ALIA - THE ROYAL JORDANIAN AIRLINES COMPANY
(ROYAL JORDANIAN)

A PUBLIC SHAREHOLDING COMPANY

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2024

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working world

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Alia - The Royal Jordanian Airlines (Royal Jordanian)
Amman - Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Alia - The Royal Jordanian Airlines (Royal Jordanian) (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects the financial position of the Group as at 31 December 2024, its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

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

Key Audit Matters

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

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

<table>
<tr><th>1. Passengers' and cargo revenue recognition</th><th>Audit procedures</th></tr>
<tr><td>
The disclosures for passengers' and cargo revenues are set out in note (24) to the consolidated financial statements
Passengers' and cargo revenues are recognized in the consolidated statement of financial position as deferred revenues and are recognized as revenues in the consolidated statement of comprehensive income when the services are provided.
We focus on passengers' and cargo revenues due to the following:

Passengers and Cargo revenues are material, and recognizing these revenues upon the fulfillment of the performance obligation requires significant reliance on automated systems.
With regard to frequent flyer program, points awarded to customers under these programs are recorded separately from the sales under which these points were awarded. Accordingly, a portion of the proceeds from the sale of these points is allocated to these points, and recognition of this portion as revenues is deferred until the periods in which the points are utilized.
The fair value of the points is estimated by estimating the fair value of the returns that could be obtained from those points less the fair value of the points that are not expected to be utilized. The Group makes every effort to determine the assumptions applied to the method of calculating the number of points expected to be unused, by applying statistical techniques and relying on historical data to help determine the fair value of the points awarded.

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Our audit procedures included the following:

Studying and understanding the mechanism used by management to determine the types of revenue sources.
Evaluating the accounting policies followed by the Group for revenue recognition in accordance with International Financial Reporting Standard No. (15).
Studying the Group's internal control system regarding revenue recognition, including the key internal control elements within the revenue recognition cycle. We also obtained support for our conclusions from specialists within the audit team.
Auditing refunds of passengers' tickets and cargo airwaybills.
Selecting a sample before and after the end of the current year to assess whether revenues were recognized in the correct period.
Performing substantive analytical procedures using financial and non-financial information.
Testing a representative sample of journal entries.

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</table>

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2. IFRS (16) “Leases”	Audit procedures
The disclosures for leases are set out in note (19-a) to the consolidated financial statements IFRS (16) specifies the method for recognizing, measuring, presenting, and disclosing leases. The standard requires the lessee to recognize a right-of-use asset and an associated obligation for all leases, except for short-term leases (with a term of 12 months or less) or leases where the leased asset is of low value. The application of IFRS (16) is an important audit matter for the following reasons: - The judgment required by management in determining the key assumptions, which include identifying the contracts within the scope of IFRS (16), the term of the lease, and the discount rate used to calculate the lease obligation.	Our audit procedures included the following: - Evaluating the results of applying IFRS (16) to the Group's consolidated financial statements. - Testing management's assumptions used in preparing the impact assessment, including ensuring that the exemptions adopted by management are acceptable and consistent with IFRS (16) (such as short-term contracts and contracts where the asset is of low value). - Evaluating the consistency of the accounting principles related to leases with the definitions of IFRS (16), which include factors such as the term of the contract, the discount rate, and the measurement basis. - Verifying the basis used by management in determining the discount rate used to calculate the present value of future lease payments, including ensuring that there is no implicit interest rate in the leases. Therefore, we confirmed the validity and reasonableness of management's calculation of the discount rate used. - Recalculating the discount rate used to calculate the present value of future lease payments.

Other information included in the Group's 2024 annual report

Other information consists of the information included in the Group's 2024 Annual Report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2024 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of 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 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 judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

The partner in charge of the audit resulting in this auditor's report was Ali Hasan Samara; license number 503.

Amman - Jordan
27 March 2025

ERNST & YOUNG
Amman - Jordan

Alia - The Royal Jordanian Airlines Company (Royal Jordanian)
Public Shareholding Company
Consolidated Statement of Financial Position
At 31 December 2024
(In Thousands of Jordanian Dinars)

	Notes	**2024**	2023
ASSETS			
Non-current assets			
Property and equipment	8	**144,380**	83,884
Investment properties	11, 36	**164,307**	164,307
Right-of-use assets	19-a	**356,683**	328,700
Long-term advances on purchase and modification of aircraft	9	**13,071**	9,715
Financial assets at fair value through other comprehensive income	10	**1,157**	2,087
Investments in associates	12	**26,776**	20,305
Restricted cash against lease contracts	19-b	**43,163**	42,289
Long-term loan granted to an associate	11, 18-a	**5,626**	5,626
Deferred tax assets		**12,322**	12,322
		767,485	669,235
Current assets			
Other current assets	13	**35,744**	33,007
Short-term advances on purchase of aircraft and engine	9	**5,272**	-
Spare parts and supplies	14	**8,321**	8,036
Current portion of long-term loan granted to an associate	11, 18-a	**1,170**	1,922
Accounts receivable	15	**40,492**	40,807
Cash and bank balances	16	**97,553**	139,115
		188,552	222,887
Assets held for sale	8, 33	**1,284**	79
TOTAL ASSETS		**957,321**	892,201
EQUITY AND LIABILITIES			
Shareholders' equity			
Paid-in capital	17	**363,627**	363,627
Share discount	17	**(78,205)**	(78,205)
Fair value reserve	10	**(787)**	133
Cash flow hedges		**(87)**	(61)
Accumulated losses		**(198,548)**	(194,831)
		86,000	90,663
Non-controlling interests		**19,545**	19,623
Total shareholders' equity		**105,545**	110,286
LIABILITIES			
Non-current liabilities			
Long-term loans	18-a	**60,522**	87,785
Long-term lease obligations	19-a	**278,445**	255,494
Long-term grants	18-b	**5,596**	2,558
Other long-term liabilities	20	**59,663**	62,377
		404,226	408,214
Current liabilities			
Bank overdraft	16	**20,868**	-
Current portion of long-term loans	18-a	**24,674**	25,082
Accrued expenses	21	**94,848**	81,033
Accounts payable and other current liabilities	22	**103,979**	86,997
Deferred revenues	23	**131,260**	106,441
Short-term lease obligations	19-a	**68,196**	70,548
Short-term grants	18-b	**3,566**	3,401
		447,391	373,502
Liabilities directly associated with the assets held for sale	33	**159**	199
Total liabilities		**851,776**	781,915
TOTAL EQUITY AND LIABILITIES		**957,321**	892,201

The attached notes from 1 to 43 form part of these consolidated financial statements

Alia - The Royal Jordanian Airlines Company (Royal Jordanian)
Public Shareholding Company
Consolidated Income Statement
For the Year Ended 31 December 2024
(In Thousands of Jordanian Dinars)

	Notes	2024	2023
Continuing Operations:			
Revenues from contracts with customers	24	**745,629**	733,241
Cost of revenues	25	**(664,694)**	(665,788)
Gross profit		**80,935**	67,453
General and administrative expenses	27	**(17,889)**	(15,519)
Selling and marketing expenses	28	**(50,631)**	(47,564)
Other provisions	14,15	**(642)**	(1,139)
Net operating profit		**11,773**	3,231
Group's share of profits of associates, net	12	**8,033**	5,118
Other income, net	26	**8,562**	6,758
Loss on disposal of property and equipment		**(113)**	(157)
Provision for voluntary termination	30	**(61)**	(109)
Loss on foreign currency exchange	39	**(2,234)**	(1,447)
Finance costs	29	**(34,001)**	(29,624)
Interest income		**5,030**	7,601
Loss for the year from continuing operations before income tax		**(3,011)**	(8,629)
Income tax expense	32	**(514)**	(49)
Loss for the year from continuing operations		**(3,525)**	(8,678)
Discontinued operations:			
Loss for the year from discontinued operations after income tax	33	**(10)**	(15)
Loss for the year		**(3,535)**	(8,693)
Attributable to:			
Equity holders of the parent		**(3,707)**	(8,735)
Non-controlling interests		**172**	42
		(3,535)	(8,693)
Earnings per share			
Basic and diluted earnings per share attributable to equity holders of the parent	31	**(0.010)**	(0.028)

The attached notes from 1 to 43 form part of these consolidated financial statements

Alia - The Royal Jordanian Airlines Company (Royal Jordanian)
Public Shareholding Company
Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2024
(In Thousands of Jordanian Dinars)

		2024	2023
Loss for the year		**(3,535)**	(8,693)
Other comprehensive income items that will not be reclassified to profit or loss in subsequent periods (net of tax):			
Change in fair value of financial assets at fair value through other comprehensive income	10	**(930)**	-
Other comprehensive income items that will be reclassified to profit or loss in subsequent periods (net of tax):			
Net loss on cash flow hedges		**(26)**	(61)
Total comprehensive income for the year		**(4,491)**	(8,754)
Attributable to:			
Equity holders of the parent		**(4,663)**	(8,796)
Non-controlling interests		**172**	42
		(4,491)	(8,754)

The attached notes from 1 to 43 form part of these consolidated financial statements

Alia - The Royal Jordanian Airlines Company (Royal Jordanian)
Public Shareholding Company
Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2024
(In Thousands of Jordanian Dinars)

	Attributable to equity holders' of the parent									
	Paid-in capital	Share discount	Payments in respect of capital increase	Statutory reserve	Fair value reserve	Cash flow hedges	Accumulated losses	Total	Non-controlling interests	Total equity
2024 -										
Balance as of 1 January	**363,627**	**(78,205)**	-	-	**133**	**(61)**	**(194,831)**	**90,663**	**19,623**	**110,286**
Loss for the year	-	-	-	-	-	-	**(3,707)**	**(3,707)**	**172**	**(3,535)**
Other comprehensive income items	-	-	-	-	**(930)**	**(26)**	-	**(956)**	-	**(956)**
Total comprehensive income for the year	-	-	-	-	**(930)**	**(26)**	**(3,707)**	**(4,663)**	**172**	**(4,491)**
Loss from disposal of financial assets at fair value through other comprehensive income	-	-	-	-	**10**	-	**(10)**	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	**(250)**	**(250)**
Balance as of 31 December	**363,627**	**(78,205)**	-	-	**(787)**	**(87)**	**(198,548)**	**86,000**	**19,545**	**105,545**
2023 –										
Balance as of 1 January	324,610	(78,205)	70,000	14,808	133	-	(399,618)	(68,272)	15	(68,257)
Loss for the year	-	-	-	-	-	-	(8,735)	(8,735)	42	(8,693)
Other comprehensive income items	-	-	-	-	-	(61)	-	(61)	-	(61)
Total comprehensive income for the year	-	-	-	-	-	(61)	(8,735)	(8,796)	42	(8,754)
Accumulated losses write off (Note 17)	(200,983)	-	-	(14,808)	-	-	215,791	-	-	-
Capital increase (Note 17)	240,000	-	(70,000)	-	-	-	-	170,000	-	170,000
Capital restructuring costs	-	-	-	-	-	-	(2,269)	(2,269)	-	(2,269)
Acquisition of subsidiaries (Note 11)	-	-	-	-	-	-	-	-	19,566	19,566
Balance as of 31 December	363,627	(78,205)	-	-	133	(61)	(194,831)	90,663	19,623	110,286

The attached notes from 1 to 43 form part of these consolidated financial statements

Alia - The Royal Jordanian Airlines Company (Royal Jordanian)
Public Shareholding Company
Consolidated Statement of Cash Flows
For the Year Ended 31 December 2024
(In Thousands of Jordanian Dinars)

	Notes	2024	2023
OPERATING ACTIVITIES			
Loss for the year from continuing operations before income tax		**(3,011)**	(8,629)
Loss for the year from discontinued operations before income tax		**(10)**	(15)
		(3,021)	(8,644)
Adjustments:			
Depreciation of property and equipment	8	**19,340**	17,709
Depreciation of right-of-use assets	19-a	**59,713**	57,423
Share of profits of associate	12	**(8,033)**	(5,118)
Finance costs	29	**34,001**	29,624
Other income – amortization of grants	26	**(3,401)**	(3,183)
Gain on terminated lease contracts		**(192)**	-
Provision for expected credit losses	15	**121**	586
Provision for slow moving inventory	14	**521**	553
Loss from disposal of property and equipment		**113**	157
Provision for voluntary termination	30	**61**	109
Provision for end of service indemnity	20	**72**	121
Interest income		**(5,030)**	(7,601)
Reversal of legal cases provision		**(60)**	(3,000)
Reversal of leased aircraft redelivery provision	26	**(2,787)**	-
Working capital changes:			
Accounts receivable		**194**	(188)
Spare parts and supplies		**(806)**	(2,237)
Other current assets		**(3,363)**	(2,229)
Deferred revenues		**24,819**	19,732
Accounts payable and other current liabilities		**2,352**	6,816
Accrued expenses and other long-term liabilities		**13,165**	18,934
End of service indemnity payments	20	**(27)**	(83)
Legal cases payments		**(150)**	(68)
Income tax payments	32	**(328)**	(14)
Net cash flows from operating activities		**127,274**	119,399
INVESTING ACTIVITIES			
Purchase of property and equipment	8	**(58,143)**	(13,709)
Proceeds from disposal of property and equipment		**230**	285
Interest income received		**5,485**	6,123
Change in restricted cash against lease contracts		**(874)**	(12,134)
Change in advances on purchase and modification of aircraft and engine		**(8,628)**	(6,018)
Short-term deposits		**30,097**	18,073
Loan granted to an associate		**752**	-
Cash proceeds from acquisition of subsidiaries	11	**-**	3,817
Net cash flows used in investing activities		**(31,081)**	(3,563)
FINANCING ACTIVITIES			
Repayment of loans		**(24,612)**	(22,125)
Proceeds from loans		**-**	2,836
Capital increase costs		**-**	(2,269)
Payments of lease obligations	19-a	**(98,677)**	(92,165)
Interest paid		**(5,316)**	(5,984)
Net cash flows used in financing activities		**(128,605)**	(119,707)
Net decrease in cash and cash equivalents		**(32,412)**	(3,871)
Cash and cash equivalents at the beginning of the year		**52,437**	56,308
Cash and cash equivalents at the end of the year	16	**20,025**	**52,437**

The attached notes from 1 to 43 form part of these consolidated financial statements

(1) GENERAL

Alia - The Royal Jordanian Airlines Company (Royal Jordanian), the "Company" was registered as a Jordanian public shareholding Company as the legal successor of Alia Foundation – Royal Jordanian on 5 February 2001. The Company's head office is located in Amman - Jordan.

The Company's objectives are to undertake air-transport activities from and to the Kingdom and to carry out the handling for aircraft that land in and take off from the airports of the Kingdom.

The consolidated financial statements were authorized for issue by the Board of Directors in their meeting held on 26 March 2025.

(2) BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards -Accounting Standards as issued by the International Accounting Standard Board.

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

The consolidated financial statements have been presented in Jordanian Dinar which is the functional currency of the Group. All values are rounded to the nearest thousands (JD 000) except for amounts in foreign currencies.

The consolidated financial statements have been prepared under going concern basis.

(3) Fundamental Accounting Concepts

The Group's accumulated losses of JD 198,548 represents 55% of the Group's paid-in capital as of 31 December 2024. Also, the Group's current liabilities exceeded its current assets by JD 258,839 as of 31 December 2024.The Group's ability to continue depends on its ability to achieve operational and financial results in accordance with its business plan and to comply with the provisions of article (266) of the Jordanian Company's law no. (22) for the year 1997 and its amendments, which requires that the accumulated losses of a public shareholding company should not exceed 75% of its capital. otherwise, the Company shall be liquidated unless the General Assembly of the Company issues a decision on its extraordinary meeting to increase the Company's capital or to deal with the Company's losses.

The Company and its main shareholder, the Government Investment Management Company increased and restructured RJ's capital. The Council of Ministers resolved in their meeting no. (11944) held on 4 June 2023 that RJ acquires 90% of the capital of Jordan Airports Company through the issuance of new shares in RJ's capital in favor of the Government Investment Management Company. Capital increase procedures were completed during December 2023.

The General assembly resolved in their meeting held on 3 October 2023 to restructure RJ’s capital. The restructuring plan is summarized as follows:

To write off the accumulated losses and the statutory reserve through the following:

- JD 14.8 million against the Company’s statutory reserve.

- JD 201 million against the Company’s paid-in capital.

Capital increase of JD 240 million shares (Par value of one Jordanian Dinar per share), through the following:

- Capitalization of payments in respect of capital increase of JD 70 million in favor of the Government Investment Company as authorized by the Prime Ministry of Jordan as per the resolution number (7056) which was resolved in their meeting held on 18 May 2022.
- Acquisition of 90% of the capital of Jordan Airports Company for JD 170 million through the issuance of new shares in RJ’s capital in favor of the Government Investment Management Company at a par value of JD 1 per share.

Accordingly, paid-in capital became JD 364 million as of 31 December 2024 and 2023 (note 17).

In addition, the Company received a letter of assurance from the Ministry of Finance (representing the Government of the Hashemite Kingdom of Jordan) on 8 June 2020, indicating that the government views positively the continuation of support for the Company in the future.

Furthermore, the Council of Ministers decision No. (2324) was issued in its meeting held on 9 February 2025, approving the Company's capitalization of the loan granted by Capital bank of Jordan, amounting to JD 50 million, after the Ministry of Finance repays the loan over five years at a rate of JD 10 million annually starting from 2026, with Royal Jordanian bearing the interest on this loan (note 18 - A).

The Company is currently working on completing the final stages to obtain a new syndicated loan amounting to JD 177 million (250 million US dollars), and the final agreement is expected to be concluded during the second quarter of 2025. This loan will be allocated to repay the outstanding balance of the current syndicated loan, in addition to financing investment projects, purchasing aircraft, and settling bank facility balances.

(In Thousands of Jordanian Dinars)

(4) BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of Alia - The Royal Jordanian Airlines Company (the "Company") and the following subsidiaries (collectively referred to as the "Group") as at 31 December 2024:

Company name	Ownership percentage		Country
	2024	2023	
Royal Tours for Travel and Tourism Company	80%	80%	Jordan
Tikram for Aviation Services Company	100%	100%	Jordan
Royal Wings Company – under liquidation (Note 33)	100%	100%	Jordan
Jordan Airline Training and Simulator Company (Note 11)	100%	100%	Jordan
Jordan Airports Company (Note 11)	90%	90%	Jordan

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

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and 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(s) 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 or not it controls an investee if facts or circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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 in 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.

A change in the ownership interest of a subsidiary without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Shareholders who have a significant influence over the Company

The Government of the Hashemite Kingdom of Jordan presented by Government Investment Management Company owns 95.32% from the Company's shares as at 31 December 2024 and 31 December 2023.

(5) CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2023 except for the adoption of new amendments on the standards effective as of 1 January 2024 shown below:

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback
The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's consolidated financial statements.

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's consolidated financial statements.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7
The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk.

The amendments had no impact on the Group’s consolidated financial statements.

(6) USE OF ESTIMATES

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

Significant estimates are as follows:

Useful lives of property and equipment
The Group's management determines the estimated useful lives of its property and equipment for calculating depreciation based on expected usage of the asset or physical wear and tear, management reviews the residual value and useful lives annually and future depreciation charge would be adjusted prospectively where the management believes the useful lives differ from previous estimates.

Provision for expected credit losses
The Group uses a provision matrix to calculate the expected credit losses (ECL) for trade receivables. The provision rates are based on days past due for groupings of various customers segments that have similar loss patterns.

The provision matrix is initially based on the Groups historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e. gross domestic product) are expected to deteriorate over the next year which can lead to an increase number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Groups’ historical credit loss experience and forecast of economic conditions may also not be representative of the customers actual default in the future.

Provision for aircraft return conditions

The measurement of the provision for aircraft return conditions includes assumptions relating to expected costs, escalation rates, discount rates commensurate with the expected obligation maturity and long-term maintenance schedules.

An estimate is therefore made at each reporting date to ensure that the provision corresponds to the present value of the expected costs to be borne by the Group.

A significant level of judgement is exercised by management given the long-term nature and diversity of assumptions that go into the determination of the provision. A reasonably possible change in any single assumption will not result in a material change to the provision.

Revenue recognition – Frequent Flyer points for customer loyalty program

The Group estimates the fair value of points awarded under the Frequent Flyer Program by applying statistical techniques. Inputs to the models include making assumptions about expected redemption rates and customer preferences. Such estimates are subject to varying degrees of uncertainty. As at 31 December 2024, the estimated liability for unredeemed points was approximately JD 11,233 (2023: JD 9,793).

Significant Judgments and estimates related to the application of IFRS 16

The application of IFRS 16 requires the Group to make judgments and estimates that affect the measurement of right-of-use assets and liabilities. In determining the lease term, the Group consider all facts and circumstances that create an economic incentive to exercise renewal options. Assessing whether a contract includes a lease also requires judgment. Estimates are required to determine the appropriate discount rate used to measure lease liability.

Impairment of non-financial assets

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

(In Thousands of Jordanian Dinars)

(7) MATERIAL ACCOUNTING POLICIES

Business combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree.

For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in the consolidated income statement.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Impairment of Goodwill

The Group's management conducts a test for the value of goodwill at the date of the consolidated financial statements. The value of goodwill is reduced if there are indications that the value of goodwill has declined, if the estimated recoverable value is less than the book value. The value of the impairment is recorded in the consolidated income statement.

Property and equipment

Property and equipment are recorded at cost less accumulated depreciation and any impairment in value. Land is not depreciated. Property and equipment are depreciated to their estimated residual values on a straight-line basis over their estimated useful lives. The depreciation rates and periods used are summarized as follows:

	Depreciation Rate (%)
Owned passenger aircraft, aircraft engines and aircraft components	5 - 5.5
Machinery and equipment	10 - 15
Simulators	15
Computers	25
Furniture and fixtures	10
Vehicles	15 - 20
Buildings	2.5 - 10

	Period
Capitalized maintenance	24 - 120 months

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets are written down to their recoverable amounts. The recoverable amount is the higher of asset's fair value less cost to sell or value in use. Impairment losses are recognized in the consolidated income statement.

An item of property and equipment and any significant part initially recognized is derecognized upon disposal (i.e., at the date the recipient obtains control) 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 comprehensive income when the asset is derecognized.

Useful lives and depreciation method are reviewed on regular basis to ensure that the depreciation method and the period of depreciation are selected based on the economic benefits expected from assets.

Projects under construction

Projects in progress are shown at cost and include the cost of construction, equipment and direct expenses. Projects under implementation are not depreciated until they are ready for use.

Investment property

Investment property represent investments in land and buildings held for the purpose of earning rentals or for capital appreciation. Real estate investments do not include land and buildings used in ordinary course of business activities or for administrative purposes.

The book value of investment properties is reviewed for impairment when events or changes in circumstances indicate that the book value may not be recoverable. When such indicators exist and when the book value exceeds the recoverable value, the value of real estate investments is reduced to their recoverable value and the impairment provision is recorded in the consolidated income statement.

Right-of-use assets

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

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

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are subject to impairment.

Lease obligations

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

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

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

Short-term leases and leases of low-value assets

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

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

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

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

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

Restricted cash against lease contracts

The Company's restricted cash against lease contracts represents amounts paid to the Company's Aircraft and engines lessors as refundable amounts until the end of the lease contract by which the lessor's technical team ensures the Aircraft or engines are redelivered in a good maintained condition.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are recorded at fair value plus acquisition costs at the date of acquisition and subsequently measured at fair value. Changes in fair value are reported as a separate component in the consolidated statement of other comprehensive income and in the consolidated statement of changes in equity, including the change in fair value resulting from conversion differences of non-cash items of assets at foreign currencies. In case of sale of such assets or part of it, the gain or loss is recorded in the consolidated statement of comprehensive income and in the consolidated statement of changes in equity, and the valuation reserve balance for sold assets will be transferred directly to retained earnings. These assets are not subject to impairment testing and dividends received are recognized in the consolidated income statement when declared.

Investments in associates

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

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its associates are accounted for using the equity method.

Under the equity method, the investment in an associate initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associates since the acquisition date. Goodwill relating to the associates is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The consolidated income statement reflects the Group's share of the results of operations of the associates. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income (OCI). In addition, when there has been a change recognized directly in the equity of the associates, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the interest in the associates.

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

The financial statements of the associates are prepared for the same reporting period and using the same accounting policies as the Group.

Spare parts and other supplies

Spare parts and other supplies are valued at the lower of cost, using the weighted average method, or net realizable value.

Accounts receivable

Accounts receivables are stated at original invoice amount less any provision for expected credit losses. For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Cash and cash equivalents

For cash flow purpose cash and cash equivalents comprise cash balances at banks and deposits maturing within three months, less bank overdrafts.

Impairment of financial assets

The adoption of IFRS (9) has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

IFRS (9) requires the Company to record an allowance for ECL for all debt instruments measured at amortized cost.

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

Fair value measurement

Fair values of financial instruments are disclosed in notes (37) and (38).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or,
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group’s accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

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

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

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

The Group’s management determines the policies and procedures for both recurring fair value measurement, such as unquoted available for sales financial assets, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

End of service indemnity provision
The Group provides end of service indemnity benefits to its local employees in certain outstations. Provision represents amounts payable to local employees in outstations based on the rules and regulations of those countries.

Accounts payable and accruals

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

Provisions

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

Provision for leased aircraft return conditions

Provision for aircraft return conditions represents the estimate of the cost to meet the contractual lease end obligations on certain aircraft and engines held under lease contracts. The present value of the expected cost is recognized over the lease term considering the existing fleet plan and long-term maintenance schedules.

Loans

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

Interests on loans are recognized in the consolidated income statement in the period they occur including the grace period, if any.

Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

loans received from a government at a rate that appears to be below-market are considered government grants. The benefit of a below-market rate loan which is the excess of the consideration received from loan’s proceeds over the initial carrying amount of the loan calculated as the net present value of the future cash flows at prevailing market interest rates is recorded as a government grant in the consolidated statement of financial position in accordance with International Accounting Standard IAS 20 - Government Grants.

Subsequently, interest will be imputed to the loan using the effective interest method. The grant is amortized in the consolidated income statement on a systematic basis that matches the related costs incurred (finance cost).

Revenue recognition

Revenue is recognized under IFRS (15) five step model approach which include determining the contract, price, performance obligation and revenue recognition based on satisfaction of performance obligation.

Passenger and cargo revenues are recognized when the transportation is provided. Passenger tickets and airway bills sales are reflected in the consolidated statement of financial position as deferred revenue until recognized as revenue.

Other revenues are recognized at the time the service is provided.

The Company operates a frequent flyer program, (Royal Club), which allows frequent travelers to accumulate mileage credits which entitle them to a choice of upgrade to business class or free travel. A portion of the fair value of the consideration received is allocated to the award credits and deferred, this is then recognized as revenue over the period that the award credits are redeemed.

Group’s revenue falls under IFRS (15) “revenue from contracts with customers”. The Group provides services to its customers through passenger tickets. Revenues are recognized after deduction of taxes collected on behalf of Governments.

Maintenance and repair costs
Routine maintenance and repair costs for leased and owned aircraft and flight equipment are charged to the consolidated income statement as incurred.

Aircraft, engines, and components heavy maintenance expenses are capitalized on property and equipment and are being depreciated over the period until the next scheduled heavy maintenance is due or upon the redelivery of the aircraft to the lessor whichever is shorter.

Finance costs
Finance costs are recognized as an expense when incurred. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized.

Income tax
Tax expense comprises current tax and deferred taxes.

Current tax is based on taxable profits, which may differ from accounting profits published in the consolidated financial statements. Accounting profits may include non-taxable profits or expenses which may not be tax deductible in the current but in subsequent financial years.

Current income tax is calculated in accordance with the Income Tax law applicable in the Hashemite Kingdom of Jordan.

Deferred income tax is provided using the liability method on temporary differences at the consolidated financial statements date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax is measured at the tax rates that are expected to apply to the year when the tax liability is settled, or the tax asset is realized.

The balance of deferred income tax assets is reviewed at each consolidated financial statement date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Foreign currencies

1) Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency at rates of exchange at the reporting date. All foreign exchange differences arising on non-trading activities are taken to other operating income (expense) in the consolidated income statement.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

2) Group companies

On consolidation, the assets and liabilities in foreign operations are translated into Jordanian Dinar at the spot rate of exchange prevailing at the reporting date and their income statements are translated at spot exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in OCI.

Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated income statement.

Additional disclosures are provided in note (33). All other notes to the consolidated financial statements include amounts for continuing operations, unless indicated otherwise.

(In Thousands of Jordanian Dinars, except for amounts in foreign currencies)

(8) PROPERTY AND EQUIPMENT

2024	*Aircraft and engines*	*Capitalized maintenance on aircrafts' engines, and components*	*Aircrafts' main components*	*Machinery and equipment*	*Simulators*	*Computers*	*Furniture and fixtures*	*Vehicles*	*Land and buildings*	*Projects under construction**	*Total*
Cost:											
Balance as of 1 January	**168,461**	**14,177**	**53,022**	**66,680**	**4,695**	**23,935**	**9,962**	**13,724**	**68,873**	**3,499**	**427,028**
Additions **	**48,920**	**10,446**	**1,375**	**4,427**	**11,891**	**502**	**23**	**240**	**117**	**3,522**	**81,463**
Disposals	**(49)**	**(10,049)**	**(75)**	**(7,922)**	**-**	**(373)**	**(98)**	**(211)**	**-**	**-**	**(18,777)**
Transferred from projects under construction	**-**	**-**	**-**	**27**	**-**	**64**	**-**	**-**	**561**	**(652)**	**-**
Assets held for sale (note 33)	**(48,729)**	**(2,567)**	**(23,095)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(74,391)**
Balance as of 31 December	**168,603**	**12,007**	**31,227**	**63,212**	**16,586**	**24,128**	**9,887**	**13,753**	**69,551**	**6,369**	**415,323**
Accumulated depreciation:											
Balance as of 1 January	**156,490**	**3,950**	**49,138**	**59,218**	**1,238**	**21,208**	**9,719**	**12,319**	**29,864**	**-**	**343,144**
Depreciation expense for the year	**1,536**	**10,393**	**1,398**	**1,809**	**371**	**740**	**41**	**268**	**2,784**	**-**	**19,340**
Disposals	**(49)**	**(10,043)**	**(75)**	**(7,590)**	**-**	**(373)**	**(93)**	**(211)**	**-**	**-**	**(18,434)**
Assets held for sale (note 33)	**(48,565)**	**(1,797)**	**(22,745)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(73,107)**
Balance as of 31 December	**109,412**	**2,503**	**27,716**	**53,437**	**1,609**	**21,575**	**9,667**	**12,376**	**32,648**	**-**	**270,943**
Net book value as of 31 December	**59,191**	**9,504**	**3,511**	**9,775**	**14,977**	**2,553**	**220**	**1,377**	**36,903**	**6,369**	**144,380**

* This item mainly represents the costs of the rehabilitation project for Marka Airport, project for updating the Boeing 787 fleet and constructing a cargo warehouse. The estimated cost to complete the unfinished portion of the project in progress is JD 40.5 million as of 31 December 2024. The Group's management estimates completing these projects during the years 2025 and 2026.

** The Group acquired property and equipment during the year ended 31 December 2024 with a cost of JD 81,463 of which an amount of JD 58,143 represents cash additions.

(In Thousands of Jordanian Dinars, except for amounts in foreign currencies)

2023	*Aircraft and engines*	*Capitalized maintenance on aircrafts' engines, and components*	*Aircrafts' main components*	*Machinery and equipment*	*Simulators*	*Computers*	*Furniture and fixtures*	*Vehicles*	*Land and buildings*	*Projects under construction*	*Total*
Cost:											
Balance as of 1 January	168,461	28,484	51,808	59,368	-	20,406	9,392	10,463	44,357	637	393,376
Additions	-	7,002	1,601	1,442	47	784	28	626	60	2,119	13,709
Disposals	-	(21,309)	(387)	(546)	-	(69)	(69)	(389)	(50)	-	(22,819)
Transferred from projects under construction	-	-	-	-	-	803	15	-	237	(1,055)	-
Acquisition of a subsidiary – Jordan Airports Company (Note 11)	-	-	-	3,767	-	2,011	353	2,894	20,592	1,798	31,415
Acquisition of a subsidiary – Jordan Airline Training and Simulator Company (Note 11)	-	-	-	2,649	-	-	243	130	3,677	-	6,699
Transferred from right of use assets – Jordan Airline Training and Simulator (Note 19-a)	-	-	-	-	4,648	-	-	-	-	-	4,648
Balance as of 31 December	168,461	14,177	53,022	66,680	4,695	23,935	9,962	13,724	68,873	3,499	427,028
Accumulated depreciation:											
Balance as of 1 January	153,487	18,254	47,420	52,995	-	18,915	9,125	10,122	20,143	-	330,461
Depreciation expense for the year	3,003	6,995	1,754	2,573	369	606	106	156	2,147	-	17,709
Disposals	-	(21,299)	(36)	(508)	-	(69)	(67)	(388)	(10)	-	(22,377)
Acquisition of a subsidiary – Jordan Airports Company (Note 11)	-	-	-	2,602	-	1,756	332	2,316	6,258	-	13,264
Acquisition of a subsidiary – Jordan Airline Training and Simulator Company (Note 11)	-	-	-	1,556	-	-	223	113	1,326	-	3,218
Transferred from right of use assets – Jordan Airline Training and Simulator (Note 19-a)	-	-	-	-	869	-	-	-	-	-	869
Balance as of 31 December	156,490	3,950	49,138	59,218	1,238	21,208	9,719	12,319	29,864	-	343,144
Net book value as of 31 December	11,971	10,227	3,884	7,462	3,457	2,727	243	1,405	39,009	3,499	83,884

(In Thousands of Jordanian Dinars, except for amounts in foreign currencies)

(9) ADVANCES ON PURCHASE AND MODIFICATION OF AIRCRAFT AND ENGINE

	2024	2023
Long-term advances for the purchase of Boeing 787 aircraft	**9,236**	9,236
Long-term advances for the purchase of Embraer 195 aircraft	**3,835**	479
Total long-term advances for the purchase of aircraft	**13,071**	9,715
Short-term advances for the purchase of Embraer E2 aircraft and engine	**5,272**	-
	18,343	9,715

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

This item includes investments in equity shares of non-listed Companies. The Group holds non-controlling interests in these Companies. These investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

	2024	2023
Royal Jordanian Air Academy	**828**	1,748
SITA depositary certificates	**317**	317
Others	**12**	22
	1,157	2,087

Movement on fair value reserve was as follows:

	2024	2023
Balance as of 1 January	**133**	133
Change in fair value during the year	**(930)**	-
Loss from disposal of financial assets at fair value through other comprehensive income	**10**	-
Balance as of 31 December	**(787)**	133

(In Thousands of Jordanian Dinars, except for amounts in foreign currencies)

(11) ACQUISITION OF SUBSIDIARIES

2023

A) Jordan Airports Company

On 11 December 2023, the Government Investment Management Company approved the transfer of 90% of the shares of Jordan Airports Company to Royal Jordanian through the issuance of new shares in favor of the Government Investment Management Company. The ownership transfer procedures were completed on 27 December 2023. Accordingly, the Group became the owner of 90% of Jordan Airports Company shares and thus, the investment was classified as an investment in a subsidiary.

Since both companies are under the joint control of the Government Investment Management Company on the date of the transfer of ownership, the requirements of IFRS 3 did not apply to this transaction. Therefore, the Company recorded the assets acquired and the liabilities assumed at their net book value at the date of transfer.

The book value of the assets and liabilities of Jordan Airports Company as of the date of acquisition are as follows:

	2023
Assets	
Non-current assets	
Property and equipment	18,151
Investment properties *	164,307
Long-term granted loan	5,626
	188,084
Current assets	
Accounts receivable	31
Other debit balances	2,791
Short-term granted loan	1,922
Cash and bank balances	6,523
Due from related parties	87
	11,354
Total Assets	199,438
Liabilities	
Non-current liabilities	
Long-term loan	5,626
Current liabilities	
Current portion of long-term loan	1,922
Accounts payable and other credit balances	1,814
Deferred revenues	510
Total liabilities	9,872
Total equity	189,566
Cash flow on acquisition:	
Net cash acquired with the subsidiary	6,523
Cash paid	-
Net cash received	6,523

* Investment properties include buildings and plots of land around Queen Alia International Airport valued at JD 83,870 and buildings and plots of land at Amman International Airport valued at JD 80,437 as of the acquisition date.

(In Thousands of Jordanian Dinars, except for amounts in foreign currencies)

B) Jordan Airline Training and Simulator Company

During April 2023, the Company signed an agreement to acquire the remaining 80% of the shares of its associate Jordan Airline Training and Simulator Company, a limited liability Company for USD 5,400,000 (JD 3,829). Accordingly, RJ became the sole owner of the whole shares of Jordan Airline Training and Simulator Company. Accordingly, the investment was classified as an investment in a subsidiary.

The fair value of the identifiable assets and liabilities of Jordan Airline Training and Simulator Company as of the date of acquisition are as follows:

	Fair Value *	Carrying value
ASSETS		
Property and equipment	3,481	3,100
Right-of-use assets	4,480	6,200
Accounts receivable	451	451
Cash and bank balances	200	200
TOTAL ASSETS	8,612	9,951
LIABILITIES		
Loans	2,388	2,388
Lease obligation	1,380	1,380
Accounts payable and other current liabilities	597	597
TOTAL LIABILITIES	4,365	4,365
Net assets acquired	4,247	5,586
Goodwill resulted from acquisition (note 13)	392	

The investment in Jordan Airline Training and Simulator Company, which was 20% directly owned by the Company before achieving control, was remeasured at the acquisition date at fair value, and accordingly, a loss of JD 64 was recognized in the consolidated income statement.

Cash flow on acquisition:

	2023
Net cash acquired with the subsidiary	200
Cash paid	(2,906)
Net cash paid	(2,706)

(In Thousands of Jordanian Dinars, except for amounts in foreign currencies)

(12) INVESTMENTS IN ASSOCIATES

	Country of incorporation	Ownership		Balance	
		2024	2023	**2024**	2023
Jordan Flight Catering Company Ltd.	Jordan	**30%**	30%	**4,334**	4,355
Jordan Aircraft Maintenance Company (JORAMCO)	Jordan	**20%**	20%	**22,442**	15,950
				26,776	20,305

Movement on investments in associates was as follows:

	2024	2023
Balance as at 1 January	**20,305**	18,603
Group's share of profits for the year	**8,033**	5,118
Acquisition of a subsidiary – Jordan Airline Training and Simulator Company (JATS)	**-**	(1,843)
Dividends received	**(1,562)**	(1,573)
Balance as at 31 December	**26,776**	20,305

The following table represents the summary of the financial statements for the Groups' investments in associates:

	Jordan Flight Catering Company Ltd.		Jordan Aircraft Maintenance Company (JORAMCO)		Total	
Statement of financial position	**2024**	2023	**2024**	2023	**2024**	2023
Current assets	**7,155**	7,929	**95,401**	64,766	**102,556**	72,695
Non-current assets	**3,066**	3,188	**47,706**	24,867	**50,772**	28,055
Current liabilities	**(4,910)**	(5,409)	**(37,436)**	(23,258)	**(42,346)**	(28,667)
Non-current liabilities	**(2,577)**	(2,905)	**(20,379)**	(13,635)	**(22,956)**	(16,540)
Net assets	**2,734**	2,803	**85,292**	52,740	**88,026**	55,543
Group's ownership percentage	**%30**	%30	**%20**	%20		
Investment in associates	**820**	841	**17,058**	10,548	**17,878**	11,389

(In Thousands of Jordanian Dinars, except for amounts in foreign currencies)

	Jordan Flight Catering Company Ltd.		Jordan Aircraft Maintenance Company (JORAMCO)		Jordan Airline Training and Simulator Company (JATS)		Total	
Income statement	**2024**	2023	**2024**	2023	**2024**	2023*	**2024**	2023
Revenues	**22,774**	22,989	**134,918**	103,394	-	886	**157,692**	127,269
Cost of revenues	**(16,947)**	(16,788)	**(73,951)**	(61,952)	-	(630)	**(90,898)**	(79,370)
Other income and expenses	**(689)**	(768)	**(28,509)**	(23,820)	-	(419)	**(29,198)**	(25,007)
Profit (loss) before income tax	**5,138**	5,433	**32,458**	17,622	-	(163)	**37,596**	22,892
Income tax	-	(8)	-	-	-	-	-	(8)
Profit (loss) for the year	**5,138**	5,425	**32,458**	17,622	-	(163)	**37,596**	22,884
Group's Share of profits (losses) for the year	**1,541**	1,628	**6,492**	3,523	-	(33)	**8,033**	5,118

* These amounts represent the statement of comprehensive income of Jordan Airline Training and Simulator Company for the first four months of the year 2023 prior to the date the acquisition of JATS shares (note 11).

As of 31 December 2024, the associate Companies have contingent liabilities of JD 4,286 (2023: JD 964) in respect of letter of guarantees and letter of credits.

(13) OTHER CURRENT ASSETS

	2024	2023
Receivables from lessors - maintenance claims	**13,012**	9,537
Accrued revenues	**5,164**	5,516
Advances to suppliers	**4,963**	7,475
Refundable deposits	**4,696**	4,347
Prepaid expenses	**4,783**	3,092
Credit notes from aircraft manufacturers	**2,103**	2,045
Goodwill (note 11)	**392**	392
Employees' receivables	**221**	151
Financial derivatives (note 38)	**111**	61
Others	**299**	391
	35,744	33,007

(In Thousands of Jordanian Dinars, except for amounts in foreign currencies)

(14) SPARE PARTS AND SUPPLIES

	2024	2023
Spare parts and supplies	**20,028**	19,222
Provision for slow moving inventory	**(11,707)**	(11,186)
	8,321	8,036

Movement on provision for slow moving inventory was as follows:

	2024	2023
Balance as at 1 January	**11,186**	10,633
Provision for the year	**521**	553
Balance as at 31 December	**11,707**	11,186

(15) ACCOUNTS RECEIVABLE

	2024	2023
Accounts receivable	**56,586**	56,780
Provision for expected credit losses	**(16,094)**	(15,973)
	40,492	40,807

Movement on provision for expected credit losses was as follows:

	2024	2023
Balance as at 1 January	**15,973**	14,801
Provision for the year	**121**	586
Reversal of provision during the year	**-**	(233)
Acquisition of subsidiaries	**-**	819
Balance as at 31 December	**16,094**	15,973

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

		Past due but not impaired					
	Neither past due nor impaired	1-30 days	31-60 days	61-90 days	91-180 days	181-360 days	Total
2024	**6,496**	**20,586**	**3,770**	**2,079**	**1,773**	**5,788**	**40,492**
2023	5,249	18,149	5,796	3,579	4,443	3,591	40,807

(In Thousands of Jordanian Dinars, except for amounts in foreign currencies)

Based on the Group's management estimates, the unimpaired receivables are expected, on the basis of past experience, to be fully recoverable. The Group obtains bank guarantees as collateral from the majority of its general sales agents and cargo receivables. The Group does not obtain collateral over other receivables; therefore, they are unsecured.

(16) CASH AND BANK BALANCES

	2024	2023
Cash and bank balances	**20,573**	38,910
Short-term deposits *	**6,660**	1,080
Cash in transit **	**13,660**	12,368
Cash and cash equivalents	**40,893**	52,358
Short-term deposits mature after 3 months ***	**56,660**	86,757
Total cash and bank balances	**97,553**	139,115

* This item represents deposits in Jordanian Dinars in Jordanian Banks of JD 6,294 with an interest rate ranging between 5,87% and 6,15% in addition to a deposit of 516 thousand USD equivalent to JD 366 with an interest rate of 2% as of 31 December 2024 and are due within three months (31 December 2023: deposits in Jordanian Dinars in Jordanian Banks of JD 1,080 with an interest rate of 6,1% and are due within three months).

** This item includes cash received on tickets sales and airwaybills sales through IATA accredited agents during December that were deposited in the Group's bank accounts during January 2025.

*** This item represents deposit in Banks in Jordanian Dinar of JD 55,469 with an interest rate ranging between 6,15% and 6,75%, in addition to a deposit of 150 million Algerian Dinar equivalent to JD 780 with an interest rate of 3,18% and a deposit of 580 thousand USD equivalent to JD 411 with an interest rate of 3,5% as of 31 December 2024 and are due after more than three months. (31 December 2023: 85,962 Jordanian Dinar with an average interest rate ranging between 6,05 % and 6.75%, in addition to a deposit of 150 million Algerian Dinar equivalent to JD 795 with an interest rate of 3,18% and are due after more than three months).

For the purposes of the consolidated statement of cash flows, the following represents the details of the cash and cash equivalents:

	2024	2023
Cash and cash equivalents	**40,893**	52,358
Add: discontinued operations (Note 33)	**-**	79
Less: bank overdraft*	**(20,868)**	-
	20,025	52,437

*****This item represents the amount utilized from the bank overdraft credit facilities as of 31 December 2024 from Arab bank with a ceiling of JD 40 million with an interest rate of 7,35%.

(In Thousands of Jordanian Dinars, except for amounts in foreign currencies)

(17) SHAREHOLDERS' EQUITY

	2024	2023
Paid-in capital		
Authorized capital (Par value of one Jordanian Dinar per share)	**363,627**	363,627
Paid-in capital	**363,627**	363,627

The General assembly resolved in their meeting held on 3 October 2023 to restructure RJ's capital. The restructuring plan is summarized as follows:

To write off the accumulated losses and the statutory reserve through the following:

- JD 14.8 million against the Company's statutory reserve.
- JD 201 million against the Company's paid-in capital.

Capital increase of JD 240 million shares (Par value of one Jordanian Dinar per share), through the following:

- Capitalization of payments in respect of capital increase of JD 70 million as authorized by the Prime Ministry of Jordan as per the resolution number (7056) which was resolved in their meeting held on 18 May 2022.
- Acquisition of 90% of the capital of Jordan Airports Company for JD 170 million through the issuance of new shares in RJ's capital in favor of the Government Investment Management Company.

Accordingly, paid-in capital became JD 364 million as of 31 December 2024 and 2023.

Share discount
Share discount amounted to JD 78.2 million as at 31 December 2024 and 31 December 2023. The accumulated balance in this account represents the difference between the issuing price and the par value of the shares issued.

Payments in respect of capital increase
On 18 May 2022, the Prime Ministry of Jordan resolved in its resolution number (7056) to authorize the Ministry of Finance to proceed with further procedures to increase the Company's capital by JD 70 million over two phases. An amount of JD 35 million was received during May 2022 and the remaining amount was received during August 2022. Capital increase procedures were completed on 27 December 2023.

Statutory Reserve
As required by Jordanian Company Law, 10% of the profit before income tax is transferred to statutory reserve. This reserve is not available for distribution to the shareholders. The entire balance of the statutory reserve was written-off against the Company's accumulated losses and the procedures were completed on 28 November 2023.

(In Thousands of Jordanian Dinars, except for amounts in foreign currencies)

(18) BANK LOANS AND GOVERNMENT GRANTS

(18 - a) Bank Loans

	Interest rate	Number of installments	Installment due period	Installment amount	Last installment due date	Current portion of long-term loans	Long-term loans	Total
Syndicated loan	CME Term SOFR for one month + 2.65% minimum 4.5%	42	Monthly	1,390	5 May 2026	16,681	6,951	23,632
Capital Bank loan	2.5%	1	One payment	50,000	13 July 2028	3,194	46,806	50,000
Social Security- “Himaya” program	1%	43	Monthly	521	31 December 2026	6,257	5,164	11,421
Jordan Airline Training and Simulator Company – Arab Bank (1)	CME Term SOFR for one month + 2.5%	48	Monthly	59	31 December 2027	708	1,475	2,183
Jordan Airline Training and Simulator Company – Arab Bank (2)	3.5%	24	Monthly	19	2 March 2026	230	96	326
Loan granted to an associate								
Rawabi Jordan Investment Company (a subsidiary of Jordan Airports Company) – Jordan Kuwait Bank	CME Term SOFR for six months + 2.5%	15	Yearly	1,170	3 March 2031	1,170	5,626	6,796
Less: Government grants (note 18- b)						(3,566)	(5,596)	(9,162)
Total as of 31 December 2024						**24,674**	**60,522**	**85,196**
Total as of 31 December 2023						25,082	87,785	112,867

(In Thousands of Jordanian Dinars, except for amounts in foreign currencies)

Syndicated loan

The loan agreement contains loan covenants which require the Company to meet certain financial ratios. the Company have met the financial ratios as of 31 December 2024.

On 13 June 2023 the Company signed an amendment to the agreement, whereby the interest calculation was modified from LIBOR to risk-free interest rates CME Term SOFR for one month plus 2.65% (minimum 4.5%).

According to the loan agreement, the Company is obliged to transfer the proceeds from its sales from travel agents in 21 stations that are collected through IATA to the Company's account at Al-Mashreq Bank - UAE as a collateral.

Capital Bank loan

On 9 April 2024, the Company signed an amendment agreement whereby the loan will be repaid in one payment on 13 July 2025, at an interest rate of 2.5% starting from 13 July 2024. On 22 December 2024, the Company signed an amendment agreement whereby the loan will be repaid in one payment on 13 July 2028 at an interest rate of 2.5%. Interest is payable on a quarterly basis.

The loan was granted from Capital bank through the Central Bank of Jordan’s program to support companies that have been affected by COVID-19 at a below-market interest rate.

The benefit of a below-market rate loan has been recognized as a government grant in accordance with International Accounting Standard IAS 20 - Government Grants (Note 18 - b).

The Council of Ministers decision no. (2324) was issued in its meeting held on 9 February 2025, approving the Company's capitalization of the loan granted by Capital bank of Jordan, amounting to JD 50 million, after the Ministry of Finance repays the loan over five years at a rate of JD 10 million annually starting from 2026, with Royal Jordanian bearing the interest on this loan (note 18 - A).

Principal instalments payable for the long-term loans are as follows:

Year	JD
2026	13,614
2027	1,619
2028	42,219
2029	965
2030 and after	2,105
	60,522

(In Thousands of Jordanian Dinars, except for amounts in foreign currencies)

(18 - b) Government Grants

	2024			2023		
	Capital Bank's loan	Social security "Himaya" program's loan	Total	Capital Bank's loan	Social security "Himaya" program's loan	Total
Balance as at 1 January	**4,852**	**1,107**	**5,959**	5,719	2,029	7,748
Recognized during the year	**6,604**	**-**	**6,604**	1,468	(74)	1,394
Released to the consolidated income statement (note 26)	**(2,770)**	**(631)**	**(3,401)**	(2,335)	(848)	(3,183)
Balance as at 31 December	**8,686**	**476**	**9,162**	4,852	1,107	5,959
Non-current	**5,492**	**104**	**5,596**	2,082	476	2,558
Current	**3,194**	**372**	**3,566**	2,770	631	3,401
	8,686	**476**	**9,162**	4,852	1,107	5,959

(19) Leases

(19 – a) Right-of-use assets and lease obligations

The Group has lease contracts for various items including aircraft, aircraft's engines and offices.

Lease terms are as follows:

	Years
Aircraft	2 – 16
Engines	12
Offices rent	2 – 13

There are several lease contracts that include extension and termination options and variable lease payments.

The Group also has certain leases of offices and other assets with lease terms of 12 months or less and leases for assets of low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

(In Thousands of Jordanian Dinars, except for amounts in foreign currencies)

Set out below are the carrying amounts of right-of-use assets and lease obligations recognized and the movement during the years 2024 and 2023:

	Right-of-use assets					
	Aircraft	**Aircraft's engines**	**Buildings and simulator equipment**	**Offices**	**Total**	**Lease obligations***
2024-						
At 1 January	**290,182**	**18,257**	**635**	**19,626**	**328,700**	**326,042**
Additions	**78,762**	**-**	**-**	**529**	**79,291**	**79,291**
Lease-term modifications	**19,031**	**-**	**-**	**(91)**	**18,940**	**18,940**
Terminated contracts	**-**	**-**	**-**	**(3,221)**	**(3,221)**	**(3,413)**
Incentives for aircraft purchase and rental contracts	**(7,314)**	**-**	**-**	**-**	**(7,314)**	**-**
Depreciation	**(54,591)**	**(1,929)**	**(89)**	**(3,104)**	**(59,713)**	**-**
Finance costs (note 29)	-	-	-	-	-	**24,458**
Payments	-	-	-	-	-	**(98,677)**
At 31 December	**326,070**	**16,328**	**546**	**13,739**	**356,683**	**346,641**
2023-						
At 1 January	323,312	20,186	-	16,098	359,596	371,364
Additions	23,287	-	-	7,041	30,328	30,328
Lease-term modifications	(4,480)	-	-	(22)	(4,502)	(4,502)
Acquisition of a subsidiary - Jordan Airline Training and Simulator Company (note 11)	-	-	4,480	-	4,480	1,380
Transferred to property and equipment - Jordan Airline Training and Simulator Company (note 8)	-	-	(3,779)	-	(3,779)	-
Depreciation	(51,937)	(1,929)	(66)	(3,491)	(57,423)	-
Finance costs (note 29)	-	-	-	-	-	19,637
Payments	-	-	-	-	-	(92,165)
At 31 December	290,182	18,257	635	19,626	328,700	326,042

* The Company has mortgaged two Boeing 787 against the lease agreements of those aircrafts.

** Lease obligations details are as follows:

31 December 2024			31 December 2023		
Short-term	**Long-term**	**Total**	Short-term	Long-term	Total
68,196	**278,445**	**346,641**	70,548	255,494	326,042

(In Thousands of Jordanian Dinars, except for amounts in foreign currencies)

(19 – b) Restricted cash against lease contracts

The Company's restricted cash against lease contracts represents amounts paid to the Company's Aircraft and engines lessors as refundable amounts until the end of the lease contract by which the lessor's technical team ensures the Aircraft or engines are redelivered in a good condition and as per the agreed conditions in addition to deposits related to heavy maintenance for aircraft engines.

(20) OTHER LONG-TERM LIABILITIES

	2024	2023
Long-term accrued expenses related to lease contracts	**59,120**	61,879
Provision for end of service indemnity	**543**	498
	59,663	62,377

Movement on provision for employees' end of service indemnity was as follows:

	2024	2023
Balance as at 1 January	**498**	353
Provision for the year	**72**	121
Payments during the year	**(27)**	(83)
Acquisition of a subsidiary	**-**	107
Balance as at 31 December	**543**	498

(21) ACCRUED EXPENSES

	2024	2023
Accrued expenses related to flying operations	**69,059**	54,398
Accrued expenses related to lease contracts	**25,789**	26,635
	94,848	81,033

(22) ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

	2024	2023
Taxes and passenger fees	**58,657**	53,146
Spare parts suppliers and accounts payable	**16,689**	17,268
Discounts on aircraft and engines (remaining balance)	**9,870**	-
Employees Provident fund (note 34)	**3,152**	2,502
Fuel suppliers	**3,028**	2,261
Ministry of Finance	**2,384**	2,835
Income tax provision (note 32)	**385**	199
Others	**9,814**	8,786
	103,979	86,997

(In Thousands of Jordanian Dinars, except for amounts in foreign currencies)

(23) DEFERRED REVENUES

	2024	2023
Unutilized passenger tickets, air waybills and other service sales	**131,260**	106,441

(24) REVENUES FROM CONTRACTS WITH CUSTOMERS

	2024	2023
Scheduled Services		
Passengers	**618,063**	622,900
Cargo	**35,034**	23,813
Excess baggage	**8,577**	7,046
Airmail	**5,603**	5,622
Total scheduled services (Note 35)	**667,277**	659,381
Cargo warehouse revenues	**21,598**	17,158
Commercial revenues from arriving and departing aircraft of other Companies	**15,501**	17,576
First class services revenues	**6,836**	6,495
Royal tours revenues (Tours operating revenues)	**6,710**	9,779
Ancillary revenue	**5,534**	4,916
Chartered flights (Note 35)	**5,066**	5,304
Revenues from technical and maintenance services provided to other Companies	**4,190**	3,947
Revenue from airport operator	**3,707**	-
Revenues from NDC (Galileo)	**3,079**	2,792
Frequent flyer revenues	**3,035**	3,235
Simulation training revenue	**730**	151
Other revenues	**2,366**	2,507
	745,629	733,241

(In Thousands of Jordanian Dinars, except for amounts in foreign currencies)

(25) COST OF REVENUES

	2024	2023
Flying operations costs		
Aircraft Fuel	**202,198**	215,062
Other flying operations costs	**78,537**	74,076
Total flying operations costs	**280,735**	289,138
Repair and maintenance	**110,139**	109,681
Aircraft rental expenses	**6,854**	6,934
Depreciation of property and equipment and Right-of-use assets (Aircraft and engines and capitalized maintenance)	**70,093**	67,462
Stations and ground services	**78,802**	76,296
Ground handling unit	**23,659**	24,023
Passenger services	**94,412**	92,254
	664,694	665,788

Employees benefits expenses included in cost of revenues are as follows:

	2024	2023
Salaries and wages	**49,104**	45,514
Social Security contribution	**6,158**	5,817
Provident Fund contribution	**3,039**	2,993
Overtime	**2,442**	2,454
Medical expenses	**2,310**	2,164
End of service indemnity	**499**	239
Other benefits	**1,951**	1,974
	65,503	61,155

(26) OTHER INCOME, NET

	2024	2023
Amortization of government grants (note 18-b)	**3,401**	3,183
Reversal of leased aircraft redelivery provision	**2,787**	-
Income from receiving aircraft and engine	**2,009**	-
Reversal from legal cases provision	**60**	3,000
Other income	**305**	575
	8,562	6,758

(In Thousands of Jordanian Dinars, except for amounts in foreign currencies)

(27) GENERAL AND ADMINISTRATIVE EXPENSES

	2024	2023
Salaries and wages	**5,804**	5,153
Computer expenses	**2,459**	2,161
Depreciation	**2,433**	2,381
Legal expenses	**934**	430
Social Security contribution	**840**	765
Offices expenses	**750**	774
Professional and consultation expenses	**663**	796
Employees benefits	**631**	426
Water, electricity and heating	**587**	438
Provident Fund contribution	**341**	306
Medical expenses	**320**	347
Subscriptions	**302**	269
Life insurance	**222**	224
Training	**147**	146
Governmental Fees	**134**	16
Travel and transportation	**120**	78
End of service indemnity	**104**	-
Communication expense	**84**	64
Overtime	**59**	49
Rent	**14**	15
Others	**941**	681
	17,889	15,519

(In Thousands of Jordanian Dinars, except for amounts in foreign currencies)

(28) SELLING AND MARKETING EXPENSES

	2024	2023
Commissions	**24,667**	22,834
Salaries and wages	**10,023**	9,469
Marketing and advertisement	**3,348**	2,644
Computer expenses	**1,953**	1,664
Social Security contribution	**1,566**	1,518
Subscriptions	**1,404**	1,497
Other employee benefits	**1,204**	1,343
Depreciation	**871**	892
Rent	**674**	839
Medical expenses	**623**	624
Communication expenses	**539**	589
Offices expenses	**343**	282
Provident Fund contribution	**303**	307
End of service indemnity	**264**	307
Legal expenses	**232**	239
Travel and transportation	**170**	99
Water, electricity and heating	**157**	149
Overtime	**151**	146
Life insurance	**93**	128
Consulting expenses	**93**	97
Training	**32**	27
Others	**1,921**	1,870
	50,631	47,564

(29) FINANCE COSTS

	2024	2023
Lease contracts – finance cost (Note 19-a)	**24,458**	19,637
Interest on loans	**7,933**	8,696
Other interest and bank charges	**1,610**	1,291
	34,001	29,624

(30) PROVISION FOR VOLUNTARY TERMINATION

During 2020, the Company started a termination process of contracts for local employees in some outstations according to the business needs and based on the rules and regulations of those countries. Accordingly, the Company has recorded a provision amounted to JD 61 as of 31 December 2024 (31 December 2023: JD 109).

(In Thousands of Jordanian Dinars, except for amounts in foreign currencies)

(31) BASIC AND DILUTED EARNINGS PER SHARE

	2024	2023
Loss for the year attributed to the equity holders of the parent (‘000)	**(3,707)**	**(8,735)**
Weighted average number of shares (‘000)	**363,627**	**309,727**
Basic and diluted earnings per share (JD)	**(0,010)**	**(0,028)**

(32) INCOME TAX

Tax status:

Alia – The Royal Jordanian Airlines Company:
No provision for income tax was calculated by the Company for the year ended 31 December 2024 and 2023 due to the excess of deductible expenses over taxable income in accordance with the Income Tax Law No. (34) of 2014 and its amendments.

The Company filed its tax return for the years from 2021 until 2023 within the statutory period. The Company has reached a final settlement with the Income and Sales Tax Department up to the year 2020 whereas the years from 2021 until 2023 are yet to be reviewed up to date of these consolidated financial statement.

Royal Wings Company – under liquidation:
No provision for income tax was calculated by the Company for the year ended 31 December 2024 and 2023 due to the excess of deductible expenses over taxable income in accordance with the Income Tax Law No. (34) of 2014 and its amendments.

Royal Wings Company filed its tax return for the years 2022 and 2023 within the statutory period. The Income and Sales Tax Department is currently reviewing the Company’s tax returns at the first instance court. Royal Wings Company reached a final settlement with the Income and Sales Tax Department up to the year 2021. Whereas the years from 2022 until 2023 are yet to be reviewed up to date of these consolidated financial statement.

Royal Tours Company:
A provision for income tax was calculated by the Company for the year ended 31 December 2024 and 2023 in accordance with the Income Tax Law No. (34) of 2014 and its amendments.

Royal Tours for Travel and Tourism Company filed its tax return for the years from 2020 until 2023 within the statutory period. Royal Tours for Travel and Tourism Company reached a final settlement with the Income and Sales Tax Department up to the year 2019. The Income and Sales Tax Department did not review the Company’s accounting records for the years from 2020 until 2023 up to the date of these consolidated financial statements.

Tikram for Airport Services Company:
A provision for income tax was calculated by the Company for the year ended 31 December 2024 and 2023 in accordance with the Income Tax Law No. (34) of 2014 and its amendments.

Tikram for Airport Services Company filed its tax returns for the years from 2020 until 2023. Tikram for Airport Services Company reached a final settlement with the Income and Sales Tax Department for the year 2021. The Income and Sales Tax Department did not review the Company’s accounting records for the years 2020, 2022 and 2023 up to the date of these consolidated financial statements.

(In Thousands of Jordanian Dinars, except for amounts in foreign currencies)

Jordan Airline Training and Simulator Company:
Jordan Airline Training and Simulator Company is exempt from income tax according to the Investment Environment Law No. (21) of 2022.

Jordan Airline Training and Simulator Company filed its tax return for the year 2023 within the statutory period. Jordan Airline Training and Simulator Company reached a final settlement with the Income and Sales Tax Department up to the year 2022 whereas the year 2023 are yet to be reviewed up to the date of these consolidated financial statement.

Jordan Airports Company:
A provision for income tax was calculated by the Company for the year ended 31 December 2024 and 2023 in accordance with the Income Tax Law No. (34) of 2014 and its amendments.

Jordan Airports Company filed its tax return for the years from 2020 until 2023 within the statutory period. Jordan Airports Company reached a final settlement with the Income and Sales Tax Department up to the year 2019 whereas the years from 2020 until 2022 are yet to be reviewed up to the date of these consolidated financial statement. The tax return for the year 2023 has been approved according to the sampling system.

Reconciliation between accounting profit and taxable profit is as follows:

	2024	2023
Accounting loss	**(3,535)**	(8,693)
Non-taxable profits	**(22,539)**	(22,551)
Non-deductible expenses	**4,945**	40,785
Taxable (loss) profit	**(21,129)**	9,541
Income tax expense	**514**	49

Income tax provision:

Movement on income tax provision is as follows:

	2024	2023
Balance as of 1 January	**199**	37
Income tax expense for the year	**514**	49
Acquisition of a subsidiary	**-**	127
Income tax paid during the year	**(328)**	(14)
Balance as of 31 December	**385**	199

Below is the details of the income tax expenses related to subsidiaries profit for the year ended 31 December 2024 and 2023:

	2024	2023
Jordan Airport Company	**471**	-
Royal Tours for Travel and Tourism Company	**22**	-
Tikram for Aviation Services Company	**21**	49
	514	49

The legal income tax rate including the national contribution tax rate for Alia - The Royal Jordanian Airlines Company, Royal Wings, Royal Tours for Travel and Tourism Company, Tikram for Aviation Services Company and Jordan Airport Company is 21%.

(In Thousands of Jordanian Dinars, except for amounts in foreign currencies)

(33) DISCONTINUED OPERATIONS

A) Sale of cargo aircraft Airbus 310

On 28 April 2024, the Company's Board of Directors decided to approve the sale of the Airbus A310 cargo aircraft. Accordingly, the aircraft was classified as assets held for sale in the consolidated financial statements as of 31 December 2024, in accordance with IFRS (5) Non-current Assets Held for Sale and Discontinued Operations.

The carrying amount of the cargo aircraft was JD 1,284 as of 31 December 2024. In the management's opinion, the fair value of the cargo aircraft does not differ significantly from its carrying amount.

B) Royal Wings Company liquidation

The Company’s Board of Directors resolved on 24 January 2023 to liquidate Royal Wings Company (a wholly owned subsidiary). Accordingly, Royal Wings Company’s assets and liabilities were classified as held for sale in the consolidated financial statements as of 31 December 2024 and 2023 in accordance with IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations.

The results of Royal Wings Company for the years 2024 and 2023 are presented as follow:

	2024	2023
Revenues	-	-
Cost of revenues	-	-
Gross loss	-	-
General and administrative expenses	**(10)**	(16)
Other income, net	-	1
Loss before tax from discontinued operations	**(10)**	(15)
Income tax	-	-
Loss from discontinued operations	**(10)**	(15)

(In Thousands of Jordanian Dinars, except for amounts in foreign currencies)

The details of the assets and liabilities of Royal Wings Company's classified as assets and liabilities held for sale as of 31 December 2024 and 2023 are as follows:

	2024	2023
ASSETS		
Cash and bank balances	-	79
Assets classified as held for sale	-	79
LIABILITIES		
Accounts payable and other credit balances	**73**	149
Accrued expenses	**86**	50
Liabilities associated with assets classified as held for sale	**159**	199
Net liabilities associated with assets classified as held for sale	**(159)**	(120)

(34) RELATED PARTY TRANSACTIONS

Related party transactions represent transactions with associated Companies, employees' Provident fund, and the Government of the Hashemite Kingdom of Jordan. Pricing policies and terms of these transactions are approved by the Group's management.

Following is a summary of balances due to / from related parties included in the consolidated statement of financial position:

	2024		2023	
	Accounts receivable	**Accounts payable**	Accounts receivable	Accounts payable
Government of Jordan	**7,175**	**425**	6,255	506
Employees' Provident Fund (Note 22)	**-**	**3,152**	-	2,502
Social Security Corporation	**-**	**13,396**	7	19,262
Jordan Aircraft Maintenance Company (JORAMCO)	**-**	**7,362**	-	7,394
Jordan Flight Catering Company Ltd.	**-**	**1,660**	-	4,717
	7,175	**25,995**	6,262	34,381

(In Thousands of Jordanian Dinars, except for amounts in foreign currencies)

- Following is a summary of the transactions with associated Companies included in the consolidated income statement:

	2024	2023
Jordan Aircraft Maintenance Company (JORAMCO):		
Scheduled services revenues	**333**	423
Repair and maintenance expenses	**(2,483)**	(3,304)
Jordan Flight Catering Company Ltd.:		
Passenger services expenses	**(21,023)**	(20,426)
Jordan Aircraft Training and Simulation Company (JATS):		
Pilots training expenses	**-**	(552)

The Company renewed the maintenance contract with Jordan Aircraft Maintenance Company for an indefinite period, with the Company's right to provide a termination notice three months in advance.

The Company's stake in Jordan Flight Catering Company was increased from 30% to 51% during January 2025 in exchange for a catering services contract for ten years until the end of 2033.

The Company renewed the training contract with Jordan Aircraft Training and Simulation Company until the end of April 2023. During April 2023, the Company acquired the remaining stake representing 80% of the shares of the affiliated company; Jordan Aircraft Training and Simulation Company and became the sole owner of all shares of Jordan Aircraft Training and Simulation Company, which then became a subsidiary of Royal Jordanian Airlines (note 11).

Following is a summary of the transactions with the Government of the Hashemite Kingdom of Jordan included in the consolidated income statement:

	2024	2023
Scheduled services revenues – passengers	**9,898**	9,929
Scheduled services revenues – cargo	**1,555**	782
	11,453	10,711

The Company's contribution to the employees' saving fund amounted to JD 3,683 and JD 3,606 for the years 2024 and 2023, respectively.

(In Thousands of Jordanian Dinars, except for amounts in foreign currencies)

Compensation of key management personnel

The remuneration of members of key management during the year was as follows:

	2024	2023
Salaries and other benefits	**1,086**	1,028
Board of Directors remuneration	**49**	48

(35) GEOGRAPHICAL DISTRIBUTION OF REVENUES

All operations are integrated under the airline business. The Group does not have any segment information other than the geographical distribution of revenues, which is used by the management executives to measure the Group's performance:

	2024				2023			
	Scheduled	**Chartered Flights**			Scheduled	Chartered Flights		
	services	**Passengers**	**Cargo**	**Total**	services	Passengers	Cargo	Total
Levant	**82,581**	**184**	**2,033**	**84,798**	80,404	62	2,045	82,511
Europe	**197,652**	**716**	**1,385**	**199,753**	183,730	364	1,015	185,109
Arab Gulf	**144,126**	**46**	**-**	**144,172**	137,245	839	35	138,119
America	**213,851**	**222**	**-**	**214,073**	221,601	-	565	222,166
Asia	**16,087**	**429**	**-**	**16,516**	25,158	-	379	25,537
Africa	**12,980**	**51**	**-**	**13,031**	11,243	-	-	11,243
Total Revenues	**667,277**	**1,648**	**3,418**	**672,343**	659,381	1,265	4,039	664,685

(36) INVESTMENT PROPERTIES

This item includes land and buildings around Queen Alia International Airport valued at JD 83,870 and land and buildings around Amman International Airport valued at JD 80,437 as of 31 December 2024 and 2023. The group had these properties appraised by an independent real estate appraiser on 31 December 2024. In the opinion of the Group's management and the independent appraiser, the fair value of these investment properties does not differ materially from their book value.

(37) FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash and bank balances, accounts receivable, financial assets at fair value through other comprehensive income, granted loan to an associate and some other current assets. Financial liabilities consist of accounts payable, bank loans, lease obligation, bank overdraft and some other current liabilities.

The fair values of financial instruments are not materially different from their carrying values.

(In Thousands of Jordanian Dinars, except for amounts in foreign currencies)

(38) Fair Value Hierarchy

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

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

31 December 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:				
Financial assets at fair value through other comprehensive income	**-**	**-**	**1,157**	**1,157**
Derivative financial instruments (note 13)	**111**	**-**	**-**	**111**
	111	**-**	**1,157**	**1,268**

31 December 2023				
Financial assets:				
Financial assets at fair value through other comprehensive income	-	-	2,087	2,087
Derivative financial instruments (note 13)	61	-	-	61
	61	-	2,087	2,148

(39) RISK MANAGEMENT

Interest rate risk

The Group is exposed to interest rate risk on its interest-bearing financial assets and liabilities (bank deposits, obligation under leases and bank loans).

The sensitivity of the consolidated income statement is the effect of the assumed changes in interest rates on the Group’s profit for one year, based on the floating rate financial assets and financial liabilities held at 31 December 2024 and 31 December 2023.

(In Thousands of Jordanian Dinars, except for amounts in foreign currencies)

The following table demonstrates the sensitivity of the consolidated income statement to reasonably possible changes in interest rates as of 31 December 2024 and 2023, with all other variables held constant.

	Increase in interest rate (points)	Effect on loss
2024-		
Currency		
USD	**50**	**(394)**
JD	**50**	**(105)**
2023-		
Currency		
USD	50	(537)
JD	50	94

If the interest rate decreases by 50 basis points, it will have the same financial impact as outlined above but in the opposite direction.

Credit risk

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

The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables and with respect to banks by only dealing with reputable banks.

The Group provides its services to a large number of customers. No single customer accounts for more than 10% of outstanding accounts receivable at 31 December 2024 and 2023.

Liquidity risk

The Group limits its liquidity risk by ensuring bank facilities are available.

(In Thousands of Jordanian Dinars, except for amounts in foreign currencies)

The table below summarises the maturities of the Group's (undiscounted) financial liabilities at 31 December 2024 and 2023, based on contractual payment dates and current market interest rates.

	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
31 December 2024					
Accounts payables and other current liabilities	**103,979**	**-**	**-**	**-**	**103,979**
Bank overdraft	**22,402**	**-**	**-**	**-**	**22,402**
Loans	**4,723**	**24,351**	**98,724**	**1,164**	**128,962**
Lease obligations	**18,330**	**53,972**	**191,888**	**95,274**	**359,464**
Other long-term liabilities	**-**	**-**	**37,416**	**19,183**	**56,599**
Total	**149,434**	**78,323**	**328,028**	**115,621**	**671,406**
31 December 2023					
Accounts payables and other current liabilities	86,997	-	-	-	86,997
Loans	5,091	24,796	94,519	2,357	126,763
Lease obligations	14,464	73,859	266,123	31,218	385,664
Other long-term liabilities	-	-	42,766	30,242	73,008
Total	106,552	98,655	403,408	63,817	672,432

Currency risk

The table below indicates the Group's foreign currency exposure at 31 December 2024 and 2023, as a result of its monetary assets and liabilities. The analysis calculates the effect of a reasonably possible movement of the JD currency rate against the foreign currencies, with all other variables held constant, on the consolidated statement of income.

	Increase in foreign currency rate to the JD currency	***Effect on loss***
2024 -	**(%)**	
Currency		
Euro	**5**	**331**
GBP	**5**	**(178)**
2023 -		
Currency		
Euro	5	(1,077)
GBP	5	(212)

If the currency price decreases by 5%, it will have the same financial impact as stated above but in the opposite direction.

The Jordanian Dinar exchange rate is fixed against the U.S. Dollars (USD 1.41 for JD 1).

Losses on foreign exchange rates amounted to JD 2,234 for the year ended 31 December 2024 (31 December 2023: JD 1,447).

(40) CAPITAL MANAGEMENT

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

Capital comprises of share capital, share discount and accumulated losses and is measured at JD 86,874 as at 31 December 2024 (31 December 2023: JD 90,591).

The Company and its main shareholder, the Government Investment Management Company increased and restructured RJ's capital. The Council of Ministers resolved in their meeting no. (11944) held on 4 June 2023 that RJ acquires 90% of the capital of Jordan Airports Company through the issuance of new shares in RJ's capital in favor of the Government Investment Management Company. Capital increase procedures were completed during December 2023.

The General assembly resolved in their meeting held on 3 October 2023 to restructure RJ's capital. The restructuring plan is summarized as follows:

To write off the accumulated losses and the statutory reserve through the following:

- JD 14.8 million against the Company's statutory reserve.
- JD 201 million against the Company's paid-in capital.

Capital increase of JD 240 million shares (Par value of one Jordanian Dinar per share), through the following:

- Capitalization of payments in respect of capital increase of JD 70 million as authorized by the Prime Ministry of Jordan as per the resolution number (7056) which was resolved in their meeting held on 18 May 2022.
- Acquisition of 90% of the capital of Jordan Airports Company for JD 170 million through the issuance of new shares in RJ's capital in favor of the Government Investment Management Company.

Accordingly, paid-in capital became JD 364 million as of 31 December 2024 and 2023.

(41) CONTINGENCIES AND COMMITMENTS

Letters of credit and guarantees

As of 31 December 2024, the Group had letters of credit amounted to JD 30,320 and letters of guarantees amounted to JD 3,634 (31 December 2023: letters of credit: JD 24,372 and letters of guarantees: JD 963).

Claims against the Group

The Group is a defendant in a number of lawsuits amounting to JD 7,678 (2023: JD 12,658) representing legal actions and claims related to its ordinary course of business. Related risks have been analyzed as to the likelihood of occurrence, although the outcome of these matters cannot always be ascertained with precision. In the opinion of the Group and their legal counsels, the provision recognized as of 31 December 2024 is sufficient to cover any contingent liabilities and claims that may arise from these lawsuits.

Capital commitments

As of 31 December 2024, the Group had capital commitments of USD 1,170,007,630 (31 December 2023: USD 1,180,147,957), equivalent to JD 829,793 (31 December 2023: JD 836,984) relating to finance lease agreements signed for eight new aircraft.

(42) STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

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

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

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

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

The Group is working to identify all the effects of the amendments on the main consolidated financial statements and their related notes.

Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

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

IFRS 18 Presentation and Disclosure in Financial Statements

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

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

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

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

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

IFRS 19 Subsidiaries without Public Accountability: Disclosures

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

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

As the Group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

(43) COMPARATIVE FIGURES

Some of 2023 balances were reclassified to correspond with the consolidated financial statements figures for the year 2024 presentation, with no effect on loss and equity for the year 2023.