THE SAUDI JORDANIAN INVESTMENT FUND

LIMITED PUBLIC SHAREHOLDING COMPANY

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2020

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of the Saudi Jordanian Investment Fund
Limited Public Shareholding Company
Amman – Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying financial statements of The Saudi Jordanian Investment Fund – Limited Public Shareholding Company (the "Company") and its subsidiaries referred to as a (the "Group") , which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2020, and its financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards, are further described in the Auditor's Responsibilities for the Audit of the 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* (including International Independence Standards) (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 a basis for our opinion.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

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

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

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

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

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

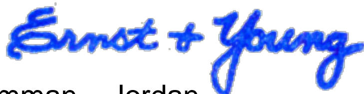
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we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

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

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.

Report on Other Legal and Regulatory Requirements

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



Amman – Jordan
3 March 2021

THE SAUDI JORDANIAN INVESTMENT FUND GROUP – LIMITED PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	2020	2019
		JD	JD
ASSETS			
Non-Current Assets			
Right of use assets	3	2,527	75,848
Property and equipment	4	51,666	87,826
Projects under progress	5	17,740	-
		71,933	163,674
Current Assets			
Other current assets	6	129,587	166,750
Cash on hand and at banks	7	12,682,755	4,609,474
		12,812,342	4,776,224
Total Assets		12,884,275	4,939,898
EQUITY AND LIABILITIES			
Shareholders' Equity	1		
Paid in capital		7,100,000	7,100,000
Advance payments on capital increase		10,142,727	-
Accumulated losses		(4,963,943)	(2,650,694)
Total Equity		12,278,784	4,449,306
Liabilities			
Non-Current Liabilities			
Long term employees' benefit liability	11	245,487	83,238
		245,487	83,238
Current Liabilities			
Accounts payable		53,102	49,770
Lease liability – short term	12	-	82,768
Other current liabilities	10	306,902	274,816
		360,004	407,354
Total Liabilities		605,491	490,592
Total Equity and Liabilities		12,884,275	4,939,898

The attached notes from 1 to 18 form part of these consolidated financial statements

THE SAUDI JORDANIAN INVESTMENT FUND GROUP – LIMITED PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020	2019
		JD	JD
Administrative expenses	13	(2,475,329)	(1,780,288)
Interest income		166,564	256,602
Finance cost		(4,484)	(11,889)
Loss for the year		(2,313,249)	(1,535,575)
Add: other comprehensive income items		-	-
Total comprehensive income for the year		(2,313,249)	(1,535,575)

The attached notes from 1 to 18 form part of these consolidated financial statements

The Saudi Jordanian Investment Fund Group – Limited Public Shareholding Company
Consolidated Statement of Changes In Equity
For The Year Ended 31 December 2020

	Paid in capital	Advance payments on capital increase	Accumulated losses	Total
	JD	JD	JD	JD
For the year ended 31 December 2020 -				
Balance as of 1 January 2020	7,100,000	-	(2,650,694)	4,449,306
Advance payments on capital increase (Note 1)	-	10,142,727	-	10,142,727
Total comprehensive income for the year	-	-	(2,313,249)	(2,313,249)
Balance as of 31 December 2020	7,100,000	10,142,727	(4,963,943)	12,278,784
For the year ended 31 December 2019 -				
Balance as of 1 January 2019	7,100,000	-	(1,115,119)	5,984,881
Total comprehensive income for the year	-	-	(1,535,575)	(1,535,575)
Balance as of 31 December 2019	7,100,000	-	(2,650,694)	4,449,306

The attached notes from 1 to 18 form part of these consolidated financial statements

THE SAUDI JORDANIAN INVESTMENT FUND – LIMITED PUBLIC SHAREHOLDING COMPANY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020	2019
		JD	JD
OPERATING ACTIVITIES			
Loss for the year		(2,313,249)	(1,535,575)
Adjustments for:			
Depreciation of right of use assets	3	63,400	70,012
Concession on right of use assets	3	9,921	-
Depreciation of property and equipment	4	43,863	35,581
Long term employees' benefit liability		162,249	83,238
Finance cost – Lease contract		4,484	11,889
Interest income		(166,564)	(256,602)
Working capital adjustments:			
Other current assets		37,163	(3,025)
Accounts payable		3,332	275
Other current liabilities		32,086	48,525
Net cash flows used in operating activities before finance cost		(2,123,315)	(1,545,682)
Finance cost paid – lease contract		(4,484)	(12,484)
Net cash flows used in operating activities		(2,127,799)	(1,558,166)
INVESTING ACTIVITIES			
Purchase of property and equipment		(25,443)	(46,221)
Short term deposits maturing in more than 3 months		1,575,095	976,185
Interest Income received		166,564	306,748
Net cash flows from investing activities		1,716,216	1,236,712
FINANCING ACTIVITIES			
Additions on paid in capital		10,142,727	-
Payment of lease contract liabilities		(82,768)	(75,295)
Net cash flows from (used in) financing activities		10,059,959	(75,295)
Net increase (decrease) in cash and cash equivalents		9,648,376	(396,749)
Cash and cash equivalents at the beginning of the year		585,659	982,408
Cash and cash equivalents at the end of the year	7	10,234,035	585,659

The attached notes from 1 to 18 form part of these consolidated financial statements

(1) GENERAL

The Saudi Jordanian Investment Fund Group was established as a Limited Public Shareholding Company on 26 March 2017 and registered, at the Companies Controllers Department at the Ministry of Industry and Trade and Supply, in the Jordanian Private Investment Fund Companies Register under registration no. (1) in accordance with the Jordanian Investment Fund Law No. (16) for the year 2016 and the Regulation of Investment Fund Companies No. (170) for the year 2016, with an authorized and paid capital of JD 7,100,000 divided into 7,100,000 shares at a par value of JD 1 each. The authorized and paid capital is divided as follow:

Partner Name	Country	Ownership percentage (%)	Capital
Public Investment Fund	KSA	90	6,390,000
Jordanian commercial investment banks group	Jordan	8.4	595,492
Jordanian Islamic investing banks group	Jordan	1.6	114,508

On 5 November 2020, the group's general assembly held an extraordinary meeting to increase its authorized capital from JD 7,100,000 divided into 7,100,000 shares to JD 100,000,000 divided into 100,000,000 shares and authorizing the board of directors to request the group's shareholders to cover and pay the unsubscribed shares according to a decision issued by the board of directors. An amount of JD 10,142,727 was transferred as payments on account for capital increase. The Group is still in the process of completing the capital increase process as of 31 December 2020.

The Group's objectives are:

- Investing in the establishment and operation of railways and its related projects.
- Construction of an entertainment and tourism park.
- Construction and development of a pipeline transporting crude oil and oil products to the location of the Jordan Petroleum Refinery and consumption and storage sites.
- Investing in companies and owning shares and stocks in line with Group's goals.
- Construction and development of electrical linkage with the Kingdom of Saudi Arabia.
- Own, invest, develop, manage and operate projects in the energy, tourism, infrastructure and other sectors.
- Development of the infrastructure in the city of the Custodian of the Two Holy Mosques.
- Performing infrastructure projects.

The Company's headquarter is located in Amman - the Hashemite Kingdom of Jordan.

The financial statements were approved by the Group's Board of Directors in their meeting held on 23 February 2021.

(2-1) BASIS OF PREPARATION

The Consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS").

The Consolidated financial statements have been prepared at historical cost basis.

The Consolidated financial statements are presented in Jordanian Dinars, which represents the functional currency of the Group.

(2-2) BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of The Saudi Jordanian Investment Fund (the "Company") and its subsidiaries (the "Group") as at 31 December 2020:

Company Name	Industry	Ownership percentage (%)	Headquarters
The Saudi Jordanian Investment Fund for Technology Investment	Investing in the internet technology	100%	Cayman Islands

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investees (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; and
- 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.

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 and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss.

The financial statements of the company and the subsidiary are prepared for the same financial year, using the same accounting policies.

Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

(2-3) CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the Consolidated financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended 31 December 2019, except for the adoption of new standards effective as of 1 January 2020:

Amendments to IFRS 3: Definition of a Business
The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process

that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

These amendments had no impact on the Consolidated financial statements of the Group.

Amendments to IAS 1 and IAS 8: Definition of "Material"
The IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

These amendments had no impact on the Consolidated financial statements of the Group.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform
Interest Rate Benchmark Reform Amendments to IFRS 9 and IFRS 7 includes a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

These amendments have no impact on the Consolidated financial statements of the Group.

Amendments to IFRS 16 Covid-19 Related Rent Concessions
On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. This relates to any reduction in lease payments which are originally due on or before 30 June 2021. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. These amendments have no impact on the Consolidated financial statements of the Group.

(2-4) SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted are as follows:

Property and Equipment
Property and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost and accumulated depreciation for a sold or disposed of asset is derecognized and the gain or loss associated is booked in the consolidated statement of income.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets using the following rates:

	%
Leasehold improvement	35
Office equipment	35
Furniture and fixture	35
Computers	35
Vehicles	15

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalized only when it increases future economic benefits of related items of property and equipment. All other expenditure is recognized in the statement of comprehensive income and is expensed as incurred.

Projects in progress
Projects in progress represent construction projects of a workshop, laboratories and studios, and are stated at cost. This includes the cost of construction and other direct costs. Projects in progress is not depreciated until such items are completed and ready for the operational use.

Accounts Receivable
Accounts receivable are stated at original invoice amount less an allowance for Expected Credit Losses. IFRS 9 requires the Group to record an allowance for Expected Credit Losses (ECLs) for all debt instruments measured at amortized cost.

Leases
The Group determines whether an arrangement is a lease or contains a lease, by transferring the right to use the asset in exchange for the consideration paid.

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Group.

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

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

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option

reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

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

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

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

Employees benefit liability
Employees benefits which are payable on the long term period are disclosed as long-term liabilities in the consolidated statement of financial position and employees benefits that are paid within 12 months are disclosed within other credit balances as short term liabilities in accordance with the IAS 19. Employees benefit liability are recorded at present value of expected future cash flows using an interest rate similar to the borrowing interest rate.

Cash and Cash Equivalents

Cash and cash equivalents consists of cash on hand, and at banks and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Accounts Payable and Accruals

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

Income Tax

Income tax expense represents the current and deferred income taxes.

Current tax is calculated based on taxable profits, which may differ from accounting profits appearing in the income statement. Accounting profits may include non-taxable profits or expenses which may not be tax deductible in the current but in subsequent applicable years.

Current income tax is calculated in accordance with the Income Tax Laws in Jordan.

Deferred income taxation is provided using the liability method on all temporary differences at the consolidated statement of financial position date. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on laws that have been enacted at the consolidated statement of financial position date.

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

Revenue and Expense Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Expenses are recognized on an accrual basis.

Foreign currencies

Transactions in foreign currencies are recorded at the prevailing exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the prevailing exchange rates at the consolidated statement of financial position date. All differences are taken to the statement of comprehensive income.

Impairment of financial assets

The Group assesses at each financial position date whether there is any objective evidence that a financial asset or a group of financial assets are impaired. A financial asset or a group of financial assets are considered impaired when there is objective evidence of impairment as a result of one or more events (loss event) that occur after the asset's initial measurement, that will have a direct and reasonably estimated impact on its future cash flows. Permanent impairment indicators could comprise of indications that the borrower or a group of borrowers are facing significant financial difficulties, or neglect, or default in making interest or principal payments, and are likely to be subject to bankruptcy or financial restructuring. Furthermore, permanent impairment indicators exist when observable data indicates the existence of a measurable decrease in estimated cash flows such as changes in the Group's economic conditions due to negligence.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are

largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Fair value

The Group evaluates its financial instruments such as financial derivatives at fair at the date of the financial statements.

Fair value represents the price received in exchange for financial assets sold, or price paid to settle a sale between market participants at the measurement date.

The fair value is measured based on the assumption that the sale or purchase transaction of financial assets is facilitated through an active market for financial assets and liabilities respectively. In case there is no active market, a market best fit for financial assets and liabilities is used instead. The Group needs to acquire opportunities to access the active market or the best fit market.

The Group measures the fair value of financial assets and liabilities using the pricing assumptions used by market participants to price financial assets and liabilities, assuming that market participants behave according to their economic interests.

The fair value measurement of non-financial assets considers the ability of market participants to utilize the assets efficiently in order to generate economic benefits, or to sell them to other participants who will utilize them in the best way possible.

The Group uses valuation techniques that are appropriate and commensurate with the circumstances and provides sufficient information for fair value measurement. Also, it illustrates clearly the use of inputs that are directly observable and minimizes the use of inputs that are not directly observed.
The Group uses the following valuation methods and alternatives in measuring and recording the fair value of financial instruments.

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

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

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

For the disclosure of fair value, the Group classifies assets and liabilities based on their nature, their risk, and the level of fair value measurement.

(2-5) USE OF ESTIMATES

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

Significant estimates used in the consolidated financial statements are as follows:

Significant judgement in determining the lease term of contracts with renewal options

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

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

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

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

(3) RIGHT OF USE ASSETS

	Right of use - Office
2020 -	JD
Cost	
At 1 January	210,039
At 31 December	210,039
Accumulated depreciation	
At 1 January	134,191
Depreciation for the year	63,400
Concession on right of use assets*	9,921
At 31 December	207,512
Net book value	
At 31 December 2020	2,527
2019 -	
Cost	
At 1 January	210,039
At 31 December	210,039
Accumulated depreciation	
At 1 January	64,179
Depreciation for the year	70,012
At 31 December	134,191
Net book value	
At 31 December 2019	75,848

* This item represents the reduction in lease payments resulting directly from the COVID-19 pandemic, as the group has benefited from the amendments issued to IFRS16 (COVID-19-related rent concessions), which allows the lessee to choose not to consider reductions or postponements on rent resulting from the COVID-19 pandemic as a lease amendment on the rent contract.

(4) PROPERTY AND EQUIPMENT

	Leasehold improvement	Office equipment	Furniture and fixture	Computers	Vehicles	Total
2020 -	JD	JD	JD	JD	JD	JD
Cost						
At 1 January	48,987	13,337	32,968	19,619	13,698	128,609
Additions	-	1,226	450	6,027	-	7,703
At 31 December	48,987	14,563	33,418	25,646	13,698	136,312
Accumulated depreciation						
At 1 January	17,357	4,442	7,919	7,671	3,394	40,783
Depreciation for the year	17,193	4,984	11,663	7,963	2,060	43,863
At 31 December	34,550	9,426	19,582	15,634	5,454	84,646
Net book value						
At 31 December 2020	14,437	5,137	13,836	10,012	8,244	51,666
2019 -						
Cost						
At 1 January	37,500	7,847	11,006	12,337	13,698	82,388
Additions	5,225	4,340	29,374	7,282	-	46,221
Reclassification	6,262	1,150	(7,412)	-	-	-
At 31 December	48,987	13,337	32,968	19,619	13,698	128,609
Accumulated depreciation						
At 1 January	432	1,026	354	2,050	1,340	5,202
Depreciation for the year	16,691	3,404	7,811	5,621	2,054	35,581
Reclassification	234	12	(246)	-	-	-
At 31 December	17,357	4,442	7,919	7,671	3,394	40,783
Net book value						
At 31 December 2019	31,630	8,895	25,049	11,948	10,304	87,826

(5) PROJECTS UNDER PROGRESS

This item represents software programs, the expected final cost to complete the project is JD 21,598 and is expected to be completed by 24 January 2021.

(6) OTHER CURRENT ASSETS

	2020	2019
	JD	JD
Accrued interest income	82,796	127,371
Refundable deposits	26,334	26,334
Prepaid expenses	18,491	11,016
Advance payments	120	120
Due from Income tax department	210	210
Others	1,636	1,699
	129,587	166,750

(7) CASH ON HAND AND AT BANKS

	2020	2019
	JD	JD
Cash on hand	1,350	794
Cash at banks	20,364	5,101
Short term deposit maturing in less than 3 months*	10,212,321	579,764
Short term deposit maturing in more than 3 months**	2,448,720	4,023,815
	12,682,755	4,609,474

* This item represents a deposit in Jordanian Dinar with an interest rate of 0.5% - 2.5% and have original maturity period of one month.

** This item represents deposits in Jordanian Dinar with an interest rate of 4.75% and have a contractual maturity of up to one year.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at 31 December:

	2020	2019
	JD	JD
Cash on hand	1,350	794
Cash at banks	20,364	5,101
Short term deposit maturing in less than 3 months	10,212,321	579,764
	10,234,035	585,659

(8) RELATED PARTY BALANCES AND TRANSACTIONS

Related parties represent major shareholders, directors and key management personnel of the Group, and entities owned by such parties. Pricing policies and terms of the transactions with related parties are approved by the Group's management.

Salaries and benefits for the key management:

	2020	2019
	JD	JD
Salaries and benefits	637,516	598,855
Board of directors' compensations	24,780	-
Audit committee members' compensation	7,500	7,500

(9) INCOME TAX

No income tax provision was calculated for the years ended 31 December 2020 and 2019 due to the excess of deductible expenses over taxable revenues in accordance with the Income Tax Law No. (38) of 2018 and Income Tax Law No. (34) of 2014.

(10) OTHER CURRENT LIABILITIES

	2020	2019
	JD	JD
Accrued expenses	24,663	23,641
Accrued Bonus and incentives	222,021	222,964
Board of directors' compensations	24,780	-
Accrued audit committee members' compensation	7,500	7,500
Accrued interest payable – lease contract	-	655
Due to Income Tax Department	19,540	12,384
Due to Social Security Corporation	8,398	7,672
	306,902	274,816

(11) EMPLOYEES' BENEFIT LIABILITY

The Board of directors approved in their meeting held on 23 December 2020 to grant the senior executives under a long-term incentive plan an amount of JD 202,640 (total amount: JD 311,926) as of 31 December 2020 (2019: JD 109,286). The Group grants the eligible employees an annual bonus which is payable within 3 years.

The net present value of the employees' benefit liability is amounted to JD 245,487 as of 31 December 2020 (2019: JD 83,238) and was calculated based on the average borrowing interest rate in Jordan, which equals 9.5%.

(12) LEASE CONTRACT LIABILITIES

	Lease contract Liabilities
	JD
At 1 January	82,768
Finance cost	4,358
Concession on right of use assets	(9,921)
Change in interest payable (Note 10)	655
Payments	(77,860)
At 30 December 2020	-

- The Group signed an office rent lease agreement on 5 February 2018 for a period of 3 years with a total amount of JD 241,395. The interest on the lease was calculated based on the average borrowing interest rate in Jordan, which equals 9.5%. The lease is paid through 11 quarterly payments starting from 1 May 2018. The Group paid an amount of JD 72,848 (2019: 87,779) in relation to the lease contract during the year. The Group also paid an amount of JD 16,233 (2019: 17,556) as lease service fees during the year, and the reason to that is related to COVID-19 pandemic and the shut-downs imposed during the year, the group obtained a concession related to the rented office of JD 9,921 and a discount of JD 1,984 related to the service fees of the rented office.

(13) ADMINISTRATIVE EXPENSES

	2020	2019
	JD	JD
Salaries and other benefits	1,143,274	942,389
Professional fees	954,110	398,346
Travel	29,649	150,008
Group's contribution in social security	62,177	51,334
Depreciation of the right of use assets (note 3)	63,400	70,012
Advertising	51,925	36,295
Depreciation – property and equipment (note 4)	43,863	35,581
Lease service fees	16,233	17,556
Stationery and office supplies	7,158	15,944
Board of directors' compensation	24,780	-
Audit committee members' compensation	7,500	7,500
Subscriptions	17,349	13,470
Training expenses	2,364	9,444
Car expenses	2,446	6,574
Telephone expenses	4,062	4,322
Governmental fees	6,107	2,033
Water and electricity	1,890	1,791
Bank charges	2,390	1,598
Design	-	300
Fines	270	128
Postage	133	61
Others	34,249	15,602
	2,475,329	1,780,288

(14) RISK MANAGEMENT

Credit risk -

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

The Group seeks to limit its credit risk with respect to banks by only dealing with reputable banks.

Liquidity risk -

Liquidity risk is the risk that the Group will not meet its obligations under its financial liabilities based on contractual maturity dates. The Group monitors its liquidity by ensuring availability of funds from banks to meet its obligations at their maturity dates.

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

	Less than 12 months	Total
At 31 December 2020	JD	JD
Accounts payable	53,102	53,102
Other current liabilities	306,902	306,902
Total	360,004	360,004
At 31 December 2019		
Accounts payable	49,770	49,770
Other current liabilities	160,698	160,698
Total	210,468	210,468

Currency risk -

Most of the Group's transactions are in Jordanian Dinar and US Dollar. The Jordanian Dinar is pegged to the US Dollar (USD 0.709 for JD 1). Accordingly, the Group is not exposed to significant currency risk.

Interest rate risk -

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is exposed to interest rate risk on its interest-bearing assets and liabilities such as bank deposits and lease liabilities.

The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the Group's profit for one year, based on the floating rate financial assets held at 31 December 2020, while keeping all other factors constant:

	Increase in interest	*Effect on loss*
2020-	*(Basis point)*	*JD*
Currency - JD	100	126,610

	Decrease in interest	*Effect on Loss*
	(Basis point)	*JD*
Currency - JD	(100)	(126,610)

	Increase in interest	*Effect on loss*
2019-	*(Basis point)*	*JD*
Currency - JD	100	45,208

	Decrease in interest	*Effect on Loss*
	(Basis point)	*JD*
Currency - JD	(100)	(45,208)

(15) FAIR VALUES OF FINANCIAl INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash on hand and at banks and some other current assets. Financial liabilities consist of lease liabilities and some other current liabilities.

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

(16) CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2020 and 2019.

Capital comprises paid in capital and accumulated losses and is measured at JD 12,278,784 as at 31 December 2020 (2019: JD 4,449,306).

On 5 November 2020, the group’s general assembly held an extraordinary meeting to increase its authorized capital from JD 7,100,000 divided into 7,100,000 shares to JD 100,000,000 divided into 100,000,000 shares and authorizing the board of directors to request the group’s shareholders to cover and pay the unsubscribed shares according to a decision issued by the board of directors. An amount of JD 10,142,727 was transferred as payments on account for capital increase. The Group is still in the process of completing the capital increase process as of 31 December 2020.

(17) STANDARDS AND INTERPRETATION ISSUED BUT NOT YET EFFECTIVE

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

IFRS 17 Insurance Contracts

IFRS 17 provides a comprehensive model for insurance contracts covering the recognition and measurement and presentation and disclosure of insurance contracts and replaces IFRS 4 - Insurance Contracts. The standard 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. The standard general model is supplemented by the variable fee approach and the premium allocation approach.

The new standard will be effective for annual periods beginning on or after 1 January 2023 with comparative figures required. Early application is permitted provided that the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

This standard is not applicable for the Group.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current
In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

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

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.

Reference to the Conceptual Framework – Amendments to IFRS 3
In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments should be applied.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

The amendments are not expected to have a material impact on the Group.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

The amendments are not expected to have a material impact on the Group.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

IBOR reform Phase 2
IBOR reform Phase 2, which will be effective on 1 January 2021, includes a number of reliefs and additional disclosures. The reliefs apply upon the transition of a financial instrument from an IBOR to a risk-free-rate (RFR).

Changes to the basis for determining contractual cash flows as a result of interest rate benchmark reform are required as a practical expedient to be treated as changes to a floating interest rate, provided that, for the financial instrument, the transition from the IBOR benchmark rate to RFR takes place on an economically equivalent basis.

IBOR reform Phase 2 provides temporary reliefs that allow the Group's hedging relationships to continue upon the replacement of an existing interest rate benchmark with an RFR. The reliefs require the Group to amend hedge designations and hedge documentation. This includes redefining the hedged risk to reference an RFR, redefining the description of the hedging instrument and / or the hedged item to reference the RFR and amending the method for assessing hedge effectiveness. Updates to the hedging documentation must be made by the end of the reporting period in which a replacement takes place. For the retrospective assessment of hedge effectiveness, the Group may elect on a hedge by hedge basis to reset the cumulative fair value change to zero. The Group may designate an interest rate as a non-contractually specified, hedged risk component of changes in the fair value or cash flows of a hedged item, provided the interest rate risk component is separately identifiable, e.g., it is an established benchmark that is widely used in the market to price loans and derivatives. For new RFRs that are not yet an established benchmark, relief is provided from this requirement provided the Group reasonably expects the RFR to become separately identifiable within 24 months.

(18) THE IMPACT OF (COVID-19) OUTBREAK ON THE GROUP

In light of the continuing impact of the Coronavirus (COVID-19) on the global economy and various business sectors, along with the restrictions and procedures imposed by the Jordanian government, the management prepared an analysis of the impact of COVID-19 as part of assessing the group's ability to continue using the information available up to the date of the consolidated financial statements. The analysis of the pandemic included an assessment of the relevant risks including: the group's investments during 2020 and the group's benefit from the amendments issued on IFRS 16.