the going concern basis.

The consolidated financial statements have been presented in Jordanian Dinar, which is the functional currency of the Group. Values are rounded to the nearest thousand (JD "000"), except otherwise indicated.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in (Note 4).

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements of the Group include the financial statements of the Company and its controlled subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

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

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

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

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

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

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Included in consolidated statement of income: income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Group Structure

The Company has the following subsidiaries and joint ventures:

Subsidiary name	Type	Nature of business	Paid in capital '000	Percentage of ownership %
- Arab Fertilizers and Chemicals Industries (KEMAPCO)	Limited Liability	Fertilizer production	29,000	100
-Numeira Mixed Salts and Mud Company	Limited Liability	Dead sea Mud products and packaging services	800	100
-Dead Sea for Chemicals & Fertilizers	Limited Liability	Fertilizer production	250	100
-APC Trading and Logistics Europe	Limited Liability	Trading and logistic services	113	100

Joint ventures	Type	Nature of business	Paid in capital '000	Percentage of ownership %
-Jordan Bromine Company	Limited (Private Free Zone)	Extraction of Bromine	30,000	50
-Jordan Industrial Ports Company	Limited Liability	Industrial Port for handling services	140,000	50

Shareholders that have significant influence over the Group

Shareholder	No. of shares	Percentage of ownership %
Man Jia Industrial Development Limited	23,294,614	28
Governmental Investments Management Company	21,782,437	26
Arab Mining Company	16,633,897	20
Social Security Corporation	8,679,641	10

2.3 Changes in Accounting Policies

2.3.1 Changes in accounting policy and disclosures

(a) **New and amended standards and interpretations issued and adopted by the Group in the financial year beginning on 1 January 2024:**

Title	Key requirements	*Effective date*
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16:	In September 2022, the IASB finalised narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction	1 January 2024
Supplier finance arrangements – Amendments to IAS 7 and IFRS 7:	On 25 May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to require specific disclosures about supplier finance arrangements (SFAs). The amendments respond to the investors' need for more information about SFAs to be able to assess how these arrangements affect an entity's liabilities, cash flows and liquidity risk	1 January 2024
Classification of Liabilities as Current or Non-current – Amendments to IAS 1 Non-current Liabilities with Covenants	Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either on or before the reporting date, this needs to be considered in the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.	1 January 2024

The implementation of the above standards did not have a material impact on the consolidated financial statements of the Group.

(b) New standards issued and not yet applicable or early adopted by the Group for periods starting on or after 1 January 2024:

Title	Key requirements	*Effective date*
Amendments to IAS 21 – Lack of Exchangeability	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights .and obligations	Annual periods beginning on or after 1 January 2025
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	On 30 May 2024, the IASB issued targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate .entities	1 January 2026
IFRS 18, 'Presentation and Disclosure in Financial Statements'	On 9 April 2024, the IASB issued a new standard – IFRS 18, 'Presentation and Disclosure in Financial Statements' – in response to investors' concerns about the comparability and transparency of entities' performance reporting. The new requirements introduced in IFRS 18 will help to achieve comparability of the financial performance of similar entities, especially related to how 'operating profit or loss' is defined. The new disclosures required for some management-defined performance .measures will also enhance transparency This new standard replaces the previous IAS 1 and is specific on matters related to presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss to meet the matters mentioned above.	1 January 2027 (early adoption is permitted)
IFRS 19, 'Subsidiaries without Public Accountability: Disclosures'	This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements; and it applies instead the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. .IFRS 19 is a voluntary standard for eligible subsidiaries :A subsidiary is eligible if it does not have public accountability; and • it has an ultimate or intermediate parent that produces consolidated • financial statements available for public use that comply with IFRS .Accounting Standards	1 January 2027

The management is still in the process of evaluating the impact of these new amendments on the Group's consolidated financial statements, and it believes that there will be no significant impact on the consolidated financial statements when they are implemented.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group Company in the current year starting 1 January 2024 or future reporting periods and on foreseeable future transactions.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'Jordanian Dinar', which is the Group functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in the consolidated statement of income.

2.5 Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the consolidated statement of income during the reporting period in which they are incurred.

Depreciation is calculated to allocate the cost of assets over their estimated useful lives on a straight-line basis commencing when the assets become ready for their intended use. The estimated useful lives, residual values and depreciation methods are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

The Group's estimated depreciation rates on each asset classification are as follows:

	%
Buildings	5-10
Dikes	6-10
Machinery, equipment & strategic spare part	6-12
Vehicles	20
Furniture and fixtures	12
Computers	20

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the consolidated statement of income as the expense is incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on

derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of income and other comprehensive income in the year the asset is derecognized.

The residual value of an asset is the estimated amount that the Group would currently obtain from the disposal of the asset less the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Project under construction
Items in the course of construction for production or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such items are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property, plant and equipment, commences when the assets are ready for their intended use.

2.6 Access rights

This asset represents the amounts that were paid to the Gas provider against the cost of constructing the gas pipelines from the supplier's field of operation to the borders of the Hashemite Kingdom of Jordan, in additions to the amounts that were paid to National Electrical Power Company as a contingent option to be able to use the electricity as an alternative source of power for the gas turbine. The Company will be amortising these assets using the straight-line method over 15 and 20 years respectively.

Any signs of impairment of the value of the right of use are reviewed at the date of the consolidated financial statement, the estimated useful lives of these assets are also reviewed and any changes to be made on the coming periods.

2.7 Investments in Associates and Joint Ventures

Associates: Associates are entities over which the Group has significant influence (directly or indirectly), but not control, generally accompanying a shareholding of between 20 and 50 percent of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. Dividends received from associates reduce the carrying value of the investment in associates. Other post-acquisition changes in the Group's share of net assets of an associate are recognised as follows: (i) the Group's share of profits or losses of associates is recorded in the consolidated profit or loss for the year as the share of results of associates, (ii) the Group's share of other comprehensive income is recognised in other comprehensive income and presented separately, (iii); all other changes in the Group's share of the carrying value of net assets of associates are recognised in profit or loss within the share of results of associates.

However, when the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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

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

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equal or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. [Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

Disposals of subsidiaries, associates or joint ventures. When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity, are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss. If the ownership interest in an associate or joint venture is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.8 Impairment of Non-Financial Assets

Non-financial assets that are subject to depreciation or amortization are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.9 Inventories

Inventories are recorded at the lower of cost and net realisable value. The cost of inventory is determined on the weighted average basis. The Cost includes direct production costs and related production overheads (based on the normal operating capacity).

Spare parts and supplies are recorded at the lower of cost and net realisable value. The cost is determined on the weighted average basis. The cost of raw material, direct labour, other direct costs and related production overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

The Group performs a comprehensive review over all spare parts to identify whether there is a need to record a provision against spare parts that are not appropriate anymore for use, or due to passage of time, being damaged or obsoleted.

2.10 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.11 Impairment of financial assets

The Group applies IFRS 9 for measuring expected credit losses ("ECL") model on all financial assets measured at amortized cost.

The Group has four types of financial assets that are subject to IFRS 9' expected credit loss model:

1- Trade receivables from sales of inventory
2- Debt investments carried at amortised cost
3- Employees housing loans, and
4- Deposits at banks

1- Trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

On that basis, and based on the last five years data and current year aging, it was noted that there were no receivables with balances that were overdue in addition to having collaterals against these balances represented by letters of credit from reputable risk rated banks as well as credit insurance policies.

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 180 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item. Such credit losses over the trade receivables have been historically insignificant and the allowance for the trade receivables is not material.

2- Debt investments carried at amortised cost

All of the Group's debt investments at amortised cost investments in the Jordanian Government which has no previous history of default or delays in both paying back the interest or the principle. Jordanian Governmental bonds are rated the same as the Jordanian Government at BB-.

3- Employees' housing loans

The Group has applied the general approach permitted by IFRS 9 for employees housing loans. the Group applies a three-stage model for impairment, based on changes in credit quality since initial recognition.

4- Deposits at banks

These are also subject to the impairment requirements of IFRS 9.

2.12 **Provisions**

Provisions such as legal cases, end of service indemnity and unpaid leaves provisions are recognised when the Group has:

- a present legal or constructive obligation as a result of a past event,
- it is probable that an outflow of economic resources will be required to settle the obligation in the future and,
- a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects time value of money, where appropriate and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as part of the finance cost in the consolidated statement of income.

2.13 Employees' Benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating annual leaves that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are included in other payables.

Defined contribution pension plan

For defined contribution plans, the Group pays contributions to pension insurance plans administered by the Social Security Corporation on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as a social security expense when they are due.

Defined benefit plan

A defined benefit plan is a pension plan that is not a defined contribution plan.

The Group makes payments to the employees when their service end, usually dependent on one or more factors such as age, years of service and compensation as per the Group's internal bylaws.

The Group has the following defined benefit plans:

- End of service indemnity
- Death and compensation fund obligations

The liability recognised in the consolidated statement of financial position is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by management using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related benefit obligation. Where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions (Re-measurements) are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in the consolidated statement of income.

2.14 Revenue Recognition

Revenue is income arising in the course of the Group's ordinary activities. Revenue is recognised in the amount of transaction price. Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring control over promised goods or services to a customer, excluding the amounts collected on behalf of third parties. Revenue is recognised net of discounts, returns and value added taxes, export duties and other similar mandatory payments.

Revenue is recognised, when (or as) the Group satisfies the performance obligations as specified in the contract with the customer (buyer), when the seller has transferred to the customer (buyer) control over the promised goods and services, either:

- at a point in time or
- over a time basis equivalent to the stage of completion of the service.

The Group recognizes revenue from the following main sources:

(i) Sale of Potash and fertilizer products directly to the customers,

(ii) Rendering of transportation services of Potash and fertilizer products sold

(i) Sale of Potash and fertilizer products directly to the customers

Sales are recognised when control of the goods has transferred, being when the goods are delivered to the customer, the customer has full discretion over the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the goods have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the goods in accordance with the contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from the sales with discounts is recognised based on the price specified in the contract, net of the estimated discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability is recognised for volume discounts payable to customers in relation to sales made until the end of the reporting period.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Some sales contracts for APC incorporate variable consideration; where the price promised in the contract is subject to variability. The Group estimates the amount of consideration that is subject to variability to which it will be entitled in exchange for transferring potash to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Rendering of transportation of goods services

The Group has full discretion over the price to sell the goods. The selling price includes revenue generated from the sale of goods and transportation services depending on the Incoterms contained in the contract with each customer. Where the contracts include multiple performance obligations, the transaction price is allocated to each separate performance obligation based on the stand-alone selling prices as follows:

- the sale of the promised goods and
- the transportation thereof and it is being disclosed separately

The Group recognizes revenue from the sale and delivery of the promised goods when the goods, delivered to the loading port, are loaded on to the vessel as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. However, the revenue related to the transportation service is recognized over time, if material, based on the stage of completion of service which is assessed at the end of each reporting period. The disaggregation between separate performance obligations is performed based on the standalone selling price.

All shipping and handling costs incurred by the Group, in relation to the satisfaction of performance obligation for the transportation of the promised goods are recognized as cost of sales in the consolidated statement of income.

(iii) **Finance income on bank deposits**

Finance income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate ("EIR") applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(iv) **Dividend income**

Dividend income from investments is recognised when the rights to receive payment have been established.

2.15 **Dividend distribution**

Liabilities for dividend distributions are recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period. Dividend distribution liabilities are recognised as a direct charge to retained earnings in the consolidated statement of changes in shareholders' equity, with any unpaid amount is presented under trade and other payables in the consolidated statement of financial position.

2.16 **Earnings per share**

Basic earnings per share is calculated by dividing:

- the consolidated net profit after tax attributable to ordinary owners of the Group.
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares (where applicable).

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the effect of any dilutive potential ordinary shares.

2.17 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation

authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the consolidated statement of income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Value added tax. Output value added tax related to sales is payable to tax authorities on the earlier of (a) collection of receivables from customers or (b) delivery of goods or services to customers. Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice. The tax authorities permit the settlement of VAT on a net basis. VAT related to sales and purchases is recognised in the consolidated statement of financial position on a gross basis and disclosed separately as an asset and a liability.

2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments. Reportable segments whose revenue, result or assets are ten percent or more of all the segments are reported separately.

2.19 Financial assets

2.19.1 Classification

The Group classifies its financial assets in accordance IFRS 9 in the following measurement categories:

- Those to be measured at amortised cost including financial assets at amortised costs, accounts receivable, employees housing loans and bank balances).
- Those to be measured subsequently at fair value; and

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the consolidated statement of income or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

2.19.2 Recognition and derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2.19.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit and loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of income.

Financial assets valued through Other comprehensive Income FVOCI:

A- **Debt Instruments:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the consolidated statement of income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the consolidated statement of income and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method, foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the consolidated statement of income.

B- **Equity instruments:** The Group subsequently measures all equity investments at fair value. Where the Group's management has **elected** to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Financial assets valued through Profit or Loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit and loss and presented net within other gains/(losses) in the period in which it arises.

(3) FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

The Group's risk management is carried out by a central treasury department under policies approved by the board of directors. The treasury department identifies and evaluates financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, cash flow and fair value interest rate, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

- FOREIGN EXCHANGE RISK

The Group's transactions are mostly in Jordanian Dinars or US Dollar and EURO.

The Group operates internationally and is exposed to foreign exchange risk, primarily the US Dollar and EURO currencies. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant Group entity.

The exchange rate of the US dollar is fixed against the Jordanian dinar (1.41 dollars per Jordanian Dinar). Regarding other currencies exchange differences, the Group records these differences directly in the consolidated statement of income upon its occurrence.

	Increase in exchange rate %	Balance JD '000	Effect on profit for the year before tax & royalties' JD '000
2024			
Assets			
Euro		17,160	858
Liabilities			
Euro		(197)	(10)
		16,963	848
2023			
Assets			
Euro	5	36,071	1,804
Liabilities			
Euro	5	(9,041)	(452)
		27,030	1,352

The decrease in the exchange rate has the same financial effect in the opposite direction.

Cash flow and fair value interest rate risk

Governmental bonds

The Group's interest rate risk arising from governmental bonds carried at amortised cost are not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because these bonds are issued at fixed rates. Hence, the Group's exposure to fair value interest rate risk is not material.

Bank deposits

The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. All bank deposits are subject to fixed interest rates. Hence, the Group exposure to fair value interest rate risk is not material.

(b) Liquidity risk

The Group follows prudent liquidity risk management, which consists of maintaining sufficient cash and funding through an adequate amount of credit facilities.

The amounts disclosed in the table are the contractual undiscounted cash flows in thousand JOD. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total	Book value
	JD '000	JD '000	JD '000	JD '000	JD '000
At 31 December 2024					
Lease liability	1,041	1,134	756	2,931	2,754
Trade payables	24,502	-	-	24,502	24,502
Other current liabilities (without statutory liabilities)	58,042	-	-	58,042	58,042

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total	Book value
	JD '000	JD '000	JD '000	JD '000	JD '000
At 31 December 2023					
Lease liability	893	893	2,022	3,808	3,445
Trade payables	20,196	-	-	20,196	20,196
Other current liabilities (without statutory liabilities)	58,254	-	-	58,254	58,254

(c) Credit risk

The Group is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation.

The Group is exposed to credit risk on the following financial instruments:

Category	Class	Amount (thousand JOD)	Impairment model
Financial assets at amortised cost	- Investment in governmental bonds	20,289	General approach
	- Accounts receivables at amortised costs	100,325	Simplified
	- Time deposits	422,663	General approach
	- Employees housing loans	17,129	General approach

Credit risk is managed under direction of the board of directors ("board") of the Group.

Trade receivables:

The board receives regular reporting from the credit department who manage the performance of the trade receivables. The credit department has set out policies and procedures for managing credit risk on the trade receivables.

- The Group structures the levels of credit risk it undertakes by placing limits on the amount of credit risk accepted in relation to a customer. Limits on the level of credit risk are approved regularly by management. Such limits are monitored on a revolving basis and are subject to an annual, or more frequent, review.

- On granting of credit, an assessment is performed of the credit worthiness of the debtor and the ability to pay.

- For each sale on credit, guarantees and collateral is held against such receivables in the form of Letter of credit or credit insurance that covers the whole receivable balance.

- After granting the credit, the credit department, on a monthly basis, reviews the aging analysis and follows up on all outstanding payments.

- Management of the credit department determines the appropriate receivables that should be handed over for collection, the amount of provision that should be recorded in these receivables and amounts that should be written off. The board approves the procedures for managing credit risk, the amount of provision to be recognized and amounts to be written off.

Credit risk grading system: For measuring credit risk and grading financial instruments by the amount of credit risk, the Group applies an Internal Risk Based rating system. Internal credit ratings are mapped on an internally defined master scale with a specified range of historical loss rate as disclosed in the table below:

Master scale credit risk grade	Corresponding internal ratings	Ratings by external international rating agencies (S&P)	Corresponding PD interval
Excellent	1	AAA to BB+	1%
Good	2	BB to B+	5%
Default	3	Other than the above	100%

Each master scale credit risk grade is assigned a specific degree of creditworthiness:

- Excellent – strong credit quality with low expected credit risk and no history of default.
- Good – adequate credit quality with a moderate credit risk.
- Default – balances in which a default has occurred.

All the receivables within the Group are secured in the form of bank guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

Other financial instruments:

The treasury department has the following policies and procedures:

- All bank accounts and deposits are held with reputable financial institutions with an appropriate credit rating acceptable to the Group. the Group is not exposed to the credit risk concentration with regards to cash balances with banks

- The Group only invests in high quality bonds and deposits.

- Where appropriate, the board sets limits on exposures to credit risk.

Credit risk concentration

The Group is exposed to concentration of risk as follows:

- The Group is exposed to credit risk concentration with regards to the trade receivables as one customer represents 36% of the total outstanding balance at year-end (2023 :18%).

- The Group also has concentration risk to the following countries:

- China
- India

Management reviews the concentration risk on a monthly basis and where required institutes processes to manage the risk.

Definition	**Trade receivables**	- **Investment in governmental bonds** - **Bank balances** - **Employees housing loans**
Significant increase in credit risk (SICR)	- Not applicable as simplified approach is followed	- More than 30 days past due after the end of the grace period. - Credit ratings - Macro factors
Default definition	More than 90 days past due after the end of the grace period	- More than 90 days past due after the end of the grace period
Credit impaired	- Financial instruments are in default - Counterpart is in liquidation	- Financial instruments are in default - Counterpart is in liquidation
Low credit risk	- Not applicable as simplified approach is followed	- The Group decided not to use the low credit risk assessment exemption for other financial instrument. Hence, even assets of an investment grade are assessed whether there has been a SICR

The Group considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company. The Group categorises a loan or receivable for write off when a debtor fails to make contractual payments more than 180 days past due. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due.

Trade receivables at amortised cost

The simplified approach is used in determining credit loss allowance for trade receivables measured at amortised cost. A provision matrix is used to determine the provision. The provision matrix is based on the number of days that an asset is past due.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Collateral held for trade receivables:

The Group does not expect any losses as a result of its customers' non-payment obligations due to the following:

- All customer balances are secured against letters of credit or insurance policies that covers the whole balance of the receivables.

- reducing limits for customers with large unpaid exposures

Employees housing loans

Employees housing loans are loans granted to employees based on the internal bylaws of the Group. These loans are later collected through the monthly deduction from salaries in accordance with the agreed-on repayment schedule. Salaries are deducted against the loans in addition to mortgaging the real estate in the benefit of the Group and setting other employees benefits including end of service when retiring and resigning.

These loans are repayable on monthly instalments deducted from the employee's monthly salaries over a period not to exceed 25 years and take into consideration the remaining years of service for the employee. These loans are not impaired and are guaranteed by a first-class property mortgage. The fair value of these property mortgages exceeds their carrying value.

ECL approach for employees housing loans:

The Group applies a three-stage model for impairment, based on changes in credit quality since initial recognition. The Group uses staging criteria under the general approach model to determine the ECL on its employees housing loans. The stages which are being used by the Group to determine ECL are as follows:

Stage	Description	Loss recognition
1	Performing	12-month ECL
2	Significant increase in credit risk	Lifetime ECL
3	Credit impaired	Lifetime ECL

Stage 1: Performing loans:
Loans that are not credit-impaired on initial recognition are classified in Stage 1. Loans in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). Performing loans are those loans for active employees that have no days of past due instalments.

Stage 2: Significant increase in credit risk ("SICR"):
If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL").

To identify SICR, where applicable, the Group undertakes a holistic analysis of various factors, including the number of days the instalment is overdue and the current employment status (resigned and terminated employees).

Stage 3: Credit impaired

If the Group determines that a financial asset is credit-impaired, the loan is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Group's definition of credit impaired loans is based on the defaulted employees who are resigned, and their instalments are overdue for more than 90 days.

loss allowance for loans recognised in the period is impacted by a variety of factors. These main factors are described as follows:

- Transfers between Stage 1, 2 and 3 for loans becoming credit-impaired in the period, or when the employee become defaulted,
- Additional allowances for new loans recognised during the period, as well as releases for loans derecognised in the period (if any);
- Impact on the measurement of ECL due to changes to model assumptions, including changes in PDs, EADs and LGDs in the period, arising from update of inputs to ECL models;
- Write-offs of allowances related to loans that were written off during the period.

None of the above were noted during the year that had an effect on the ECL or led to movement between the stages.

Credit risk related to bank balances.

The Group manages credit risk from balances with banks and other financial institutions by investing surplus funds only with approved and reputable counterparties and within credit limits assigned to each counterparty. Bank deposits and term deposits are limited to high-credit-quality financial institutions. Credit risk management considers the diversification of funds with banks or ensuring the banks are not under any financial distress.

The Group approach for ECL measurement on bank balances is based on credit risk assessments based on external ratings. External ratings present classification of the rating grades, issued by the External Credit Assessment Institutions (ECAI), into those considered as "investment grades", "non-investment grades" and "in default". If the Counterparty does not have external rating, the Group uses Sovereign Rating.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition and therefore the ECL is estimated at an amount equal to the expected credit losses for a period of 12 months.

The table below presents an analysis of time deposit balances by rating agency designation as of 31 December 2024:

External credit rating (S&P and equivalents)- Thousand JOD	31 December 2024	31 December 2023
	JD	JD
A	-	23,842
A-	16,100	25,240
BB+	10,557	15,100
BB	81,449	70,500
BB-	160,455	134,760
B+	154,102	157,436
	422,663	426,878

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group's capital consists of equity that is being managed by those charged with governance. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares.

The Group's optimal capital structure is to have equity financing instead of borrowings.

3.3 Fair value of Financial Instrument

A- *Financial instruments*

The Group holds the following financial instruments:

	Financial assets at FVOCI	Financial assets at amortised cost	Total
Financial assets	JD '000	JD '000	JD '000
At 31 December 2024			
Financial assets at fair value through other comprehensive income	760	-	760
Financial assets at amortized cost	-	20,289	20,289
Employees' housing loans	-	17,129	17,129
Accounts receivable	-	100,325	100,325
Other current assets (excluding prepayments and statutory requirements)	-	18,831	18,831
Cash on hand and bank balances	-	482,352	482,352
	760	638,926	639,686
At 31 December 2023			
Financial assets at fair value through other comprehensive income	801	-	801
Financial assets at amortized cost	-	20,425	20,425
Employees' housing loans	-	16,701	16,701
Accounts receivable	-	164,623	164,623
Other current assets (excluding prepayments and statutory requirements)	-	13,222	13,222
Cash on hand and bank balances	-	516,234	516,234
	801	731,205	732,006

Financial liabilities	Financial liabilities at amortised cost
	JD '000
At 31 December 2024	
Lease liabilities	2,754
Trade payables	24,502
Other current liabilities (excluding statutory liabilities and provisions)	58,042
	85,298
At 31 December 2023	
Lease liabilities	3,445
Trade payables	20,196
Other current liabilities (excluding statutory liabilities and provisions)	58,254
	81,895

The fair value of financial liabilities is not materially different from their carrying amounts, since the interest payable on those liabilities is either close to current market rates or the liabilities are of a short-term nature.

A- ***Fair value hierarchy***

The Group's financial instruments measured at fair value are classified into one of the three levels.

The fair value hierarchy of financial assets measured at fair value were as follows:

	Level 1	Level 2	Level 3	Total
	JD "000"	JD "000"	JD "000"	JD "000"
2024				
Financial assets at fair value through other comprehensive income	544	-	216	760
2023				
Financial assets at fair value through other comprehensive income	585	-	216	801

Fair value for financial assets not held at fair value:

	Book value	Fair value
	JD '000	JD '000
2024		
Financial assets at amortised cost	20,289	20,051
Employees housing loans	17,129	15,733
Trade receivables	100,325	100,325
Other current assets (exclusing prepaid expenses and due from sales tax)	31,722	31,722
2023		
Financial assets at amortised cost	20,425	20,360
Employees housing loans	16,701	14,899
Trade receivables	164,623	164,623
Other current assets (exclusing prepaid expenses and due from sales tax)	13,222	13,222

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

The fair value of non-current assets is not significantly different from their carrying value. The fair values were calculated based on cash flows discounted using a current lending rate.

(4) CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Group makes estimates and assumptions that affect the amounts recognised in the consolidated financial statements and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the consolidated financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

(a) Income taxes

The Group recognises liabilities for anticipated tax audit based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax expenses in the period in which such determination is made. At the reporting date, the Group reviews the deferred tax assets balance to assess its recoverable amount and accordingly the balance is adjusted to reflect the total benefit that the Group will obtain when generating profits.

The recognised deferred tax assets represent income taxes recoverable through future deductions from taxable profits and are recorded in the consolidated statement of financial position. Deferred income tax assets are recorded to the extent that realisation of the related tax benefit is probable. This includes temporary differences expected to reverse in the future and the availability of sufficient future taxable profit against which the deductions can be utilised. The future taxable profits and the amount of tax benefits that are probable in the future are based on the medium-term business plan prepared by management and extrapolated results thereafter. The business plan is based on management expectations that are believed to be reasonable under the circumstances.

As at the consolidated financial statements date, there was no uncertain tax position, and management in addition to its Tax advisor, believes that the income tax provision and expense are sufficient to meet all due liabilities.

(b) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and residual values of its property, plant and equipment for calculating depreciation as outlined in Note 2-5. This estimate is determined after considering the expected usage of the asset, physical wear and tear, technical or commercial obsolescence and these are mainly performed for the category related to Machinery and Equipment.

The estimated useful lives, residual values and depreciation methods are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis. At year-end, management assessed that no changes occurred to these estimates.

At the end of the year, if the useful lives increased/decreased by 5% in comparison with the current useful lives and having all other variables fixed, the net profit before tax and royalties for the year will decrease/ increase by JD 3,340 thousand (2023: decrease/ increase by JD 2,671 thousand).

(c) Impairment of financial assets

The Group applies the IFRS 9 for measuring expected credit losses which uses a lifetime expected loss allowance for all financial instruments. To measure the expected credit losses, the Group's financial instruments have been grouped based on shared credit risk characteristics and the days past due for the following financial assets:

1- Trade receivables from sales of inventory,
2- Debt investments carried at amortised cost,
3- Employees housing loans, and,
4- Time deposits at banks.

The expected loss rates are based on the payment profiles and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL.

The amount of ECL is measured as the probability-weighted present value of all cash shortfalls over the expected life of the financial asset discounted at its original effective interest rate.

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of default (PD).
- Loss given default (LGD).
- Exposure at default (EAD).

These parameters are generally derived from internally developed statistical models, other historical data and forward-looking information.

Details of ECL calculation are further disclosed in Note 3.1(c).

(d) Provisions for end of service and death and compensation funds

The Group calculates the provision for employees' end of service and death and compensation fund according to its internal policies. These calculations require the use of significant estimates.

The assumptions used in determining the cost for the death and compensation fund obligations include the discount rate, mortality staff turnover, and expected future salary increments. Any changes in these assumptions will impact the amount of these obligations. The Group determines the appropriate discount rate at the end of each year. This discount rate is used to determine the present value of estimated future cash outflows expected to be required to settle the employees' death and compensation fund obligations, please refer to (Note 19 and 22).

(e) Potash mining fees

Potash mining fees are calculated based on 25% of the Company's net income after tax excluding the Company's share of the results of its subsidiaries and associates. Management applied judgement in evaluating the recognition and accounting of mining fees under IFRIC 21 "Levies" or under IAS 12 "Income taxes". The Company has designated the amount, and it is presented separately in the consolidated statement of income as an operating expense separately from the income tax expense.

(5) PROPERTY, PLANT AND EQUIPMENT

	Lands	Buildings	Dikes	Machinery, equipment, and strategic spare parts	Vehicles	Furniture and Fixtures	Computers	Projects in progress	Total
	JD''000''	JD''000''	JD''000''	JD''000''	JD''000''	JD''000''	JD''000''	JD''000''	JD''000''
2024									
Cost									
Balance at 1 January 2024	3,372	167,928	356,544	920,965	45,896	9,015	10,004	380,125	1,893,849
Additions	201	2,408	-	10,271	5,185	213	479	147,121	165,878
Transfers from projects in progress to property and equipment	-	16,790	-	216,324	185	41	-	(233,340)	-
Disposals related to property and equipment	-	-	-	(1,284)	(958)	(136)	(189)	-	(2,567)
Balance at 31 December 2024	**3,573**	**187,126**	**356,544**	**1,146,276**	**50,308**	**9,133**	**10,294**	**293,906**	**2,057,160**
Accumulated Depreciation									
Balance at 1 January 2024	-	116,098	204,222	755,104	40,272	7,846	9,439	-	1,132,981
Depreciation for the year	-	5,312	11,309	47,520	2,201	183	291	-	66,816
Depreciation related to disposals of property and equipment	-	-	-	(1,284)	(958)	(136)	(189)	-	(2,567)
Balance at 31 December 2024	**-**	**121,410**	**215,531**	**801,340**	**41,515**	**7,893**	**9,541**	**-**	**1,197,230**
Net Book Value at 31 December 2024	**3,573**	**65,716**	**141,013**	**344,936**	**8,793**	**1,240**	**753**	**293,906**	**859,930**
2023									
Cost									
Balance at 1 January 2023	3,349	162,007	350,407	896,689	43,689	8,524	9,945	237,151	1,711,761
Additions	23	1,982	-	8,931	2,742	67	373	169,399	183,517
Transfers from projects in progress to property and equipment	-	3,951	6,137	15,513	399	424	1	(26,425)	-
Disposals related to property and equipment	-	(12)	-	(168)	(934)	-	(315)	-	(1,429)
Balance at 31 December 2023	**3,372**	**167,928**	**356,544**	**920,965**	**45,896**	**9,015**	**10,004**	**380,125**	**1,893,849**
Accumulated Depreciation									
Balance at 1 January 2023	-	111,521	192,357	717,734	39,321	7,659	9,538	-	1,078,130
Depreciation for the year *	-	4,589	11,865	37,538	1,885	187	216	-	56,280
Depreciation related to disposals of property and equipment	-	(12)	-	(168)	(934)	-	(315)	-	(1,429)
Balance at 31 December 2023	**-**	116,098	204,222	755,104	40,272	7,846	9,439	**-**	1,132,981
Net Book Value at 31 December 2023	**3,372**	**51,830**	**152,322**	**165,861**	**5,624**	**1,169**	**565**	**380,125**	**760,868**

All projects in progress are allocated to the different Cash Generating Units within the Group where the majority of these projects allocated to Potash cash generating unit.

The costs expected to be charged to projects under construction as of 31 December 2024 were estimated at JD 164,199 thousand (2023: JD 282,567).

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

	2024 JD "000"	2023 JD "000"
Cost of sales (Note 24)	64,227	53,877
Administrative expenses (Note 25)	320	304
Selling and distribution expenses (Note 27)	2,269	2,099
	66,816	56,280

(6) ACCESS RIGHTS

	2024 JD "000"	2023 JD "000"
Right of use of the Gas Pipeline	7,359	8,398
Right of use of NEPCO electricity	5,163	5,534
	12,522	13,932

A- *Right of use of the Gas Pipeline*

On 19 February 2014, Arab Potash Company signed an agreement stating the construction of Gas pipelines, to provide the Company with natural gas as a source of energy and generate electricity. This agreement resulted in an obligation against capital projects of JD 15,583 thousand with an annual interest rate of LIBOR 3 months plus 5% marginal fixed interest rate. This commitment will be settled over a period of 60 monthly payments starting 31 October 2017. The last instalment of the liability balance was settled during the year 2022.

The amortisation of this right will be by using the straight-line method over the contract period of 15 years.

	2024 JD "000"	2023 JD "000"
2024		
Cost		
Balance as at 1 January and 31 December	15,583	15,583
Accumulated amortization		
Balance as at 1 January	7,185	6,146
Charges for the year (Note 24)	1,039	1,039
Balance as at 31 December	8,224	7,185
Net book Value	7,359	8,398

B- ***Right of use of NEPCO electricity***

Arab Potash Company has signed an agreement with National Electrical Power Company (NEPCO) during 2017 as a contingent option to be able to use the electricity as an alternative source of power in case of any malfunctions in the currently used gas turbine. The agreement requires NEPCO to keep its generators stand-by and ready for immediate use by Arab Potash Company for 20 years for one-time payment of JD 7,420 thousand that was paid during December 2018 and will be amortised over the contract period.

	2024 JD "000"	2023 JD "000"
2024		
Cost		
Balance as at 1 January and 31 December	7,420	7,420
Accumulated amortization		
Balance as at 1 January	1,886	1,515
Charges for the year (Note 24)	371	371
Balance as at 31 December	2,257	1,886
Net book amount	5,163	5,534

(7) INVESTMENT IN ASSOCIATES

This item represents the Group's investments in the share capital of the following companies, using the equity method of accounting:

	Country of incorporation	Number of shares owned	Nature of business	Percentage of ownership %	Investment in associates balance 2024 JD "000"	Investment in associates balance 2023 JD "000"
Nippon Jordan Fertilizer Company (NJFC)	Jordan	3,345,600	Fertiliser production	20	9,465	6,919
Jordan Investment and South Development Company (JISDC)	Jordan	393,096	Investment and development	45.45	189	165
					9,654	7,084

The movement on investments in associates is as follows:

	2024 JD "000"	2023 JD "000"
Balance as at 1 January	7,084	5,902
Group's share of profit from associates	2,600	1,216
The Group's share of remeasurement of post-employment benefit obligations	(30)	(34)
Balance as at 31 December	9,654	7,084

The share of profit and loss from investments in associates is as follows:

	2024 JD "000"	2023 JD "000"
Nippon Jordan Fertilizer Company (NJFC)	2,575	1,193
Jordan Investment and South Development Company (JISDC)	25	23
	2,600	1,216

The following table illustrates the summarised financial information of the Group's associates:

	NJFC		JISDC	
	2024 JD "000"	2023 JD "000"	2024 JD "000"	2023 JD "000"
Current assets	59,855	40,826	470	392
Non-current assets	6,198	5,405	254	238
Current liabilities	(15,348)	(8,575)	(153)	(125)
Non-current liabilities	(3,380)	(3,063)	(156)	(142)
Net assets	47,325	34,593	415	363
Percentage of ownership	20%	20%	45.45%	45.45%
Carrying amount of investment in associates	9,465	6,919	189	165

	NJFC		JISDC	
	2024 JD "000"	2023 JD "000"	2024 JD "000"	2023 JD "000"
Revenue	132,411	138,720	997	733
Cost of sales	(116,703)	(129,369)	(829)	(632)
Other revenues and expenses, net	(2,834)	(3,388)	(101)	(50)
Profit before tax	12,874	5,963	67	51
Income tax expense	-	-	(12)	-
Profit for the year	12,874	5,963	55	51
Percentage of ownership	20%	20%	45.45%	45.45%
Group's share of Profit for the year	2,575	1,193	25	23

(8) INVESTMENT IN JOINT VENTURES

This item represents the Group's investments in the share capital of the following companies, using the equity method of accounting:

	Country of incorporation	Number of shares owned	Nature of business	Percentage of ownership	Investment in joint ventures balance	
				%	2024 JD "000"	2023 JD "000"
Jordan Bromine Company (JBC)*	Jordan	15,000,000	Extraction of Bromine	50	169,200	182,111
Jordan Industrial Port (JIPC)	Jordan	70,000,000	Port logistics and handling	50	75,387	74,212
					244,587	256,323

The movement in investments in joint ventures is as follows:

	2024 JD "000"	2023 JD "000"
Balance as at 1 January	256,323	231,517
Group's share of profit of joint venture	27,570	65,799
Group's share of re-measurement of post-employment benefit obligations	(579)	(1,055)
Dividends earned and received from joint ventures*	(25,836)	(39,938)
Dividends earned not received from joint ventures*	(12,891)	-
Balance as at 31 December	244,587	256,323

The Group's share of contingent liabilities of the joint ventures was JD 5,559 thousand at 31 December 2024 (2023: JD 6,617 thousand).

The share of profit from investments in joint ventures is as follows:

	2024 JD "000"	2023 JD "000"
Jordan Bromine Company (JBC)	26,395	64,929
Jordan Industrial Port (JIPC)	1,175	870
	27,570	65,799

* The Group's share in Jordan Bromine profit is as follows:

- 40% share in the net operating profit
- 15% share in the income of TBBPA sales in excess of 25,000 MT 50% share in losses, finance cost and other income

* The Group portion of Jordan Bromine Company's dividends amounted to JD 38,727 thousand during 2024 (2023: JD 37,438 thousand).

No dividends declared by Jordan Industrial Ports Company in 2024 (2023: JD 2,500 thousand).

The following table illustrates the summarised financial information of the Group's investment in joint ventures:

	Jordan Bromine Company		Jordan Industrial Ports Company	
	2024	2023	2024	2023
	JD "000"	JD "000"	JD "000"	JD "000"
Current assets				
Cash and cash equivalent	61,395	157,099	28,830	21,614
Other current assets	211,893	160,939	4,281	5,280
Total current assets	**273,288**	**318,038**	**33,111**	**26,894**
Non-current assets	**225,054**	**214,411**	**126,983**	**131,162**
Current liabilities	(13,837)	(24,062)	(3,132)	(3,466)
Other current liabilities	(30,284)	(12,915)		
			(752)	(627)
Total current liabilities	**(44,121)**	**(36,977)**	**(3,884)**	**(4,093)**
Total non-current liabilities	**(31,342)**	**(28,750)**	**(5,435)**	**(5,539)**
Net assets	**422,879**	**466,722**	**150,775**	**148,424**
Reconciliation to carrying amounts:				
Opening net assets 1 January	466,722	407,535	148,424	151,684
Profit for the year	63,514	167,496	2,351	1,740
Other comprehensive income items	(1,157)	(2,109)	-	-
Dividends declared	(106,200)	(106,200)	-	(5,000)
Closing net assets as at 31 December	422,879	466,722	150,775	148,424
Revenue	233,927	331,805	23,466	23,041
Cost of sales	(141,659)	(140,898)	(15,551)	(15,664)
Interest income	11,241	9,793	1,408	1,101
Depreciation and amortisation	(14,564)	(14,097)	(5,840)	(5,681)
Interest expense	(1,120)	(802)	-	-
Other expenses, net	(19,322)	(18,305)	(973)	(948)
Profit before tax	68,503	167,496	2,510	1,849
Income tax expense	(4,989)	-	(159)	(109)
Profit for the year	63,514	167,496	2,351	1,740
Other Comprehensive Income	(1,157)	(2,109)	-	-
Total Comprehensive Income	62,357	165,387	2,351	1,740

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

	2024 JD "000"	2023 JD "000"
Quoted shares*	544	585
Unquoted shares**	216	216
	760	801

* The movement in the fair value reserve is as follows:

	2024 JD "000"	2023 JD "000"
At 1 January	144	178
Net unrealized losses	(41)	(34)
At 31 December	103	144

** Unquoted financial assets are recorded at cost due to the fact that market values of these financial assets are not obtainable, and these are not material to the Group to exercise any valuation techniques.

(10) FINANCIAL ASSETS AT AMORTIZED COST

	2024 JD "000"	2023 JD "000"
Unquoted financial assets - government bonds*	20,289	20,425

* This item represents governmental bonds that mature on 29 January 2026 bearing an annual interest rate of 6.125% and payable every six months.

None of the investments held at amortised cost are either past due or impaired.

These governmental bonds are denominated in USD currency. As stated in Note 3.1(A) to the financial statements, the exchange rate of the US dollar is fixed against the Jordanian dinar (1.41 dollars per Jordanian Dinar). As a result, there is no exposure to foreign currency risk. There is also no exposure to price risk as the investments will be held for collection of contractual cash flows.

The amortization of bonds premium for these assets is JD 136 thousand for 2024 (2023: JD 130 thousand).

The fair value of these bonds approximates their book value as disclosed in ote (3.3).

The Group has exposure in governmental bonds issued by The Hashemite Kingdom of Jordan that is externally rated BB- by S&P. The Group used the 12-month ECL due to the fact that these bonds have low risk of default, the government has strong capacity to meet its obligations and there is no evidence that adverse changes in economic and business conditions exists and might reduce the ability of the government to fulfil its obligations.

Accordingly, management believes that no additional loss is required over this type of financial assets, as the resulted expected credit loss is minimal.

(11) EMPLOYEES' HOUSING LOANS

During 1992, the Company established the employees' housing loans' fund, the fund's objective is to grant the employees loans with a maximum limit of JD 50,000 for each employee. These loans are repayable on monthly instalments deducted from the employee's monthly salaries over a period not to exceed 25 years taking into consideration the remaining years of service for the employee. The fair value of these property mortgages exceeds their carrying amount of the loans (Over-collateralised assets).

These collaterals held by the Company include employees' end of service benefits balance, salaries deducted against the loans, in addition to mortgaging the real estate for the benefit of the Group.

The employee's housing loans are initially recorded at fair value representing the amounts actually paid to the employees. As these loans are granted to the employee free of interest, management records these amounts at their present value, which is calculated by discounting the monthly payments to their present value using an interest rate that approximate the interest rates for similar commercial loans on granting the loan. These loans are subsequently measured at amortized cost using the effective interest rate method.

The balance of the Housing loan is as follows:

	2024 JD "000"	2023 JD "000"
Employees' housing loans undiscounted value	26,214	25,786
Less: Loss allowance for doubtful receivables	(746)	(746)
	25,468	25,040
Less: Effect of the discount	(8,339)	(8,339)
	17,129	16,701

The employees' housing loans classification in the consolidated statement of financial position is as follows:

	2024 JD "000"	2023 JD "000"
Non-current	14,433	13,961
Current	2,696	2,740
	17,129	16,701

The tables below contain an analysis of the credit risk exposure of Employees' housing loans. The carrying amount of other financial receivables at 31 December 2024 and 2023 below also represents the Group's maximum exposure to credit risk on these assets:

2024	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Employees housing loans				
- Active employees	17,173	-	-	17,173
- Defaulted	-	-	702	702
Gross carrying amount	17,173	-	702	17,875
Credit loss allowance	(290)	-	(456)	(746)
Carrying amount	16,883	-	246	17,129

2023	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Employees housing loans				
- Active employees	16,560	-	-	16,560
- Defaulted	-	-	887	887
Gross carrying amount	16,560	-	887	17,447
Credit loss allowance	(290)	-	(456)	(746)
Carrying amount	16,270	-	431	16,701

(12) ACCOUNTS RECEIVABLE

	2024 JD "000"	2023 JD "000"
Trade receivables	98,875	163,146
Due from associates (Note 30)	1,466	1,493
	100,341	164,639
Less: expected credit loss	(16)	(16)
	100,325	164,623

The Group grants its customers credit policy ranging from 30-180 days. As at 31 December 2024 and 2023, there were no trade receivables that exceeded its credit terms.

As at 31 December, the aging of current unimpaired trade receivables is as follows:

	Neither past due nor impaired			
	1- 30 days	30 – 90 days	90 – 180 day	Total
	JD"000"	JD"000"	JD"000"	JD"000"
2024	30,179	38,485	31,677	100,341
2023	61,845	85,858	16,936	164,639

Management believes that all the above receivables are expected, on the basis of past experience, to be fully recoverable. The majority of Group's sales are made through letters of credit or through insurance policies on credit sales.

For trade receivables at amortised cost, the Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Further details on the application of IFRS 9 are stated in Note 2.11

The credit loss allowance for trade receivables at amortised cost is determined according to provision matrix presented in the table below. The provision matrix is based the number of days that an asset is past due:

	31 December 2024				31 December 2023			
In % of gross value (in thousands)	Loss Rate	Gross carrying amount	Lifetime ECL	Net carrying value	Loss rate	Gross carrying amount	Lifetime ECL	Net carrying value
Trade receivables								
Current	0.01%	100,341	(16)	100,325	0.01%	164,639	(16)	164,623
Overdue	100%		-		100%	-	-	-

For each sale on credit, guarantees and collateral is held against such receivables in the form of letters of credit or credit insurance that covers the whole receivable balance. Therefore, there were no historic losses in the trade receivables over the past years.

(13) INVENTORIES

	2024	2023
	JD "000"	JD "000"
Finished goods	29,466	20,912
Raw materials	2,718	1,982
Others	199	269
	32,383	23,163
Allowance for slow moving inventory	(75)	(75)
	32,308	23,088

Details of the inventories is as follows:

	2024 JD "000"	2023 JD "000"
Potassium Chloride	25,369	14,935
Potassium Nitrate	6,462	8,042
Mixed salts and mud	552	186
	32,383	23,163

(14) CONSUMABLE INVENTORY

	2024 JD "000"	2023 JD "000"
Spare parts	49,248	45,477
Fuel store	3,711	2,627
Others	4,502	5,323
	57,461	53,427
Allowance for slow-moving spare parts*	(2,835)	(2,484)
	54,626	50,943

* The movement in allowance for slow-moving spare parts was as follows:

	2024 JD "000"	2023 JD "000"
At 1 January	2,484	3,313
Slow-moving provision	1,000	1,519
Amounts written-off during the year	(649)	(2,348)
At 31 December	2,835	2,484

(15) OTHER CURRENT ASSETS

	2024 JD "000"	2023 JD "000"
Due from Sales Tax Department (Note 23)	36,976	27,311
Prepaid expenses	13,263	12,204
Dividends receivable (Note 8)	12,891	-
Others	18,831	13,222
	81,961	52,737

(16) CASH ON HAND AND BANK BALANCES

A- CASH AND CASH EQUIVALENTS

UNRESTRICTED

	2024 JD "000"	2023 JD "000"
Cash on hand	922	433
Bank balances	23,931	45,025
Short term deposits *	40,130	51,357
Cash and cash equivalents	64,983	96,815

B- TIME DEPOSITS

Time deposits with original maturities of more than three months and less than a year**	422,663	426,878
Less: expected credit loss	(5,294)	(7,459)
	417,369	419,419

* This item represents deposits in Jordanian Dinar at local banks with average interest rate of 6% (2023: 6.4%) and have a maturity of three months or less.

** This item represents deposits in Jordanian Dinar at local banks with average interest rate of 6.6% (2023: 6.3%) and have a maturity of more than three months and less than one year.

(17) OTHER NON-CURRENT ASSETS

The breakdown of other non-current assets is as follows:

	2024 JD "000"	2023 JD "000"
Wadi Ibn Hammad dam*	30,592	35,051
Advance payments to contractors	39,972	42,437
Total non-current assets	70,564	77,488

* The Group entered into an agreement with the Jordan Valley Authority in 2016 to finance the construction of Wadi Ibn Hammad dam in return for water supplies. As a result, the Group transferred a balance of JD 26,888 thousand from the projects in progress to other non-current assets as they started to benefit from the project during 2018.

The contract was amended subsequently during 2019 and 2020 where the amount to be paid was increased to reach JD 51.5 million, with total of 56.25 million cubic meters to be provided over 16.5 years at the preferred price of JD 0.35 per cubic meter. Management started amortising these amounts based on the amounts of water actually received.

The movement in Wadi Ibn Hammad dam balance is as follows:

	2024 JD "000"	2023 JD "000"
Cost		
Balance as at 1 January	51,500	51,500
Balance as at 31 December	51,500	51,500
Accumulated amortization		
Balance as at 1 January	16,449	13,168
Charges (Note 24)	4,459	3,281
Balance as at 31 December	20,908	16,449
Net book amount		
As at 31 December	30,592	35,051

(18) RESERVES

Statutory reserve

The accumulated amounts in this account which total at JD 50,464 thousand represent 10% of the Group's net income before tax according to the Companies Law. The Group has the option to cease such appropriations when the balance of this reserve reaches 25% of the Company's authorised capital. The Group's management resolved in 2005 to cease appropriations to the statutory reserve as it exceeded the required percentage. The statutory reserve is not available for distribution to equity holders.

Voluntary reserve

According to Article (187) of the Companies law, the general assembly of the Company, based on the proposal of its board of directors, decides annually to deduct no more than (20%) of its net income for that year to calculate the voluntary reserve. This reserve is used for the purposes determined by its board of directors, and the general assembly has the right to distribute it, in whole or in any part of it, as profits to the shareholders if it is not used for those purposes.

Dividends

The General Assembly resolved in its ordinary meeting held on 29 April 2024 to distribute an amount of JD 108,312 thousand (equivalent to 130% of the Company's capital) as cash dividends to the shareholders. (2023: JD 149,973 thousand).

(19) PROVISION AGAINST EMPLOYEES' DEATH AND COMPENSATION FUND

The provision against employees' compensation and death is calculated based on the projected unit cost which is determined by discounting estimated future cash outflows using the interest rate on high quality governmental bonds that are denominated in the currency in which the defined benefit is paid, and with maturity dates that are approximately close to those obligations.

This provision was established based on the internal bylaws and shall be calculated and paid upon death, retirement or resignation for each employee by 1/6 of the last year total salaries for each year of service if the employee has been employed by the Group for a period of more than five years.

The employee shall not benefit from this fund if he/she spent less than five years of service. In that case, the employee's total contribution to the fund is returned to the employee.

This plan is an unfunded benefit and there are no plan assets held to fund it.

The following table shows movement on the provision recognized in the consolidated statement of financial position.

	2024 JD "000"	2023 JD "000"
Balance as at 1 January	56,214	53,779
Current and past service cost	4,072	4,395
Discount value	3,848	3,895
Actuarial losses resulting from the remeasurement of the defined benefit plans	1,591	3,649
Paid during the year	(7,081)	(9,504)
Balance as at 31 December	58,644	56,214

The Group's obligations are limited to the provision booked by the Group which are expensed when due.

	2024 JD "000"	2023 JD "000"
Non- current		
Death and compensation fund obligations	54,253	53,386
Current		
Death and compensation fund obligations	4,391	2,828
Total	58,644	56,214

The weighted average duration of the defined benefit obligation is 8 years. The expected maturity analysis of undiscounted pension is as follows:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
At 31 December 2024					
Death and compensation obligation	4,391	9,196	13,981	180,716	208,284
At 31 December 2023					
Death and compensation obligation	2,828	8,910	12,790	190,464	214,992

The following table shows the amounts recognized in the consolidated statement of income:

	2024	2023
	JD "000"	JD "000"
Current and past service cost (Note 24,25,27)	4,072	4,395
Discount value (Note 28)	3,848	3,895
	7,920	8,290

The following table shows the amounts recognized in the consolidated statement of comprehensive income:

	2024	2023
	JD "000"	JD "000"
Gain resulting from change in financial assumptions	1,548	1,155
Gain from change in experience	43	2,494
	1,591	3,649

The following table shows the significant actuarial assumptions that have been used:

	2024	2023
	%	%
Discount rate	6.7	7.1
Salary growth rate	3.5	3.5
Staff turnover	2	2

At the end of the year, if the assumptions differ by 1% from management estimates, and all other variables are held constant, the profit before tax and royalties for the year will be affected as follows:

	Increase in the assumptions by 1%	Decrease in the assumptions by 1%
	JD "000"	JD "000"
2024		
Discount rate	4,057	(4,480)
Salary growth rate	(4,345)	4,000
Staff turnover	(769)	926
2023		
Discount rate	4,056	(4,328)
Salary growth rate	(4,209)	4,011
Staff turnover	(783)	1,085

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the consolidated statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(20) OTHER CURRENT LIABILITIES

	2024	2023
	JD "000"	JD "000"
Accrued expenses	23,481	24,359
Refund liabilities	20,926	19,114
Legal cases compensation provision (Note 32)	2,849	5,234
Dividends payable	1,928	1,825
Contractors' retentions	3,424	3,424
Others	8,283	9,532
	60,891	63,488

(21) REVENUE FROM CONTRACTS WITH CUSTOMERS

	Arab Potash Co.	KEMAPCO	Numeira Co.	Total	Eliminations and Adjustments	Total
	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"
2024						
Sales to external customers	546,409	103,578	1,462	651,449	-	651,449
Inter-company sales	26,698	-	1,349	28,047	(28,047)	-
Revenue from contracts with customers	573,107	103,578	2,811	679,496	(28,047)	651,449
2023						
Sales to external customers	691,153	100,241	1,129	792,523	-	792,523
Inter-company sales	29,111	-	1,447	30,558	(30,558)	-
Revenue from contracts with customers	720,264	100,241	2,576	823,081	(30,558)	792,523

Following is a summary of sales by geographical location for the Group customers for the year ended 31 December 2024 and 2023:

	31 December 2024				31 December 2023			
	Arab Potash Co.	KEMAPCO	Numeira Co.	Total	Arab Potash Co.	KEMAPCO	Numeira Co.	Total
	JD"000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"
China & India	134,191	9,787	-	143,978	237,516	5,761	5	243,282
Asia	105,395	4,701	-	110,096	123,325	5,111	-	128,436
Middle East	47,828	18,636	498	66,962	64,055	9,109	357	73,521
Africa	80,031	14,935	-	94,966	103,352	15,979	5	119,336
Europe	114,068	40,610	900	155,578	92,321	47,171	714	140,206
Americas & Australia	64,896	14,909	64	79,869	70,584	17,110	48	87,742
	546,409	103,578	1,462	651,449	691,153	100,241	1,129	792,523

All assets and liabilities of the Group are located inside the Hashemite Kingdom of Jordan.

The Group's major customers:

The Group defined major customers as those whose sales equal or exceed 10% of the total net sales revenue. Revenues of approximately JD 60,043 thousand (2023: JD 123,113 thousand) are derived from those customers. These revenues are related to the following customers in the potash sale segment:

	2024 JD "000"
Sinochem fertilizer Macao Limited	60,043

	2023 JD "000"
Sinochem fertilizer Macao Limited	123,113

The Group derives revenue from the transfer of goods and freight service in the following major product lines:

2024 Revenue from contracts with customers	Sale of Potash JD "000"	Sale of potassium JD "000"	Mixed salts and mud JD "000"	Revenue from freight JD "000"	Total JD "000"
Timing of revenue – At a point in time	492,909	96,534	1,462	-	590,905
Timing of revenue - Over time	-	-	-	60,544	60,544

2023 Revenue from contracts with customers	Sale of Potash JD "000"	Sale of potassium JD "000"	Mixed salts and mud JD "000"	Revenue from freight JD "000"	Total JD "000"
Timing of revenue – At a point in time	640,071	95,008	1,129	-	736,208
Timing of revenue - Over time	-	-	-	56,315	56,315

SEGMENT INFORMATION:

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM) and for which discrete financial information is available. The CODM is the person or group of persons who allocates resources and assesses the performance for the entity. The CODM has been identified as the remuneration and nomination committee made up of members of the Board of Directors of the Group.

(a) *Description of products and services from which each reportable segment derives its revenue*

The Group is organised on the basis of three main business segments:

- Producing potash and salt through Arab Potash Company.
- Producing potassium nitrate and di calcium phosphate through Arab Fertilizers and Chemical Industries (KEMAPCO).
- Producing mixed salts and mud through Numeira Mixed Salts and Mud Company.

(b) Factors that management used to identify the reportable segments

The Group's segments are strategic business units that focus on different customers. They are managed separately because each business unit requires different marketing strategies and service levels.

Regular review of the Group subsidiaries is delegated to the local management teams. The Management obtains financial statements of the Group's subsidiaries. Such financial information overlaps with the segment analysis provided internally to the Management. Management therefore applied the core principle of IFRS 8, *Operating Segments* and marketing strategy in determining which of the overlapping financial information sets should form the basis of operating segments.

(c) Measurement of operating segment profit or loss, assets and liabilities

The CODM reviews financial information prepared based on the Group's internal policies adjusted to meet the requirements of internal reporting. Such financial information differs in certain aspects from International Financial Reporting Standards:

(i) income taxes are not allocated to segments.
(ii) liabilities for the Group are not allocated.

The CODM evaluates performance of each segment based on segment gross profits.

(d) Information about reportable segment profit or loss and assets

Following is a breakdown of the segment information for the above operating segments:

	2024							
	Potash sales	Fertilizers sales	Mixed salts and mud sales	Dead Sea for chemicals and fertilizers	APC Trading and Logistics Europe	Total	Eliminations and Adjustments	Total
	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"
Sales to external customers	546,409	103,578	1,462	-	-	651,449	-	651,449
Inter-company sales	26,698	-	1,349	-	-	28,047	(28,047)	-
Total sales	573,107	103,578	2,811	-	-	679,496	(28,047)	651,449
Less: Cost of sales	323,822	78,428	2,183	-	-	404,433	(28,211)	376,222
Segment gross profit	249,285	25,150	628	-	-	275,063	164	275,227
Results								
Share of profit of associates and joint ventures	30,170	-	-	-	-	30,170	-	30,170
Depreciation and amortisation	69,917	3,539	133	-	-	73,589	(79)	73,510
Capital Expenditure								
Property, plant and equipment and projects in progress	164,729	638	229	168	114	165,878	-	165,878
Total assets	1,909,865	112,827	5,540	419	114	2,028,765	(16,964)	2,011,801
Total liabilities	208,040	21,645	6,345	261	-	236,291	(12,772)	223,519
Investments in associates and joint ventures	254,241	-	-	-	-	254,241	-	254,241

	2023						
	Potash sales	Fertilizers sales	Mixed salts and mud sales	Dead Sea for chemicals and fertilizers	Total	Eliminations and Adjustments	Total
	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"
Sales to external customers	691,153	100,241	1,129	-	792,523	-	792,523
Inter-company sales	29,111	-	1,447	-	30,558	(30,558)	-
Total sales	720,264	100,241	2,576	-	823,081	(30,558)	792,523
Less: Cost of sales	332,481	85,823	2,386	-	420,690	(37,529)	383,161
Segment gross profit	387,783	14,418	190	-	402,391	6,971	409,362
Results							
Share of profit of associates and joint ventures	67,015	-	-	-	67,015	-	67,015
Depreciation	53,419	2,808	132	-	56,359	(79)	56,280
Capital Expenditure							
Property, plant and equipment and projects in progress	181,705	1,618	194	-	183,517	-	183,517
Total assets	1,895,818	105,794	5,164	50	2,006,826	(19,478)	1,987,348
Total liabilities	256,278	24,707	6,019	665	287,669	(14,673)	272,996
Investments in associates and joint ventures	263,407	-	-	-	263,407	-	263,407

(e) Segment liabilities

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment.

The Group's borrowings and derivative financial instruments are not considered to be segment liabilities but are managed by the treasury function.

(22) OTHER NON-CURRENT LIABILITIES

	2024 JD "000"	2023 JD "000"
End of service indemnity*	4,328	3,874
Employees' vacations provision**	1,664	2,039
Contractors' retentions	15,710	15,304
	21,702	21,217

* The Group pays end of service to its employees based on its internal bylaws, where the Group pays specific amounts to the employees registered in this program once they retire.

** As per the Groups' policy and labour laws, employees have the right to roll forward any unutilised vacations for two years, which resulted in classifying these unavailed vacations as long-term benefit and presented on the present value.

(23) INCOME AND DEFERRED TAX

A- **Income tax**

The movement on the provision for income tax during the year was as follows:

	2024 JD "000"	2023 JD "000"
Balance at 1 January	79,838	196,278
Current income tax expense	68,262	104,687
Income tax paid	(97,340)	(221,127)
Balance at 31 December	50,760	79,838

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

	2024 JD "000"	2023 JD "000"
Current income tax expense	68,262	104,687
Change in deferred tax assets	1,112	7
	69,374	104,694

Income tax expense

	2024 JD "000"	2023 JD "000"
Computed tax at statutory rates	76,390	122,624
Subsidiaries' profits not subject to income tax	(1,800)	(1,808)
Gain on investments in associates not subject to income tax	(6,026)	(15,616)
Tax effect of expenses not acceptable for tax purposes	810	(67)
Tax effect of retained losses of a subsidiary	-	(439)
Income tax expense for the year	69,374	104,694
Effective income tax rate	27%	26%

The statutory income tax rate for the Company is 31%, 20% for Arab Fertilizers and Chemicals Industries (KEMAPCO) and 21% for Numeira Mixed Salts and Mud Company.

The provision for the year ended 31 December 2024 and 2023 has been calculated in accordance with the income tax law No, (34) of the year 2014 and its amendments.

B- **Deferred tax assets**

The movement in deferred tax assets is as follows:

	2024 JD "000"	2023 JD "000"
At 1 January	23,434	22,316
Additions during the year	3,065	4,013
Additions/ retirements during the year - resulting from re-measurement of post-employment benefit obligations	494	1,125
Retirements during the year	(4,177)	(4,020)
At 31 December	22,816	23,434

The changes in deferred tax assets are reflected as deferred tax expense (income) as follows:

Deferred tax assets items	2024 JD "000"	2023 JD "000"
Income tax expense in the consolidated statement of income	1,112	7
Income tax benefit in the consolidated statement of comprehensive income	(494)	(1,125)
Total	618	(1,118)

The below table shows the deferred tax assets amount related to each applicable line items:

Deferred tax assets items	2024	2023
	JD "000"	JD "000"
Death and compensation fund obligation	18,420	17,392
End of service indemnity	72	66
Medical disability provision	883	1,622
Inventory provision	883	770
Employees' vacation provision	516	632
Expected credit loss	1,848	2,513
Tax effect of retained losses of a subsidiary	194	439
	22,816	23,434

The deferred tax assets as at 31 December 2024 and 2023 was calculated using the income tax rate of 31% per the enacted tax law no 34 in 2014.

The movement in deferred tax assets during the year is as follows:

	Death and compensation	End of service indemnity	Medical disability provision	Inventory provision	Employees' vacation provision	Expected credit loss	Tax effect of retained losses of a subsidiary	Total
	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"
1 January 2024	17,392	66	1,622	770	632	2,513	439	23,434
To statement of income	534	6	(739)	113	(116)	(665)	(245)	(1,112)
To other comprehensive income	494	-	-	-	-	-	-	494
31 December 2024	18,420	72	883	883	516	1,848	194	22,816

	Death and compensation	End of service indemnity	Medical disability provision	Inventory provision	Employees' vacation provision	Expected credit loss	Tax effect of retained losses of a subsidiary	Total
	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"
1 January 2023	16,628	123	1,647	1,027	747	2,144	-	22,316
To statement of income	(361)	(57)	(25)	(257)	(115)	369	439	(7)
To other comprehensive income	1,125	-	-	-	-	-	-	1,125
31 December 2023	17,392	66	1,622	770	632	2,513	439	23,434

C- Income and sales tax filing

- Arab Potash Company

The Income and Sales Tax Department has reviewed the Company's records for the years 2017 and 2018 and has issued the final tax clearance for those years. As for the year 2019, 2020, 2021 and 2022 the tax return has been submitted and audited by the Income and Sales Tax Depratment but the final clearance was not released up to the date of these consolidated financial statements. The 2023 tax return has been submitted but not audited yet as of 31 December 2024.

Due from Sales Tax Department

Other receivables include JD 36.9 million (2023: JD 27.3 million) representing the general sales tax authorities paid by the Company over the past years. These amounts are refundable under the provisions of the General Sales Tax Law.

- Numeira Mixed Salts and Mud Company

Tax returns have been reviewed and final clearance was obtained until the year 2019. The tax return for the years 2020, 2021 and 2022 have been submitted but not audited by the Income and Sales Tax Department as of the date of these consolidated financial statements.

- Arab Fertilizers and Chemicals Industries (KEMAPCO)

The income tax provision for the year ended 31 December 2024 has been calculated in accordance with Income Tax Law No. (34) for the year 2014 and it's subsequent amendment in the year 2018, which became applicable on 1 January 2019 and under this law, the legal tax rate is 16% of the profit generated from local sales and 21% on credit interest.

The Investment Environment Law No. 21 of 2022 became applicable on 14 January 2023 in accordance with paragraph (a) of Article (31); The profit realized from exporting goods outside the Hashemite Kingdom of Jordan to the registered company that carries out an economic activity in the free zone is no longer exempt from income tax other than what was stipulated in Article 14 of the Investment Law No. (30) of 2014.

During the year 2024, the Income and Sales Tax Department audited the tax return for the fiscal year 2019, where it issued its decision obligating the Company to pay tax differences amounting to JD 2,032,589 on export sales for that year. The Company filed the objection within the legal deadline, as management and its tax advisor believe that the Company's income from exports outside the Hashemite Kingdom of Jordan is exempt until the 14th of January 2023, based on the provisions stated in paragraph(b) of Article (78) stated in income tax low No.(34) for the year 2014 and paragraph(a) of Article(14) of Investment Law No.(30) for the year 2014, which stipulates exemption from income tax on profits resulting from activities of exporting goods or services outside the Kingdom.

(24) COST OF SALES

	2024 JD "000"	2023 JD "000"
Raw materials		
Raw materials as at 1 January	1,982	610
Purchases	33,993	29,755
Less: Raw materials as at 31 December (Note 13)	(2,718)	(1,982)
Raw materials used in production	33,257	28,383
Fuel and electricity	74,170	67,876
Depreciation (Note 5)	64,227	53,877
Salaries and wages	63,370	72,616
Freight costs	60,570	56,200
Maintenance	45,992	43,965
Rentals (Note 31)	9,053	10,710
Professional legal and consulting fees	8,893	6,563
Water	8,363	7,231
Insurance	4,690	5,679
Amortisation (Note 6)	1,410	1,410
Others	10,781	10,790
	384,776	365,300
Add: beginning finished goods	20,912	38,773
Less: ending finished goods (Note 13)	(29,466)	(20,912)
	376,222	383,161

(25) ADMINISTRATIVE EXPENSES

	2024 JD "000"	2023 JD "000"
Salaries and other benefits	11,623	11,623
Travel and hospitality	760	1,011
Depreciation on right of use of leased asset (Note 31)	689	689
Professional legal and consulting fees	601	2,036
Maintenance and repairs	381	444
Depreciation (Note 5)	320	304
Insurance	247	798
Audit fees	139	87
Electricity	129	84
Post and telephone	112	128
Fuel	40	19
Others	1,344	1,798
	16,385	19,021

(26) MINING FEES TO THE GOVERNMENT OF JORDAN

The movement on accrued mining fees provision is as follows:

	2024 JD "000"	2023 JD "000"
Balance as at 1 January	28,598	77,133
Additions during the year	33,666	53,598
Payments during the year	(57,398)	(101,563)
Discount for advance payments	(600)	(570)
Balance as at 31 December	4,266	28,598

(27) SELLING AND DISTRIBUTION EXPENSES

	2024 JD "000"	2023 JD "000"
Marketing		
Sales commission	1,961	1,142
Salaries and other benefits	779	853
Travel and hospitality	760	721
Sample testing	544	653
Advertising	233	462
Post and telephone	25	26
Depreciation (Note 5)	24	19
Others	896	680
	5,222	4,556
Aqaba – Selling Office		
Handling fees	7,894	8,087
Depreciation (Note 5)	2,245	2,080
Maintenance and repair	2,228	1,944
Salaries and other benefits	1,429	1,831
Insurance	559	248
Rent	409	408
Electricity	385	389
Fuel	23	22
Others	804	884
	15,976	15,893
	21,198	20,449

(28) FINANCE COSTS

	2024 JD "000"	2023 JD "000"
Finance cost on death and compensation fund obligation (Note19)	3,848	3,895
Bank commissions and charges	812	1,265
Finance cost on lease liability (Note 31)	202	253
	4,862	5,413

(29) EARNINGS PER SHARE

	2024 JD "000"	2023 JD "000"
Profit for the year	183,989	292,644
Weighted average number of shares ("000")	83,318	83,318
	JD/ Fills	JD/ Fills
Basic and diluted, earnings per share	2/208	3/512

Basic earnings per share for the Group equals the diluted earnings per share, whereas, the Group has not issued any diluting financial instruments that can affect the basic earnings per share.

(30) RELATED PARTY TRANSACTIONS

Parties are generally considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Balances with related parties included in the consolidated statement of financial position are as follows:

Amounts due from related parties	2024 JD "000"	2023 JD "000"
Due from Jordan Bromine Company (Joint Venture)	1,466	1,493
Dividend due from Jordan Bromine Company (Joint Venture)	12,891	-

The following transactions occurred with related parties:

	2024 JD "000"	2023 JD "000"
Sales – Nippon Jordan Fertilizer Company (Associate)	6,233	6,081
Sales – Jordan Bromine Company (Joint venture)	12,079	18,945
Company's share of profit of associates and joint ventures	30,170	67,015

Key management includes Directors (executive and non-executive) and members of the Executive Committee.

Compensation of the key management personnel was as follows:

	2024 JD "000"	2023 JD "000"
Key management benefits (Salaries, wages, and bonus) for the Group	3,427	3,432

(31) LEASES

(A) Commitments for mining lands

The Company pays annual fees for the usage of mining lands under the concession agreement signed with the Government of JD 1.5 million this subject to annual increase in accordance with the Consumer Price Index to become JD 2,029 thousand as of 31 December 2024 (2023: JD 1,987 thousand). The exclusive right of use of mining land to exploit the minerals and salts of the Dead Sea brine are outside the scope of IFRS 16.

(B) Right of use assets / lease liabilities

The Group recognized the right of use assets against lease commitments under the long-term lease signed between Kemapco (a subsidiary of Arab Potash Company) and Aqaba Development Company (ADC).

The two parties signed long-term land lease contracts for the site where Kemapco performs all its operations in Aqaba. The contract effective start date was 1st of January 2008 and the contract's duration is 20 years. The Company has an option to extend the contract for an additional 29 years, however the option's validity is neither obligatory nor certain. The annual rent instalments amount to JD 505 thousand paid at the beginning of each year.

During 2019, an additional area of land was agreed and signed between Kemapco and ADC and was added to the right of use of leased asset and the lease liability recorded as of 1 January 2019. The agreement follows the same terms and conditions as the original contract; the duration of the contract and the interest rate used is the same as the original contract. The annual rent payment amount to JD 414 thousand paid at the beginning of each year.

The Group recognized a right of use asset and a lease liability as of 1 January 2019, which is the present value of all the minimum lease payments for the remaining years representing the maximum contract duration excluding the extension option (which is non-obligatory). Amortization is calculated on a straight-line basis to allocate the cost over the entire term of the right of use asset. The interest of the lease obligation is calculated using a 9% interest rate implicit in the lease contract as the discount rate that represents the interest rate applicable to the delay in the lease payments.

As of 31 December 2024 and 2023, potential future cash outflows for the extension period of 20 years after the year 2027 of JD 33,414 thousand (undiscounted) has not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

A- Amounts recognised in the consolidated statement of financial position:

The consolidated statement of financial position shows the following amounts relating to lease:

	2024 JD "000"	2023 JD "000"
Right-of-use-assets		
Right of use of leased assets as at 31 December	1,978	2,667

	2024 JD "000"	2023 JD "000"
Lease liabilities		
Current portion	1,041	893
Non-current portion	1,713	2,552
Lease liabilities as at 31 December	2,754	3,445

B- Amounts recognised in the consolidated statement of income:

	2024 JD "000"	2023 JD "000"
Depreciation charge of right-of-use assets	689	689
Interest expense (included in finance cost)	202	253
	891	942

Expenses relating to short-term rent (included in the cost of sales - Note 24):

	2024 JD "000"	2023 JD "000"
Equipment rental	6,948	8,736
Land and other rentals	2,105	1,974
	9,053	10,710

(32) CONTINGENCIES AND COMMITMENTS

At the date of the consolidated statement of financial position, the Group has contingent liabilities arising from the Group's normal activities. Letters of guarantee and letters of credit are issued to suppliers, contractors and which are not expected to result in material liabilities and consist of the following:

	2024 JD "000"	2023 JD "000"
Letters of Credit	47,467	71,464
Letters of Guarantee	12,786	9,968

Capital Commitments:

- The Group has committed and contracted for capital expenditures relating to property, plant and equipment amounting to JD 228,169 thousand as at 31 December 2024 (2023: JD 321,682 thousand).

- The Group has committed but not contracted for capital expenditures relating to property, plant and equipment amounting to JD 29,446 thousand as at 31 December 2024 (2023: JD 20,516 thousand).

Commitments for mining lands

The Company pays annual fees for the usage of mining lands under the concession agreement signed with the Government of JD 1.5 million. These fees are adjusted annually for the increase in the Consumer Price Index.

Future minimum undiscounted amounts payable under these leases at 31 December are as follows:

	2024 JD "000"	2023 JD "000"
Within one year	2,029	1,987
After one year but not more than five years	8,117	7,948
After five years and not more than 15 years	20,292	19,870
More than 15 years	36,519	39,740
	66,957	69,545

Legal claims

There are a number of individual claims filed against the Company by a number of its employees, most of which are related to insurance indemnities resulting from work-related medical disabilities. In addition, there are a number of lawsuits raised by a number of suppliers and contractors against the Company in the ordinary course of business. The Company has recognised a total provision of JD 2,849 thousand as at 31 December 2024 (2023: JD 5,234 thousand) on the basis of its assessment and as per the professional advice indicating that it is likely that a loss will arise based on the outcomes of courts decisions during the years 2024 and 2025. These claims were fully provided for as shown in Note 20. On the basis of the Group's assessment and both internal and external lawyers, management is of the opinion that no material losses will be incurred in respect of claims in excess of provisions that have been made in these consolidated financial statements.

As at 31 December 2024, the Company was engaged in litigation proceedings with JD 33,469 thousand in relation to a legal case and claim by one of the contractors. No provision has been made as the Company's management and its legal advisor believe that it is not likely that any significant loss will arise.

(33) CORPORATE SOCIAL RESPONSIBILITY EXPENSES

The Group on yearly basis participates in developing locations that face poverty through many Social Responsibility Contribution in form of financing, buildings, developing or supporting of schools, hospitals, mosques, and others.