

**INJAZ FOR DEVELOPMENT AND PROJECTS  
(PUBLIC SHAREHOLDING COMPANY)**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND INDEPENDENT CERTIFIED PUBLIC  
ACCOUNTANT'S REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**INJAZ FOR DEVELOPMENT AND PROJECTS  
(PUBLIC SHAREHOLDING COMPANY)**

**CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT CERTIFIED  
PUBLIC ACCOUNTANT'S REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(EXPRESSED IN JORDANIAN DINAR)**

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## INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S REPORT

To the Shareholders  
Injaz for Development and Projects Company  
(Public Shareholding Company)

### Report on the Consolidated Financial Statements

#### Opinion Qualified

We have audited the accompanying consolidated financial statements of Injaz for Development and Projects Company P.L.C, which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of comprehensive income, consolidated statement of Other Comprehensive Income, consolidated Statement of Shareholders equity, consolidated statement of cash flows, as well as the notes to the consolidated financial statements for the year then ended, including a summary of significant accounting policies and other explanatory information.

In our opinion, and the exceptas mentioned in the paragraph of qualified opinion, the consolidated financial statements present fairly, in all material respects, the consolidated statement of financial position of Injaz for Development and Projects Company P.L.C as of December 31,2024, and its financial performance and cash flows for the year then ended are in accordance with International Financial Reporting Standards.

#### Basis for Qualified Opinion

1- As a result of the consolidation of the financial statements with the financial statements of the subsidiaries, goodwill appeared with a value of 27,508,872 JOD, and the Company's management did not conduct the annual test study for the decline in the value of goodwill (the impairment test) at the end of 2024, to determine whether or not there is a decline in the value of goodwill, based on the requirements of International Accounting Standard No. (36) "Impairment of Assets".

2- The Company depreciates its property and equipment according to the rates prescribed by the Income and Sales Tax Law, and not according to the rates that determine their productive life, which violates international financial reporting standards. The Company's management stated that the reason for this is that the energy utilized in the Company's operating projects is much less than the Company's full production capacity.

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

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

#### Key Audit Matters

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

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

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

#### **Certified Public Accountant Responsibility**

Our objective is to obtain reasonable assurance about whether the financial statements are free from material misstatement whether due from error or fraud and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international audit standards will always detect a material misstatement even when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these consolidated financial statements.

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

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

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

#### **Legal Requirements Report**

The Injaz for Development and Projects Company maintains proper books of accounts and the accompanying consolidated financial statements contained as of December 31 2024, we recommend to be approved by the Board of Directors after taking into consideration what is mentioned in the paragraph of the other matter and the paragraph of qualified opinion.

Modern Accountants

Abdul Kareem Qunais  
License No. (496)

**Modern Accountants**



Amman-Jordan

March 26, 2025

**Key Auditing Matters**

**Goodwill**

According to International Financial Reporting Standards, the Company must assess the goodwill and test for impairment, as of December 31, 2024, was 27,508,872 JOD.

The annual impairment of goodwill is a key audit matter due to the complexity of the accounting requirements and the general provisions required in determining the assumption to be used in estimating the recoverable amount. The recoverable amount of the cash-generating units, which is based on the value in use or the fair value fewer costs to sell, whichever is higher, is calculated from discounted cash flow models. These models use several basic assumptions including estimates of future sales volume and prices, operating costs and the rates of growth of the final value, and the weighted average cost of capital as mentioned in Note (14).

**Property and Equipment**

In accordance with IFRS, the Company is required to review the useful life and method of depreciation and perform a test of impairment for the value of the property and equipment in the financial position and when any events or changes in circumstances indicate that this value is not recoverable. Impairment losses are recognized because of the impairment policy. Management estimates impairment of property and equipment by using assumptions and estimates (if any), and due to its significance, it is considered a key audit risk.

**The following is a description of our auditing procedures**

**Goodwill**

An examination of goodwill impairment at the end of 2024 was not carried out by the Company's management in accordance with the requirements of International Accounting Standard No. (36) "Impairment of Assets" to determine whether there was a decline in the goodwill value or not.

**Property and Equipment Held for Sale**

The audit procedures included examining the control procedures used in the verification of existence and completeness, reviewing the purchase of assets and selling them during the year and ensuring the calculation of depreciation expense, matching the inventory in terms of presence and ensuring that the property and equipment are productive and there is no decrease in the value they appear in. In addition, management's assessment was reviewed, taking into account available external information about the risk of impairment of property and equipment. We also focused on the adequacy of the Company's disclosures about property and equipment.

**Other Matter**

The financial statement for the subsidiary, Arab Tower Contracting Company Ltd., for year ended December 31, 2024, whose financial statement represents 99% of total assets and 100% of the total revenue of the consolidated financial statement have been reviewed by another auditor and he issued his unqualified opinion on March 20, 2025.

**Other Information**

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

Our opinion about consolidated financial statements does not include this other information, and we do not express any assertion over it.

As a part of our audit on Injaz for Development and Projects Company as of December 31, 2024, consolidate financial statements, we are required to review this other information. During this review, we consider the compatibility of these information with their consolidated financial statements or with the knowledge that we gained through audit procedures or seems to contain significant errors. If we detected based on our audit, the existence of significant errors in the information, we are required to report this fact. Regarding this, we have nothing to report.

**Management and individuals responsible of governance about the consolidated financial statements**

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

**INJAZ FOR DEVELOPMENT AND PROJECTS**  
(PUBLIC SHAREHOLDING COMPANY)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2024**  
(EXPRESSED IN JORDANIAN DINAR)

	Note	2024	2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	14	27,508,872	27,508,872
Property, plant and equipment	4	23,446,872	34,295,117
Real estate investment	5	-	5,977,467
<b>Total non-current assets</b>		<b>50,955,744</b>	<b>67,781,456</b>
<b>Current assets</b>			
Prepaid expenses and other receivables	9	3,925,042	2,923,571
Inventory		5,698,535	10,036,709
Construction under process		-	2,073,380
Amount due from customers on construction contract		45,606,717	43,371,792
Accounts receivable and checks under collection	8	11,269,921	14,258,052
Short-term projects retentions	6	3,752,786	2,717,302
Cash and cash equivalents	7	2,242,997	14,394,320
<b>Total current assets</b>		<b>72,495,998</b>	<b>89,775,126</b>
<b>TOTAL ASSETS</b>		<b>123,451,742</b>	<b>157,556,582</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>			
<b>Shareholders' equity</b>			
Share capital	1	37,720,000	37,720,000
Statutory reserve	16	1,642,883	1,642,883
Special reserve	16	21,906	21,906
Share of foreign currency translation reserve		(686)	2,229
Retained earnings	17	386,743	790,045
<b>Equity attributable to equity holders of the parent company</b>		<b>39,770,846</b>	<b>40,177,063</b>
Non- controlling interest		2,347,739	2,242,134
<b>Total shareholders' equity</b>		<b>42,118,585</b>	<b>42,419,197</b>
<b>Non Current liabilities</b>			
Long-term loans	11	31,146,274	40,222,037
<b>Total non-current liabilities</b>		<b>31,146,274</b>	<b>40,222,037</b>
<b>Current liabilities</b>			
Accrued expenses and other payables	13	1,291,820	1,799,008
Payments received in advance from construction contract		4,540,722	6,397,626
Accounts payable, deferred checks and notes payable	10	18,212,562	30,773,861
Short-term loans	11	24,400,511	19,321,240
Bank overdrafts	12	1,741,268	16,623,613
<b>Total current liabilities</b>		<b>50,186,883</b>	<b>74,915,348</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>123,451,742</b>	<b>157,556,582</b>

The accompanying notes are an integral part of these consolidated financial statements

**INJAZ FOR DEVELOPMENT AND PROJECTS**  
(PUBLIC SHAREHOLDING COMPANY)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
(EXPRESSED IN JORDANIAN DINAR)

	Note	2024	2023
Revenue		37,408,782	40,521,231
Cost of revenue	18	(34,843,526)	(40,129,601)
<b>Gross profit</b>		<b>2,565,256</b>	<b>391,630</b>
General and administrative expenses	19	(674,825)	(1,237,800)
Finance Costs		(1,201,902)	(3,898,622)
Other revenue and expenses		(1,013,828)	739,616
Losses from the sale of the metal structures factory	20	(229,953)	-
<b>LOSS FOR THE YEAR</b>		<b>(555,252)</b>	<b>(4,005,176)</b>
<b>Other comprehensive income:</b>			
<b>Total comprehensive loss transferred to retained earnings</b>		<b>(555,252)</b>	<b>(4,005,176)</b>
Change in currency translation reserve		(4,240)	204
<b>Total comprehensive loss for the year</b>		<b>(559,492)</b>	<b>(4,004,972)</b>
<b>Loss for the year attributable to:</b>			
Equity holders of parent company		(403,302)	(2,772,790)
Non-controlling interests		(151,950)	(1,232,386)
		<b>(555,492)</b>	<b>(4,005,176)</b>
<b>Total comprehensive loss transferred to retained earnings is due to:</b>			
Equity holders of parent company		(406,217)	(2,772,650)
Non-controlling interests		(153,275)	(1,232,322)
		<b>(559,492)</b>	<b>(4,004,972)</b>
<b>Loss per share</b>			
<b>Loss per share- JOD/ share</b>		<b>(0,01)</b>	<b>(0,10)</b>
<b>Outstanding weighted Average share</b>		<b>37,720,000</b>	<b>37,720,000</b>

The accompanying notes are an integral part of these consolidated financial statements

**INJAZ FOR DEVELOPMENT AND PROJECTS  
(PUBLIC SHAREHOLDING COMPANY)**

**CONSOLIDATED STATEMENT OF SHAREHOLDERS EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(EXPRESSED IN JORDANIAN DINAR)**

	Share Capital	Statutory Reserve	Special Reserve	Share of Foreign Currency Translation Reserve	Retained Earnings	Equity Attributable to the Parent Company	Non-Controlling Interest	Total Shareholder equity
Balance at January 1, 2023	37,720,000	1,642,883	21,906	2,089	3,562,835	42,949,713	3,474,456	46,424,169
Comprehensive income for the year	-	-	-	140	(2,772,790)	(2,772,650)	(1,232,322)	(4,004,972)
Balance at December 31, 2023	37,720,000	1,642,883	21,906	2,229	790,045	40,177,063	2,242,134	42,419,197
Comprehensive income for the year	-	-	-	(2,915)	(403,302)	(406,217)	(153,275)	(559,492)
Non-controlling interest share of extinguishment of losses in a subsidiary	-	-	-	-	-	-	258,880	258,880
Balance at December 31, 2024	37,720,000	1,642,883	21,906	(686)	386,743	39,770,846	2,347,739	42,118,585

The accompanying notes are an integral part of these consolidated financial statements

**INJAZ FOR DEVELOPMENT AND PROJECTS  
(PUBLIC SHAREHOLDING COMPANY)**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(EXPRESSED IN JORDANIAN DINAR)**

	2024	2023
<b>OPERATING ACTIVITIES</b>		
Loss for the year before the tax	(555,252)	(4,005,176)
Adjustments on loss for the year before the tax :		
Depreciation	189,475	170,008
Financial charges	1,201,902	3,898,622
Gain on disposal of property, plant, and equipment	1,375,583	(402,856)
Changes in foreign currency translation	(4,240)	204
Changes in operating assets and liabilities:		
Prepaid expenses and other receivables	(1,001,471)	810,484
Projects retentions	(1,035,484)	912,638
Accounts receivable and checks under collection	2,988,131	4,923,474
Due from customers on construction contract	(2,234,925)	(5,603,075)
Inventory	4,338,174	1,534,139
Accrued expenses and other payables	(507,188)	(426,974)
Payment received in advance from construction contract	(1,856,904)	1,288,260
Accounts payable, deferred checks and notes payable	(12,561,299)	(8,514,623)
Construction under process	2,073,380	(908,165)
<b>Net cash used in operating activities</b>	<b>(7,590,118)</b>	<b>(6,323,040)</b>
<b>INVESTING ACTIVITIES</b>		
Payment of property, plant and equipment	(16,595,062)	(166,286)
Proceeds from the sale of property, plant and equipment	23,733,325	611,581
Payments of real estate investments	5,977,467	-
<b>Net cash available from investing activities</b>	<b>13,115,730</b>	<b>445,295</b>
<b>FINANCING ACTIVITIES</b>		
Banks overdraft	(14,882,345)	955,732
Loans	(3,996,492)	8,460,581
Payment of financial charge paid	1,201,902	(3,898,622)
<b>Net cash (used in) / available from financing activities</b>	<b>(17,676,935)</b>	<b>5,517,691</b>
<b>Net change in cash and cash equivalents</b>	<b>(12,151,323)</b>	<b>(360,054)</b>
Cash and cash equivalents, January 1	14,394,320	14,754,374
<b>Cash and cash equivalents, December 31</b>	<b>2,242,997</b>	<b>14,394,320</b>

The accompanying notes are an integral part of these consolidated financial statements

**INJAZ FOR DEVELOPMENT AND PROJECTS  
(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(EXPRESSED IN JORDANIAN DINAR)**

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**1. ORGANIZATION AND ACTIVITIES**

Injaz for Development and Projects a Jordanian public shareholding Company ("the Company"), registered on January 1, 1976, under Commercial registration number (104). The Company's share capital is 37,720,000 JOD divided into 37,720,000 shares, the per value is one JOD per share.

The Company's principal activity is purchase and developing lands and real-estate trading it, as well as investing in shares and bonds.

The Company head quarters and subsidiary company is in Amman.

**2. New and Amended International Financial Reporting Standards**

**The following new and amended standards and interpretations have not yet become effective**

**It is valid for annual periods beginning on or after**

Non-Fungibility of Exchange Rates (Amendments to IAS (21))

January 1, 2025

Presentation and Disclosure in Financial Statements (Amendments to IFRS (18))

January 1, 2027

Investments in Associates and Joint ventures (Amendments to IAS (28) and IFRS (10))

The implementation has been postponed indefinitely.

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

**INJAZ FOR DEVELOPMENT AND PROJECTS  
(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS(Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(EXPRESSED IN JORDANIAN DINAR)**

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Preparing Financial Statements**

The preparation of the consolidated financial statements in accordance with International Accounting Standard.

**Basis of Preparation**

The consolidated financial statements are presented in Jordanian Dinar (JOD) as this is the currency in which the majority of the Company's transactions are recorded.

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

**Basis of Consolidation Financial Statements**

The Consolidated Financial Statements incorporate the financial statements of Injaz for Development and Projects Company (Public Shareholding Company), and the subsidiaries controlled by the Company.

Control is achieved where the Company:

- Ability to exert power over the investee.
- Exposure, or rights, to variable returns from its involvement with the investee.
- Ability to exert power over the investee to affect the amount of the investor's returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate changes to one or more of the three elements of control described in the accounting policy for subsidiaries above.

When the Company has less than a majority of the voting, the Company shall have control over the investee when the voting rights sufficient to give it the ability to direct relevant activities of the investee individually.

When the Company reassesses whether or not it controls an investee, it consider all the relevant facts and circumstances which includes:

- Size of the holding relative to the size and dispersion of other vote holders
- Potential voting rights, others vote-holders, and other parties
- Other contractual rights
- Any additional facts and circumstances may indicate that the Company has, or does not have, the current ability to direct the activities related to the time needed to make decisions, including how to vote at previous shareholders' meetings.

The consolidation process begins when the Company's achieve control on the investee enterprise (subsidiary), while that process stops when the Company's loses control of the investee (subsidiary). In particular income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated income statement, and the consolidated comprehensive income statement from the effective date of acquisition and up to the effective date of which it loses control of a subsidiary company.

**INJAZ FOR DEVELOPMENT AND PROJECTS**  
**(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS(Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**(EXPRESSED IN JORDANIAN DINAR)**

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Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the parent company accounting policies.

All intergroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

The consolidated financial statements as at December 31, 2024, includes the financial statements of the following subsidiaries:

Name of Subsidiary	Place of Registration	Registration Year	Vote and Equity Percentage	The Main Activity
Arab Tower Contracting Company (Ltd)	Hashemite Kingdom of Jordan	2007	68.75%	Civil Construction and Related Activities

**Equity Instruments at FVTOCI**

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

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

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

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

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

**INJAZ FOR DEVELOPMENT AND PROJECTS**  
**(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
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When a debt instrument measured a FVTOCI is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured FVTOCI, the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to profit or loss but transferred within equity .

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

**Reclassifications**

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

**Impairment**

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

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

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

- 12 Month ECL, i.e., lifetime ECL that results from those default events on the financial instrument that are possible within 12 months after the reporting date (referred to as stage1); or
- Full lifetime ECL, i.e. Lifetime ECL that results from all possible default events over the life of the financial instruments, (referred to as stage2 and stage3).

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

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

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

Loss allowance for financial investments measured at amortized costs are deducted from gross carrying amount of assets. For debt securities a FVTOCI, the loss allowance is recognized in the OCI, instead of reducing the carrying amount of the asset.

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

**INJAZ FOR DEVELOPMENT AND PROJECTS**  
**(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**(EXPRESSED IN JORDANIAN DINAR)**

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

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

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

**Measurement of ECL**

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

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

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

**Credit-Impaired Financial Assets**

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

**Derecognition of financial assets**

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

On derecognition of a financial asset measured at amortized cost or measured at FVTPL, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

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

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**Presentation of allowance for ECL are presented in the financial information**

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

For financial assets measured at amortized cost (loans and advances, cash and bank balances): as a deduction from the gross carrying amount of the assets.

For debt instruments measured at FVTOCI no loss allowance is recognized in the consolidated statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in revaluation reserve and recognized in other comprehensive income.

**Recognition of Revenues and Expenses**

Revenue is recognized when it is probable that economic benefits will flow to the Company as a result of a reliably measurable exchange.

Expenses are recognized on an accrual basis.

**Critical Accounting Judgments and Key Sources of Estimation Uncertainty**

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

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

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

**Business Model Assessment:**

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

**Significant Increase of Credit Risk**

ECLs are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company considers both qualitative and quantitative reasonable and supportable forward looking information.

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**Establishing a Groups of Assets With Similar Credit Risk Characteristics**

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

**Models and Assumptions Used**

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

**Key Sources of Estimation Uncertainty in Respect Of IFRS 9**

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

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

**Probability of Default**

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

**Loss Given to Default**

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

**Cash and Cash Equivalents**

Cash and cash equivalents include cash, demand deposits, and highly liquid investments with original maturities of three months or less and which are not exposed to a significant risk of value change.

**Account Receivables**

Receivables are stated at their net recoverable amount, and a provision for impairment of receivables is made based on a full review of all balances at the end of the year, and the outstanding debts are written off in the period in which they are identified.

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**Accounts Payable and Accruals**

Accounts payable are recognized against the value of obligation for services or goods received, whether billed or not billed by the supplier.

**Inventory**

Inventory is stated at the lower of cost or net realizable value. Cost comprises direct materials, production and conversion costs, and other costs necessary to bring the inventory to the group's location and condition. In the case of manufactured inventory and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Cost is calculated using the weighted average method, net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

When the net realizable value of the inventories is lower than the cost, they provides for an allowance for the decline in the value of the inventory and recognizes the write-down as an expense in profit or loss.

**Revenue from Construction Contracts**

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract activity at the statement of financial position date, as measured by the proportion that contract costs incurred to total estimated contract costs. Variations in contract work are recognized to the extent that it is probable that they will result in revenue and such revenue can be reliably measured. Claims and incentive payments are included to the extent that it is probable that the customer will accept the claim and the amount can be measured reliably.

Changes in estimates used in the determination of the amount of revenue and expenses are recognized in the statement of income in the period in which the change is made.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognized as expenses in the period in which these are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

**Expenses**

General and administrative expenses include direct and indirect costs not specifically part of cost of revenue as required under generally accepted accounting principles. Expenses are distributed if necessary between general and administrative expenses and the cost of sales on a fixed basis.

**Goodwill**

International Accounting Standards Board issued International Financial Reporting Standard No. (3) (Integration).

The recorded increase purchase cost over the fair value of invested as goodwill. When the recoverable amount of this goodwill less that the net book value, goodwill is reduced to the recoverable amount and the value of the declining are recorded in the consolidated income statement.

Resulting goodwill on acquisition of subsidiary or joint control of an entity represents the purchase cost for the Company's share in the net fair value of the assets, liabilities and contingent liabilities of the subsidiary identified and recognized as at the date of purchasing. First, goodwill recorded as an asset on the basis of cost, then measured later on the basis of cost less accumulated decline in value.

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For the purpose of impairment testing, goodwill is allocated to each of the group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

**Property and Equipment**

Property and equipment are stated at cost less accumulated depreciation. Expenditures on maintenance and repairs are expensed. While expenditures for betterment are capitalized. Depreciation is provided over the estimated useful lives of the applicable assets using the straight-line method. The estimated rates of depreciation of the principal classes of assets are as follows:

	<u>Annual Depreciation Rate</u>
Buildings and Caravans	2% - 20%
Vehicles	10%
Machinery, Equipment and Devices	10-20%
Construction System	20-40%
Electrical Supplies	10-20%
Tools	10-20%
Furniture and Office Supplies	10%

Useful lives and the depreciation method are reviewed periodically to make sure that the method and amortization period appropriate with the expected economic benefits of property and equipment.

Impairment test is performed to the value of the property and equipment that appears in the consolidated Statement of Financial Position When any events or changes in circumstances shows that this value is non-recoverable.

In case of any indication to the low value, impairment losses are calculated according to the policy of the low value of the assets.

At the exclusion of any subsequent property and equipment recognize the value of gains or losses resulting. Which represents the difference between the net proceeds of exclusion and the value of the property and equipment that appears in the consolidated statement of financial position. gross profit and loss.

**Real Estate Investments**

Investment properties are stated at cost (in accordance with IAS 40). The Company's standard for recording investments are either at cost or at fair value provided that there is no impediment to the ability to reliably determine the value of the investments. The management of the Company has chosen the cost to record its investment properties.

**Provisions**

A provision recognized, when the Company has a present obligation (legal or expected), arising from past events which its cost of repayment considers accepted and it has ability to estimate it reliably.

The provision is measured based on the best expectations of the required alternative to meet the obligation as of the balance sheet date after considering the risks and not assured matters about the obligation. When the provision had been measured with the estimated cash flows to pay the present obligation, the accounts receivable are recognized as asset in case of receipt and replacement of the amount is certain and it able to measure the amount reliably.

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**Segment Reporting**

A business segment is a group of assets and operation engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. Segment is engaged in providing products or services within a particular economic environment and Company include significant business sectors in the purchase, develop and trade of lands and real estate, in addition to investing in securities and bonds, the Company operates only in the Hashemite Kingdom of Jordan.

**Offsetting**

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

**Income Tax**

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

**Foreign Currency Transactions**

Foreign currency transactions translated into Jordanian Dinars at the rates of exchange prevailing at the time of the transactions. The operation occurs during the year are translated at weighted average rates at time of transaction. Gains and losses from settlement and transaction of foreign currency transaction are included in the statement of comprehensive income.

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**4. PROPERTY AND EQUIPMENT**

2024	Lands	Buildings and Caravans	Vehicles	Machinery, Equipment and Devices	Construction System	Electrical Devices	Tools	Furniture and Office Supplies	Total
<b>Cost:</b>									
Balance at January 1	5,165,880	23,250,645	2,098,728	18,126,429	9,387,498	849,572	2,644,140	268,563	61,791,455
Additions	-	15,967,975	-	424,946	187,290	2,743	12,108	-	16,595,062
Disposal	(5,055,880)	(21,728,827)	(215,570)	(5,122,395)	-	(31,967)	(976,734)	(35,074)	(33,166,447)
Balance at December 31	110,000	17,489,793	1,883,158	13,428,980	9,574,788	820,348	1,679,514	233,489	45,220,070
<b>Depreciation:</b>									
Balance at January 1	-	1,585,502	890,871	13,691,143	8,587,765	726,764	1,806,493	207,800	27,496,338
Depreciation	-	5,078	9,559	118,615	21,052	1,145	31,882	2,144	189,475
Disposal	-	(1,046,541)	(118,178)	(4,138,867)	-	(31,944)	(542,021)	(35,064)	(5,912,615)
Balance at December 31	-	544,039	782,252	9,670,891	8,608,817	695,965	1,296,354	174,880	21,773,198
Net book value December 31	110,000	16,945,754	1,100,906	3,758,089	965,971	124,383	383,160	58,609	23,446,872

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2023	Lands	Buildings and Caravans	Vehicles	Machinery, Equipment and Devices	Construction System	Electrical Devices	Tools	Furniture and Office Supplies	Total
<b>Cost :</b>									
Balance at January 1	5,165,880	23,273,031	2,332,116	18,646,665	9,353,805	849,572	2,637,597	268,563	62,527,229
Additions	-	-	125,500	550	33,693	-	6,543	-	166,286
Disposal	-	(22,386)	(358,888)	(520,786)	-	-	-	-	(902,060)
<b>Balance at December 31</b>	<b>5,165,880</b>	<b>23,250,645</b>	<b>2,098,728</b>	<b>18,126,429</b>	<b>9,387,498</b>	<b>849,572</b>	<b>2,644,140</b>	<b>268,563</b>	<b>61,791,455</b>
<b>Depreciation:</b>									
Balance at January 1	-	1,600,014	1,100,209	14,067,925	8,560,654	686,801	1,802,693	201,369	28,019,665
Depreciation	-	7,871	12,807	72,025	27,111	39,963	3,800	6,431	170,008
Disposal	-	(22,383)	(222,145)	(448,807)	-	-	-	-	(693,335)
<b>Balance at December 31</b>	<b>-</b>	<b>1,585,502</b>	<b>890,871</b>	<b>13,691,143</b>	<b>8,587,765</b>	<b>726,764</b>	<b>1,806,493</b>	<b>207,800</b>	<b>27,496,338</b>
<b>Net book value December 31</b>	<b>5,165,880</b>	<b>21,665,143</b>	<b>1,207,857</b>	<b>4,435,286</b>	<b>799,733</b>	<b>122,808</b>	<b>837,647</b>	<b>60,763</b>	<b>34,295,117</b>

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**5. REAL ESTATE INVESTMENTS**

The Arab Towers Contracting Company (a subsidiary company) has purchased 20 apartments from the Abdali Towers Company - Jordan, where the apartments are located within the building located on the lands with numbers (845, 846) Basin No. (14) Al Weibdeh Al Wastani from the lands of the city of Amman with a value of 5,000,000 JOD. In addition, enhancements totaling 977,467 JOD have been made to the apartments. The title deeds of these apartments have not been issued by the Department of Lands and Surveys until the date of the financial statements.

**6. PROJECTS RETENTIONS**

	2024	2023
Total Project Retentions	3,752,786	2,717,302
Deduct : Short-Term Projects Retentions	3,752,786	2,717,302
Long-Term Projects Retentions	-	-

**7. CASH AND CASH EQUIVALENTS**

	2024	2023
Cash on Hand	289	4,381
Cash at Banks	2,242,708	14,389,939
	2,242,997	14,394,320

**8. ACCOUNTS RECEIVABLES AND CHECKS UNDER COLLECTION**

	2024	2023
Account receivables *	1,299,414	1,224,816
Checks under collection	9,970,507	13,033,236
	11,269,921	14,258,052

\* The account receivables are less than three months old.

**9. PREPAID EXPENSES AND OTHER RECEIVABLES**

	2024	2023
Prepaid Expenses	445,459	1,173,800
Advance Payments to the Income Tax Department	412,045	407,042
Letter of Credit	1,626,791	125,760
Refundable Deposits	875,581	862,267
Due from Employee - Orders	559,446	350,022
Due to Income Tax	5,720	4,680
	3,925,042	2,923,571

**10. ACCOUNTS PAYABLE, DEFERRED CHECKS AND NOTES PAYABLES**

	2024	2023
Accounts Payable	4,900,580	10,063,811
Deferred Checks	11,179,936	6,059,393
Due to Related Parties (Note-15)	1,783,546	6,666,466
Notes Payable	348,500	7,984,191
	18,212,562	30,773,861

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**11. LONG-TERM AND SHORT-TERM LOANS**

	2024	2023
Arab Bank	12,869,573	21,332,439
Egyptian Arab Land Bank	-	95,419
Bank Al Etihad	3,484,214	2,875,615
Jordan Kuwait Bank	19,265,167	13,951,682
Jordan Ahli Bank	4,862,309	8,145,391
Housing Bank	14,751,983	12,438,990
Safwa Islamic Bank	114,051	120,910
Capital Bank	199,488	582,831
<b>Total Loans</b>	<b>55,546,785</b>	<b>59,543,277</b>
Deduct: Current Portion of Long-Term Loans	24,400,511	19,321,240
Part of a Long-Term	31,146,274	40,222,037

**Arab Bank**

The Company obtained loans from Arab Bank with ceiling of 17,169,000 JOD, interest rate 5.25% without commission and by guaranteeing waiver of project receivables .

In addition, the Company obtained loans from Arab Bank with ceiling of 37,000,000 JOD, interest rate 8.125% without commission and by guaranteeing waiver of project receivables

**Egyptian Arab Land Bank**

The Company obtained loans from the Egyptian Arab Land Bank with a ceiling of 5,000,000 JOD at a rate of 8.825% and without commission by guaranteeing waiver of project receivables.

**Bank Al Etihad**

The Company obtained loans from Bank al Etihad with ceiling of 5,500,000 JOD, interest rate 8.25% without commission by guaranteeing waiver of project receivables .

**Jordan Kuwait Bank**

The Company obtained loans from Jordan Kuwait Bank with ceiling of 33,200,000 JOD, interest rate 9% without commission and by guaranteeing waiver of project receivables .

**Ahli Bank**

The Company obtained loans from Jordan Ahli Bank with ceiling of 29,000,000 JOD, interest rate 8.125% without commission and by guaranteeing waiver of project receivables .

**Housing Bank**

The Company obtained a loan from the Housing Bank in the amount of 4,518,000 JOD, at an interest rate of 8.2% (PLR) annually, without commission by guaranteeing of project receivables.

**Safwa Islamic Bank**

The Company obtained murabaha loans from Safwa Islamic Bank at an amount of 1,360,000 JOD, at a profit rate of 8.29% annually, without commission, and with the guarantee of Mr. Hisham Al-Wadi and with a guarantee of assignment of project dues. These murabaha are paid in different installments starting on February 25, 2021 and ending on September 30, 2022.

**Capital Bank**

The Company obtained a loan from the Capital Bank of Jordan (Capital Bank) in the amount of 1,988,000 JOD, with an interest rate of 9%, without commission, with the guarantee of Mr. Hisham Al-Wadi, and with a guarantee for the waiver of project dues. The loan will be repaid in one payment, in addition to interest due 23 months after the date of implementation, provided that it is completed. Reducing the debt by deducting 40% of the value of each payment received into the account from the tender dues, provided that the interest is calculated from the date of implementation.

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**12. BANK OVERDRAFT**

	<u>2024</u>	<u>2023</u>
Arab Bank	-	12,826,734
Bank Al Etihad	-	1,017,247
Jordan Ahli Bank	1,009,539	1,009,707
Jordan Kuwait Bank	269,674	1,306,510
Housing Bank	462,045	463,415
Egyptain Arab Land Bank	10	-
	<u>1,741,268</u>	<u>16,623,613</u>

**Arab Bank**

The Company obtained overdraft facilities from Arab Bank with a ceiling of 12,000,000 JOD, at interest rate of 8.125% without commission by shareholder guarantee.

**Bank al Etihad**

The Company obtained overdraft facilities from Bank al Etihad with a ceiling of 1,000,000 JOD, at interest rate 8.25% without commission by shareholder guarantee.

**Jordan Ahli Bank**

The Company obtained overdraft facilities from Jordan Ahli Bank with a ceiling of 1,000,000 JOD, at interest rate 8.125% without commission by shareholder guarantee.

**Jordan Kuwait Bank**

The Company obtained overdraft facilities from Jordan Kuwait Bank with a ceiling of 1,000,000 JOD, at interest rate 9% without commission by shareholder guarantee.

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**13. ACCRUED EXPENSES AND OTHER PAYABLES**

	2024	2023
Accrued Expenses	1,134,322	1,670,368
Due to Income Tax	10,752	34,646
Due to Social Security	144,020	91,263
Others Payable	2,726	2,731
	<b>1,291,820</b>	<b>1,799,008</b>

Arab Towers Contracting Company amman branch (a subsidiary company) has completed its tax status with the Income and Sales Tax Department till 2021 and for the years 2022 and 2023, the Company submitted a tax return to the department, the Company's accounting records were not reviewed until the date of the Company's consolidated financial statements.

Abraj Al Arab Contracting Company Aqaba Branch (a subsidiary company) has been approved its tax return with the Income and Sales Tax Department till 2020, As for the year 2021, 2022 and 2023, the department's a tax return was submitted, and the Company's accounting records were not reviewed until the date of preparing the financial statements.

**14. GOODWILL**

On 2012, the Company purchased 25% of Arab Tower Contracting Company (Ltd) based on equity on January 1, 2012 amounted of 13,500,000 JOD.

During 2014 the Company increased its share capital in Arab Tower Contracting Company (Ltd) by 23,75% resulting in a total percentage of shares capital became 48,75% were the incremental acquiring cost at amount of 11,500,000 JOD.

During 2016, the Company increased its share capital in Arab Tower Contracting Company (Ltd) by 20% resulting in a total percentage of shares capital of 68,75% were the incremental acquiring cost at amount of 10,250,000 JOD. Therefore, the financial statements were consolidated with Arab Tower Contracting Company (Ltd).

**The Total Cost of Acquisition as Follows :-**

The Cost of Acquiring 25% of Shares	13,500,000
The Cost of Acquiring 23,75% of Shares	11,500,000
The Cost of Acquiring 20% of Shares	10,250,000
<b>Total</b>	<b>35,250,000</b>
Add: Legal Title Transfer Fees	211,705
The Total Cost of Acquiring 68,75% of Shares	<b>35,461,705</b>
Legal Title Transfer Fees Amortization	(211,705)
<b>Net Acquisition Cost</b>	<b>35,250,000</b>

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The fair value of assets and liabilities of Arab Tower Contracting Company (Subsidiary) as follow:-

Assets	Fair value	Book value at aquisition
Property and equipment	18,101,977	18,101,977
Inventories	5,958,223	5,958,223
Accounts receivable and checks under collection	50,377,233	50,377,233
projects retentions	8,347,160	8,347,160
Amount due from customers on construction contract	43,552,646	43,552,646
Financial assets designated at fair value through other comprehensive income	340,535	340,535
Prepaid expenses and other receivables	6,767,905	6,767,905
Cash and cash equivalents	9,205,895	9,205,895
<b>Total assets</b>	<b>142,651,574</b>	<b>142,651,574</b>
<b>Liabilities</b>		
Short-term loans	21,591,850	21,591,850
Banks overdraft	9,809,450	9,809,450
Payment received in advance from construction contract	28,100,587	28,100,587
Accounts payable and deferred checks	68,824,944	66,563,489
Accrued expenses and other liabilities	3,064,921	3,064,921
<b>Total liabilities</b>	<b>131,391,752</b>	<b>129,130,297</b>
<b>Net owned assets</b>	<b>11,259,822</b>	<b>13,521,277</b>
<b>Company share of Net owned assets after declaration (68,75%)</b>	<b>7,741,128</b>	
<b>Cash paid (Investment cost until acquisition date)</b>	<b>35,250,000</b>	
<b>Goodwill as a result of acquisition</b>	<b>27,508,872</b>	

**Annual Test for Impairment:**

During the financial year parent company has not perform the impairment test of the goodwill, therefore the recoverable goodwill amount has not identified in related with the subsidiary, which is operate in construction contracting.

**INJAZ FOR DEVELOPMENT AND PROJECTS  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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**15. RELATED PARTIES TRANSACTIONS**

Transactions with related parties consist of transactions with companies that are jointly controlled by the Chairman of the Board of Directors, as well as transactions with the Chairman of the Board of Directors and his associates. The policies and conditions relating to the transactions with related parties are approved by the Company's management. Transactions are conducted with related parties other than the owner Company or the chairman of the Board of Directors are transactions of a commercial nature. Transactions with the owner Company or the chairman of the Board of Directors of the owning Company are of a financing nature.

During the year, the Company entered into transactions with the following related parties :

<u>NAME</u>	<u>RELATIONSHIP</u>	
Eng. Hisham El Wadi	Partner of the Subsidiary Company	
Due to related parties as of December 31 as follows:-	<u>2024</u>	<u>2023</u>
Eng. Hisham El Wadi	<u>1,783,546</u>	<u>6,666,466</u>
	<u>1,783,546</u>	<u>6,666,466</u>

**16. RESERVES**

**Statutory Reserve**

In accordance with the Companies' Law in the Hashemite Kingdom of Jordan and the Company's Article of Association, the Company has established a statutory reserve by appropriating of 10% of net income until the reserve equals 25% of the capital. However, the Company may, with the approval of the General Assembly continue deducting this annual ratio until this reserve is equal to the subscribed capital of the Company in full. This reserve is not available for dividends distribution.

**Special Reserve**

In accordance with the Companies' Law in the Hashemite Kingdome of Jordan and the Company's Article of Association, the Company can establish a special reserve by appropriating no more than 20% of net income. This reserve is for the expansion of the Company's financial position and is available for dividend distribution till the approval of the Company's general assembly (shareholders).

**17.DISTRIBUTABLE RETAINED EARNINGS**

Under the instructions of the Securities Commission, the distributable profits are as follows

	<u>2024</u>	<u>2023</u>
Retained Earnings	<u>386,743</u>	790,045
Deduct: Unrealized Profits	-	-
Profits Earned	<u>386,743</u>	790,045
Deduct: Negative Fair Value Reserve	-	-
Distributable Retained Earings	<u>386,743</u>	<u>790,045</u>

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**18. COST OF REVENUES**

	2024	2023
Cost of Construction of Projects Revenue	34,654,051	39,959,593
Depreciation for the Property and Equipment	189,475	170,008
	<u>34,843,526</u>	<u>40,129,601</u>

**19. GENERAL AND ADMINISTRATIVE EXPENSES**

	2024	2023
Salaries, Wages, and Other Benefits	411,629	971,477
Government Fees and Subscriptions	54,768	53,246
Vehicles Expenses	20,319	32,804
Electricity, Water, Telephone and Internet	10,121	23,744
Stationery and Printing	18,988	15,614
Professional Fees and Consultancies	71,305	16,650
Rent	38,976	40,416
Bids Expenses	6,200	14,150
End of Service Compensation	1,700	1,700
Maintenance	1,511	1,892
Insurance	15,195	48,438
Cleaning	1,335	1,985
Other Expenses	22,778	15,684
	<u>674,825</u>	<u>1,237,800</u>

**20. LOSSES FROM THE SALE OF THE METAL STRUCTURES FACTORY**

During 2024, the Company sold the metal structures factory, owned by Arab Towers Contracting Company, LLC (a subsidiary), along with the buildings located therein, in addition to other assets, including inventory of all types of raw materials, spare parts, and production inputs, for a total amount of 12,000,000 JOD. The sale resulted in a loss of 229,953 JOD.

**21. CONTINGENT LIABILITIES**

The Company has contingent liabilities as of December 31, 2024 for letter of credits in the amount of 11,137,664 JOD and for bank guarantees of an amount of 23,757,218 JOD.

**22. THE LEGAL STATUS OF THE COMPANY**

**Summary Of Cases Submitted By The Subsidiary Againsts Others:**

The value of the cases filed by the subsidiary (Arab Towers Contracting Company) amounted to 114,569 (2023: 3,362,147 JOD).

**Summary Of Cases Filed Against The Company And Its Subsidiary :**

The value of cases filed by the amount of cases filed by other parties against (Arab Towers Contracting Company) amounted to 531,785 (2023: 528,731 JOD).

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
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**23. FINANCIAL INSTRUMENTS**

**Fair Value**

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

**Management of Share Capital Risks**

The Company manages its capital to make sure that the Company will continue when it takes the highest return by the best limit for debts and owners equity balances. The Company's strategy doesn't change from 2023.

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

**The Debt Rate**

The Board of Directors is reviewing the share capital structure periodically, as a part of this reviewing, the Board of Directors consider the cost of share capital and the risks that is related in each faction from capital and debt factions. The Company capital structure includes debts from borrowing. The Company's doesn't determine the highest limit of the debt rate during 2025.

**The Management of the Financial Risks**

The Company's activities might be exposing mainly to the followed financial risks:

**Management of the Foreign Currencies Risks**

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

**Interest Rate Risk**

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

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

The following table demonstrates the sensitivity of the consolidated statement of comprehensive income to reasonably possible changes in interest rates as at December 31, with all other variables held constant:

<u>Currency</u>	<u>Interest Rate Increase</u>	<u>The Impact on Profit for the Year</u>	
JOD	(Percentage)	<u>2024</u>	<u>2023</u>
	100	- 572,881	- 761,669
<u>Currency</u>	<u>Interest Rate Decrease</u>	<u>The Impact on Profit for the Year</u>	
JOD	(Percentage)	<u>2024</u>	<u>2023</u>
	100	+ 572,881	+ 761,669

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**Other Price Risk**

The Company exposes to price risks resulting from its investments in owners' equity to other companies. The Company keeps investments in other Company's owner's equity for strategic purposes and not for trading purposes.

The Company has no trading activity in those investments.

**Credit Risk Management**

The credit risks represented if one part of the financial instruments contracts has not obligated to pay the contractual obligations and cause of that the Company is exposing financial losses. However, there are no any contracts with any other parts so the Company doesn't expose to different types of the credit risks. The significant credit exposure for any entities with similar characteristics has been disclosed in note No.(15).The Company classify the parts which have similar specifications as a related parties. Except the amounts which are related to the cash money.

Credit risks that are resulting from the cash money are specific because the parts that are dealing with it are local banks which have good reputations and controlled by control parties.

The listed amounts in the financial data represents the highest credit risk exposer to trade and other receivable, cash and cash equivalents.

**Management of Liquidity Risks**

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

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

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

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

	<u>Year or Less</u>	<u>More than one Year</u>	<u>Total</u>
<b>December 31, 2024</b>			
Tools without interest	24,045,104	-	24,045,104
Tools with interest	26,141,779	31,146,274	57,288,053
<b>Total</b>	<b>50,186,883</b>	<b>31,146,274</b>	<b>81,333,157</b>
<b>December 31, 2023</b>			
Tools without interest	38,970,495	-	38,970,495
Tools with interest	35,944,853	40,222,037	76,166,890
<b>Total</b>	<b>74,915,348</b>	<b>40,222,037</b>	<b>115,137,385</b>

**24. COMPARATIVE FIGURES**

Certain numbers for the year 2023 have been reclassified and reclassified to conform to the presentation numbers for the year ended December 31, 2024.

**25. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements were approved by the Directors and authorized for issuance on March 26, 2025.