

**Ubour Logistics Service Company  
Public Shareholding Company”  
Amman–The Hashemite Kingdom of Jordan  
Financial Statements  
and  
Independent Auditors' Report  
31 December 2025**

**Ubour Logistics Service Company**  
**"Public Shareholding Company"**  
**Amman–The Hashemite Kingdom of Jordan**

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**Independent auditors report**

**To the Shareholders of  
Ubour Logistics Service Company (P.S)  
Amman – Jordan**

**Qualified Opinion**

We have audited financial statements of Ubour Logistics Service Company (P.S) which comprise statement of financial position as at 31 December 2025 and statements of profit or loss and other comprehensive income, statements of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except the effect of the matter described in the basis for qualified opinion the accompanying financial statements present fairly, in all material respects, the financial position of Ubour Logistics Service Company (P.S) as at 31 December 2025, and its financial performance and its cash flow for the year then ended in accordance with International Financial Reporting Standards.

**Basis of qualified opinion:**

- ✓ Referring to receivables, we would like to point out that there are indicators that show impairment in their value receivables, and in our opinion the provision of expected losses is not enough. Regarding this matter the company, according to what was stated in the company's lawyers letter, raised a law suit against Mr. Fayez Al Faouri valued at (336,000)JOD for 21 notes receivable on the date 13 February 2020 at the court of first instance of Amman, and a court decision was issued obliging them to pay full value of solidarity.

We conducted our audit in accordance with International Standards on Auditing, our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA code) together with the ethical requirements that are relevant to our audit of the 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 basis for our opinion.

**Material uncertainty related to continuity**

We would like to draw attention to the fact that there are some circumstances and events that indicate that there are significant doubts in the Company's ability to continue as a going concern and our opinion is not modified with regard to uncertainties and the following items that led to significant doubts in the Company's ability to continue:

- ✓ On June 10, 2023, the company sold its property and equipment represented by cars and tracks, which are the main assets generating revenues, which is the purpose for which the company was established and later the sale process, so the company no longer has a source to generate the operating cash flows necessary to practice the company's activities, and therefore there is a material doubt about the company's ability to continue as a going concern.

**Ubour Logistics Service Company (P.S)**  
**31 December 2025**

## **Other information**

Management is responsible for the other information, which comprises the information that is not included in the financial statements and auditors' report thereon.

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

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

If, based on the work that we have performed, we conclude that there is a material misstatement of this other information, and then we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of management and those charged with governance for the financial statements:**

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

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

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

## **Auditors' responsibilities for the audit of the financial statements:**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 company'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 company's ability to continue as a going concern.

If we conclude that material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company 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, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **The Report on other legal and regularity requirements**

The Ubour Logistics Service Company (P.S) maintains accounting records as required, and it is compatible with the accompanying financial statements and we recommend approving it.

**Forvis Mazars – Jordan**

**Dr. Reem AL-Araj**

**License No. (820)**

*Dr. Reem*



**Amman- Jordan**

**29 March 2026**

**Ubour Logistics Service Company**  
**“Public Shareholding Company”**  
**Statement of Financial Position (JOD)**

	Note	As of 31 December	
		2025	2024
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	1,907	2,189
Receivables (net)	6	361,172	364,312
Other debit balance	7	10,190	10,896
<b>Total current assets</b>		<b>373,269</b>	<b>377,397</b>
<b>Non-current assets</b>			
Financial assets at fair value through OCI	8	3,483	3,483
<b>Total non-current assets</b>		<b>3,483</b>	<b>3,483</b>
<b>Total assets</b>		<b>376,752</b>	<b>380,880</b>
<b>Liabilities and equity</b>			
Payable		65,782	59,305
Deferred checks		5,000	5,000
<b>Total liabilities</b>		<b>70,782</b>	<b>64,305</b>
<b>Shareholder equity</b>			
Paid-up capital		555,000	555,000
Retained (loss)		(156,201)	(145,596)
Fair value of financial assets through other comprehensive income		(92,829)	(92,829)
<b>Total shareholders' equity</b>		<b>305,970</b>	<b>316,575</b>
<b>Total shareholders' equity and liabilities</b>		<b>376,752</b>	<b>380,880</b>

The attached pages from (10) to (18) are an integral part of these financial statements and should be read in conjunction with them and with the independent auditor's report.

**Ubour Logistics Service Company**  
**"Public Shareholding Company"**  
**Statement of Profit or Loss and other Comprehensive income (JOD)**

	<u>Note</u>	<b>For the year ended 31 December</b>	
		<b>2025</b>	<b>2024</b>
Revenue		1,000	-
<b>Gross profit</b>		<b>1,000</b>	<b>-</b>
Other income		-	3,000
General and administrative expenses	9	(11,605)	(10,514)
<b>(Loss) from continuing operations</b>		<b>(10,605)</b>	<b>(7,514)</b>
<b>Other comprehensive income for the year</b>			
(Losses) on revaluation of financial assets through OCI	8	-	(2,029)
<b>Comprehensive income for the period</b>		<b>(10,605)</b>	<b>(9,543)</b>
Weighted average of shares		555,000	555,000
<b>Earnings per share</b>		<b>(0.019)</b>	<b>(0.013)</b>

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**Ubour Logistics Service Company**  
**"Public Shareholding Company"**  
**Statement of Changes in Shareholders' Equity (JOD)**

	Capital	fair value of financial assets through other comprehensive income	Retained (loss)	Total
<b>For the year ended 31 December 2025</b>				
<b>Balance as at 1 January 2025</b>	<b>555,000</b>	<b>(92,829)</b>	<b>(145,596)</b>	<b>316,575</b>
(Loss) for the Year	-	-	(10,605)	(10,605)
Change in the fair value of financial assets through other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(10,605)</b>	<b>(10,605)</b>
<b>Balance as at 31 December 2025</b>	<b>555,000</b>	<b>(92,829)</b>	<b>(156,201)</b>	<b>(305,970)</b>
<b>Balance as at 1 January 2024</b>	<b>555,000</b>	<b>(90,800)</b>	<b>(138,082)</b>	<b>326,118</b>
(Loss) for the Year	-	-	(7,514)	(7,514)
Change in the fair value of financial assets through other comprehensive income	-	(2,029)	-	(2,029)
<b>Total comprehensive income</b>	<b>-</b>	<b>(2,029)</b>	<b>(7,514)</b>	<b>(9,543)</b>
<b>Balance as at 31 December 2024</b>	<b>555,000</b>	<b>(92,829)</b>	<b>(145,596)</b>	<b>316,575</b>

The attached pages from (10) to (18) are an integral part of these financial statements and should be read in conjunction with them and with the independent auditor's report.

**Ubour Logistics Service Company**  
**"Public Shareholding Company"**  
**Amman -The Hashemite Kingdom of Jordan**  
**Statement of Cashflows (JOD)**

	<b>For the year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
<b>Operating activities</b>		
(Loss) for the Year	(10,605)	(7,514)
<b>Adjustments for:</b>		
Receivables	3,140	3,000
Other debit balance	706	(311)
Payable	6,477	6,491
Other credit balance	-	(3,760)
<b>Net cash flows from investing activities</b>	<b>(282)</b>	<b>(2,094)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(282)</b>	<b>(2,094)</b>
Cash and cash equivalents at the beginning of the financial year	2,189	4,283
<b>Cash and cash equivalents at the end of the financial year</b>	<b>1,907</b>	<b>2,189</b>

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**Ubour Logistics Service Company**  
**"Public Shareholding Company"**  
**Amman -The Hashemite Kingdom of Jordan**  
**Notes to the Financial Statements**

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These notes form an integral part of the financial statements and should be read in conjunction with the accompanying financial statements.

**1 General**

Ubour Logistics Service Company was established as a public shareholding company on 17 August 2009 under registration No. (462), with a paid-up capital of 555,000. The Company is listed on the Amman Stock Exchange, and its head office is in Amman. The Company's principal activities comprise public transport, the transportation of goods and foodstuffs, and land freight services. The Company's core activities are concern

**2 – Basis of Preparation of the Financial Statements**

The company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the related interpretations, and in accordance with the provisions of the Companies Law of Jordan No. 22 of 1997 and its amendments No. 57 of 2006. These financial statements have been prepared on the historical cost basis, except for the items disclosed in the accounting policies below.

The financial statements are presented in Jordanian Dinar (JOD), which is also the company's functional currency, and all amounts are rounded to the nearest dinar unless otherwise stated.

- **Changes in Accounting Policies**

In the current year, the company adopted all new and revised standards and interpretations effective for its operations that apply to annual periods beginning on or after 1 January 2025. The adoption of these new or revised standards did not result in any changes to the company's accounting policies and had no material impact on the financial statements for the current or prior year, nor is it expected to have a material impact on future periods.

**3- Use of Judgments and Estimates**

The preparation of the financial statements and the application of accounting policies require the Company's management to make estimates and judgments that affect the amounts of assets and liabilities and the disclosure of potential obligations. These estimates and judgments also affect revenues, expenses, and provisions.

In particular, management is required to exercise judgment and make estimates to determine the amounts and timing of future cash flows resulting from the circumstances and conditions underlying these estimates. These estimates are necessarily based on assumptions and factors that involve varying degrees of uncertainty, and actual results may differ from these estimates due to future changes in the circumstances and conditions affecting these provisions.

• **Fair Value of Financial Instruments**

When the fair values of financial instruments recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques, including discounted cash flow models. Inputs to these models are derived from observable market data whenever possible; however, when this is not feasible, professional judgment is applied to determine fair values. Such judgments include considerations of liquidity, model inputs related to the expected future performance of the investee, risk profile, and economic assumptions related to the industry and geographic location in which the investee operates. Changes in assumptions regarding these factors may affect the reported fair value of financial instruments. A more detailed description of the financial instruments' valuation is provided in the accompanying notes.

• **Expected Credit Losses**

The Company applies the simplified approach under IFRS 9 to recognize expected credit losses on all debt instruments and calculates the expected credit losses over the entire lifetime of the debt instruments. The Company prepares its assessments based on experience, while considering forward-looking factors relating to debtors and the economic environment.

**4. Significant Accounting Policies**

**4.1 Revenue Recognition**

The Company's revenues mainly arise from Public transportation services, the transport of goods and food products, and land-based freight transportation services. Revenue from contracts with customers is recognized when the Company satisfies a performance obligation by transferring a promised good or service to the customer in the ordinary course of business, at the transaction price reflecting the consideration the Company expects to be entitled to in exchange for the goods or services. The transaction price is allocated to the performance obligations. The good or service is transferred when the customer gains control of the good or service, and revenue is recognized on an accrual basis.

**4.2 Property, Plant, and Equipment**

- Items of property, plant, and equipment are measured at cost, which includes the cost of replacing parts of the plant and equipment, and borrowing costs for long-term construction projects when recognition criteria are met, less accumulated depreciation and any accumulated impairment losses.
- If major parts of an item of property, plant, and equipment have different useful lives, they are accounted for as separate components of the asset.
- Any gain or loss on disposal of an item of property, plant, and equipment is recognized in profit or loss.
- Subsequent expenditures are capitalized only if it is probable that future economic benefits associated with the expenditure will flow to the Company; all other costs of maintenance and repairs are recognized in profit or loss as incurred.

- Depreciation is calculated to write off the cost of property, plant, and equipment, less its estimated residual value, using the straight-line method over the estimated useful life, and is normally recognized in profit or loss.
- Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if necessary.

#### **4.3 Financial Instruments**

The Company recognizes a financial asset or financial liability in the statement of financial position when it becomes a party to the contractual provisions of the instrument.

##### **Financial Assets**

##### **Initial Recognition and Measurement**

- Except for trade receivables that do not contain a significant financing component or for which the Company applies the practical expedient, all financial assets are initially measured at fair value plus transaction costs, except for financial assets classified at fair value through profit or loss (FVTPL), which are initially measured at fair value only.
- Trade receivables that do not contain a significant financing component, or for which the Company applies the practical expedient, are measured at the transaction price as specified in IFRS 15 – Revenue.
- The classification of financial assets at initial recognition, and whether they are subsequently measured at amortized cost, fair value through other comprehensive income (FVTOCI), or fair value through profit or loss (FVTPL), depends on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.
- The Company's business model indicates how the Company manages its financial assets to generate cash flows and determines whether cash flows arise from collecting contractual cash flows, selling the financial assets, or both.

##### **Financial Assets at Amortized Cost**

- A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to collect contractual cash flows, and the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets measured at amortized cost include trade receivables and other receivables, cash and cash equivalents, and unlisted corporate bonds.
- After initial recognition, financial assets at amortized cost are measured using the effective interest method and are subject to impairment testing.
- Gains or losses are recognized in profit or loss when the asset is derecognized, modified, or impaired.

##### **Financial Assets at Fair Value through Profit or Loss (FVTPL)**

- A financial asset is subsequently measured at FVTPL if it is:
  - A financial asset held for trading,
  - Or not measured at amortized cost or FVTOCI,
  - Or irrevocably designated at initial recognition as FVTPL if this designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.
- Gains or losses are recognized in profit or loss.

**Impairment of Financial Assets**

- The Company recognizes a provision for expected credit losses (ECL) on financial assets measured at amortized cost and debt instruments measured at FVTOCI.
- At each reporting date, the Company assesses whether the credit risk of a financial asset has increased significantly since initial recognition, by evaluating changes in the likelihood of default over the expected life of the financial instrument.
- If a financial asset is determined to be low credit risk at the reporting date, the Company assumes that the credit risk has not increased significantly since initial recognition.
- The Company uses reasonable and supportable forward-looking information that is available without undue cost or effort, in addition to historical information, when determining whether credit risk has increased significantly since initial recognition.

**Financial Liabilities and Equity Instruments**

**Classification as Debt or Equity**

- Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements and the definitions of financial liability and equity instruments.

**Equity Instruments**

- An equity instrument is any contract that evidences a residual interest in the Company's assets after deducting all its liabilities.
- Equity instruments are recorded at the proceeds received, net of direct issue costs.

**Ordinary Share Capital**

- Ordinary share capital is classified as equity.
- Direct incremental costs incurred on issuing ordinary shares or share options are deducted from equity.

**Initial Recognition and Measurement of Financial Liabilities**

- All financial liabilities are initially measured at fair value, less transaction costs, except for financial liabilities classified at fair value through profit or loss (FVTPL), which are initially measured at fair value.

**Financial Liabilities**

- Financial liabilities are classified either as financial liabilities at FVTPL or as other financial liabilities.
- Financial liability is classified as FVTPL if the financial liability is:
  - Held for trading, or
  - Designated as such at initial recognition.

**Other Financial Liabilities**

**Trade and Other Payables**

- Trade and other payables are initially measured at fair value, net of transaction costs.
- Subsequently, they are measured at amortized cost, if applicable, using the effective interest method.
- Interest expense is recognized on an effective interest basis within finance costs.
- Any gains or losses are recognized in profit or loss upon derecognition or during amortization.

**Ubour Logistics Service (P.S)**  
**Notes to financial Statements**

**4.4 Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, demand deposits, bank overdrafts, and highly liquid short-term investments that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

**4.5 Contingent Liabilities**

A contingent liability is:

- a possible obligation arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Company's control; or

Law suits against the company	(1,090) JOD
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- a present obligation arising from past events but not recognized because:
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - the amount of obligation cannot be measured reliably.

A contingent asset is a possible asset arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within Company control.

Contingent liabilities are not recognized in the Company's statement of financial position, except for contingent liabilities arising from business combinations that represent present obligations and whose fair value can be measured reliably.

**5. Cash and cash equivalents**

	<b>2025</b>	<b>2024</b>
	<b>JOD</b>	<b>JOD</b>
Petty Cash	911	1,321
Ahli Bank – Current Account	996	868
<b>Total</b>	<b>1,907</b>	<b>2,189</b>

**6. Receivable (Net)**

	<b>2025</b>	<b>2024</b>
	<b>JOD</b>	<b>JOD</b>
Receivable	380,821	383,961
Expected Credit Losses	(19,649)	(19,649)
<b>Total</b>	<b>361,172</b>	<b>364,312</b>

**Ubour Logistics Service (P.S)**  
**Notes to financial Statements**

**7- Other Debit Balance**

	<b>2025</b>	<b>2024</b>
	<b>JOD</b>	<b>JOD</b>
Refundable Deposits	190	190
Bank Guarantees	10,000	10,000
Prepaid Expense	-	706
<b>Total</b>	<b>10,190</b>	<b>10,896</b>

**8- Financial Assets at Fair Value through Other**

	<b>31/12/2025</b>	<b>31/12/2024</b>	<b>31/12/2025</b>	<b>31/12/2024</b>
	<b>Shares</b>	<b>Shares</b>	<b>JOD</b>	<b>JOD</b>
AL- Ahliya for Projects (P.S)	85,276	85,276	3,411	3,411
Arabian Aviation Investment (P.S)	1,794	1,794	72	72
<b>Total</b>			<b>3,483</b>	<b>3,483</b>

**9- General and Administrative Expense**

	<b>2025</b>	<b>2024</b>
	<b>JOD</b>	<b>JOD</b>
Professional Fees	6,480	8,965
Fees and Licenses	3,713	-
Guarantees	240	240
General Assembly Meetings	919	1,309
Penalty Expenses	253	-
<b>Total</b>	<b>11,605</b>	<b>10,514</b>

**10- Financial Instruments and Financial Risks**

The Company may be exposed to various types of financial risks. The Board of Directors and management monitor these risks and bear full responsibility for designing and overseeing the Company's risk management framework. Risk management policies are established to identify and analyses the risks the Company may face, set limits and control measures, and monitor these risks to ensure they do not exceed the permissible thresholds. These policies and the risk management system are reviewed regularly to appropriately reflect changes in market conditions and the Company's operations.

The Board of Directors is responsible for defining the objectives and principles of the Company's financial risk management. Management then develops detailed policies, such as authority levels, supervisory responsibilities, risk identification and measurement, exposure limits, and hedging strategies, in accordance with the objectives and principles approved by the Board.

**Ubour Logistics Service (P.S)**  
**Notes to financial Statements**

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Financial risks are managed by Financial Management in line with policies set by management. Financial Management identifies, evaluates, and manages financial risks in close coordination with the Company's operating units. The reporting team measures actual exposures against approved limits, and regular reports are submitted to management and the Board.

No changes have occurred in the Company exposure to these financial risks, or in the manner in which they are managed and measured.

**Credit Risk**

Credit risk refers to the risk of a counterparty failing to meet its contractual obligations, resulting in a loss to the Company. The Company has adopted a policy of dealing only with counterparties of appropriate creditworthiness and obtaining sufficient collateral where necessary to mitigate the risk of financial loss from defaults.

Credit risk arises primarily from bank balances, trade receivables, and other receivables. Bank balances mainly consist of deposits with banks that have high credit ratings from international credit rating agencies. The Company does not expect any significant impairment losses on bank balances, if any.

The Company applies the practical expedient under IFRS 9, using a provision matrix to measure Expected Credit Losses (ECL) for trade receivables and contract assets, where the loss allowance equals the expected credit losses over the lifetime of the receivable.

Expected credit losses are estimated using a provision matrix based on historical customer credit loss experience over the past three years for different customer Company classified by geographic locations, product types, and internal ratings, adjusted for forward-looking factors specific to the debtors and the economic environment that may affect their ability to repay.

Trade receivables and contract assets are written off when there is evidence that the customer is experiencing severe financial difficulty, such as liquidation or bankruptcy, and there is no reasonable expectation of recovering the outstanding balances.

**Liquidity Risk**

Liquidity risk refers to the difficulty in meeting short-term obligations and is managed by aligning the cash collection and payment cycles. Financial liabilities at the reporting date consist of trade payables and other payables presented in the statement of financial position.

**Market Risk**

Market risk represents the risk of fluctuations in the fair value or cash flows of financial instruments due to changes in market prices and comprises three types of risk:

- **Interest Rate Risk**  
This is the risk of fluctuations in the fair value or cash flow of financial instruments due to changes in market interest rates. The Company is primarily exposed to interest rate risk on long-term liabilities linked to variable interest rates.
- **Foreign Currency Risk**  
Foreign currency risk represents the risk of fluctuations in the fair value or cash flows due to changes in exchange rates. The Company is primarily exposed to currency risk from operating activities when it has revenues or expenses in foreign currencies or foreign investments.

**Ubour Logistics Service (P.S)**  
**Notes to financial Statements**

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- **Market Price Risk**  
The Company's investments in equity instruments are exposed to market price risk arising from uncertainty over the future values of the invested securities.

**Fair Value of Assets and Liabilities**

- Fair value represents 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. Fair value is measured assuming that the sale of the asset or transfer of the liability occurs in the assets or liability's principal market, or, in the absence of a principal market, the most advantageous market.
- All assets and liabilities measured or disclosed at fair value in the financial statements are classified using the fair value hierarchy below, based on the lowest level of input significant to the overall fair value measurement:
  - Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities.
  - Level 2 – Valuation techniques using observable inputs for the fair value measurement.
  - Level 3 – Valuation techniques using unobservable inputs for the fair value measurement.

**d. Classification of Current and Non-Current Assets and Liabilities**

The Company presents its assets and liabilities in the statement of financial position based on their classification as current or non-current.

An asset is classified as current when:

- It is expected to be realized, sold, or consumed in the normal operating cycle.
- It is held primarily for trading purposes.
- It is expected to be realized within 12 months after the reporting period if it is cash or a cash equivalent, unless it is subject to restrictions on its exchange or use to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled within the entity's normal operating cycle.
- It is held primarily for trading purposes.
- It is expected to be settled within twelve months after the reporting period.
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.
- All other liabilities are classified as non-current.

**11- Policies and Procedures**

The Company Chief Financial Officer oversees the financial reporting evaluation process, establishes the relevant policies and procedures, and presents the results to the Audit Committee and then to the Board of Directors for approval. No changes occurred in the valuation techniques during the financial year.

**12-Capital Management Policies and Objectives**

The Company manages its capital to ensure business continuity and to maximize shareholder returns by maintaining an optimal balance between debt and equity. The capital structure consists of borrowings and equity, and this structure is reviewed regularly using the leverage ratio (net debt to total equity).

**Ubour Logistics Service (P.S)**  
**Notes to financial Statements**

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**New and Amended International Financial Reporting Standards (IFRS) – Applied and Not Yet Applied**

The Company's management reviews and assesses the impact of new and amended standards issued by the International Accounting Standards Board (IASB) that become effective from 1 January 2025 onwards. Based on preliminary assessment, management does not expect the application of these standards and amendments to have a material impact on the financial statements, except for potential changes in presentation and disclosure.

**First: Standards and Amendments Effective from 1 January 2025**

- Contracts related to electricity based on nature – Amendments to IFRS 9 and IFRS 7  
These amendments address the accounting treatment of contracts whose pricing or settlement is based on natural changes and aim to clarify the classification, measurement, and disclosure requirements related to such contracts. Management does not expect these amendments to have a material effect on the Company's financial statements.
- Non-convertible currency – Amendments to IAS 21  
These amendments clarify how to determine the exchange rate to be used when a currency is not practically convertible and require additional disclosures on related restrictions and risks.
- Management does not expect these amendments to have a material effect on the Company's financial statements.

**Second: Standards and Amendments Effective from 1 January 2026 and Beyond**

- IFRS 18 – Presentation and Disclosure in Financial Statements This standard aims to improve presentation and comparability by introducing uniform classifications in the statement of profit or loss and enhancing disclosure of performance measures determined by management. The standard applies to financial periods beginning on or after 1 January 2027, with early application permitted.
- IFRS 19 – Subsidiaries Without Public Accountability This standard provides a simplified disclosure framework for subsidiaries that do not have public accountability, while fully complying with recognition and measurement requirements under IFRS.