

JORDAN INVESTMENT TRUST COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (UNAUDITED)

30 SEPTEMBER 2023



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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 30 September 2023 comprising of interim consolidated statement of financial position as of 30 September 2023 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 nine 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 October 2023

ERNST & YOUNG
Amman - Jordan

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 SEPTEMBER 2023

| | <u>Notes</u> | 30 September 2023 JD (Unaudited) | 31 December 2022 JD (Audited) |
|---|--------------|---|--|
| <u>ASSETS</u> | | | |
| Cash on hand and at banks | | 149,983 | 201,136 |
| Financial assets at fair value through profit or loss | | 2,434,326 | 2,557,897 |
| Financial assets at fair value through other comprehensive income | | 5,775,598 | 5,883,176 |
| Accounts receivable - net | | 125,413 | 88,459 |
| Investment in associate | 4 | 9,972,943 | 9,949,207 |
| Other debit balances | | 432,776 | 481,664 |
| Property and equipment | | 2,056,835 | 2,092,044 |
| Investment properties | | 10,287,960 | 10,313,203 |
| Total Assets | | 31,235,834 | 31,566,786 |
| <u>LIABILITIES AND EQUITY</u> | | | |
| Liabilities - | | | |
| Loans | 9 | 180,000 | 235,354 |
| Brokerage customers - payables | | 35,720 | 59,743 |
| Other credit balances | | 706,321 | 726,378 |
| Income tax provision | | 147 | 636 |
| Total Liabilities | | 922,188 | 1,022,111 |
| Equity - | | | |
| Shareholders' equity | | | |
| Paid-in capital | 1 | 27,270,078 | 27,270,078 |
| Statutory reserve | | 1,452,237 | 1,452,237 |
| Fair value reserve | | 548,244 | 654,166 |
| Other reserves | | (19,447) | (19,447) |
| Accumulated losses | | (461,366) | (343,586) |
| Shareholders' equity | | 28,789,746 | 29,013,448 |
| Non-controlling interests | | 1,523,900 | 1,531,227 |
| Total Equity | | 30,313,646 | 30,544,675 |
| Total Liabilities and Equity | | 31,235,834 | 31,566,786 |

The accompanying notes from 1 to 11 form part of these interim condensed consolidated financial statements

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023 (UNAUDITED)

| | Notes | For the three months ended 30 September | | For the nine months ended 30 September | |
|--|-------|--|------------------|---|------------------|
| | | 2023 | 2022 | 2023 | 2022 |
| | | JD | JD | JD | JD |
| Revenues - | | | | | |
| Interest income | | - | - | - | 3,700 |
| Gain (loss) from financial assets | 5 | 36,803 | (62,647) | 426,967 | 112,495 |
| Brokerage commissions revenue | | 4,258 | 6,319 | 15,308 | 12,550 |
| Group's share of (loss) gain from associate | 4 | (11,420) | (73,442) | 23,736 | (181,591) |
| Other income | | 55,973 | 57,658 | 173,840 | 182,850 |
| Net revenues | | <u>85,614</u> | <u>(72,112)</u> | <u>639,851</u> | <u>130,004</u> |
| Expenses - | | | | | |
| Interest and commission | | (5,898) | (6,904) | (19,368) | (20,041) |
| Administrative expenses | | (203,702) | (187,089) | (636,237) | (557,192) |
| Impairment provision for investment properties | | - | - | - | (2,544) |
| Depreciation and amortization | | <u>(36,389)</u> | <u>(39,834)</u> | <u>(108,820)</u> | <u>(117,228)</u> |
| Loss before income tax | | <u>(160,375)</u> | <u>(305,939)</u> | <u>(124,574)</u> | <u>(567,001)</u> |
| Income tax expense | 8 | - | - | - | - |
| Loss for the period | | <u>(160,375)</u> | <u>(305,939)</u> | <u>(124,574)</u> | <u>(567,001)</u> |
| Attributable to: | | | | | |
| Shareholders of the company | | (158,571) | (304,187) | (117,247) | (560,301) |
| Non-controlling interests | | <u>(1,804)</u> | <u>(1,752)</u> | <u>(7,327)</u> | <u>(6,700)</u> |
| | | <u>(160,375)</u> | <u>(305,939)</u> | <u>(124,574)</u> | <u>(567,001)</u> |
| | | <u>JD / Fils</u> | <u>JD / Fils</u> | <u>JD / Fils</u> | <u>JD / Fils</u> |
| Basic and diluted earnings per share from loss for the period | | <u>(0/006)</u> | <u>(0/011)</u> | <u>(0/004)</u> | <u>(0/021)</u> |

The accompanying notes from 1 to 11 form part of these interim condensed consolidated financial statements

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023 (UNAUDITED)

| | For the three months ended 30 September | | For the nine months ended 30 September | |
|---|--|------------------|---|------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | JD | JD | JD | JD |
| Loss for the period | (160,375) | (305,939) | (124,574) | (567,001) |
| Add: other comprehensive income not to be reclassified to profit and loss in subsequent periods: | | | | |
| Change in fair value of financial assets at fair value through other comprehensive income | <u>(604)</u> | <u>(140,396)</u> | <u>(106,455)</u> | <u>(13,647)</u> |
| Total comprehensive income for the period | <u>(160,979)</u> | <u>(446,335)</u> | <u>(231,029)</u> | <u>(580,648)</u> |
| Attributable to: | | | | |
| Shareholders of the company | (159,175) | (444,724) | (223,702) | (573,948) |
| Non-controlling interests | <u>(1,804)</u> | <u>(1,611)</u> | <u>(7,327)</u> | <u>(6,700)</u> |
| | <u>(160,979)</u> | <u>(446,335)</u> | <u>(231,029)</u> | <u>(580,648)</u> |

The accompanying notes from 1 to 11 form part of these interim condensed consolidated financial statements

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023 (UNAUDITED)

| | Paid-in capital | Statutory reserve | Other reserve | Fair value reserve | (Accumulated losses) retained earnings | Total | Non-controlling interest | Total equity |
|--|-------------------|-------------------|-----------------|--------------------|--|-------------------|--------------------------|-------------------|
| | JD | JD | JD | JD | JD | JD | JD | JD |
| For the nine months period ended 30 September 2023 | | | | | | | | |
| Balance as of 1 January 2023 | 27,270,078 | 1,452,237 | (19,447) | 654,166 | (343,586) | 29,013,448 | 1,531,227 | 30,544,675 |
| Total comprehensive income for the period | - | - | - | (106,455) | (117,247) | (223,702) | (7,327) | (231,029) |
| Loss on sales of financial assets at fair value through other comprehensive income | - | - | - | 533 | (533) | - | - | - |
| Balance as of 30 September 2023 | <u>27,270,078</u> | <u>1,452,237</u> | <u>(19,447)</u> | <u>548,244</u> | <u>(461,366)</u> | <u>28,789,746</u> | <u>1,523,900</u> | <u>30,313,646</u> |
| For the nine months period ended 30 September 2022 | | | | | | | | |
| Balance as of 1 January 2022 | 27,270,078 | 1,452,237 | - | 507,087 | 325,530 | 29,554,932 | 1,713,950 | 31,268,882 |
| Total comprehensive income for the period | - | - | - | (13,647) | (560,301) | (573,948) | (6,700) | (580,648) |
| Acquisition of non-controlling interest | - | - | - | - | - | - | (193,629) | (193,629) |
| Balance as of 30 September 2022 | <u>27,270,078</u> | <u>1,452,237</u> | <u>-</u> | <u>493,440</u> | <u>(234,771)</u> | <u>28,980,984</u> | <u>1,513,621</u> | <u>30,494,605</u> |

The accompanying notes from 1 to 11 form part of these interim condensed consolidated financial statements

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023 (UNAUDITED)

| | Notes | 30 September 2023 | 30 September 2022 |
|---|-------|----------------------|----------------------|
| | | JD | JD |
| <u>OPERATING ACTIVITIES</u> | | | |
| Loss for the period before income tax | | (124,574) | (567,001) |
| Adjustments - | | | |
| Depreciation and amortization | | 108,820 | 117,228 |
| Impairment provision for investment properties | | - | 2,544 |
| Group's share of (gain) loss from associate | 4 | (23,736) | 181,591 |
| Interest expense | | 19,368 | 20,041 |
| Interest income | | - | (3,700) |
| Gain on sales of property and equipment | | - | (13,000) |
| Change in fair value of financial assets at fair value through profit or loss | 5 | (28,410) | 104,156 |
| Dividends income from financial assets | 5 | (403,342) | (217,677) |
| Changes in working capital | | | |
| Financial assets at fair value through profit or loss | | 151,981 | (56,816) |
| Accounts receivable and other debit balances | | 11,934 | (18,924) |
| Accounts payable and other credit balances | | (44,080) | (49,941) |
| Income tax paid | | (490) | - |
| Net cash flows used in operating activities | | <u>(332,529)</u> | <u>(501,499)</u> |
| <u>INVESTING ACTIVITIES</u> | | | |
| Purchase of property and equipment | | (11,769) | (45,018) |
| Proceeds from sale of property and equipment | | - | 13,000 |
| Purchase of investment property | | (36,598) | (4,520) |
| Interest income | | - | 3,700 |
| Purchase of financial assets at fair value through other comprehensive income | | - | (242,660) |
| Sale of financial assets at fair value through other comprehensive income | | 1,123 | - |
| Dividends income from financial assets received | 5 | 403,342 | 217,677 |
| Net cash flows from (used in) investing activities | | <u>356,098</u> | <u>(57,821)</u> |
| <u>FINANCING ACTIVITIES</u> | | | |
| Payment of loans | | (55,354) | (20,066) |
| Acquisition of shares from the non-controlling interest | | - | (193,629) |
| Paid interest | | (19,368) | (20,041) |
| Net cash flows used in financing activities | | <u>(74,722)</u> | <u>(233,736)</u> |
| Net decrease in cash and cash equivalents | | (51,153) | (793,056) |
| Cash and cash equivalents at beginning of the period | | 201,136 | 1,058,203 |
| Cash and cash equivalents at end of the period | | <u>149,983</u> | <u>265,147</u> |

The accompanying notes from 1 to 11 form part of these interim condensed consolidated financial statements

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2023 (UNAUDITED)

(1) GENERAL

Jordan Investment Trust Company was incorporated in Jordan as a public shareholding company and was registered on 23 April 1998 with an authorized capital of JD 20,000,000 divided into 20,000,000 shares, at a par value of JD 1 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.

These financial statements were authorized for issuance by the Board of Directors on 29 October 2023.

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

(2) BASIS OF PREPARATION AND THE ACCOUNTING POLICIES

The accompanying interim condensed consolidated financial statements as of 30 September 2023 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 and 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 2023. In addition, the results for the nine months ended 30 September 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

BASIS OF CONSOLIDATION

The interim condensed consolidated financial statements comprise the financial statements of Jordan Investment Trust Company and its 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 and 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
30 SEPTEMBER 2023 (UNAUDITED)

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 consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2022 except for the adoption of new standards effective as of 1 January 2023 shown below:

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach),
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

This standard is not applicable to the Group.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are not expected to have a material impact on the interim condensed consolidated financial statements of the Group.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments are not expected to have a material impact on the interim condensed consolidated financial statements of the Group.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The amendments are not expected to have a material impact on the interim condensed consolidated financial statements of the Group.

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2023 (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 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 are the segments information:

| | Financial Investments | Investment properties | Others | Total |
|--|--------------------------|--------------------------|--------|-------------|
| | JD'000 | JD'000 | JD'000 | JD'000 |
| | | | | (Unaudited) |
| For the nine months ended 30 September 2023 - | | | | |
| Net segment revenues | 466 | 173 | 1 | 640 |
| Distributed expenses | (558) | (72) | (134) | (764) |
| Loss before income tax for the period | (92) | 101 | (133) | (124) |
| Income tax expense | | | | - |
| Loss for the period | | | | (124) |
| For the nine months ended 30 September 2022 - | | | | |
| Net segment revenues | (53) | 166 | 17 | 130 |
| Distributed expenses | (486) | (74) | (137) | (697) |
| Loss before income tax for the period | (539) | 92 | (120) | (567) |
| Income tax expense | | | | - |
| Loss for the period | | | | (567) |

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2023 (UNAUDITED)

| | Financial Investments | Investment properties | Others | Total |
|--|--------------------------|--------------------------|--------|----------------|
| | JD'000 | JD'000 | JD'000 | JD'000 |
| 30 September 2023 – (Unaudited) | | | | |
| Assets and Liabilities | | | | |
| Segment assets | 20,390 | 10,288 | 558 | <u>31,236</u> |
| Segment liabilities | (370) | (166) | (386) | <u>(922)</u> |
| | | | | <u>30,314</u> |
| Other segment information for the nine months ended 30 September 2023 - | | | | |
| Depreciation and Amortization | | | | <u>109</u> |
| Capital expenditures | | | | <u>48</u> |
| 31 December 2022 – (Audited) | | | | |
| Assets and Liabilities | | | | |
| Segment assets | 20,683 | 10,313 | 570 | <u>31,566</u> |
| Segment liabilities | (371) | (65) | (586) | <u>(1,022)</u> |
| | | | | <u>30,544</u> |
| Other segment information for the nine months ended 30 September 2022 – (Unaudited) | | | | |
| Depreciation and Amortization | | | | <u>117</u> |
| Capital expenditures | | | | <u>49</u> |

(4) INVESTMENT IN ASSOCIATE

The details of this item are as follows:

| | Ownership percentage | Country of incorporation | Nature of activity | 30 September 2023 | 31 December 2022 |
|-------------------------------|-------------------------|-----------------------------|-----------------------|----------------------|---------------------|
| | % | | | JD (Unaudited) | JD (Audited) |
| First Education Holding (FEH) | 31.6 | Bahrain | Education | <u>9,972,943</u> | <u>9,949,207</u> |

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

| | 30 September 2023 | 31 December 2022 |
|--|----------------------|---------------------|
| | JD (Unaudited) | JD (Audited) |
| Balance at the beginning of the period/ year | 9,949,207 | 10,127,286 |
| Net Group's share from associate's profit (loss) | 23,736 | (178,079) |
| Balance at the end of the period/ year | <u>9,972,943</u> | <u>9,949,207</u> |

(5) GAINS FROM FINANCIAL ASSETS

| | For the nine months ended on | |
|---|------------------------------|----------------------|
| | 30 September 2023 | 30 September 2022 |
| | JD (Unaudited) | JD (Unaudited) |
| Realized gains | (4,785) | (1,026) |
| Dividends' income | 403,342 | 217,677 |
| Change in fair value of financial assets through profit and loss | 28,410 | (104,156) |
| | <u>426,967</u> | <u>112,495</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 1,300,000 as of 30 September 2023 (31 December 2022: JD 1,440,000) for the benefit of the Jordan Securities Commission in accordance with the Jordan Securities Commission Law No. 76 of 2007, and bank letters of guarantee for the benefit of the Securities Depository Center amounted to JD 150,000 as of 30 September 2023 (31 December 2022: JD 150,000) where its cash deposits amounted to JD 10,000 (31 December 2022: JD 67,000).

(7) OFF-BALANCE SHEET ITEMS

The Group holds investments for others amounting to JD 634,714 as of 30 September 2023 (31 December 2022: 720,409 JD).

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(8) INCOME TAX

The Company did not calculate income tax provision for the period ended on 30 September 2023 due to the excess of expenses over taxable income in accordance with the Income tax law No. (34) of 2014 and its amendments.

Jordan Investment Trust Company submitted tax declarations for the years 2020 up to 2022 which have not been reviewed by the income tax department up to the date of preparing these financial statements. A final settlement was reached with the income tax department up to the year 2019

(9) LOANS

The details of this item are as follows:

| | <u>Loan installments</u> | | <u>30 September 2023</u> | <u>31 December 2022</u> |
|--------------------|--------------------------|------------------|------------------------------|-----------------------------|
| | <u>Short term</u> | <u>Long term</u> | | |
| | JD | JD | JD (Unaudited) | JD (Audited) |
| Bank of Jordan (1) | - | - | - | 10,354 |
| Bank of Jordan (2) | 108,000 | 72,000 | 180,000 | 225,000 |
| | <u>108,000</u> | <u>72,000</u> | <u>180,000</u> | <u>235,354</u> |

Bank of Jordan Loan (1)

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 10%. The loan is payable in 60 monthly installments of JD 1,033 each, starting from 31 January 2017 until full payment. The loan was used to finance the purchase of a new vehicle. In 31 May 2023, the Group fully repaid the loan in advance.

Bank of Jordan Loan (2)

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 10%. 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 until the full payment. The loan is secured by the mortgage of the property owned by Al Tawon Real Estate Management Company (Subsidiary) by JD 900,000. During 2023, the Group has postponed the remaining installments (14 installments) so that the payment of the first installment to be from the date of 21 April 2023 until full payment.

(10) EQUITY

Legal Reserves -

The Group has not deducted any statutory reserve according to the Companies law since these are interim financial statements.

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
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(11) 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 are approved by the Group's management.

Executive management's compensations and remunerations

The remuneration of executive management of the Group was as follows:

| | For the nine months ended on | |
|-------------------------------------|------------------------------|----------------------|
| | 30 September 2023 | 30 September 2022 |
| | JD (Unaudited) | JD (Unaudited) |
| Salaries, benefits and remuneration | 204,430 | 164,397 |

Subsidiaries

The interim condensed 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 | |
|---|-----------------------------|------------------------------|---|--|
| | | | 30 September 2023 JD (Unaudited) | 31 December 2022 JD (Audited) |
| Medical Clinics | Jordan | 100 | 1,958,843 | 1,958,843 |
| Imcan for Financial Services | Jordan | 100 | 1,332,719 | 1,332,719 |
| Akar Limited Company | British Virgin Islands | 100 | 300,000 | 300,000 |
| Amwaj International 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 for Financial Investments | Jordan | 100 | 81,000 | 81,000 |
| Al Sahel Financial Investments | 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 | 50,000 | 50,000 |