

# جوردانفست

شركة الثقة للاستثمارات الأردنية

To: Jordan Securities Commission  
Amman Stock Exchange

السادة هيئة الأوراق المالية المحترمين  
السادة بورصة عمان المحترمين

Date: 23/4/2025

التاريخ: 2025/4/23

Subject: Audited financial statements for the  
fiscal year ended 31<sup>st</sup> Dec 2024

الموضوع : البيانات المالية السنوية المدققة للسنة المنتهية في  
31 كانون الاول 2024

Please find attached the audited financial statements  
of Jordan Investment Trust for the fiscal year ended  
31st Dec 2024 in English.

مرفق طيه نسخة من البيانات المالية المدققة لشركة الثقة للاستثمارات  
الأردنية عن السنة المالية المنتهية في 31 كانون الاول 2024 باللغة  
الانجليزية.

Regards

وتفضلوا بقبول فائق الاحترام،،،

Jordinvest  
CFO  
Ahmad Tantash

شركة الثقة للاستثمارات الأردنية  
الرئيس التنفيذي  
أحمد طنطش

**Jordinvest**

Jordan Investment Trust P.L.C  
Amman Jordan

**جوردانفست**

شركة الثقة للاستثمارات الأردنية م.ع.م  
عمان - الأردن

**JORDAN INVESTMENT TRUST COMPANY**

**(PUBLIC SHAREHOLDING COMPANY)**

**CONSOLIDATED FINANCIAL STATEMENTS**

**31 DECEMBER 2024**

## **INDEPENDENT AUDITOR'S REPORT**

**To the Shareholders of Jordan Investment Trust Public Shareholding Company**  
**Amman – Jordan**

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the Consolidated financial statements of Jordan Investment Trust Public Shareholding Company (the Company), and its subsidiaries (the Group) which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of income, 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 material accounting policies.

In our opinion, the accompanying Consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

#### **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 consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International 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 Consolidated 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.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context .

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated financial statements.

<p><b>1. Revenue recognition: Share of loss from associate</b></p> <p>At 31 December 2024, the Group has associate investments amounting to JD 11,138,828 with share of profit recorded during the year 2024 amounting to JD 1,067,137. Importance was given to this matter given the fact its relative importance in the financial statements.</p> <p>Refer to notes (2) and (6) in the consolidated financial statements.</p>	<p><b>How the key audit matter was addressed in the audit</b></p> <p>Our audit procedures included, amongst others, obtaining the financial statements from associate as of 31 December 2024 and audit the implementation of the equity method of accounting related to the investment in associate including the recalculation of the Group's share of income or loss and net assets from the associate based on their financial statements.</p>
<p><b>2. Impairment of investment properties</b></p> <p>Impairment of investment properties is considered a key audit matter as it represents a significant judgment area. Also, investment properties are a significant part of the total assets of the Group.</p> <p>Refer to notes (2) and (9) in the consolidated financial statements.</p>	<p><b>How the key audit matter was addressed in the audit</b></p> <p>The Group performs impairment property test annually by obtaining valuations from external independent valuers. Our audit procedures included obtaining the valuations performed by independent valuers to ensure that management properly recorded any impairment in value.</p>

### **Other information included in the Group's 2024 annual report**

Other information consists of the information included in the Group's 2024 Annual Report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2024 Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

### **Responsibilities of Management and Those Charged with Governance for the Consolidated 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 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 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 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.
- 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 consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

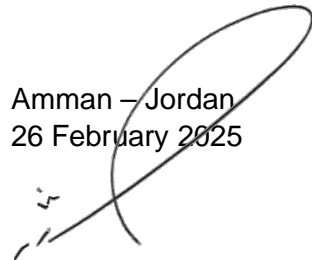
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

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

The partner in charge of the audit resulting in this auditor's report was Osama Fayez Shakhatreh; license number 1079.

Amman – Jordan  
26 February 2025



**ERNST & YOUNG**  
Amman - Jordan

**JORDAN INVESTMENT TRUST COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF 31 DECEMBER 2024**

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
<b><u>ASSETS</u></b>		<b>JD</b>	<b>JD</b>
Cash on hand and at banks	3	95,382	131,958
Financial assets at fair value through profit or loss	4	2,645,919	2,615,225
Financial assets at fair value through other comprehensive income	4	5,544,871	5,730,074
Accounts receivable - net	5	111,336	117,185
Investment in associate	6	11,138,828	10,071,691
Other current assets	7	360,064	375,046
Property and equipment	8	2,168,451	2,041,387
Investment properties	9	11,522,587	10,285,989
<b>Total Assets</b>		<b>33,587,438</b>	<b>31,368,555</b>
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>Liabilities -</b>			
Loans	10	1,217,983	153,000
Brokerage customers payables		73,905	70,525
Other current liabilities	11	1,550,790	891,155
Income tax provision	17	27,458	9,772
<b>Total Liabilities</b>		<b>2,870,136</b>	<b>1,124,452</b>
<b>Equity -</b>			
<b>Shareholders' equity</b>			
Paid in capital	1	27,270,078	27,270,078
Statutory reserve	12	1,452,237	1,452,237
Fair value reserve	4	344,574	502,720
Other reserves		(19,447)	(19,447)
Retained earnings (accumulated losses)		174,238	(483,473)
<b>Shareholders' equity</b>		<b>29,221,680</b>	<b>28,722,115</b>
Non-controlling interests	13	1,495,622	1,521,988
<b>Total Equity</b>		<b>30,717,302</b>	<b>30,244,103</b>
<b>Total Liabilities and Equity</b>		<b>33,587,438</b>	<b>31,368,555</b>

The accompanying notes from 1 to 29 form part of these consolidated financial statements



**JORDAN INVESTMENT TRUST COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**  
**CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
		<u>JD</u>	<u>JD</u>
<b>Revenues -</b>			
Share of gain from associate	6	1,067,137	122,484
Profit from financial assets	14	594,731	608,052
Other income	15	11,247	4,348
Rent income		352,707	227,144
Brokerage commissions		16,599	19,105
<b>Net revenue</b>		<u>2,042,421</u>	<u>981,133</u>
<b>Expenses -</b>			
Administrative expenses	16	1,178,481	1,082,053
Recovery from (provision for) expected credit losses	5	36,165	(11,978)
Impairment provision for real estate investments	9	28,856	-
Interests and commissions		132,903	50,026
<b>Total expenses</b>		<u>1,376,405</u>	<u>1,120,101</u>
<b>Profit (loss) for the year before income tax</b>		666,016	(138,968)
Income tax expense	17	(27,311)	(9,625)
<b>Profit (loss) for the year</b>		<u>638,705</u>	<u>(148,593)</u>
<b>Attributable to:</b>			
Shareholders of the company		658,180	(139,354)
Non-controlling interests		(19,475)	(9,239)
		<u>638,705</u>	<u>(148,593)</u>
		<u>JD/Fils</u>	<u>JD/Fils</u>
Basic and diluted earnings per share from profit (loss) of the year	18	<u>0/024</u>	<u>(0/005)</u>

The accompanying notes from 1 to 29 form part of these consolidated financial statements

**JORDAN INVESTMENT TRUST COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

	<u>2024</u>	<u>2023</u>
	JD	JD
<b>Profit (loss) for the year</b>	638,705	(148,593)
<b>Add: other comprehensive income not to be reclassified to profit and loss in subsequent periods:</b>		
Change in fair value of financial assets at fair value through other comprehensive income	<u>(158,615)</u>	<u>(151,979)</u>
<b>Total comprehensive income for the year</b>	<u><u>480,090</u></u>	<u><u>(300,572)</u></u>
<b>Attributable to:</b>		
Shareholders of the company	499,565	(291,333)
Non-controlling interests	<u>(19,475)</u>	<u>(9,239)</u>
	<u><u>480,090</u></u>	<u><u>(300,572)</u></u>

The accompanying notes from 1 to 29 form part of these consolidated financial statements

**JORDAN INVESTMENT TRUST COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

	Paid in capital	Statutory reserve	Fair value reserve	Other reserve	(Accumulated losses) retained earnings	Total	Non-controlling interests	Total equity
	JD	JD	JD	JD	JD	JD	JD	JD
<b>For the year ended 31 December 2024</b>								
Balance as at 1 January 2024	27,270,078	1,452,237	502,720	(19,447)	(483,473)	28,722,115	1,521,988	30,244,103
Total comprehensive income for the year	-	-	(158,615)	-	658,180	499,565	(19,475)	480,090
Loss on sale of financial assets through other comprehensive income	-	-	469	-	(469)	-	-	-
Acquisition of non-controlling interest	-	-	-	-	-	-	(6,891)	(6,891)
<b>Balance as of 31 December 2024</b>	<u>27,270,078</u>	<u>1,452,237</u>	<u>344,574</u>	<u>(19,447)</u>	<u>174,238</u>	<u>29,221,680</u>	<u>1,495,622</u>	<u>30,717,302</u>
<b>For the year ended 31 December 2023</b>								
Balance as at 1 January 2023	27,270,078	1,452,237	654,166	(19,447)	(343,586)	29,013,448	1,531,227	30,544,675
Total comprehensive income for the year	-	-	(151,979)	-	(139,354)	(291,333)	(9,239)	(300,572)
Loss on sale of financial assets through other comprehensive income	-	-	533	-	(533)	-	-	-
<b>Balance as of 31 December 2023</b>	<u>27,270,078</u>	<u>1,452,237</u>	<u>502,720</u>	<u>(19,447)</u>	<u>(483,473)</u>	<u>28,722,115</u>	<u>1,521,988</u>	<u>30,244,103</u>

The accompanying notes from 1 to 29 form part of these consolidated financial statements

**JORDAN INVESTMENT TRUST COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

	<u>Notes</u>	<u>2024</u> JD	<u>2023</u> JD
<b><u>OPERATING ACTIVITIES</u></b>			
Profit (loss) for the year before tax		666,016	(138,968)
<b>Adjustments -</b>			
Provision (recovery from) of expected credit losses	5	36,165	(11,978)
Impairment of deferred tax assets		1,000	-
Dividends from financial assets	14	(373,486)	(403,481)
Depreciation	8,9	169,994	145,384
Bank interest expense		132,903	50,026
Share of gain from associate	6	(1,067,137)	(122,484)
Gain on revaluation of financial assets at fair value through profit and loss	14	(196,491)	(209,280)
Gain on sale of property and equipment	15	(1,900)	-
Provision for impairment of investment properties	9	28,856	-
Loss from sale of financial assets through other comprehensive income		469	533
(Gain) loss from sale of financial assets through profit or loss	14	(24,754)	4,709
<b>Changes in working capital -</b>			
Financial assets at fair value through profit or loss		190,551	147,243
Accounts receivable and other current assets		(16,334)	89,870
Accounts payable and other current liabilities		663,015	175,559
Income tax paid	17	(9,625)	(489)
<b>Net cash flows from (used in) operating activities</b>		<u>199,242</u>	<u>(273,356)</u>
<b><u>INVESTING ACTIVITIES</u></b>			
Purchase of property and equipment	8	(204,724)	(12,273)
Proceeds from sale of property and equipment		1,900	-
Purchase of investment property	9	(1,357,788)	(55,240)
Dividends received on financial assets		373,486	403,481
Proceeds from sale of financial assets at fair value through other comprehensive income		30,205	590
Purchase of financial assets at fair value through other comprehensive income		(4,086)	-
<b>Net cash flows (used in) from investing activities</b>		<u>(1,161,007)</u>	<u>336,558</u>
<b><u>FINANCING ACTIVITIES</u></b>			
Interest paid		(132,903)	(50,026)
Acquisition of non-controlling interest		(6,891)	-
Proceeds from bank loans		1,176,644	-
Loans repayments		(111,661)	(82,354)
<b>Net cash flows from (used in) financing activities</b>		<u>925,189</u>	<u>(132,380)</u>
<b>Net decrease in cash and cash equivalents</b>		(36,576)	(69,178)
Cash and cash equivalents at beginning of the year		131,958	201,136
<b>Cash and cash equivalents at end of the year</b>	3	<u>95,382</u>	<u>131,958</u>

The accompanying notes from 1 to 29 form part of these consolidated financial statements

**(1) GENERAL**

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

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

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

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

The consolidated financial statements were authorized for issue by the Board of Directors in their meeting held on 26 February 2025. These consolidated financial statements require the General Assembly's approval.

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

**(2) BASIS OF PREPARATION AND ACCOUNTING POLICIES**

**Basis of preparation**

The accompanying consolidated financial statements for the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations (IFRICs).

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

The consolidated financial statements have been presented in Jordanian Dinars (JD) which is the functional currency of the Group.

## **Basis of consolidation**

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

Group controls an investee only if the Group has:

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

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

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

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses, profits, and losses relating to transactions between members of the Group are eliminated.

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

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

### **Use of Estimates**

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions and in particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows. 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.

### **Useful lives of property and equipment and investment properties**

The Group's management determines the estimated useful lives of its property and equipment and investment properties for calculating depreciation. Based on expected use of those assets management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

### **CHANGES IN ACCOUNTING POLICIES**

The accounting policies used in the preparation of the financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2023 except for the adoption of new amendments on the standards effective as of 1 January 2024 shown below:

#### **Amendments to IFRS 16 - Lease Liability in a Sale and Lease**

The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.

The amendments had no material impact on the Group's consolidated financial statements.

### **Amendments to IAS 1 - Classification of Liabilities as Current or Non-current**

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a 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
- 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

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no material impact on the Group's consolidated financial statements.

### **Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7**

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments had no material impact on the Group's consolidated financial statements.

## **MATERIAL ACCOUNTING POLICIES**

### **Financial assets at fair value through profit or loss**

Financial assets, which are purchased with the aim of resale in the near future in order to generate profit from the short-term market prices fluctuation or the trading profit margins.

Financial assets at fair value through profit or loss are recorded at fair value (acquisition costs are recorded on the consolidated income statements at the date of acquisition) and subsequently measured at fair value. Changes in fair value are reported as a separate component in the consolidated statement of comprehensive income at including the change in fair value resulting from conversion differences of non-cash items of assets at foreign currencies.

In case of sale of such assets or part of it, the gain or loss is recorded in the consolidated statement of comprehensive income.

Dividend and interest income are recorded in the consolidated statement of comprehensive income.



**Financial assets at fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income are recorded at fair value plus acquisition costs at the date of acquisition and subsequently measured at fair value. Changes in fair value are reported as a separate component in the consolidated statement of other comprehensive income and in the consolidated statement of changes in equity, including the change in fair value resulting from conversion differences of non-cash items of assets at foreign currencies. In case of sale of such assets or part of it, the gain or loss is recorded in the consolidated statement of other comprehensive income and in the consolidated statement of changes in equity, and the valuation reserve balance for sold assets will be transferred directly to retained earnings.

These assets are not subject to impairment testing and dividends received are recognised in the consolidated statement of comprehensive income when declared.

**Investments in associates**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee.

The Group's investments in its associates are accounted for using the equity method.

Under the equity method, the investment in an associate initially recognized at cost, the carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associates since the acquisition date. Goodwill relating to the associates is included in the carrying amount of the investment and is not amortized and is not subject to a separate impairment test.

The consolidated income statement reflects the Group's share of the results of operations of the associates. When there has been a change recognized directly in the equity of the associates, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the interest in the associates.

The Group's share of profit or loss of an associate is shown on the face of the consolidated income statement of profit or loss and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associates.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss as 'Share of profit of an associates in the consolidated income statement.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

### **Accounts receivable**

Accounts receivables are stated at original invoice amount less any allowance for any uncollectible amounts, the Group applies the standard's simplified approach and calculates ECL based on lifetime expected credit losses. The Group establishes a study that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment in accordance with IFRS 9.

### **Investment property**

Investment properties are measured at cost less any accumulated depreciation.

Investment properties (except lands) are depreciated in accordance with their useful lives on a straight-line basis using annual depreciation rate of 2-4%.

When the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. The impairment loss is recorded in the consolidated income statement.

### **Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and any impairment in value if any.

Depreciation of property and equipment (except lands) is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	<u>%</u>
Buildings	2
Equipment	5-25
Furnitures, fixtures and decorations	10-20
Vehicles	10

If the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. The impairment loss is recorded in the consolidated income statement.

The useful life of the properties and equipment is reviewed at the end of the year. If such expectations differ from the previously estimates, the change shall be accounted for in the subsequent years as changes in such estimates.

Property and equipment are excluded when disposed or when it's use has no expected future benefits.

### **Operating lease**

*Group as a lessor:* Operating lease revenues are recognized as rental income in the statement of income using the straight-line basis over the lease term.

### **Income tax**

The income tax provision is calculated in accordance with the applicable Income Tax Law in Jordan and IAS 12 which requires the recognition of deferred taxes resulting from the temporary differences between the carrying amount of an asset or liability and its tax base.

### **Loans**

All loans and borrowings are recognized at fair value plus direct attributable costs. Interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method.

### **Provisions**

Provisions are recognized when the Group has a present obligation (legal or constructive) arising from a past event and the costs to settle the obligation are both probable and able to be reliably measured.

### **Cash and cash equivalents**

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and bank balances.

### **Revenue and expenses recognition**

Revenue is recognized in accordance with International Accounting Standard No. (15), whereby the standard defines a five-step model for recognizing revenue from contracts with customers, and revenue is recognized at a value that represents the amount that the Company expects to receive in return for providing services to the customer at a particular point in time when a process is fulfilled for trading securities to the customer at a time when the customer receives and uses the features and services provided by the Company.

Dividends are recognized when they are approved by the general assemblies of the investees.

Other revenues are recognized on an accrual basis.

Expenses are recognized on an accrual basis.

### **Loans Interest**

Interest on loans is accounted for on effective interest method basis.

### **Foreign currency transactions**

Transactions in foreign currencies are initially recorded in the functional currency at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities in foreign currencies are translated into respective functional currencies at rates of exchange prevailing at the reporting date as issued by Central Bank of Jordan.

Monetary assets and liabilities in foreign currencies are translated into respective functional currencies at fair value at the respective date.

Gains and losses resulting from foreign currencies translation shall be recorded in the consolidated income statement.

Translation differences on non-monetary items carried at fair value (such as stocks) are included as part of the changes in fair value.

### **Offsetting**

Financial assets and financial liabilities are only offset, and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to set off the recognized amounts and the Group intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

### **Segment reporting**

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

### **Accounts operated for customers**

Assets held in a fiduciary capacity are not recognized as assets of the Group. Fees and commissions received for managing such assets are recognized in the consolidated income statement. Impairment loss is recognized in the consolidated income statement for the decline in fair value of guaranteed fiduciary assets below their original principal amount.

### **Fair value**

The Group measures financial instruments such as financial assets at fair value at the consolidated financial statements date as illustrated in disclosure (23).

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 of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

In case of unavailable main market, the principal or the most advantageous market for assets or liabilities must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized 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:

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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

The Group's management, in coordination with the Group's external evaluators, compares changes and relevant external information to the fair value of assets and liabilities to determine the reasonableness of the changes.

For the purpose of the fair value disclosure, the Group classifies the assets and liabilities according to its nature and the risks of the assets and liabilities, and the value of the fair value.

**Impairment of financial assets**

The Group recognizes an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms (if any). The Group has established a provision matrix that is based on its historical credit loss experience, market available specific credit default ratios of counterparties, adjusted for forward-looking factors specific to the debtors and the economic environment. These ratios are applied to trade receivables, refundable deposits, restricted cash, and bank balances.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### **Impairment of non-financial assets**

The Group assesses at the 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, the current transactions in the market are to be considered if any, otherwise an appropriate valuation model has to be used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

### **Contingent Assets and liabilities**

Contingent liabilities are not recognized in the consolidated financial statements of the Group but are disclosed when the possibility of an outflow of resources embodying economic benefits is remote.

Contingent Assets are not recognized in the financial statements but are disclosed when the possibility of an outflow of resources embodying economic benefits is remote.

### **(3) CASH ON HAND AND AT BANKS**

This item represents the following:

	<u>2024</u>	<u>2023</u>
	JD	JD
Cash on hand	355	-
Current accounts	<u>95,027</u>	<u>131,958</u>
	<u>95,382</u>	<u>131,958</u>

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**(4) FINANCIAL ASSETS AT FAIR VALUE**

**A. Financial assets at fair value through profit or loss**

	<u>2024</u>	<u>2023</u>
	JD	JD
Investments in shares of listed companies	<u>2,645,919</u>	<u>2,615,225</u>

**B. Financial assets at fair value through other comprehensive income**

	<u>2024</u>	<u>2023</u>
	JD	JD
Investments in shares of listed companies	4,160,098	4,315,301
Investments in shares of unlisted companies	<u>1,384,773</u>	<u>1,414,773</u>
	<u>5,544,871</u>	<u>5,730,074</u>

Financial assets at fair value through other comprehensive income include investments with an amount of JD 300,768 registered for others on behalf of Jordan investment trust company (Nominee account).

Movement on fair value reserve is as follows:

	<u>2024</u>	<u>2023</u>
	JD	JD
Balance as of January 1	502,720	654,166
Change in fair value during the year	(158,615)	(151,979)
Loss on sale of financial assets through other comprehensive income	<u>469</u>	<u>533</u>
Balance as of December 31	<u>344,574</u>	<u>502,720</u>

**(5) ACCOUNTS RECEIVABLE - NET**

This item represents the following:

	<u>2024</u>	<u>2023</u>
	JD	JD
Brokerage receivables	357,802	327,237
Employees' receivables	9,594	9,842
Less: provision for expected credit loss	<u>(256,060)</u>	<u>(219,894)</u>
	<u>111,336</u>	<u>117,185</u>



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Movement on the allowance for expected credit loss is as follows:

	2024	2023
	JD	JD
Balance as of January 1	219,894	231,872
Recovery from (provision for) expected credit losses	36,165	(11,978)
Balance as of December 31	256,059	219,894

As at 31 December, the aging of unimpaired receivables is as follows:

	Past due not impaired		
	181-360 days	Over 360 days	Total
	JD	JD	JD
2024	33,453	77,883	111,336
2023	-	117,185	117,185

Unimpaired receivables are expected to be fully recoverable based on the Group's management opinion, knowing that the vast majority of the brokerage receivables are guaranteed by the customer's portfolios.

**(6) INVESTMENT IN ASSOCIATE**

This item represents the following:

	Ownership percentage	Country of incorporation	Nature of activity	2024	2023
	%			JD	JD
First Education Holding	31.582	Bahrain	Education	11,138,828	10,071,691

The following illustrates the movement on the investments in associate:

	2024	2023
	JD	JD
Balance as of 1 January	10,071,691	9,949,207
Group net share from associates' results	1,067,137	122,484
Balance as of December 31	11,138,828	10,071,691

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Summary of financial position Statement:

	2024	2023
	JD'000	JD'000
Current assets	26,956	26,063
Non-current assets	18,532	17,524
Current liabilities	(8,848)	(10,339)
Non-current liabilities	(1,369)	(1,357)
Net assets	35,271	31,891
Group's Share from net assets	11,139	10,072
Book value of Investment	11,139	10,072

Summary of Income statement:

	2024	2023
	JD'000	JD'000
Revenues	8,953	6,110
Expenses	(7,706)	(5,724)
Other Revenue	2,132	-
Profit for the year	3,379	386
Group's share of operation's result	1,067	122

**(7) OTHER CURRENT ASSETS**

This item consists of the following:

	2024	2023
	JD	JD
Income tax deposits	67,485	67,306
Prepaid expenses	29,614	27,448
Refundable deposits	19,704	20,274
Deferred tax assets	9,000	10,000
Accrued revenue	22,102	20,424
Others	212,159	229,594
	360,064	375,046

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**(8) PROPERTY AND EQUIPMENT**

This item consists of the following:

	Land *	Buildings	Equipment	Furniture, fixtures and decorations	Vehicles	Projects under construction**	Total
	JD	JD	JD	JD	JD	JD	
<b>2024</b>							
<b>Cost -</b>							
Balance as of 1 January 2024	895,953	1,660,985	1,350,432	1,224,496	81,004	-	5,212,870
Additions	-	-	8,705	24,455	167,849	3,715	204,724
Disposals	-	-	-	-	(10,320)	-	(10,320)
Balance as of 31 December 2024	<u>895,953</u>	<u>1,660,985</u>	<u>1,359,137</u>	<u>1,248,951</u>	<u>238,533</u>	<u>3,715</u>	<u>5,407,274</u>
<b>Accumulated Depreciation -</b>							
Balance as of 1 January 2024	-	665,675	1,342,768	1,108,967	54,073	-	3,171,483
Deprecation for the year	-	28,970	16,369	13,025	19,296	-	77,660
Disposals	-	-	-	-	(10,320)	-	(10,320)
Balance as of 31 December 2024	<u>-</u>	<u>694,645</u>	<u>1,359,137</u>	<u>1,121,992</u>	<u>63,049</u>	<u>-</u>	<u>3,238,823</u>
<b>Net Book Value</b>							
<b>as at 31 December 2024</b>	<u>895,953</u>	<u>966,340</u>	<u>-</u>	<u>126,959</u>	<u>175,484</u>	<u>3,715</u>	<u>2,168,451</u>

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	Land *	Buildings	Equipment	Furniture, fixtures and decorations	Vehicles	Projects under construction**	Total
	JD	JD	JD	JD	JD		JD
<b>2023</b>							
<b>Cost -</b>							
Balance as of 1 January 2023	895,953	1,660,985	1,342,752	1,219,903	81,004	-	5,200,597
Additions	-	-	7,680	4,593	-	-	12,273
Balance as of 31 December 2023	<u>895,953</u>	<u>1,660,985</u>	<u>1,350,432</u>	<u>1,224,496</u>	<u>81,004</u>	<u>-</u>	<u>5,212,870</u>
<b>Accumulated Depreciation -</b>							
Balance as of 1 January 2023	-	636,705	1,325,871	1,101,140	44,837	-	3,108,553
Deprecation for the year	-	28,970	16,897	7,827	9,236	-	62,930
Balance as of 31 December 2023	<u>-</u>	<u>665,675</u>	<u>1,342,768</u>	<u>1,108,967</u>	<u>54,073</u>	<u>-</u>	<u>3,171,483</u>
<b>Net Book Value</b>							
<b>as at 31 December 2023</b>	<u>895,953</u>	<u>995,310</u>	<u>7,664</u>	<u>115,529</u>	<u>26,931</u>	<u>-</u>	<u>2,041,387</u>

\*This item includes mortgaged land in an amount of JD 900,000 against the bank loan obtained from the Bank of Jordan (Note 10) as at 31 December 2024 (2023: 900,000).

\*\* This item includes improvements to the Group's buildings and expected to be finished during 2025. The cost to complete the unfinished part of projects is estimated at 21,072 JD as of 31 December 2024.

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**(9) INVESTMENT PROPERTIES**

This item consists of the following:

	Land	Buildings	Projects under construction	Total
	JD	JD	JD	JD
<b>2024</b>				
<b>Cost -</b>				
Balance as of 1 January 2024	3,718,236	5,801,172	1,944,013	11,463,421
Additions	1,000,000	357,788	-	1,357,788
Impairment	(28,856)	-	-	(28,856)
Balance as of 31 December 2024	<u>4,689,380</u>	<u>6,158,960</u>	<u>1,944,013</u>	<u>12,792,353</u>
<b>Accumulated Depreciation -</b>				
Balance as of 1 January 2024	-	1,177,432	-	1,177,432
Depreciation for the year	-	92,334	-	92,334
Balance as of 31 December 2024	<u>-</u>	<u>1,269,766</u>	<u>-</u>	<u>1,269,766</u>
<b>Net Book Value</b>				
<b>as at 31 December 2024</b>	<u>4,689,380</u>	<u>4,889,194</u>	<u>1,944,013</u>	<u>11,522,587</u>
	Land	Buildings	Projects under construction	Total
	JD	JD	JD	JD
<b>2023</b>				
<b>Cost -</b>				
Balance as of 1 January 2023	3,718,236	5,745,932	1,944,013	11,408,181
Additions	-	55,240	-	55,240
Balance as of 31 December 2023	<u>3,718,236</u>	<u>5,801,172</u>	<u>1,944,013</u>	<u>11,463,421</u>
<b>Accumulated Depreciation -</b>				
Balance as of 1 January 2023	-	1,094,978	-	1,094,978
Depreciation for the year	-	82,454	-	82,454
Balance as of 31 December 2023	<u>-</u>	<u>1,177,432</u>	<u>-</u>	<u>1,177,432</u>
<b>Net Book Value</b>				
<b>as at 31 December 2023</b>	<u>3,718,236</u>	<u>4,623,740</u>	<u>1,944,013</u>	<u>10,285,989</u>

- The fair value of the investment properties as assessed by the real estate evaluators equals an amount of JD 13,929,884 as of 31 December 2024 (31 December 2023: JD 12,495,140).

**(10) LOANS**

This item consists of the following:

	Loan installments		2024	2023
	Short term	Long term		
	JD	JD	JD	JD
The Bank of Jordan	54,444	-	54,444	153,000
Capital Bank	74,883	933,117	1,008,000	-
Tamkeen Leasing Company	27,726	127,813	155,539	-
			<u>1,217,983</u>	<u>153,000</u>

**Jordan Bank Loan**

On 2 October 2018, the Group signed a loan agreement with the Bank of Jordan for an amount of JD 540,000 with an annual interest rate of 10%. The loan is payable after a grace period of 5 months in 60 monthly installments of JD 9,000 each, starting on 21 April 2019. The loan is secured by the mortgage of the property owned by Al Tawon for Real Estate Management Company (Subsidiary) by JD 900,000 during 2024.

**The Bank of Jordan Loan**

On 25 February 2024, the Group signed a loan agreement with Capital Bank of Jordan for an amount of JD 1,008,000 with an annual interest rate of 6,60%. The loan is payable in 7 monthly installments of JD 150 thousand each, starting on 31 March 2025 except for the final installment amounting to the remaining value of the loan. The loan is used to finance an investment property for Trust and Sham Financial Investments (subsidiary), and the property is pledged as collateral to the bank until the loan is repaid.

**Tamkeen Leasing Loan**

On 9 July 2024, the Group signed a financial leasing agreement with Tamkeen Leasing Company with the purpose of purchasing property and equipment for an amount of JD 168,200, the agreement is to be paid in 59 monthly installments of JD 3,742 each, starting on 5 August 2024 until the loan is repaid, the property and equipment purchased are pledged as collateral to the Company.

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**(11) OTHER CURRENT LIABILITIES**

This item consists of the following:

	<u>2024</u>	<u>2023</u>
	JD	JD
Contingent liabilities provision	362,931	362,931
Portfolios payables	799,246	212,953
Due to shareholders	104,846	108,733
Withholding deposits	80,871	53,911
Provision for employees' vacation allowance	31,224	59,444
Accrued expenses	53,213	41,982
Others	118,459	51,201
	<u>1,550,790</u>	<u>891,155</u>

**(12) EQUITY**

**Statutory reserve -**

The amounts accumulated in this account represent what was transferred at the rate of 10% of the annual profits before taxes during previous years in accordance with the Companies Law and is not distributable to shareholders.

**(13) NON-CONTROLLING INTERESTS**

This note represents the net non-controlling interests in subsidiaries.

	<u>Ownership %</u>		<u>2024</u>	<u>2023</u>
	<u>2024</u>	<u>2023</u>	JD	JD
Al-Ihdathiat Real Estate PSC	59.07%	58.85%	<u>1,495,622</u>	<u>1,521,988</u>

**(14) PROFIT FROM FINANCIAL ASSETS**

	<u>2024</u>	<u>2023</u>
	JD	JD
Realized gain (loss) of financial assets through profit or loss	24,754	(4,709)
Dividends income	373,486	403,481
Change in fair value of financial assets through profit or loss	196,491	209,280
	<u>594,731</u>	<u>608,052</u>

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**(15) OTHER INCOME**

	<u>2024</u>	<u>2023</u>
	JD	JD
Gain on sale of property and equipment's	1,900	-
Other	9,347	4,348
	<u>11,247</u>	<u>4,348</u>

**(16) ADMINISTRATIVE EXPENSES**

	<u>2024</u>	<u>2023</u>
	JD	JD
Salaries, wages, and employees' benefits	354,501	344,588
Depreciation (notes 8 and 9)	169,994	145,384
Bonuses and incentives	112,659	88,314
Travel and transportation	42,246	69,952
Legal and professional fees	139,248	119,668
Insurance	5,466	5,889
Mail and telephone	12,090	11,991
Stationery and publications	2,252	1,944
Advertisement	714	2,160
Hospitality and employees' activities	22,092	65,946
Government fees and licenses	104,728	78,802
Cleaning and maintenance services	62,183	35,824
Subscriptions and conferences	17,402	19,576
Donations and community service	10,787	13,927
Training	9,799	5,487
Board of Directors transportation	26,600	25,935
Board of Directors bonuses	28,000	-
Water and electricity	7,653	7,000
Prior years' income tax	-	4,537
Deferred tax assets impairment	1,000	-
Others	49,067	35,129
	<u>1,178,481</u>	<u>1,082,053</u>



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**(17) INCOME TAX**

Movement on income tax provision is as follows:

	<u>2024</u>	<u>2023</u>
	JD	JD
Balance as of 1 January	9,772	636
Income tax provision	27,311	9,625
Income tax paid	<u>(9,625)</u>	<u>(489)</u>
Balance as of 31 December	<u>27,458</u>	<u>9,772</u>

Income tax provision for the years ended 31 December 2024 and 2023 was calculated in accordance with the income tax law No. (34) of 2014 and its amendments.

Jordan Investment Trust Company submitted tax declarations for the years 2020, 2021, 2022 and 2023. However, the Income and Sales Tax Department did not review it up to the date of preparing these consolidated financial statements. A final settlement was reached with the Income Tax Department until the end of the financial year 2019.

**(18) PROFIT (LOSSES) PER SHARE**

	<u>2024</u>	<u>2023</u>
	JD	JD
Profit (loss) for the year attributable to shareholders (JD)	658,180	(139,354)
Weighted average number of shares (share)	27,270,078	27,270,078
	<u>JD/Fils</u>	<u>JD/Fils</u>
Basic and diluted profit (losses) per share	<u>0/024</u>	<u>(0/005)</u>

**(19) CONTINGENT LIABILITIES**

**Bank Guarantees:**

As of the date of the consolidated financial statements, the Group is contingently liable in respect of a bank guarantee amounting to JD 1,300,000 as of 31 December 2024 (2023: JD 1,300,000) for the benefit of the Jordan Securities Commission in accordance with the Jordan Securities Commission Law No. 76 of 2007, in addition to another bank guarantee for the benefit of the Securities Depository Center amounting to JD 150,000 as of 31 December 2024 (2023: JD 150,000) with security deposits of JD 10,000 as of 31 December 2024 (2023: JD 10,000).

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**Litigations held against the group:**

There are no lawsuits raised against the group.

**(20) OFF-BALANCE SHEET ITEMS**

The Group holds investments for others amounting to JD 740,002 as at 31 December 2024 (2023: JD 772,969).

**(21) RELATED PARTIES TRANSACTIONS**

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

**Subsidiaries**

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

Company's name	Country of incorporation	Ownership percentage	Company's capital	
			2024	2023
		%	JD	JD
Medical Clinics	Jordan	100	1,958,843	1,958,843
Imcan for Financial Services	Jordan	100	1,332,719	1,332,719
	British Virgin			
Akar Limited Company	Islands	100	300,000	300,000
Amwaj Financial Investments	Jordan	100	60,000	60,000
Mazaya Financial Investments	Jordan	100	60,000	60,000
Burhan Al-Thiqa Financial Investments	Jordan	100	60,000	60,000
Knowledge Bases Financial Investments	Jordan	100	60,000	60,000
Al Rafah Financial Investments	Jordan	100	60,000	60,000
Trust and Sham For Financial Investments	Jordan	100	81,000	81,000
Al Sahel Financial Investments	Jordan	100	60,000	60,000
Zohoor Al-Thiqa for Real Estate	Jordan	100	50,000	50,000
Al Olbah Real Estate	Jordan	100	50,000	50,000
Al Tawon for Real Estate Management	Jordan	100	10,000	10,000
Al-Ihdathiat Real Estate Company	Jordan	59.1	4,486,627	4,486,627
Trust and Dubai Investment	Jordan	100	50,000	50,000

**Executive management's Compensations and remunerations**

The remuneration of executive management was as follows:

	<u>2024</u>	<u>2023</u>
	JD	JD
Salaries and remunerations	<u>378,547</u>	<u>313,126</u>

Account receivables and payables include related parties' transactions as follows:

	<u>2024</u>	<u>2023</u>
	JD	JD
Account receivables	<u>882</u>	<u>3,005</u>

The balances shown in the end of the year represent balances resulting from the main operations of the Group.

Related parties' transactions represented in the consolidated comprehensive income statement is as follows:

	<u>2024</u>	<u>2023</u>
	JD	JD
Brokerage commissions income	<u>1,335</u>	<u>829</u>

**(22) MATERIAL SUBSIDIARIES AND PARTIALLY OWNED BY THE GROUP**

Below is the financial information of related parties, where the balance of non-controlling interest is material:

Company's name	Country of incorporation	Nature of activity	Ownership percentage	
			<u>2024</u>	<u>2023</u>
Al-Ihdathiat Real Estate Company	Jordan	Property Investments	59.07%	58.58%

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Below is the summary of financial information for subsidiaries. The following information represent the amounts before the elimination of related parties' transactions.

**a. Summary of financial position statement**

	Al-Ihdathiat Real Estate Company	
	2024	2023
	JD	JD
Current assets	7,389	7,699
Non- current assets	3,828,643	3,833,971
Current Liabilities	(181,937)	(166,830)
<b>Net equity</b>	<b>3,654,095</b>	<b>3,674,840</b>
<b>Non-controlling interest</b>	<b>1,495,622</b>	<b>1,521,988</b>

**b. Summary of income statement**

	Al-Ihdathiat Real Estate Company	
	2024	2023
	JD	JD
Total revenues	4,287	3,519
Total expenses	(51,870)	(25,827)
Loss for the year	(47,583)	(22,308)

**c. Summary of cash flow statement**

	Al-Ihdathiat Real Estate Company	
	2024	2023
	JD	JD
<b>Cash flows</b>		
Operating activities	(305)	(586)
Investing activities	-	(324)
<b>Net decrease in cash and cash equivalents</b>	<b>(305)</b>	<b>(910)</b>

**(23) FAIR VALUES OF FINANCIAL INSTRUMENTS**

Financial instruments consist of financial assets and financial liabilities.

Financial assets consist of cash on hand and bank balances, financial assets at fair value through profit or loss, customers' accounts receivable, financial assets at fair value through other comprehensive income, and some other current assets. Financial liabilities consist of, loans, customers' accounts payable, and some other credit balances.

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

For the purpose of the measurement and presentation of the fair value of financial instruments, the Group uses the following hierarchy:

First level: The market prices in effective markets for the same assets and liabilities.

Third level: Other techniques, where all inputs that have a significant impact on the fair value but not based on market information that can be observed.

The following table represents financial instruments at fair value analysis and based on the hierarchy mentioned above:

	<u>First level</u>	<u>Third level</u>	<u>Total</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>
<b>2024 -</b>			
<b>Financial assets</b>			
Financial assets at fair value through profit or loss	2,645,919	-	2,645,919
Financial assets at fair value through other comprehensive income	4,160,098	1,384,773	5,544,871
<b>2023 -</b>			
<b>Financial assets</b>			
Financial assets at fair value through profit or loss	2,615,225	-	2,615,225
Financial assets at fair value through other comprehensive income	4,315,301	1,414,773	5,730,074

**(24) RISK MANAGEMENT**

**Interest rate risk**

Interest rate risk arises from the possible impact of changes in interest rates on the fair value or future cash flows of financial instruments.

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

The following table demonstrates the sensitivity of the consolidated income statement to reasonably possible changes in interest rates as of 31 December, with all other variables held constant.

The sensitivity of the income statement is the effect of the assumed changes in interest rates on the Group's profit (loss) for one year, based on the floating rate financial assets and financial liabilities held at 31 December.

<b>2024-</b>	<u>Increase in basis points</u> (Point)	<u>Effect on loss for the year</u> JD
Currency JD	100	(12,180)
<b>2023-</b>	<u>Increase in basis points</u> (Point)	<u>Effect on loss for the year</u> JD
Currency JD	100	1,530

The effect of decrease in interest rates is expected to be equal and opposite to the effect of the increase shown above.

**Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial commitments as they fall due.

The Group limits its liquidity risk by ensuring that the bank facilities are available.

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

	Less than 3 months	3 to 12 months	1 to 5 years	Total
	JD	JD	JD	JD
<b>31 December 2024</b>				
Loans	498,584	1,014,271	145,938	1,658,793
Brokerage payable	73,905	-	-	73,905
Other Current liabilities	1,519,566	-	-	1,519,566
<b>Total</b>	<b>2,092,055</b>	<b>1,014,271</b>	<b>145,938</b>	<b>3,252,264</b>
<b>31 December 2023</b>				
Loans	30,645	87,880	46,138	164,663
Brokerage payable	70,525	-	-	70,525
Other Current liabilities	831,711	-	-	831,711
<b>Total</b>	<b>932,881</b>	<b>87,880</b>	<b>46,138</b>	<b>1,066,899</b>

**Equity price risk**

The following table demonstrates the sensitivity of the consolidated income statement and the cumulative changes in fair value attributed to reasonably possible changes in equity prices, with all other variables held constant.

<b>2024 -</b>	Change in equity price	Effect on profit of the year	Effect on equity
Index	%	JD	JD
Amman Stock Market	+5	132,296	277,244
<b>2023 -</b>	Change in equity price	Effect on loss of the year	Effect on equity
Index	%	JD	JD
Amman Stock Market	+5	130,761	286,504

The effect of decreases in equity prices is expected to be equal and opposite to the effect of the increases shown.

### **Credit risk**

This is the risk that the debtors and other parties will fail to discharge their obligations to the Group.

The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables. The Group has its deposits and funds in leading financial institutions.

### **Currency risk**

Most of the Group's transactions are in Jordanian Dinar and US Dollars. The Jordanian Dinar is fixed against US Dollar therefore currency risk is considered not significant on the consolidated financial statements.

## **(25) SEGMENTAL INFORMATION**

### **Segmental information for the basic sectors:**

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

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

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

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

	Financial Investments	Investment properties	Others	Total
	JD'000	JD'000	JD'000	JD'000
<b>2024 -</b>				
Segment revenues	1,678	353	11	2,042
Distributed expenses	(567)	(111)	(698)	(1,376)
Profit (loss) before income tax	1,111	242	(687)	666
Income tax expense				(27)
<b>Profit for the year after tax</b>				<b>639</b>



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**2023 -**

Segment revenues	750	227	4	981
Distributed expenses	(855)	(98)	(167)	(1,120)
(Loss) profit before income tax	(105)	129	(163)	(139)
Income tax expense				(10)
<b>Loss for the year after tax</b>				<b>(149)</b>

	Financial Investments	Investment properties	Others	Total
	JD'000	JD'000	JD'000	JD'000
<b>2024-</b>				
<b>Assets and Liabilities</b>				
Segment assets	21,594	11,523	471	33,588
Segment liabilities	1,489	71	1,310	2,870

**2023 -**

**Assets and Liabilities**

Segment assets	20,590	10,286	493	31,369
Segment liabilities	575	167	382	1,124

**Secondary segment information:**

Assets, liabilities and revenues were distributed geographically as follows:

	Local JD	Foreign JD	Total JD
<b>2024 -</b>			
Assets	21,401,985	12,185,453	33,587,438
Liabilities	2,870,136	-	2,870,136
Net revenues	942,005	1,100,416	2,042,421
<b>2023 -</b>			
Assets	20,228,545	11,140,010	31,368,555
Liabilities	1,124,452	-	1,124,452
Net revenues	805,724	175,409	981,133

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**(26) MATURITIES ANALYSIS OF ASSETS AND LIABILITIES**

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled.

	Within one year	More than one year	Total
	JD	JD	JD
<b>2024 -</b>			
<b>Assets</b>			
Cash on hand and at banks	95,382	-	95,382
Financial assets at fair value through profit or loss	2,641,283	4,636	2,645,919
Financial assets at fair value through other comprehensive income	-	5,544,871	5,544,871
Accounts receivable – net	111,336	-	111,336
Investments in associate	-	11,138,828	11,138,828
Other current assets	360,064	-	360,064
Property and equipment	-	2,168,451	2,168,451
Investment properties	-	11,522,587	11,522,587
<b>Total assets</b>	<b>3,208,065</b>	<b>30,379,373</b>	<b>33,587,438</b>
<b>Liabilities</b>			
Loans	157,053	1,060,930	1,217,983
Brokerage payable	73,905	-	73,905
Other current liabilities	1,550,790	-	1,550,790
Income tax provision	27,458	-	27,458
<b>Total liabilities</b>	<b>1,809,206</b>	<b>1,060,930</b>	<b>2,870,136</b>
<b>Net</b>	<b>1,398,859</b>	<b>29,318,443</b>	<b>30,717,302</b>
<b>2023 -</b>			
Cash on hand and at banks	131,958	-	131,958
Financial assets at fair value through profit or loss	2,610,762	4,463	2,615,225
Financial assets at fair value through other comprehensive income	-	5,730,074	5,730,074
Accounts receivable – net	117,185	-	117,185
Investments in associate	-	10,071,691	10,071,691
Other current assets	375,046	-	375,046
Property and equipment	-	2,041,387	2,041,387
Investment properties	-	10,285,989	10,285,989
<b>Total assets</b>	<b>3,234,951</b>	<b>28,133,604</b>	<b>31,368,555</b>
<b>Liabilities</b>			
Loans	108,000	45,000	153,000
Brokerage payable	70,525	-	70,525
Other current liabilities	891,155	-	891,155
Income tax provision	9,772	-	9,772
<b>Total liabilities</b>	<b>1,079,452</b>	<b>45,000</b>	<b>1,124,452</b>
<b>Net</b>	<b>2,155,499</b>	<b>28,088,604</b>	<b>30,244,103</b>

**(27) 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.

The underlying items in capital structure are represented in share capital, statutory reserve, and retained earnings (accumulated losses) measured at JD 28,896,553 as at 31 December 2024 (2023: JD 28,238,842).

**(28) STANDARDS 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.

**Amendments to the Classification and Measurement of Financial Instruments—  
Amendments to IFRS 9 and IFRS 7**

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed.
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments.
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only. The Group is currently working to identify all impacts the amendments will have on the consolidated financial statements and the related notes.

### **Contracts Referencing Nature-dependent Electricity — Amendments to IFRS 9 and IFRS 7**

In December 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to address the accounting and disclosure requirements for contracts referencing nature-dependent electricity, such as wind, solar, and hydro power. These amendments aim to provide clearer guidance on the classification, measurement, and recognition of these contracts, which are inherently variable due to their dependence on natural conditions.

The changes seek to improve the consistency and comparability of financial statements by clarifying whether such contracts should be treated as financial instruments or executory contracts and how they should be measured. Additionally, the amendments enhance disclosure requirements to provide greater transparency about the risks and financial impacts associated with these contracts, thereby offering users more relevant and reliable information. This initiative supports the global transition to renewable energy by addressing the unique accounting challenges posed by nature-dependent electricity contracts.

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, but will need to be disclosed.

The amendments are not expected to have material impact on the Group's consolidated financial statements.

### **Lack of exchangeability – Amendments to IAS 21**

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

### **IFRS 18 Presentation and Disclosure in Financial Statements**

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

This standard will result in new presentation of the consolidated income statement with some new required totals, in addition to the disclosure of management-defined performance measures.

### **IFRS 19 Subsidiaries without Public Accountability: Disclosures**

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

## **(29) COMPARATIVE FIGURES**

The Group reclassified some of the comparative figures' balances for the year ending 31 December 2023 to correspond with figures for the year ending 31 December 2024. Such reclassification did not affect previously reported losses or equity for the year 2023.