SAUDI JORDANIAN INVESTMENT FUND COMPANY
AND ITS SUBSIDIARIES (THE GROUP)
(JORDAN PRIVATE INVESTMENT FUND - PUBLIC SHAREHOLDING)
AMMAN – JORDAN

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
TOGETHER WITH INDEPENDENT
AUDITORS' REPORT

SAUDI JORDANIAN INVESTMENT FUND COMPNAY AND ITS SUBSIDIARIES (THE GROUP)
(JORDAN PRIVATE INVESTMENT FUND - PUBLIC SHAREHOLDING COMPANY)
AMMAN – JORDAN
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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INDEPENDENT AUDITORS' REPORT

To the General Assembly of
Saudi Jordanian Investment Fund and its Subsidiaries (The Group)
(Jordan Private Investment Fund - Public Shareholding Company)
Amman – Jordan

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Saudi Jordanian Investment Fund – Jordan Private Investment Fund - Public Shareholding Company - and its Subsidiaries ("The Group")**, which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of profit or loss and other comprehensive income, consolidated changes in shareholder's equity and consolidated cash flows for the year then ended, and notes to the consolidated financial statements comprising 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 of December 31, 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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 Auditors' Responsibilities for the audit the consolidated financial statements section of our report. We are independent of the Group in accordance with International Ethics Standards Board of Accountant Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of profit or loss and other comprehensive income, consolidated changes in shareholder's equity and consolidated cash flows for the year then ended has been audited by another auditor, where the predecessor auditor issued an unqualified audit report on March 3, 2021.

Management Responsibilities for the Consolidated Financial Statements

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

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

Those charged with governance, represented by the Board of Directors are responsible for overseeing the Group's consolidated financial reporting process.

INDEPENDENT AUDITORS' REPORT

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on auditing 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 International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on audit of the consolidated financial statements.

We communicate with those charged with governance in the Group regarding, 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 accounting records. The accompanying consolidated financial statements are, in all material aspects, in agreement with the Group's accounting records, and we recommend that the Group's General Assembly approve these consolidated financial statements after taking in consideration the other matter paragraph mentioned above.

Kawasmy and Partners
KPMG

شركة القواسمي وشركاه KPMG Kawasmy & Partners Company

Hatem Kawasmy
License No. (656)

Amman – Jordan
April 7, 2022

SAUDI JORDANIAN INVESTMENT FUND AND ITS SUSIDIARIES (THE GROUP)
(JORDAN PRIVATE INVESTMENT FUND - PUBLIC SHAREHOLDING COMPANY)
AMMAN – JORDAN

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As of December 31,	
In Jordanian Dinar	**Note**	**2021**	**2020**
Assets			
Property and equipment	5	33,974	51,666
Projects under Construction		-	17,740
Rights of use assets	6-1	124,963	2,527
Equity-accounted investee	7	10,817,283	-
Non-current assets		**976,220 ,10**	**71,933**
Other debit balances	9	93,703	129,587
Cash and cash equivalents	10	905,938	12,682,755
Current assets		**999,641**	**12,812,342**
Total assets		**11,975,861**	**12,884,275**
Shareholder's Equity and Liabilities			
Shareholder's Equity			
Paid-up capital	1	18,171,300	7,100,000
Advance payments on capital increase		-	10,142,727
Accumulated losses		(7,203,001)	(4,963,943)
Total Shareholder's Equity		**10,968,299**	**12,278,784**
Liabilities			
Long term - lease liability	6-2	65,740	-
Long term - employees benefit liability	13	317,691	245,487
Non-Current liabilities		**383,431**	**245,487**
Short term - employees benefit liability	13	99,805	-
Accounts payable		110,658	53,102
Short term - lease liability	6-2	59,802	-
Other credit balances	11	353,866	306,902
Current Liabilities		**624,131**	**360,004**
Total Liabilities		**1,007,562**	**605,491**
Total Shareholder's Equity and Liabilities		**11,975,861**	**12,884,275**

- The accompanying pages from (7) to (30) are integral parts of these consolidated financial statements and should be read with them and with the independent auditor's report.

- The Consolidated financial statements from page (3) to (30) were approved by the Board of Directors on April 4, 2022, and were authorized by:

CEO **CFO**

CONSOLIDATED STATEMENT POFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the year ended December 31,	
In Jordanian Dinar	**Note**	**2021**	**2020**
Share of profit of equity-accounted investee	7	182,283	-
Total Revenues		**182,283**	**-**
Professional fees	14	(849,662)	(954,110)
Salaries and other benefits		(1,288,986)	(1,198,451)
Depreciation	5,6-1	(103,519)	(107,263)
Other operating expenses	15	(247,652)	(215,505)
Total Operating Expenses		**(2,489,819)**	**(2,475,329)**
Net Operating Losses		**(2,307,536)**	**(2,475,329)**
Interest income		81,716	166,564
Finance costs	6-2	(13,238)	(4,484)
Loss for the Year		**(2,239,058)**	**(2,313,249)**
Total Comprehensive Loss for the Year		**(2,239,058)**	**(2,313,249)**

- The accompanying pages from (7) to (30) are integral parts of these consolidated financial statements and should be read with them and with the independent auditor’s report.

- The Consolidated financial statements from page (3) to (30) were approved by the Board of Directors on April 4, 2022, and were authorized by:

CEO **CFO**

SAUDI JORDANIAN INVESTMENT FUND AND ITS SUSIDIARIES (THE GROUP)
(JORDAN PRIVATE INVESTMENT FUND - PUBLIC SHAREHOLDING COMPANY)
AMMAN – JORDAN

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

In Jordanian Dinar	Paid-up Capital	Advance payments on capital increase	(Accumulated losses)	Total Shareholder's Equity
Changes for the year ended December 31, 2021				
Balance as of January 1, 2021	7,100,000	10,142,727	(4,963,943)	12,278,784
Advance payments on capital increase	-	928,573	-	928,573
Capital increase (Note 1)	11,071,300	(11,071,300)	-	-
Loss for the year	-	-	(2,239,058)	(2,239,058)
Balance as of December 31, 2021	**18,171,300**	**-**	**(7,203,001)**	**10,968,299**
Changes for the year ended December 31, 2020				
Balance as of January 1, 2020	7,100,000	-	(2,650,694)	4,449,306
Advance payments on capital increase	-	10,142,727	-	10,142,727
Loss for the year	-	-	(2,313,249)	(2,313,249)
Balance as of December 31, 2020	**7,100,000**	**10,142,727**	**(4,963,943)**	**12,278,784**

SAUDI JORDANIAN INVESTMENT FUND AND ITS SUBSIDIARIES (THE GROUP)
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AMMAN - JORDAN

CONSOLIDATED STATEMENT OF CASH FLOWS

In Jordanian Dinar	Note	For the year ended December 31, 2021	2020
Operating Activities			
Loss for the year		(2,239,058)	(2,313,249)
Adjustments for:			
Share of profit of equity-accounted investee	7	(182,283)	-
Depreciation of right of use assets	6-1	57,509	63,400
Discount of right of use assets	6-1	-	9,921
Depreciation of property and equipment	5	46,010	43,863
Employees benefit liability	13	172,009	162,249
Interest revenue		(81,716)	(166,564)
Finance costs-lease contract	6-2	13,238	4,484
Changes in Working Capital Items:		**(2,214,291)**	**(2,195,896)**
Other debit balances		(25,420)	37,163
Accounts payable		57,556	3,332
Other credit balances		46,964	32,086
Net Cash Flows (Used in) Operating Activities		**(2,135,191)**	**(2,123,315)**
Investing Activities			
Acquisition of property and equipment and projects under process - Net	5	(10,578)	(25,443)
Equity-accounted investee	7	(10,635,000)	-
Interest income received		143,020	166,564
Net Cash Flows (Used in) From Investing Activities		**(10,502,558)**	**141,121**
Financing Activities			
Payments of lease contract liabilities		(54,403)	(82,768)
Finance costs payments		(13,238)	(4,484)
Payments on capital increase		928,573	10,142,727
Net Cash Flow From Financing Activities		**860,932**	**10,055,475**
Net change in cash and cash equivalents during the year		(11,776,817)	8,073,281
Cash and cash equivalents at the beginning of the year		12,682,755	4,609,474
Cash and Cash Equivalents at The End of the Year	10	**905,938**	**12,682,755**
Non-Cash Items			
Right of use assets and lease liabilities	6-1	179,945	-

1) GENERAL

Saudi Jordanian Investment Fund ("the Company") was established as a Limited Public Shareholding Company on March 26, 2017, and it was registered with the Companies Control Department of the Ministry of Industry, Trade and Supply, within the Jordan Private Investment Fund Companies Register under No. (1) in accordance to the Jordan Investment Fund Law No. (16) For the year 2016 and the Investment Fund Companies Law No. (170) for the year 2016, with an authorized and paid-in capital of 7,100,000 shares with a nominal value of one Jordanian dinar per share.

On November 5, 2020, the Company's general assembly held an extraordinary meeting, according to which it was decided to raise the company's authorized capital from 7,100,000 dinar/share to 100,000,000 dinar/share and authorize the Board of Directors to request the company's shareholders to cover and pay the unsubscribed shares in accordance with a decision issued by the Board of Directors. As of June 30, 2021, amounts of JOD 11,071,300 were transferred from shareholders to the company's paid-up capital to be JOD 18,171,300. The capital increase procedures were completed on October 5, 2021. The paid-up capital is divided as follows:

Shareholders' Name	Nationality	Percentage of ownership (%)	No. of Shares
Public Investment Fund of the Kingdom of Saudi Arabia	Saudi	90	16,354,170
Jordanian Commercial Banks Group for Investment	Jordanian	8.4	1,524,065
Jordanian Islamic Banks for Investment Activities	Jordanian	1.6	293,065
Total		100	**18,171,300**

The company's objectives are as follows:

- Investment in the construction and operation of railways and all related projects.
- Establishing a city of entertainment and tourism promotion.
- Establishing and developing a pipeline for transporting crude oil and oil derivatives to the petroleum refinery site, consumption and storage sites.
- Contributing to companies and owning shares in line with the company's objectives.
- Establishing and developing the electrical connection with the Kingdom of Saudi Arabia.
- Owning, investing, developing, managing and operating energy, tourism, infrastructure and other sectors.
- Infrastructure development in the city of the custodian of the Two Holy Mosques.
- Carrying out infrastructure projects.

The head office of the Company is located in Amman, the Hashemite Kingdom of Jordan.

2) BASIS OF PREPARING CONSOLIDATED FINANCIAL STATEMENTS

a) Statement of compliance

- The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).
- The consolidated financial statements have been approved by the Board of Directors on April 4, 2022, and it's subject to the approval of the company's general assembly.

b) Basis of consolidated financial statements

The consolidated financial statements represent the financial statements of Saudi Jordanian Investment Fund Company (Parent Company) and its subsidiaries (together referred to as "the Group") that it controls. Subsidiaries are the companies that the group controls. The group controls a company when it has the right to variable returns from its involvement with the Company and can affect those returns through control of the company. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control is lost.

The consolidated financial statements of the subsidiaries are prepared for the same fiscal year as the parent company, using the same accounting policies applied by the parent company.

The Group owns the following subsidiaries:

The company name	Authorized capital	Paid up capital	Percentage of ownership	The nature of company operations	Incorporation country	Date of acquisition
In Jordanian Dinar			%			
SJIF Technology Investments Ltd.	106	106	100	Investing in the internet technology sector	Cayman Islands	August 4, 2020
Saudi Jordanian Fund for Medical and Educational Investments	50,000	50,000	100	Medical and educational investments	Jordan	December 27, 2021

The key financial information of the subsidiaries for the years 2020 and 2021 is as follows:

In Jordanian Dinar	As of December 31, 2021		As of December 31, 2021	
	Total Assets	Total Liabilities	Total Revenues	Total Expenses
SJIF Technology Investments Ltd.	10,820,798	17,248	182,283	(451,451)
Saudi Jordanian Fund for Medical and Educational Investments	50,000	-	-	-

In Jordanian Dinar	As of December 31, 2020		As of December 31, 2020	
	Total Assets	Total Liabilities	Total Revenues	Total Expenses
SJIF Technology Investments Ltd.	420	-	-	-
Saudi Jordanian Fund for Medical and Educational Investments	-	-	-	-

The investor controls investee when it is exposed, or has rights, to variable returns from its involvement with these subsidiaries and has the ability to affect those returns through its power over these Subsidiaries.

The concept of control sets out the following three elements of control:

1- Investor power over the investee.
2- The investor exposure, or rights, to variable returns from its involvement with the investee; and
3- The investor ability to use power over the investee to affect the amount of the investor's returns.

The parent company should reassess whether it controls an investee if facts of circumstances indicate that there are changes to one or more of the elements mentioned above.

The cost of acquisition is recorded with the fair value of the net assets acquired. Impairment loss for goodwill should be performed on annual basis.

The profit generated from any acquisition deal is recorded in the consolidated statement of profit or loss and other comprehensive income, any additional costs incurred are recorded unless it’s connected with debts or financial instruments.

The benefits generated from merger should not include any amounts generated from settlements before the merger date, this amount recorded in the consolidated statements of profit or loss and other comprehensive income.

Any contingent liabilities classified as an equity component are measured at fair value at the acquisition date, also, any related transactions are treated through shareholder's equity. On the contrary, any change in the fair value of contingent liabilities is recorded in the consolidated statement of profit or loss and other comprehensive income.

The change in equity share in the Subsidiaries company, without losing of control, is measured as transactions for shareholder's equity which means no gain or loss should be recorded in the consolidated statement of profit or loss and other comprehensive income. Moreover, no changes in the carrying value of the Subsidiaries company's assets (including goodwill) or liabilities should be recognized because of such transactions.

On loss of control, the parent-subsidiary relationship ceases to exist. The parent company no longer controls the subsidiary's individual assets and liabilities. Therefore, the parent company:

1- Derecognizes the assets, liabilities and shareholder's equity of the former subsidiary from the consolidated statement of financial position.

2- Recognizes any investment retained in the former subsidiary at its fair value when control is lost and subsequently accounts for it in accordance with relevant IFRSs.

3- Recognizes the gain or loss associated with the loss of control attributable to non-controlling interest.

The consolidated financial statements for the subsidiaries are prepared on the same financial year of the parent company and using the same accounting policies adopted by the parent company, if one subsidiary or more use accounting policies other than those adopted in the consolidated financial statements for similar transactions and events in similar circumstances, then appropriate adjustments are made to that Group subsidiary's financial statements in preparing the consolidated financial statements to ensure conformity with the International Financial Reporting Standards.

Non-controlling interest are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Balances, transactions, realized profits and expenses resulted from transactions within the group are eliminated when preparing these consolidated financial statements.

c) Basis of Measurement

The consilidated financial statements have been prepared on the historical cost basis except for financial assets and financial liabilities which are stated at amortized cost.

d) Functional and Presentation Currency

The consolidated financial statements are presented in Jordanian Dinar (JOD), which is the Group functional currency.

e) Use of Estimates and Judgments

The preparation of the consolidated financial statements in conformity with IFRSs require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates .

Estimates and the underlying assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

- **Judgments**

The following is a summary of important matters that significantly affect the amounts of assets and liabilities in the consolidated financial statements:

- Classification of financial assets: Valuation of the business model under which the asset is to be held and determining whether the contractual terms of the SPPI are on the outstanding balance.
- The development of new criteria to determine whether financial assets have impaired significantly since initial recognition and determine the methodology of future expectations and methods of measuring expected credit losses.
- Revenue recognition: whether the revenue was recognized at a point in time or over time.

- Extension and termination options are included in several leases contracts. These terms are used to increase operational flexibility in terms of contract management. Most of the extension and termination options held are renewable by both the group and the lessor.
- When determining the term of the lease, management considers all facts and circumstances that create economic incentive for the option to extend, or not to terminate. Extension options (or periods following termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The valuation is reviewed in the event of a significant event or major change in the circumstances affecting this valuation that are within the control of the lessee.

• **Assumptions and estimation uncertainties**

Information about areas of estimation uncertainty and judgments in applying accounting policies that have effect on the amounts recognized in the consolidated financial statements are summarized as follows:

- Judgments, assumptions, and absolute estimates are constantly reviewed, and changes are recognized in the year in which the change was made and in future years affected by that change.
- Management periodically reassesses the economic useful lives of property and equipment based on the general condition of these assets and the expectation for their useful economic lives in the future.
- Management frequently reviews the lawsuits raised against the Group based on a legal study prepared by the Group's lawyer. This study highlights potential risks that the Group may incur in the future.
- Recognition and measurement of provisions and contingent liabilities: key assumptions about the probability and volume of cash flows and resources outsourced.
- Management estimates the provision for income tax in accordance with the prevailing laws and regulations.
- Management reviews the allowance for expected credit losses on receivables and contractual assets: the key assumptions in determining the weighted average loss rate.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

- **Fair Value Measurement**

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

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

The asset or liability measured at fair value might be either of the following:

a. A stand-alone asset or liability; or
b. A group of assets, a group of liabilities or a group of assets and liabilities (e.g. a cash generating unit or a business).

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the FM. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reported to the Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows :

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period.

Management believes that its estimates and judgments are reasonable and adequate.

3) SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in these consolidated financial statements for the year ended December 31, 2021 are the same as those applied by the Group in its consolidated financial statements for the year ended December 31, 2020, except for the following International Financial Reporting Standards amendments and improvements that become effective after January 1, 2021:

- Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance Contracts and IFRS 16 Leases.
- COVID-19-Related Rent Concessions – Amendment to IFRS 16 Leases.

The application of these new standards and amended standards did not have a significant effect on the Group Consolidated financial statements.

The following are the main significant accounting policies adopted by the Group:

a) Financial Assets and Financial Liabilities

- Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability for an item not at FVTPL is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. Financial assets are initially measured at amortized cost without a significant financing component at the transaction price.

- Financial assets and liabilities Classification and subsequent measurement:

Financial Assets:

According to IFRS 9 and on initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and if it is not previously classified as at fair value through profit or loss:

- It’s held within a business model whose objective is to hold assets to collect contractual cash flows.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at fair value through other comprehensive income if it meets both of the following conditions and if it is not previously classified as at fair value through profit or loss:

- It's held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Its contractual terms give rise on specified dates to cash flows (that are solely payments of principal and interest on the principal amount outstanding).

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment:

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining an interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets.
- How the performance of the portfolio is evaluated and reported to the Group management.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group continuing recognition of the assets.
Financial assets that are held for trading or are managed and whose performance are evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Co Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- Contingent events that would change the amount or timing of cash flows.
- Prepayment and extension features.
- Terms that limit the Group claim to cash flows from specified assets.

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the consolidated statement of profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in the consolidated statement of profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the consolidated statement of profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to the consolidated statement of profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in consolidated profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in consolidated profit or loss.

- **Derecognition**

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred, or liabilities assumed) is recognized in profit or loss.

- **Modifications of Financial Assets and Financial Liabilities**

Adjusted Financial Assets

If the terms of a financial asset are modified, then the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized, and a new financial asset is recognized at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- Fees considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the new asset.

- Other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximize recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Group plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place (see below for write-off policy). This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

Adjusted Financial Liabilities

The Group derecognizes a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability derecognized and consideration paid is recognized in the consolidated statement of profit or loss.

b) <u>Impairment</u>

- Financial assets measured at amortised cost.
- Debt investments measured at FVOCI; and
- Contractual assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the consolidated financial statements date.
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for the amount due from related parties and contractual assets are always measured at an amount equal to the expected credit losses over the life of the asset.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group considers financial assets to be in default when:

- The debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- The financial asset is more than 90 days past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.
The cost of ECL's for 12 months is part of the ECL's that result from possible default events after 12 months as of the date of the financial statements (or for a shorter period if the expected life of the instrument is less than 12 months).
The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the debtor.
- A breach of contract.
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise.
- It is probable that the debtor will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the consilidtaed statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets, for debt securities at FVOCI, the loss allowance is charged to profit or loss.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. Financial assets that are written off could still be subject to enforcement activities to comply with the Group procedures for recovery of amounts due.

Non-financial assets

- At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.
- For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.
- The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 or CGU.
- An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.
- Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

- For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(c) Property and Equipment

Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the property and equipment.

When parts of an item of property and equipment have different useful lives, they are accounted for as separated items of property and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized net within the consolidated statement of profit or loss and other comprehensive income.

Property and equipment transferred from customers are measured at its fair value from the control date.

Leased assets or finance lease contracts

Leased contracts which contractual terms require the lessee to materially bear all of the risk and rewards of these assets are classified as finance lease contracts.

At initial recognition, the leased assets by finance lease is measured at a lower of the fair value of these assets or the present value of the minimum lease payments.

After the initial recognition, these assets are treated in accordance with the related accounting policy based on its nature.

Other rent contracts are considered as operating lease and should not presented at the Group's consolidated statement of financial position.

Subsequent costs

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

Ongoing costs of repair and maintenance of property and equipment are expensed in the consolidated statement of profit or loss and other comprehensive income as incurred.

Depreciation

Items of property and equipment are depreciated on a straight-line basis in consolidated statement of income over the estimated useful lives of each component of property and equipment.

Rented assets are depreciated on less of the duration of the rent or useful life

The estimated rates of property and equipment for the current year is as follows:

Item	Depreciation Rate %
Leasehold improvements	35
Office equipments	35
Furniture and fixture	35
Devices and computer software	35-50
Vehicles	15

(d) Calculation of Interest Income and Expense

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortized cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

For financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.
For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

(e) Projects in Progress

Projects under progress measured at cost, cost include all of building cost, materials cost and the expenditures related directly to the project and other direct costs.

(f) Revenues Recognition

Revenue is measured based on the considerations specified in the contract with the customer. Where a Group recognizes revenue when it transfers control at a specified time or over time - over a good or service to a customer.
Defining the contract(s) with the customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations.
Specify the performance obligations in the contract.

Determining the transaction price: The transaction price is the amount of revenue that the Group expects to receive in exchange for transferring the Services to the Customer, excluding amounts collected on behalf of third parties.

Allocate the transaction price to the performance obligations in the contract: For a contract that contains more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount indicating the amount of return that the Group expects to receive in exchange for the fulfillment of each performance obligation.

The group recognizes revenue when the Group satisfies a performance obligation to a customer at a specified point in time or over time.

The group satisfies the performance obligation and recognizes revenue over time, if one of the following criteria is met:

- The customer receives and consumes benefits at the same time the Group performs the service; or
- The performance of the group creates and/or improves the assets that the customer controls when the asset is created or improved; or
- The performance of the group does not create an asset with an alternative use of the Group and the Group has an enforceable right to pay for performance completed to date.

(g) Equity-Accounted Investees

The Group's investments that apply equity accounting consist of an investment in an associate company.
associate companies are companies over which the Group has significant influence on its financial and operating policies but has neither control nor joint control, a matter that requires judgment.

Investment in the associate company is accounted for using the equity method, where the cost is recognized initially, which contains transaction costs, and after that the consolidated financial statements include the Group's share of profit or loss and other comprehensive income until the fundamental influence ceases.

(h) Foreign Currency Transactions

Transactions in foreign currencies during the year are translated at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to JOD at the exchange rate at that date.

The foreign currency gain (loss) on monetary items is the difference between amortized cost in JOD at the beginning of the year, adjusted for effective interest rate and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to JOD at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognized in the consolidated statement of profit or loss and other comprehensive income.

(i) Offsetting

Financial assets and financial liabilities are offset, and the net amount is shown in the consolidated statement of financial position only when there are legally enforceable rights to do so, as well as when they are settled on a netting basis or the realization of assets and settlement of liabilities is at the same time.

(j) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(k) Finance Cost

Finance costs include the interest expense on borrowing, all of the finance cost which not related directly to the acquisition, construction or production of qualified assets are recognized in the consolidated statement of profit or loss and other comprehensive income using effective interest rate.

(l) Leases

At inception of a contract, the Group assesses whether the contract is a lease or contains a lease if the contract includes the right to control the use of an identified asset for a period of time in exchange for a return. To assess whether a contract includes the right to control the use of a specific asset, the Group uses the definition of a lease in IFRS 16.

- **As a lessee**

On initiation or reassessment of a contract containing a lease clause, the Group allocates a consideration in the contract to each lease clause on the basis of their relative stand-alone prices. However, for leases of land and buildings in which the Group is a tenant, the Group has elected not to separate the non-lease items and to treat the lease and non-lease items as a single lease item.

The Group recognizes a right to use an asset and a lease liability at the commencement date of the lease. A right-of-use asset is initially measured at cost which includes the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred by the Group and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the location on which it is located, discounted from it any rental incentives.

The right-of-use asset is subsequently amortized using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group at the end of the lease term or cost the right-of-use asset reflects that the Group will exercise the purchase option. In this case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as property and equipment. In addition, the right-of-use is reduced periodically by impairment losses, if any, and adjusted in order to make certain treatment of the lease liability.

The lease liability is initially measured at the present value of the lease payments not paid on the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate as the discount rate.

The Group determines the incremental borrowing rate by obtaining interest rates from various external sources of financing and making some adjustments to reflect the terms of the lease and the type of leased asset.

The lease payments used to measure the lease liability consist of the following:
- Fixed payments, including built-in fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the start date;
- For amounts expected to be paid under the residual value guarantee; And
- The price used for a purchase option that the Group is certain to use, lease payments under the voluntary renewal of a period if the Group is reasonably certain to exercise the extension option, and penalties for early termination of the lease unless the Group is reasonably certain to use the early termination option.

A lease is a financing contract; If not, it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the greater part of the asset's useful life.
When the Group is an intermediate lessor, it accounts for its interests in the master lease and sub-lease separately. It evaluates the classification of the sub-lease with reference to the right to use the originating asset.

Short-term leases and leases of low-value assets
The Group has elected not to recognize right-of-use assets and short-term lease contracts of 12 months or less.
The Group recognizes lease payments associated with these contracts on a straight-line basis over the life of the lease.

- **As a lessor**

When a contract is initiated or modified to contain a lease clause, the Group allocates the consideration in the contract to each lease item based on its independent relative prices.
When the Group acts as a lessor, it determines at the inception of the lease whether each contract is a finance lease or an operating lease.
To classify each lease, the Group makes a comprehensive assessment of whether the lease transfers substantially all of the risks and rewards associated with ownership of the underlying asset. If it is, then the lease is a financing contract; If not, it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease represents the major part of the economic life of the asset.
When the Group is an intermediary lessor, it treats its share of the master lease and sub-lease separately. You assess the classification of a lease into a sub-lease with reference to the right to use the asset arising from the main lease, and not with reference to the underlying asset. If the lease is a short-term lease that the Group applies to the exemption described above, then the sub-lease is classified as an operating lease.

If the agreement includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the impairment requirement in IFRS 9 to the net investment in a lease. The Group regularly reviews the estimated unsecured residual values used in calculating the gross investment in the lease.

The Group recognizes lease payments received under operating leases as revenue on a straight-line basis over the term of the lease as part of 'revenue.'
In general, the accounting policies applied to the Group as a lessor in the comparative period were not different from IFRS 16 except for the classification of a sub-lease contract entered into during the current period which led to its classification as a finance lease.

There is no rental income from the lease contracts in which the Group operates as a lessor.

(m) Fair Value

"Fair value" is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, if the asset exists. In the absence of the asset, the most advantageous market price that the Group has access to on that date is used. The fair value of the obligation reflects the risk of non-performance.

A number of the Group's accounting policies and disclosures require a fair value measurement of financial and non-financial assets and liabilities.

The Group measures the fair value of an instrument using the price quoted in an active market for that instrument, if available. A market is considered "active" if transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no set price in an active market, the Group uses valuation techniques that maximize the use of relevant measurable inputs and reduce the use of non-measurable inputs.

(n) Income Tax

- Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in consolidated statemnet of income except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

  Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

  Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

  Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

  Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax Authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realized simultaneously.

  A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized.

  Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

  The current taxes due are calculated in accordance with the income tax law prevailing in the Hashemite Kingdom of Jordan.

4) New standards and interpretations not yet adopted

A number of new financial statement standards, amendments to standards and interpretations that have been issued but are not yet effective, and have not been applied in preparing these consolidated financial statements: The following amended standards and interpretations are not expected to have a significant impact on the Group's financial statements:

New standards

IFRS 17 Insurance Contracts (applicable on January 1, 2023 with early application permitted only for companies that have applied IFRS 9).

Adjustments

- Losing contracts (a contract in which the total cost required to fulfill the contract is higher than the economic benefit that can be obtained from it). The cost of executing the contract (amendments to International Accounting Standards No. 37). (Applicable on January 1, 2022).

- Annual Improvements to IFRS Standards 2018–2020 (Applicable on January 1, 2022).
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) (Applicable on January 1, 2022).
- Reference to the Conceptual Framework (Amendments to IFRS 3)) (Applicable on January 1, 2022).
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 Income Taxes. (Applicable on January 1, 2023).
- International Financial Reporting Standard No. (17) Insurance Contracts (applicable on January 1, 2023 with early application permitted only for companies that have applied IFRS 9).
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS 2 Practice Statement) (applicable on January 1, 2023).
- Definition of accounting estimates (amendments to IAS 8). (Applicable on January 1, 2023).
- Classification of Liabilities as Current or Non-current – Amendments to IAS 1 Presentation of Financial Statements (Applicable on January 1, 2023).

The application of these new standards and amended standards did not have a significant effect on the Group Consolidated financial statements.

5) PROPERTY, PLANT AND EQUIPMENT

This item consists of the following:

In Jordanian Dinar	Leasehold improvements	Office equipment	Office furniture and equipment	Computers	Vehicles	Total
Cost 2021						
Balance as of January 1st 2021	48,987	14,563	33,418	25,646	13,698	136,312
Additions for the year*	-	4,559	-	23,759	-	28,318
Balance as of December 31st 2021	**48,987**	**19,122**	**33,418**	**49,405**	**13,698**	**164,630**
Accumulated Depreciation						
Balance as of January 1st 2021	34,550	9,426	19,582	15,634	5,454	84,646
Depreciation for the year	14,432	4,139	11,493	13,891	2,055	46,010
Balance as of December 31st 2021	**48,982**	**13,565**	**31,075**	**29,525**	**7,509**	**130,656**
Net book Value as of December 31st 2021	**5**	**5,557**	**2,343**	**19,880**	**6,189**	**33,974**
Cost 2020						
Balance as of January 1st 2020	48,987	13,337	32,968	19,619	13,698	128,609
Additions for the year	-	1,226	450	6,027		7,703
Balance as of December 31st 2020	**48,987**	**14,563**	**33,418**	**25,646**	**13,698**	**136,312**
Accumulated Depreciation						
Balance as of January 1st 2020	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
Balance as of December 31st 2020	**34,550**	**9,426**	**19,582**	**15,634**	**5,454**	**84,646**
Net book Value as of December 31st 2020	**14,437**	**5,137**	**13,836**	**10,012**	**8,244**	**51,666**

*The additions during the year 2021 include an amount of JOD 17,740 which represent transfer from project under constructions.

6) Leases

The Group appears as a lessee in the Group's office lease contract, for a fixed annual amount of JOD 68,628, to be paid on quarterly basis starting from February 1, 2021, for a period of three years.

(6-1) Right of use assets

In Jordanian Dinar	As of December 31,	
	2021	**2020**
Cost		
Balance at January 1,	200,118	210,039
Discount on the right of use asset*	-	(9,921)
Additions for the year	179,945	-
Balance at December 31	**380,063**	**200,118**
Accumulated Depreciation		
Balance at January 1,	197,591	134,191
Depreciation for the year	57,509	63,400
Balance at December 31,	**255,100**	**197,591**
Net book value at December 31,	**124,963**	**2,527**

* This item represents a reduction in lease payments resulted directly from the Covid-19 pandemic, as the Group has benefited from the amendments issued to Standard No. 16 ("Leases" - lease concessions related to the Covid-19 pandemic) which allow the lessor to choose not to consider reductions or delays resulted from the Covid-19 pandemic as an amendment to the lease contract.

(6-2) Lease liablities

	As of December 31,	
In Jordanian Dinar	**2021**	**2020**
Current	59,802	-
Non-current	65,740	-
Lease liabilities as in the consolidated statement of financial position	**125,542**	**-**

The Group recorded the present value of the lease liabilities using a discount rate equivalent to the interest rate on loans at a rate of 9.5%, and the interest on the lease liabilities amounted to JOD 13,238 for the year ended December 31, 2021 (JOD 4,484 for the year ended December 31, 2020).

7) Investment in associate

- On May 7, 2021, the Group, through its subsidiary company (SJIF Technology Investments Ltd.), signed a subscription agreement with the Opensooq Limited company (a company registered in the British Virgin Islands) and its shareholders, whereby the Group owned 43,445.07 Class B shares in the Opensooq limited company for an amount of U.S. dollars 15,000,000, equivalent to JOD 10,635,000, the deal was completed on June 10, 2021. and its details are as follows:

Company Name	**Legal form**	**Country of registration**	**Ownership percentage**
Opensooq Limited company	Limited liability	Company registered in the British Virgin Islands	16.3%

- The movement on the investment in associate account during the year is as follows:

In Jordanian Dinar	**As of December 31, 2021**
Balance as of January 1	-
Investment during the year	10,635,000
Share of profit of equity-accounted investee	182,283
Balance as of December 31	**10,817,283**

- The following table summarizes the financial information of OpenSooq.com Limited as included in its own financial statements, adjusted for fair value adjustments at acquisition. No differences in accounting policies between the Group and OpenSooq.com Limited. The below table also reconciles the summarized financial information to the carrying amount of the Group's interest in OpenSooq.com Limited:

In Jordanian Dinar	**2021**
Percentage ownership interest	16.3%
Non-current assets (Include 22,182,381 Brand name)	26,808,246
Current assets (Include 1,541,769 Cash on hand and at banks)	2,186,497
Non-current liabilities	(57,233)
Current liabilities	(361,647)
Net assets (100%)	**28,575,863**
Group's share of net assets	4,657,866
Goodwill	5,977,134
Carrying amount of interest in associate*	**10,635,000**
Revenue	7,032,610
Operating expenses	(5,109,226)
Depreciation and amortization	(660,181)
Other income	(65,356)
Income tax expense	(79,548)
Profit and total comprehensive income (100%)	**1,118,299**
Group's share of total comprehensive income*	**182,283**

* No other transactions occurred between between the Group and the associate.

8) RELATED PARTIES TRANSACTIONS AND BALANCES

The related parties consist of sister companies, major shareholders, board members, high executive management, and acquired companies that are materially affected directly or indirectly by those parties. The Group's management has approved the pricing policy and terms of trade with related parties.

Key executive management and audit committee salaries and benefits

The key executive management and board of directors' salaries and benefits have amounted to JOD 726,543 for the year ended December 31, 2021 (JOD 669,796 for the year ended December 31, 2020), in addition to the long term benefits, as described in notes (13) and (15).

9) OTHER DEBIT BALANCES

This item consists of the following:

	As of December 31,	
In Jordanian Dinar	2021	2020
Interests' receivable	21,492	82,796
Refundable deposits	20,588	26,334
Prepaid expenses	50,393	18,491
Employee's receivables	900	-
Amounts due from income tax department	210	210
Advance payments	120	120
Others	-	1,636
	93,703	**129,587**

10) CASH AND CASH EQUIVALENTS

This item consists of the following:

	As of December 31,	
In Jordanian Dinar	2021	2020
Cash on hand	1,366	1,350
Current accounts in banks	67,940	20,364
Short term deposits*	836,632	12,661,041
	905,938	**12,682,755**

* This item represents bank deposits with different bonding periods. The Group can withdraw these deposits at any time without substantial losses in their value, and it's represented by the following:

		As of December 31,	
In Jordanian Dinar	Interest rate	2021	2020
Short term deposits maturing within three months	1.50%	-	10,212,321
Short-term deposits with a maturity of more than three months	2.375%-3%	836,632	2,448,720
		836,632	**12,661,041**

11) OTHER CREDIT BALANCES

This item consists of the following:

In Jordanian Dinar	As of December 31,	
	2021	**2020**
Accrued rewards and incentives	229,086	222,021
Accrued expenses	49,789	24,663
Rewards of board of directors	44,960	24,780
Income tax deposits	12,788	19,540
Social security deposits	8,563	8,398
Accrued rewards of audit committee	8,680	7,500
	353,866	**306,902**

12) TAXES

- Provision for income tax was not calculated for the Company and Subsidiary Company (Saudi Jordanian Fund for Medical and Educational) for the years 2021 and 2020, due to the increase in tax-acceptable expenses over taxable revenues in accordance with Income Tax Law No. (34) of 2014 amended by Income Tax Law No. (38) of 2018.
- The Company is audited until 2017 by the Income and Sales Tax Department.
- The subsidiary (SJIF Technology Investments Ltd.) is registered as an exempt company in the Cayman Islands.

13) Long-term – employees benefit liability

In its meeting held on Feb 10, 2022, the Board of Directors agreed to grant a bonus to senior executives, members of the investment team and the head of the legal department within the framework of an incentive plan, with a total amount of JOD 195,217 as of December 31, 2021, where the accumulated plan amount become JOD 507,143. The Group determines the annual bonus for the covered employees and is paid over a period of 3 years. The present value of the deferred bonus was JOD 417,496 as of December 31, 2021 (JOD 245,487 as of December 31, 2020) as the Group has used the market interest rate of 9.5%.

14) PROFESSIONAL FEES

This item consists of the following:

	For the Year Ended December 31,	
In Jordanian Dinar	**2021**	**2020**
Legal fees	472,917	346,032
Engineering consultations	47,000	-
Consultations services	250,595	495,982
Feasibility study	31,249	82,641
Public Relations	16,800	16,800
Audit fees	16,500	5,000
Policies and procedure drafting	6,050	-
IT support	4,200	4,200
Tax consulting	3,000	2,500
Translation	1,351	955
	849,662	**954,110**

15) OTHER OPERATING EXPENSES

In Jordanian Dinar	For the Year Ended December 31,	
	2021	**2020**
Media communication	56,365	51,925
Board of directors bonus	44,960	24,780
Training	23,699	2,364
Subscriptions	21,275	17,349
Lease service charge	13,383	16,233
Travel and transportations	9,722	29,649
Audit committee bonus	8,680	7,500
Board secretary bonus	7,000	7,000
Governmental charges	5,504	6,107
Supplies	4,562	7,158
Telephone and internet	4,301	4,062
Cars	3,620	2,446
Bank commissions	3,195	2,390
Water and electricity	1,756	1,890
Fines	61	270
Post office	87	133
Others	39,482	34,249
	247,652	**215,505**

16) FINANCIAL RISK MANAGEMENT

The Group exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Capital Management

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group’s management of capital.

Risk management framework
The management has overall responsibility for the establishment and oversight of the Group’s risk management framework.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.
The Group’s board of directors oversees how management monitors compliance with the Group’s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

- **Credit Risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's Trade receivables, other debit balances, Cash and Cash equivalent, Cheques under collection and due from related parties.

The carrying amount of the financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Carrying Amount	
In Jordanian Dinar	**2021**	**2020**
Current accounts in banks	67,940	20,364
Short term deposits in banks	836,632	12,661,041
Other debit balances	42,980	110,766
	947,552	**12,792,171**

- **Liquidity Risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following is the contractual obligations on financial liabilities:

Non-derivative financial liabilities:

	As of December 31, 2021			
In Jordanian Dinar	**Book Value**	**Contractual Cash Flow**	**Within a Year**	**More than Year**
Employees benefit liability	417,496	(507,143)	(109,286)	(397,857)
Lease liabilities	125,542	(137,256)	(68,628)	(68,628)
Account payable	110,658	(110,658)	(110,658)	-
Other credit balances	332,515	(332,515)	(332,515)	-
	986,211	**(1,087,572)**	**(621,087)**	**(466,485)**

	As of December 31, 2020			
In Jordanian Dinar	**Book Value**	**Contractual Cash Flow**	**Within a Year**	**More than Year**
Employees benefit liability	245,487	(311,926)	-	(311,926)
Account payable	53,102	(53,102)	(53,102)	-
Other credit balances	278,964	(278,964)	(278,964)	-
	577,553	**(643,992)**	**(332,066)**	**(311,926)**

The Group's liquidity position as of the date of the consolidated financial statements is as follows:

	As of December 31,	
In Jordanian Dinars	**2021**	**2020**
Current assets	999,641	12,812,342
Less: Current liabilities	(624,131)	(360,004)
Surplus in working capital	**375,510**	**12,452,338**

The Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations through its operating future cash flows; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

- **Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rate and equity prices will affect the Group’s profit or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

- **Currency Risk**

Most of the financial assets and liabilities of the Group are in Jordanian Dinars and US dollar. Because the dollar's exchange rate against the dinar stable, the Group’s management believes that it is not exposed to the risk of exchange rate fluctuations significantly.

Interest rate risk

The financial instruments that bear interest at the date of the consolidated financial statements show as follows:

In Jordanian Dinar	**2021**	**2020**
Financial instruments		
Financial Liabilities	543,038	245,487

The sensitivity of the consolidated statement of comprehensive income is the effect of assumed changes in interest rates on the Group’s profit for one year, based on floating rate financial assets as of December 31, 2021, with all other factors held constant:

	+1%		**-1%**	
	As of December 31,		**As of December 31,**	
In Jordanian Dinar	**2021**	**2020**	**2021**	**2020**
Consolidated statement of profit or loss	(5,662)	(2,454)	5,662	2,454

– **Capital Management**

The Group’s policy with regard to capital management is to maintain a strong capital base to preserve the shareholders, creditors and market confidence as well as the continued development of the Group’s activity in the future. Capital consists of common stock and voluntary reserve and retained earnings.

Management monitors the return on capital, which determines by dividing the net operating profit on equity.

The Group seeks to maintain a balance between the highest possible return achieved in the case of borrowing to the highest extent possible and preference and safety derived from a strong position of capital.

17) FAIR VALUE

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). Prices quoted in active markets for similar instruments or through the use of valuation model that includes inputs that can be traced to markets, these inputs good be defend directly or indirectly.
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

A) Financial assets and liabilities:

	December 31, 2021			
In Jordanian Dinar	**Carrying Amount**	**Fair Value**		
		Level 1	**Level 2**	**Level 3**
Financial assets:				
Cash and cash equivalent	905,938	905,938	-	-
Other debit balances	93,703	-	-	-
Financial Liabilities:				
Employees benefit liability	(417,496)	-	-	-
Lease liabilities	(125,542)	-	-	-
Accounts payable	(110,658)	-	-	-
Other credit balances	(353,866)	-	-	-

	December 31, 2020			
In Jordanian Dinar	**Carrying Amount**	**Fair Value**		
		Level 1	**Level 2**	**Level 3**
Financial assets:				
Cash and cash equivalent	12,682,755	12,682,755	-	-
Other debit balances	129,587	-	-	-
Financial Liabilities:				
Employees benefit liability	(245,487)	-	-	-
Accounts payable	(53,102)	-	-	-
Other credit balances	(306,902)	-	-	-

For the items described above, level 2 of the fair value of the financial assets and liabilities has been determined on the basis of agreed pricing models to reflect the credit risks of the parties transacting with the Group and interest rates.
Management believes that the carrying amount of these financial assets approximate their fair value due to their short-term maturities or of re-pricing their interest rates.
There were no transfers between level 1 and level 2 during the year 2021 and 2020.

18) COMPARATIVE FIGURES

The comparative figures represent the comsolidated financial statements for the year ended December 31, 2020. Some comparative figures have been reclassified in line with the current year's figures, without affecting the profits for the year or retained earnings.

19) SUBSEQUENT EVENTS

On January 2, 2022, an amount of JOD 4,050,000 was deposited in the Company’s accounts by the shareholder “Public Investment Fund in the Kingdom of Saudi Arabia” for the purpose of increasing the paid-in capital, and the Company is still in the process of completing the capital increase procedures.