

JORDAN INVESTMENT TRUST COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (UNAUDITED)

31 MARCH 2021



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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF JORDAN INVESTMENT TRUST COMPANY AMMAN - JORDAN

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of **JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)** ("THE COMPANY") and its subsidiaries ("together the Group") as of 31 March 2021 comprising of interim consolidated statement of financial position as of 31 March 2021 and the related interim consolidated income statement, interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity, and the interim consolidated statement of cash flows for the three months period then ended and explanatory notes. Board of directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34.

Amman – Jordan
29 April 2021

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 MARCH 2021

	<u>Notes</u>	31 March 2021 JD (Unaudited)	31 December 2020 JD (Audited)
<u>ASSETS</u>			
Cash on hand and at banks		2,068,680	2,399,980
Financial assets at fair value through profit or loss		1,912,876	1,774,080
Financial assets at fair value through other comprehensive income		4,989,840	4,921,351
Accounts receivable - net		77,422	78,519
Investment in associate	4	10,330,198	10,363,112
Other debit balances		719,927	407,322
Property and equipment		2,158,147	2,168,184
Investment properties		10,382,830	10,375,709
Total Assets		<u>32,639,920</u>	<u>32,488,257</u>
<u>LIABILITIES AND EQUITY</u>			
Liabilities -			
Loans	9	363,814	402,163
Brokerage customers payables		232,437	146,848
Other credit balances		745,685	823,234
Income tax provision	8	146	146
Total Liabilities		<u>1,342,082</u>	<u>1,372,391</u>
Equity -			
Shareholders' equity			
Paid in capital		27,270,078	27,270,078
Statutory reserve		1,342,748	1,342,748
Fair value reserve		127,099	67,118
Retained earnings		793,314	684,010
Shareholders' equity		<u>29,533,239</u>	<u>29,363,954</u>
Non-controlling interests		1,764,599	1,751,912
Net Equity		<u>31,297,838</u>	<u>31,115,866</u>
Total Liabilities and Equity		<u>32,639,920</u>	<u>32,488,257</u>

The accompanying notes from 1 to 11 form part of these interim condensed consolidated financial Statements and to be read with the review report

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
INTERIM CONSOLIDATED INCOME STATEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2021 (UNAUDITED)

	<u>Notes</u>	31 March 2021 JD	31 March 2020 JD
Revenues -			
Interest income		19,303	54,397
Gain from financial assets	5	285,291	18,540
Brokerage commissions		6,854	2,282
Share of loss from associate	4	(32,914)	(51,728)
Other income		52,826	24,067
Net revenues		<u>331,360</u>	<u>47,558</u>
Interest and commission		(9,946)	(14,893)
Administrative expenses		(177,159)	(193,716)
Depreciation and amortization		(37,274)	(33,366)
Profit (loss) for the period before income tax		106,981	(194,417)
Income tax expense	8	-	-
Profit (loss) for the period		<u>106,981</u>	<u>(194,417)</u>
Attributable to:			
Shareholders of the company		104,704	(187,153)
Non-controlling interests		2,277	(7,264)
		<u>106,981</u>	<u>(194,417)</u>
		<u>Fils/JD</u>	<u>Fils/JD</u>
Basic and diluted earnings per share from profit (loss) for the period		0/004	(0/007)

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JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2021 (UNAUDITED)

	31 March 2021	31 March 2020
	JD	JD
Profit (loss) for the period	106,981	(194,417)
Add: other comprehensive income items which will not be reclassified to profit and loss in subsequent periods:		
Change in fair value of financial assets at fair value through other comprehensive income	74,991	(206,634)
Total comprehensive income for the period	<u>181,972</u>	<u>(401,051)</u>
Attributable to:		
Shareholders of the company	169,285	(384,560)
Non-controlling interests	12,687	(16,491)
	<u>181,972</u>	<u>(401,051)</u>

The accompanying notes from 1 to 11 form part of these interim condensed consolidated financial statements and to be read with the review report

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2021 (UNAUDITED)

	Paid in capital	Statutory reserve	Fair value reserve	Retained earnings	Total	Non-controlling interests	Total equity
	JD	JD	JD	JD	JD	JD	JD
For the three months period ended 31 March 2021-							
Balance as at 1 January 2021	27,270,078	1,342,748	67,118	684,010	29,363,954	1,751,912	31,115,866
Total comprehensive income for the period	-	-	64,581	104,704	169,285	12,687	181,972
Gain on sale of financial assets at fair value through other comprehensive income	-	-	(4,600)	4,600	-	-	-
Balance as of 31 March 2021	27,270,078	1,342,748	127,099	793,314	29,533,239	1,764,599	31,297,838
For the three months period ended 31 March 2020-							
Balance as at 1 January 2020	27,270,078	1,342,748	16,859	5,153,971	33,783,656	1,842,946	35,626,602
Total comprehensive income for the period	-	-	(197,407)	(187,153)	(384,560)	(16,491)	(401,051)
Balance as of 31 March 2020	27,270,078	1,342,748	(180,548)	4,966,818	33,399,096	1,826,455	35,225,551

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JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2021 (UNAUDITED)

	31 March 2021	31 March 2020
	<u>JD</u>	<u>JD</u>
<u>OPERATING ACTIVITIES</u>		
Profit (loss) for the period before income tax	106,981	(194,417)
Adjustments -		
Depreciation and amortization	37,274	33,366
Change in fair value of financial assets at fair value through profit or loss	(99,088)	163,288
Share of loss from associate	32,914	51,728
Interest income	(19,303)	(54,397)
Changes in working capital		
Financial assets at fair value through profit or loss	(39,708)	(46,157)
Accounts receivable and other debit balances	(311,508)	(261,314)
Accounts payable and other credit balances	8,040	(233,225)
Net cash flows used in operating activities	<u>(284,398)</u>	<u>(541,128)</u>
<u>INVESTING ACTIVITIES</u>		
Sale of financial assets at fair value through other comprehensive income	6,502	-
Purchase of property and equipment	(6,778)	(4,608)
Purchase of investment property	(27,580)	(273,094)
Interest income	19,303	54,397
Net cash flows used in investing activities	<u>(8,553)</u>	<u>(223,305)</u>
<u>FINANCING ACTIVITIES</u>		
Loans	(38,349)	(38,349)
Net cash flows used in financing activities	<u>(38,349)</u>	<u>(38,349)</u>
Net decrease in cash and cash equivalents	(331,300)	(802,782)
Cash and cash equivalents at beginning of the period	2,399,980	8,107,991
Cash and cash equivalents at end of the period	<u>2,068,680</u>	<u>7,305,209</u>

The accompanying notes from 1 to 11 form part of these interim condensed consolidated financial statements and to be read with the review report

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2021 (UNAUDITED)

(1) GENERAL

Jordan Investment Trust was incorporated in Jordan as a public shareholding company and registered on April 23, 1998 with an authorized capital of JD 20,000,000 divided into 20,000,000 shares, at a par value of 1JD each. The authorized, issued and paid up capital was increased several times over the years to reach JD 27,270,078.

The main objectives of the Company are to invest in all available fields of investment in industrial, agricultural, financial, real estate, tourism and services sectors, and in particular to purchase and hold shares, allotments, real estate, bonds and manage investment portfolios. Other activities include, providing consulting services and capital market operations services which support and foster investment, acting as a broker in organizing the capital financing operations required for establishment, expansion and development of the companies including the undertakings of issuance of shares and bond or participate with the gatherings that aim to such undertakings.

The Company's registered office is located in Jabal Amman, Amman – The Hashemite Kingdom of Jordan.

The main objectives of the subsidiaries are to invest in all available fields of investment.

The financial statements were authorized for issuance by the Board of Directors on 28 April 2021.

The company's shares are listed in Amman Stock Exchange.

(2) BASIS OF PREPARATION AND THE ACCOUNTING POLICIES

BASIS OF PREPARATION

The accompanying interim condensed consolidated financial statements for the Group as of 31 March 2021 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

The interim condensed consolidated financial statements have been presented in Jordanian Dinars" JD" which is the functional currency of the Group.

The financial statements are prepared under the historical cost convention except for financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income which have been measured at fair value at the financial statements date.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Group's annual financial statements as at 31 December 2020. In addition, the results for the three months ended 31 March 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

BASIS OF CONSOLIDATION

The interim condensed consolidated financial statements comprise the financial statements of Jordan Investment Trust Company and its wholly owned subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

Group controls an investee only if the Group has:

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

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

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

The Group re-assesses whether or not it controls an investee if facts and 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 statement of income 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 into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses, profits and losses relating to transactions between members of the Group are eliminated.

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the translation reserve of the foreign currencies
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained in the subsidiary;
- Recognises profit or loss resulting from controlling loss; and
- Reclassifies the company's share of components previously recognised in other comprehensive income to profit or loss.

CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2020 except for the adoption of new standards effective as of 1 January 2021 shown below:

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the interim condensed financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2021 (UNAUDITED)

(3) SEGMENT INFORMATION

Segment information for the basic sectors

For management purposes, the Group is organized into two major business segments:

Financial investments - Principally trading in equities and bonds, in addition to investment in associates and deposits at banks and act as a custodian.

Investment properties - Principally trading and renting properties and land owned by the Group.

These segments are the basis on which the Group reports its primary segment information.

Below is the segment information:

	Financial Investments	Investment properties	Others	Total
	JD'000	JD'000	JD'000	JD'000
				(Unaudited)
For the three months ended 31 March 2021 –				
Segment revenues	278	34	19	331
Distributed expenses	(158)	(24)	(42)	(224)
Profit before income tax for the period	120	10	(23)	107
Income tax expense				-
Profit for the period				107
For the three months ended 31 March 2020 –				
Segment revenues	24	24	-	48
Distributed expenses	(171)	(24)	(47)	(242)
Loss before income tax for the period	(147)	-	(47)	(194)
Income tax expense				-
Loss for the period				(194)

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2021 (UNAUDITED)

	<u>Financial Investments</u> JD'000	<u>Investment properties</u> JD'000	<u>Others</u> JD'000	<u>Total</u> JD'000
31 March 2021 - (Unaudited)				
Assets and Liabilities				
Segment assets	21,460	10,383	797	<u>32,640</u>
Segment liabilities	659	73	610	<u>1,342</u>
Other segment information for the three months ended 31 March 2021 - (Unaudited)				
Depreciation and amortization	14	13	10	<u>37</u>
31 December 2020 – (Audited)				
Assets and Liabilities				
Segment assets	21,627	10,376	485	<u>32,488</u>
Segment liabilities	584	68	720	<u>1,372</u>
Other segment information for the three months ended 31 March 2020 - (Unaudited)				
Depreciation and amortization	10	13	10	<u>33</u>

(4) INVESTMENT IN ASSOCIATE

This item represents the following:

	<u>Ownership percentage</u> %	<u>Country of incorporation</u>	<u>Nature of activity</u>	<u>31 March 2021</u> JD (Unaudited)	<u>31 December 2020</u> JD (Audited)
First Education Holding (FEH)	31.6	Bahrain	Education	<u>10,330,198</u>	<u>10,363,112</u>

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
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The following table illustrates the movement on the investment in associate:

	31 March 2021	31 December 2020
	JD (Unaudited)	JD (Audited)
Balance at the beginning of the period/ year	10,363,112	10,576,250
Group's share from associate loss	(32,914)	(213,138)
Balance at the end of the period/ year	<u>10,330,198</u>	<u>10,363,112</u>

(5) GAINS FROM FINANCIAL ASSETS

	31 March 2021	31 March 2020
	JD (Unaudited)	JD (Unaudited)
Dividends income	186,203	181,828
Change in fair value of financial assets through profit or loss	99,088	(163,288)
	<u>285,291</u>	<u>18,540</u>

(6) CONTINGENT LIABILITIES

As of the date of the interim condensed consolidated financial statements, the Group is contingently liable in respect of a bank guarantee amounting to JD 1,440,000 as of 31 March 2021 (31 December 2020: JD 1,440,000) for the benefit of the Jordan Securities Commission in accordance with the Jordan Securities Commission Law No. 76 of 2007, in addition to other bank letters of guarantee for the benefit of the Securities Depository Center amounted to JD 150,000 as of 31 March 2021 (31 December 2020:JD 150,000) with security deposits of JD 67,000.

(7) OFF-BALANCE SHEET ITEMS

The Group holds investments for others amounting to JD 726,837 as of 31 March 2021 (31 December 2020: JD 715,777).

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2021 (UNAUDITED)

(8) INCOME TAX

Income tax provision

Income Tax provision for the period ended 31 March 2021 was calculated in accordance with the Income tax law No. (38) of 2018.

Jordan Investment Trust Company submitted tax declarations for the years 2016, 2017, 2018 and 2019, however the income tax department did not review it to the date of preparing these financial statements. A final settlement was reached with the income tax department until the end of the financial year of 2015.

(9) LOANS

	Loan installments		31 March 2021 JD (Unaudited)	31 December 2020 JD (Audited)
	Short term JD	Long term JD		
The Bank of Jordan (1)	18,097	-	18,097	26,347
The Bank of Jordan (2)	12,396	9,321	21,717	24,816
The Bank of Jordan (3)	108,000	216,000	324,000	351,000
			<u>363,814</u>	<u>402,163</u>

The Bank of Jordan Loan (1)

On 2 September 2010, the Group signed a loan agreement with the Bank of Jordan for an amount of JD 1,650,000 at an annual interest rate of 8.5%. the loan is due after a grace period of 2 years over 60 monthly installments of JD 32,616 each, the first of which fell due on 19 September 2012 until the final settlement, the loan is secured by the mortgage of the property owned by Al Tawon Real Estate Management Company (Subsidiary) which is equal to JD 900,000. In 2018 the loan was rescheduled, and the monthly installment was now JD 2,750 instead of JD 32,616 starting from 14 November 2018 and holds an annual interest rate of 9,25%. During 2020 interest rate was decreased to 8,25%.

The Bank of Jordan Loan (2)

On 11 January 2017, the Group signed a loan agreement with the Bank of Jordan for an amount of JD 74,400 with an annual interest rate of 8.75%. The loan is payable in 60 monthly installments of JD 1,033 each, starting on 31 January 2017. The loan was used to finance the purchase of a new vehicle. During 2020 interest rate was decreased to 8%.

The Bank of Jordan Loan (3)

On 2 October 2018, the Group signed a loan agreement with the Bank of Jordan for an amount of JD 540,000 with an annual interest rate of 9%. The loan is payable after a grace period of 5 months in 60 monthly installments of JD 9,000 each, starting on 21 April 2019. The loan is secured by the mortgage of the property owned by AITawon Real Estate Management Company (Subsidiary) by JD 900,000. During 2020 interest rate was decreased to 8,25%.

(10) RELATED PARTIES TRANSACTIONS

Related parties Transactions represent the transactions made with associated companies, major shareholders, directors, and key management personnel of the Group, and entities which have main controlling shareholders. Pricing policies and terms of the transactions with related parties are approved by the Group's management.

Executive management's Compensations and remunerations

The remuneration of executive management was as follows:

	<u>31 March 2021</u>	<u>31 March 2020</u>
	JD	JD
	(Unaudited)	(Unaudited)
Salaries and benefits	<u>100,232</u>	<u>239,779</u>

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2021 (UNAUDITED)

Subsidiaries

The consolidated financial statements include the financial statements of Jordan Investment Trust Company and the subsidiaries listed in the following table:

Company's name	Country of incorporation	Ownership percentage	Company's capital	
			31 March 2021	31 December 2020
			JD (Unaudited)	JD (Audited)
Medical Clinics	Jordan	100	1,958,843	1,958,843
Imcan for Financial Services	Jordan	77	1,359,897	1,359,897
Akar Limited Company	British Virgin Islands	100	300,000	300,000
Amwaj Financial Investments	Jordan	100	60,000	60,000
Mazaya Financial Investments	Jordan	100	60,000	60,000
Burhan Al-Thiqa Financial Investments	Jordan	100	60,000	60,000
Knowledge Bases Financial Investments	Jordan	100	60,000	60,000
Al Rafah Financial Investments	Jordan	100	60,000	60,000
Trust and Sham Financial Investments	Jordan	100	81,000	81,000
Trust and Hospitality Financial Investments	Jordan	100	50,000	50,000
Al Sahel Financial Investments	Jordan	100	60,000	60,000
The Arabian Coffee	Jordan	100	60,000	60,000
Zohoor Al-Thiqa for Real Estate	Jordan	100	50,000	50,000
Al Olbah Real Estate	Jordan	100	50,000	50,000
Al Tawon for Real Estate Management	Jordan	100	10,000	10,000
Al-Ihdathiat Real Estate Company	Jordan	58	4,486,627	4,486,627
Trust and Dubai Investment	Jordan	100	2,334,842	2,334,842

(11) CORONAVIRUS SPREAD (COVID – 19) AND ITS IMPACT ON THE GROUP

As a result of the continued impact of the Corona virus (Covid-19) on the global economy and various business sectors and the accompanying restrictions and measures imposed by the Jordanian Government and neighboring countries and the rest of the world, it is possible that operational activities may be affected by global developments that currently affect various economic and geographical sectors. The management in process to determine the impact of the Corona virus on the Group's activities and the financial performance of the Group to take appropriate measures to enable it to continue its activities in the current circumstances. Group management believes that the impact will be limited to decrease in value of the group's investment portfolio in the stock market and a decrease in the profit from associate.