JORDAN PETROLEUM REFINERY COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION FOR THE NINE MONTHS
ENDED SEPTEMBER 30, 2021
TOGETHER WITH THE INDEPENDENT
AUDITOR'S REVIEW REPORT

JORDAN PETROLEUM REFINERY COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
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Deloitte.

Deloitte & Touche (M.E.)
Jabal Amman, 5th Circle
190 Zahran Street
Amman, P.O. Box 248
Jordan

Tel: +962 (0) 6 550 2200
Fax: +962 (0) 6 550 2210
www.deloitte.com

Review Report

AM/ 000573

H.E. the Chairman and Members of the Board of Directors
Jordan Petroleum Refinery Company
(A Public Shareholding Limited Company)
Amman - Jordan

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Jordan Petroleum Refinery Company ("the Company") and its subsidiaries ("the Group") as of September 30, 2021 and the condensed consolidated interim statements of profit or loss and comprehensive income for the three months and nine months ended September 30, 2021, and condensed consolidated interim statements of changes in owners' equity and cash flows for the nine-month period then ended, and a summary for the significant accounting policies and other notifying information. Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard (34) Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements No. 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Company". A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared in all material respects, in accordance with International Accounting Standard (34) Interim Financial Reporting.

Other Matter

The condensed consolidated interim financial information is a translation of the statutory condensed consolidated interim financial information which is in the Arabic language and to which reference should be made.

Amman - Jordan
October 25, 2021

Deloitte & Touche
Deloitte & Touche (M.E.) – Jordan

Deloitte & Touche (M.E.)
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JORDAN PETROLEUM REFINERY COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	September 30, 2021 (Reviewed not Audited)	December 31 2020 (Audited)
ASSETS		JD	JD
Current Assets:			
Cash on hand and at banks		16,755,377	14,034,372
Receivables and other debit balances	8	586,632,636	507,344,997
Crude oil, finished oil products and supplies	9	369,000,257	296,462,005
Total Current Assets		972,388,270	817,841,374
Non-Current Assets:			
Financial assets at fair value through comprehensive income	23	2,627,906	2,257,261
Deferred tax assets		8,201,651	13,189,650
Investment property - net		2,763,149	815,738
Property, Plant and Equipment and Projects Under Construction - net		180,068,462	182,832,939
Intangible Assets - net		18,036,715	20,286,282
Right of Use of Assets - net		56,320,700	56,747,493
Total Non-Current Assets		268,018,583	276,129,363
TOTAL ASSETS		1,240,406,853	1,093,970,737
LIABILITIES			
Current Liabilities:			
Due to banks	10	604,565,340	579,875,098
Payables and other credit balances	11	294,301,199	205,747,574
Income tax provision	12/a	3,119,073	675,314
Lease Liabilities - current portion		5,375,050	4,594,836
Total Current Liabilities		907,360,662	790,892,822
Non-Current Liabilities:			
Due to death, compensation and end-of-service indemnity fund	13	39,714,248	40,471,334
End-of-service Indemnity provision		37,859	37,859
Lease liabilities - non-current portion		44,990,586	46,586,310
Total Non-Current Liabilities		84,742,693	87,095,503
TOTAL LIABILITIES		992,103,355	877,988,325
OWNERS' EQUITY			
Company's 'Shareholders' equity:			
Authorized and paid-up capital (100,000,000 share at JD 1 per share)	1	100,000,000	100,000,000
Statutory reserve		45,834,122	45,834,122
Voluntary reserve		26,784,557	26,784,557
Fourth expansion project reserve		5,328,547	7,609,176
Financial assets at fair value reserve-net		2,248,182	1,877,537
Difference resulted from purchasing non-controlling interest		(86,472)	(86,472)
Retained earnings		22,106,525	24,825,896
Profit for the period		38,230,189	-
Total Shareholders' Equity		240,445,650	206,844,816
Non - controlling interests		7,857,848	9,137,596
Total Owners' Equity		248,303,498	215,982,412
TOTAL LIABILITIES AND OWNERS' EQUITY		1,240,406,853	1,093,970,737
Contra Accounts			
Death, compensation and end-of-service indemnity fund	13	47,193,013	49,106,668

Chairman of the Board of Directors

Chief Executive Officer

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING AUDITOR'S REVIEW REPORT.

JORDAN PETROLEUM REFINERY COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

(REVIEWED NOT AUDITED)

	Note	For the Three Months Ended September 30,		For the Nine the Months Ended September 30,	
		2021 (Reviewed)	2020 (Reviewed and Adjusted)	2021 (Reviewed)	2020 (Reviewed and Adjusted)
		JD	JD	JD	JD
Net Sales	14	304,314,601	216,885,502	859,244,187	717,694,017
Less: Cost of sales	15	(277,999,831)	(179,460,120)	(763,939,810)	(726,283,006)
Gross profit (loss) from sales		26,314,770	37,425,382	95,304,377	(8,588,989)
Add: Operating income and other		3,398,445	3,381,853	8,106,607	11,153,807
Gross profit		29,713,215	40,807,235	103,410,984	2,564,818
Less: Selling and distribution expenses		(12,796,403)	(10,207,365)	(38,843,236)	(33,265,302)
Administrative and general expenses		(2,914,354)	(2,719,275)	(8,209,179)	(10,721,093)
Bank interests and commissions		(5,549,707)	(5,763,466)	(15,817,203)	(17,104,459)
(Provision) Released from lawsuits provision	11	(829,430)	86,842	(1,148,557)	113,842
Realeased from (Provision) of expected credit losses	8/j	1,477,657	(722,958)	1,062,299	(4,538,215)
Released from slow-moving and obsolete inventory and sediments provision	9	816,883	1,719,897	259,905	8,293,361
(Provision) of storage fees	11/h	(252,480)	430,935	(691,365)	(2,093,865)
Released from Provision of employees' vacations	11	195,599	98,542	72,656	159,658
Released from work injuries compensations provision		-	-	-	3,234,886
Income from strategic inventory storage		122,062	1,437,331	1,505,732	6,503,625
Interests income resulting from government's delay		3,539,146	3,331,129	10,244,413	9,806,632
Lease liabilities interests		(677,679)	(585,067)	(2,005,853)	(1,674,627)
Interests resulted from acquisition of a subsidiary		-	-	-	(88,955)
Intangible assets amortization		(750,000)	(750,000)	(2,250,000)	(2,250,000)
Profit (Loss) for the Period before Income Tax		12,094,509	27,163,780	47,590,596	(41,059,694)
(Expense) surplus of Income tax for the period	12/b	(3,205,907)	(2,725,594)	(9,291,765)	9,403,997
Profit (Loss) for the Period		8,888,602	24,438,186	38,298,831	(31,655,697)
Attributable to :					
Company's shareholders		9,235,136	24,410,704	38,230,189	(31,724,668)
Non-controlling interests		(346,534)	27,482	68,642	68,971
		8,888,602	24,438,186	38,298,831	(31,655,697)
Profit (Loss) per share for the period attributable to the Company's shareholders -					
Basic & Diluted	16	-/9	-/24	-/38	(-/32)

Chairman of the Board of Directors

Chief Executive Officer

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JORDAN PETROLEUM REFINERY COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

(REVIEWED NOT AUDITED)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)
	JD	JD	JD	JD
Profit (loss) for the period	8,888,602	24,438,186	38,298,831	(31,655,697)
Items that can not be reclassified subsequently to the condensed consolidated interim statement of profit or loss:				
Change in financial assets valuation reserve - net	(115,201)	7,624	370,645	(208,008)
Total Comprehensive Income (Comprehensive Loss) for the Period	8,773,401	24,445,810	38,669,476	(31,863,705)
Total Consolidated Comprehensive Income (Comprehensive Loss) Attributable to:				
Company's shareholders	9,119,935	24,418,328	38,600,834	(31,932,676)
Non-controlling interests	(346,534)	27,482	68,642	68,971
	8,773,401	24,445,810	38,669,476	(31,863,705)

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

JORDAN PETROLEUM REFINERY COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY

(REVIEWED NOT AUDITTED)

	Paid-up Capital	Statutory Reserve	Voluntary Reserve	Fourth Expansion Project Reserve	Financial Assets Valuation Reserve - Net	Difference Resulting from Purchasing Non-Controlling Interests	Retained Earnings *	(Loss) Profit for the Period	Total Shareholders' Equity	Non-Controlling Interests	Total Owners' Equity
For the Nine Months Ended September 30, 2021 (Reviewed)	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	100,000,000	45,834,122	26,784,557	7,609,176	1,877,537	(86,472)	24,825,896	-	206,844,816	9,137,596	215,982,412
Total comprehensive income for the period	-	-	-	-	370,645	-	-	38,230,189	38,600,834	68,642	38,669,476
Transfer from voluntary reserve to fourth expansion reserve	-	-	-	(2,280,629)	-	-	2,280,629	-	-	-	-
Change in non - controlling interests	-	-	-	-	-	-	-	-	-	(1,348,390)	(1,348,390)
Dividends distributed to shareholders**	-	-	-	-	-	-	(5,000,000)	-	(5,000,000)	-	(5,000,000)
Balance at the End of the Period	100,000,000	45,834,122	26,784,557	5,328,547	2,248,182	(86,472)	22,106,525	38,230,189	240,445,650	7,857,848	248,303,498
For the Nine Months Ended September 30, 2020 (Reviewed)											
Balance at the beginning of the period	100,000,000	45,834,122	17,261,761	-	1,914,915	(86,472)	73,284,319	-	238,208,645	8,690,469	246,899,114
Total comprehensive (loss) for the period	-	-	-	-	(208,008)	-	-	(31,724,668)	(31,932,676)	68,971	(31,863,705)
Deducted for reserves	-	-	10,428,215	10,428,215	-	-	(20,856,430)	-	-	-	-
Transfer from voluntary reserve to fourth expansion reserve	-	-	(905,419)	905,419	-	-	-	-	-	-	-
Transfer from fourth expansion reserve to retained earnings	-	-	-	(1,328,151)	-	-	1,328,151	-	-	-	-
Dividends distributed to shareholders**	-	-	-	-	-	-	(17,000,000)	-	(17,000,000)	-	(17,000,000)
Balance at the End of the Period	100,000,000	45,834,122	26,784,557	10,005,483	1,706,907	(86,472)	36,756,040	(31,724,668)	189,275,969	8,759,440	198,035,409

* Retained earnings includes an amount of JD 8,201,651 as of September 30, 2021, representing the value of deferred tax assets restricted according to the Jordan Securities Commission's instructions (JD 13,189,650 as of December 31, 2020).

** In its ordinary meeting held on April 28, 2021, the General Assembly decided to distribute 5% from paid-up capital equivalent to JD 5 million from the retained earnings balance (JD 17 million for year 2019 profits).

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JORDAN PETROLEUM REFINERY COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

(REVIEWED NOT AUDITTED)

	Note	For the Nine Months Ended September 30, 2021 (Reviewed)	2020 (Reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES:		JD	JD
Profit (Loss) for the period before income tax		47,590,596	(41,059,694)
Adjustments :			
Depreciation of property & equipment and investments property		10,407,679	9,474,910
Amortization of intangible assets		2,250,000	2,250,000
Depreciation of right-of-use assets		2,317,487	2,463,816
Interest income resulting from government's delay		(10,244,413)	(9,806,632)
Interest resulted from the acquisition of a subsidiary Company		-	88,955
(Released) from the provision for slow-moving and obsolete inventory and sediments	9	(259,905)	(8,293,361)
(Released) from expected credit losses provision	8/j	(1,062,299)	4,538,215
(Released) from the provision of work injuries compensation		-	(3,234,886)
Provision (released) from the lawsuits provision	11	1,148,557	(113,842)
Provision of storage fees	11/h	691,365	2,093,865
Released from provision of employees' vacations	11	(72,656)	(159,658)
Income from storage of strategic inventory		(1,505,732)	(6,503,625)
Lease liabilities interests		2,005,853	1,674,627
Net Cash Flows from (used in) Operating Activities before Changes in Working Capital Items		53,266,532	(46,587,310)
(Increase) in receivables and other debit balances		(66,475,195)	(5,529,550)
(Increase) decrease in crude oil, finished oil products, and supplies		(72,278,347)	80,632,048
Increase (decrease) in payables and other credit balances		85,864,762	(89,833,492)
(Decrease) in death, compensation, and end-of-service indemnity fund		(757,086)	(555,825)
Net Cash Flows (used in) Operating Activities Before Tax		(379,334)	(61,874,129)
Income tax paid	12/a	(1,860,007)	(7,710,464)
Net Cash Flows (used in) Operating Activities		(2,239,341)	(69,584,593)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Change in property & equipment, projects under construction, and investment properties - net		(11,908,533)	(12,193,853)
Paid from commitments resulted from acquisition of a subsidiary		-	(9,506,617)
Net Cash Flows (used in) Investing Activities		(11,908,533)	(21,700,470)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase in due to banks		24,690,242	121,586,000
(Paid) from lease liabilities		(2,821,363)	(4,392,649)
Dividends distributed to shareholders		(5,000,000)	(17,000,000)
Net Cash Flows from Financing Activities		16,868,879	100,193,351
Net increase in Cash		2,721,005	8,908,288
Cash on hand and at banks at the beginning of the year		14,034,372	21,856,935
Cash on Hand and at Banks at the End of the Period		16,755,377	30,765,223
Non-cash transactions			
Offsetting agreements	8	10,468,299	209,045,757

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

1. Incorporation and Activities

The Company was established on July 8, 1956, with a capital of JD 4 million, which was subsequently increased in stages, with the latest being on April 28, 2016, where the Company's General Assembly of Shareholders, in their extraordinary meeting, approved the capitalization and distribution of JD 25 million to the shareholders. As a result, the Company's authorized and paid-up capital became JD 100 million.

The Company owns in addition to the main units of refining, segregating, and converting the imported crude oil components to a set of finished oil derivatives, the Company owns a factory for producing and filling lube-oils, in addition to Jordan Petroleum Products Marketing Company(JPPMC) (a subsidiary), also the Company owns three liquefied gas-filling stations. Moreover, the process of repairing gas cylinders is conducted in a special workshop to reduce the cost of writing off the cylinders. Meanwhile, the accompanying condensed consolidated interim financial information includes the operations of the main refining units, factories, as well as directly and indirectly owned subsidiaries.

In addition to refining, producing, manufacturing, and importing oil derivatives , the Company transports and distributes these oil derivatives to some consumers who receive these supplies directly from the Company. The Company also produces, mixes, fills, and markets lube-oil products; and it produces, fills, and distributes liquid gas and fixes, maintains, and imports the empty gas cylinders. Moreover, Jordan Petroleum Products Marketing Company (a subsidiary company) imports, distributes, supplies, and sells finished oil derivatives to its stations, other stations, and other parties, in addition to the maintenance operations for these stations.

According to the concession termination agreement with the Jordanian Government, dated February 25, 2008, the Company was obliged to segregate some of its activities through establishing new companies which could be wholly or partially owned by the Jordan Petroleum Refinery Company. Accordingly, the Jordan Petroleum Refinery Company established two wholly-owned subsidiary companies during the year 2008, namely: Jordan Liquefied Petroleum Gas Manufacturing and Filling Company, and Jordan Lube Oil Manufacturing Company, in order to separate the activities of producing lube oil and filling gas. However, none of these companies have conducted any commercial activities yet, and the Company is still in the process of completing the segregation procedures. Moreover, during the year 2013, the Company established the Jordan Petroleum Products Marketing Company, which is wholly owned by the Jordan Petroleum Refinery Company.

2. The Concession Agreement

a. The concession agreement between the Company and the Jordanian Government expired on March 2, 2008. Consequently, the Company signed a settlement agreement with the Jordanian Government on February 25, 2008, concerning the expiry of the concession, which was approved by the Company's General Assembly in its extraordinary meeting dated March 22, 2008. Moreover, no agreement has been reached regarding the eligibility for retaining the balances of the provision for expected credit losses and the provision for slow-moving and obsolete inventory and sediments at that date. As a result of the agreement between the Company and the Jordanian Government, the Ministry of Finance issued Letter No. 4/18/28669, dated August 29, 2019. The letter stated the ministry's approval that the Company should clear its tanks from sediments and water, that the Government should bear the associated costs, and that the Company should write off the materials, spare parts, and supplies no longer needed and transfer the surplus balance from the provision for slow-moving and obsolete inventory and sediments to the Ministry of Finance. The letter also included the ministry's approval for the Company to retain the balance of expected credit losses provision, in case the Company recovers any amount that was recorded within the provision, such amounts will be taken to the account of the Ministry of Finance.

b. The Company calculated the profit for the period ended April 30, 2018, and for the years 2011 until the end of the year 2017, according to the resolution of the Council of Ministers, in their meeting held on September 13, 2012, which was illustrated in the Prime Minister's Letter No. 31/17/5/24694, dated September 17, 2012, and approved by the Company's General Assembly, in their extraordinary meeting held on November 8, 2012, which included the following:

1. Through the oil derivatives pricing mechanism, annual net profit of JD 15 million after tax shall be achieved for Jordan Petroleum Refinery Company while keeping the changes in the Company's expenses within the normal rates. Otherwise, the Government should be consulted and coordinated with concerning any deviations therefrom.

2. The Government has the right to appoint an external auditor (certified public accountant) to audit the Company's records for the purposes stipulated by the Government.

3. Profit from the marketing company owned by the Jordan Petroleum Refinery Company, and any other profit that arises in the future from the companies owned by it and operating according to the licenses issued by the Ministry of Energy and Mineral Resources or the industry legislator, shall be excluded from the above- mentioned profit, provided that their financial statements or related accounts are separated.

4. The Lube–Oil Factory profit shall be excluded from the profit referred to above, provided that the Lube-Oil Factory is charged with the related fixed and variable costs whether directly or indirectly, as long as the financial statements or related accounts are separated.

5. The liquefied petroleum gas (LPG) activity profits shall be excluded from the profit referred to above, provided that the financial statements or related accounts are separated.

6. The profit granted to Jordan Petroleum Refinery Company of 10 cents/barrel from refining the Iraqi crude oil is also excluded from the above mentioned profits, provided that profits are subject to be taxed.

7. The current or future financial statements shall not be charged with any prior years' provisions or expenditures, except for the committed provisions or expenditures (provisions and employees' rights, expected credit losses, written-off gas cylinders provisions , lawsuits raised against the Company provisions, slow moving, obsolete inventory and sediments provisions, self-insurance provisions, etc.), provided that these provisions and financial statements shall be audited by the Government.

8. All the above points apply on the year 2011, until the end of the transitional period of 5 years, starting from the operations commencement date of the marketing companies on September 1, 2012, noting that marketing and selling petroleum products companies started its operations on May 1, 2013. The financial relationship between the Company and Government has been terminated, beside the above decision was stopped from May 1, 2018, pursuant to the Council of Ministers' Decision No. (7633) adopted in its meeting held on April 30, 2018.

The calculated profit difference was recorded according to this method when calculating the profits according to the commercial basis in the Ministry of Finance's account for the period ended April 30, 2018, and for the years from 2011 until the end of the year 2017, under the item of profit settlement with the Government. Noting that the results of the liquefied gas business activities were not excluded from the profits mentioned in item No.(5) above, despite the fact that the Council of Ministers' Decision No. (7633), adopted in its meeting held on April 30, 2018, has set the commission for filling gas cylinders for the period from May 1, 2018 to December 31, 2018 at JD 43 per gas ton sold, and the filling liquefied gas rate of return on investment was set for calculating the commission purposes with a rate of 12% per annum. Any surplus/shortage arising from the increase/decrease in the rate of return on investment compared to the targeted value shall be treated, when calculating the filling stations' commission amount, in the subsequent period either upward or downward. Meanwhile, the above mechanism may not cause any increase in the cylinder's cost charged to citizens or entail a subsidy by the Treasury / Ministry of Finance in this regard. Moreover, the Company has already provided the Energy Sector Regulatory Authority with all the information and data related to the gas activity for determining the commission amount for the years 2019 and 2020, the Ministry of Energy & Mineral Resources has assigned an auditor and external studies company to determine the commission amount for the years 2019 and 2020. Accordingly, the company provided the entities which was appointed by the Ministry of Energy and Mineral Resources to collect the required data. At the same time, these entities has provided the Ministry of Energy and Mineral Resources with it's final report, and no decision has been reached by the government regarding the final commission that reflects a 12% investment average rate of return according to the above-mentioned Council of Ministers' Decision No. (7633). As a result, the company is still negotiating with the government to reach an agreement on the final commission amount and based on that a new study has been appointed by the Ministry of Energy and Mineral Resources to determine the final commission amount and the work is still in process regarding this matter, noting that this company has finished its work and provided the final reports to the Ministry of Energy and Mineral Resources , however, they didn't reach a final conclusion about the final commission amount until this date , and the Company is still following up with the government to determine the final commission amount.

3. End of Relationship with the Government

According to the meeting minutes regarding the Company's future operations signed on September 13, 2012, the financial relationship between Jordan Petroleum Refinery Company and the Government of Jordan ended on May 1, 2018. In its meeting held on April 30, 2018, the Council of Ministers issued Decision No. (7633), extending the exemption of oil derivatives from Jordan Petroleum Refinery Company's refining activity from implementing the Jordanian specifications throughout the period of implementation of the Fourth Expansion Project as of May 1, 2018, provided that commitment is made regarding the project implementation stages and that Jordan Petroleum Refinery Company's production may not exceed 46% of the local market needs for non-conforming oil derivatives. The decision also mandated the Ministry of Finance to follow up on the procedures' implementation concerning the below points, and submit any related observations to the Council of Ministers:

1. The Ministry of Finance shall calculate the amounts due to the Jordan Petroleum Refinery Company until April 30, 2018, and such amounts shall be paid in installments during the years 2018, 2019 and 2020 with interest thereon of (30%, 40% and 30%). Moreover, these amounts shall be paid after issuance of the General Budget Law and before the end of the second quarter of each year for the same year until full repayment in the year 2020. Meanwhile, the Ministry of Finance shall provide the Jordan Petroleum Refinery Company with a letter stating the amounts due to the Refinery as of April 30, 2018 and guaranteeing their payment with interest at the actual cost borne by the Company during the above period at the rates outlined above.

   As a result of the Government's failure to comply with the above decision, and based on the agreement between the Company and the Government, the Council of Ministers' Decision No. (6399) was adopted at its meeting held on September 9, 2019. This decision stipulated that the Company shall borrow an amount equivalent to around JD 457 million from banks to pay part of the debt balances due to the Company from the Government until December 31, 2018. In return, the Ministry of Finance shall pledge to pay the loans and interest thereon to the assigned banks. Consequently, during the first half of October 2019, the Company withdrew an amount of JD 455,505,000 from the banks assigned by the Ministry of Finance. Accordingly, the Ministry of Finance issued pledges to these banks that it shall pay the loans installments and interest thereon to the assigned banks. As a result, the Company reduced the withdrawn amount from banks of JD 455,505,000 from receivables due from security agencies, ministries, government agencies, and departments, and part of the Ministry of Finance's debt under the signed agreement between the Company and the Ministry of Finance on June 16, 2020, signed by the Minister of Finance, after the Council of Ministers' approval and authorization to the Minister of Finance to sign it on behalf of the Jordanian Government, in accordance with Council of Ministers' Resolution No. (9158), at its meeting held on March 24, 2020.

Moreover, the Ministry of Finance has committed to pay all the bank loans and interests amounts, as these amounts were encumbered within the General Budget Law for the year 2020, under the item of loans' installments to address government arrears, according to the Ministry of Finance's Letter No. (18/4/9200) dated May 14, 2020. Noting that, the Jordanian government has paid all of the loans and interest due to the assigned banks on their due dates. In the opinion of the Company's management and its legal advisors, the Company does not have any liability regarding the above-mentioned loans and pledges, Moreover the government has obtained offers from local banks during September 2021 to finance part of its due indebtedness to the Company amounting to JD 105 million and in the same process of the loan mentioned above, however, the offers received from the banks are still under the study by Ministry of Finance (Note 8/e).

2. Jordan Petroleum Refinery Company shall treat the sediments and water in the tanks, and it shall dispose of those idle materials that are no longer needed. Moreover, the obsolete inventory shall be valued on April 30, 2018; the cost of the sediments and water, as well as the disposal costs thereof, shall be calculated; and the surplus shall be transferred to the Ministry of Finance. As a result of the agreement between the Company and the Government, the Ministry of Finance issued Letter No. (4/18/28669), dated August 29, 2019, which included its approval for the Company to clean its tanks from sediments and water as the Government bears this cost , and the company must write off the materials, spare parts and supplies no longer needed, and transfer the surplus balance of the slow-moving and obsolete inventory and sediments provision to the Ministry of Finance. Accordingly, the Company tendered the treatment of sediments and water, whereby the Company which was awarded the tender cleaned the major part of the sediments, and it is in process of treating the remaining part, they stopped working due to covid-19 virus pandemic and they will continue the cleaning work for the rest company's tanks from sediments in the light of covid-19 conditions, Moreover, a specialized committee was appointed to study the stock of spare parts and other supplies and to determine the materials and supplies that could be used instead of buying similar materials, as well as the materials and supplies no longer needed in order to write them off, and this matter is still under process (Note 9).

3. Jordan Petroleum Refinery Company shall maintain JD 5 million as a provision for the write-off, repair, and replacement of the gas cylinders, and transfer the remaining JD 5 million to the Ministry of Finance's account. In case the actual value of the write-off, repair, and replacement of the cylinders exceeds the said amount, the difference shall be transferred from the Ministry of Finance from the deposits item. But, if the actual value is lower, the difference shall be transferred to the Ministry of Finance, provided that this matter be addressed in the future through the pricing mechanism. Accordingly, the Company released an amount of JD 5 million during the period ended April 30, 2018, which was reversed to the Ministry of Finance's account, and the Ministry of Finance approved this action, pursuant to the Ministry of Finance's Letter No. (4/18/28669), dated August 29, 2019 (Note 11/d).

4. Jordan Petroleum Refinery Company shall delete the interest of JD 79.2 million on the National Electricity Company's borrowings, provided that settlement be reached between the National Electricity Company and the Government. Moreover, the Company has deleted these amounts from the consolidated statement of financial position based on the Ministry of Finance's Letter No. (18/73/33025), dated November 25, 2018, addressed to the National Electricity Company. The letter states that the Ministry of Finance has recorded the interest as an advance due from the National Electricity Company to the Government at the Ministry of Finance until full payment. In addition, the Ministry of Finance issued its approval to delete the interest of JD 79.2 million on the National Electricity Company's borrowings, pursuant to the Ministry of Finance's Letter No. (4/18/28669), dated August 29, 2019. Accordingly, the Company has deleted the interest on the National Electricity Company's borrowings from the Company's records.

5. Jordan Petroleum Refinery Company’s tax status shall be rectified, as the tax has been included in the oil derivatives selling prices bulletin (IPP) after the refinery gate price. In this respect, the refinery gate price does not include general and special taxes. Instead, taxes are included after this item and it will be collected from the marketing companies and transferring it to the State Treasury. The Income and Sales Tax Department letter No. (20/4/347) dated February 16, 2021 received and included that the collection of general and special taxes on Jordan Petroleum Refinery’s sales to the three marketing companies will happen only through the Jordan petroleum company and that the refinery company is not obligated to pay taxes on its sales to the marketing companies and is obligated only to Pay the tax on its sales to other customers (Note 8/f) / (Note 11 / b).

6. The Government shall bear any taxes, government fees, or tax differences during its relationship with the Company, since the Company is a profit after tax guaranteed during that period .

7. Gasoline (95) used for the mixing process to produce gasoline (90) and (95) shall be exempted from the tax differences between import and sale in accordance with the Council of Ministries’ Decision No. (6953), adopted in its meeting held on March 19, 2018. Moreover, the necessary procedures shall be facilitated concerning the implementation of the Council of Ministers’ Decision No. (13363), adopted in its meeting held on January 3, 2016, related to exempting the Company's imports sold to the marketing companies inside the kingdom. The decision stipulates exempting Jordan Petroleum Refinery Company from general and special taxes on the quantities sold exclusively to the marketing companies inside the Kingdom as of May 1, 2013. The decision also prescribes resolving all pending issues with the Customs Department and completing all customs statements, whether pending at the Customs Department or the Jordan Standards and Metrology Organization before the relationship with the Government expired. Moreover, a committee was formed by the Ministry of Finance and the Ministry of Energy and Mineral Resources comprising representatives from the Jordan Customs Department, the Income and Sales Tax Department, and the Jordan Petroleum Refinery Company. During October 2019, the said committee completed its work and submitted its final report to the Ministry of Finance and the Ministry of Energy and Mineral Resources. Accordingly, the Ministry of Finance and the Ministry of Energy and Mineral Resources approved the quantities stated in the committee’s report, and the Customs Department prepared the customs statements and exempted the customs statements according to the above decisions. Meanwhile, the customs statements amount subject to general and special tax were determined. Moreover, the Company submitted a request to the Ministry of Finance to offset the general and special sales taxes, included in the un-exempted customs statements that are not part of the above-mentioned decision, with part of the Ministry of Finance receivables (primary account). The General Customs Department approved the offset request dated March 16, 2020. Moreover, the Offsetting Committee agreed, based on the instructions, policies, procedures, and basis for performing offset No. (1) for the year 2017, on performing the offset between the amounts due to the Jordan Petroleum Refinery Company and those of the General Customs Department. The offset, dated on July 6, 2020, represents the general and special sales taxes of JD (58,042,756) on Jordan Petroleum Refinery Company’s imports. In the meantime, the above-mentioned offsetting was performed, and all pending customs statements at the Customs Department have been completed. (Note 8/f) / (Note 11/b).

8. The Government’s strategic inventory, which has been quantified and valued, shall be transferred to the Jordan Oil Terminals Company (JOTC), provided that the value of the inventory is settled later. Noting that , Jordan Petroleum Refinery Company started transferring the strategic inventory to the Jordan Oil Terminals Company (JOTC) during April 2018, and the Company is still transferring the remaining quantities to the Jordan Oil Terminals Company (JOTC) according to the quantities requested by the Jordan Oil Terminals Company (JOTC) and the Ministry of Energy and Mineral Resources as per JOTC’s storage capacity. During July 2020, the Company transferred the government’s jet fuel to the Air Force and transferred the government’s asphalt to the Ministry of public Works during the year 2020 at the request of the Ministry of Energy and Mineral Resources. During February 2021, the Company exported the fuel oil 3.5% owned by the Government based on the Ministry of Energy and Mineral Resources request. Furthermore, the Company received a letter from the Ministry of Finance and the Ministry of Energy and Mineral Resources that includes the sale of crude oil which was owned by the Government to the Company as of the beginning of March 2021 on the basis of crude oil prices issued by Aramco for March 2021, and the Company purchased these quantities during March 2021, in implementation of Council of Ministers decision No. (1150) taken in its session held on February 3, 2021, noting that the Ministry of Finance approval was received to settle the inventory value and quantity was finalized according to the Ministry of Finance letter No. (4/18/28669) dated August 29, 2019, however the remaining in the strategic storage which is owned by the government is 7,309 ton of kerosene (Note 19).

9. The Ministry of Finance shall retain the doubtful debts provision (provision for expected credit losses). In case any debt that was raised during the relationship with the Government is written off, the Ministry of Finance is committed to pay the debt to Jordan Petroleum Refinery Company. As a result of the agreement between the Ministry of Finance and the Company, the Ministry of Finance agreed that the Company shall retain the balance of the provision for doubtful debts (provision for expected credit losses). In case the Company recovers any receivable amount recorded within the provision, the recovered amount shall be recorded in favor of the Ministry of Finance’s account, pursuant to the Ministry of Finance’s Letter No. (4/18/28669), dated August 29, 2019 (Note 8/j).

10. The rate of return on investment shall be determined for liquid petroleum gas filling stations for the purpose of calculating the commission at (12%). Moreover, the commission amount for the period from May 1, 2018 to December 31, 2018 shall be set at JD 43 per ton. Any surplus/shortage arising from the increase/decrease in the rate of return on investment compared to the targeted value shall be treated when calculating the filling stations’ commission amount in the subsequent period whether it increased or decreased. Meanwhile, the above mechanism may not cause any increase in the cylinder’s cost charged to citizens or entail a subsidy by the Treasury / Ministry of Finance in this regard. Moreover, the Company has already provided the Energy Sector Regulatory Authority with all information and data related to the gas activity for determining the commission amount for the years 2019 and 2020. In addition, the Ministry of Energy and Mineral Resources has appointed an auditor and an external studies company to determine the commission amount for the years 2019 and 2020 which reflect the average of return on investment for this operational line by 12% annually. At the same time, the Company has provided the entities appointed by the said ministry with all the required data, and these entities provided the ministry of energy and mineral resources with their final report, but no decision has been reached by the government regarding the final commission amount that covers the average of return on investment for this operational line by 12% annually according to the above-mentioned Council of Ministers’ Decision No. (7633). As a result, the company is still negotiating with the government to reach an agreement on the final commission amount and based on that a new study has been appointed by the Ministry of Energy and Mineral Resources to determine the final commission amount and the work is still in process regarding this matter, noting that this company has finished its work and provided the final reports to the Ministry of Energy and Mineral Resources , however, they didn’t reach a final conclusion about the final commission amount until this date , and the Company is still following up with the government to determine the final commission amount (Note 17).

11. The rental value of the assets transferred from the Refinery to Jordan Petroleum Products Marketing Company (JPPMC) shall be calculated according to the Land and Survey Department's approved rate of (8%) on the land and buildings valued at JD 4.9 million from these buildings transfer date up to date. Moreover, the Company insists on rejecting the above clause, as the transferred assets are owned by the Jordan Petroleum Refinery Company under the concession expiry agreement which stipulated that the gas stations are owned by Jordan Petroleum Refinery Company and that they are transferred to the Jordan Petroleum Products Marketing Company owned by Jordan Petroleum Refinery Company. In addition, the Company has the right to dispose of its assets legally, pursuant to Article (236) of the Civil Law. Meanwhile, the assets were transferred at their net book value similar to the assets transferred at their net book value to other marketing companies under the agreement signed between the three marketing companies and the Ministry of Energy and Mineral Resources. Moreover, the concession expiry agreement stipulated that the Jordan Petroleum Products Marketing Company owned by Jordan Petroleum Refinery Company applies to other marketing companies. Moreover, negotiations took place between the Company and the Government, resulting in an agreement that the Ministry of Finance would recommend to the Council of Ministers the cancellation of this item, Accordingly, the Council of Ministers' Decision No. (1080) was issued in its session held on January 24, 2021, which included considering this item as canceled from the Council of Ministers' Decision No. (7633) adopted in its session held on April 30, 2018, and not requesting Jordan Petroleum Refinery Company rent return allowance on the transferred assets to Jordan Petroleum Products Marketing Company (Subsidiary Company).

- In implementation of the Council of Ministers' Decision No. (11110), taken in its meeting held on August 16, 2015, and the decision of the Company's General Assembly, taken in its meeting held on November 8, 2012, the land swap between Aqaba Special Economic Zone Authority (ASEZA) and the Jordan Petroleum Refinery Company took place during September 2019. In the swap, the authority ceded (6) plots of land of an area of four hundred forty-two thousand square meters (442,000 M^2) to Jordan Petroleum Refinery Company. In return, the Company ceded its own plot of land no. (23), Parcel (13), Tract (13) of an area of approximately eighty-eight thousand square meters (88,000 M^2), located within the southern port tract, to Aqaba Special Economic Zone Authority (ASEZA).

4. <u>Commencing Operations on Commercial Terms after the End of Relationship with the Government</u>

1. The Company recorded the delay interest on the financial relationship between the Company and the Government and unpaid balances at the effective borrowing rate starting from May 1, 2018, according to the Council of Ministers' Decision No. (7633), adopted in its meeting held on April 30, 2018.

2. Effective from May 1, 2018, the Company has discontinued the calculation of interest at 0.5% per annum on the debts of Alia Company - Royal Jordanian Airlines, and has applied the effective borrowing rate based on the debt repayment agreement signed between the two parties. In addition, these companies' balances have been matched, and the balance due from Alia Company - Royal Jordanian Airlines and the discount deposits due to this company have been offset under the agreement signed between the two companies on November 26, 2019 (Note 8/c).

3. The Company has recorded fees for storing the Government-owned strategic inventory at an amount of JD 3.5 per cubic meter according to the storage capacities for each material effective May 1, 2018 based on the Ministry of Finance approval Letter No. (18/4/33072), dated November 25, 2018.

4. Profit settlement item with the Government calculation has been discontinued, and the related balance has been recognized in the consolidated statement of profit or loss up to April 30, 2018, according to the Council of Ministers' Decision No. (7633), adopted in its meeting held on April 30, 2018. The decision terminated the relationship between the Company and the Jordanian Government, and consequently, the Company resumed its operations on commercial basis as from the first of May 2018 (Note 3).

5. The Company recorded an amount of JD 5,146,102 during the period ended September 30, 2021 as revenue instead of the commission difference of filling the cylinders according to the Council of Ministers' Decision No. (7633), adopted in its meeting held on April 30, 2018. This decision has set the commission amount for the period from May to December 2018 at JD 43 per ton sold. Accordingly, the Company recorded an amount of JD 18 per ton sold, representing the commission difference included in the (IPP), and pursuant to the aforementioned decision in consistency with the year 2018. Meanwhile, the Government has not amended the oil derivatives price bulletin (IPP) up to date, and the final commission for the years 2019, 2020 and 2021 has not been determined yet which reflects return on investment average by 12% annually. Noting that, after the final commission value has been agreed, its financial impact will be reflected during the subsequent periods.

5. Basis of Preparation

- The condensed consolidated interim financial information for the Company and its subsidiaries for the nine months ended September 30, 2021 has been prepared in accordance with International Accounting Standard (34) (Interim Financial Reporting).

- The condensed consolidated interim financial information is stated in Jordanian Dinar, which is the functional and presentation currency of the Company and its subsidiaries.

- The condensed consolidated interim financial information does not include all information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2020. The results for the nine months ended September 30, 2021 are not necessarily indicative of the expected results for the financial year ended December 31, 2021.

- The Company owns directly and indirectly the following subsidiaries as of September 30, 2021:

Company's Name	Authorized Capital	Ownership	Location	Establishment Date	Note
	JD	%			
Jordan Petroleum Products Marketing Company	65,000,000	100	Amman	February 12, 2013	Operating
Hydron Energy Company LLC	5,000,000	100	Amman	April 29, 2003	Operating
Jordan Liquefied Petroleum Gas Manufacturing and Filling Company (Paid 50%)	4,000,000	100	Amman	May 28, 2008	Non-operating
Jordan Lube Oil Manufacturing Company *	3,000,000	100	Amman	May 28, 2008	Non-operating
AL-Nuzha and Istiklal Gas Station for Fuel and Oil Company	5,000	60	Amman	January 8, 2014	Operating
Al-Markzeya Gas Station for Fuel Trade Company	10,000	100	Amman	May 28, 2014	Operating
Al-Karak Central Gas Station for Fuel Company	5,000	60	Al Karak	November 26, 2014	Operating
Al-Khairat for Fuel Company	5,000	100	Al Karak	November 11, 2014	Operating
Rawaby Al-Queirah Gas Station for Fuel and Oil Company	5,000	60	Al Aqaba	June 22, 2015	Operating
Al- Aon for marketing and distribution fuel products Company	1,005,000	60	Amman	January 10, 2016	Operating
Jordanian German for Fuel Company	125,000	60	Amman	October 8, 2015	Operating
Qaws Al-Nasser for Fuel Stations Management Company	3,000	100	Irbid	December 29, 2014	Operating
Al-Tariq Al-Da'ari Gas Station for Fuel Company	5,000	100	Amman	June 10, 2015	Operating
Al Kamel Gas Station for Fuel and Oil Company	5,000	60	Amman	February 26, 2017	Operating
Al-Wadi Al-A'abiad Gas station for Fuel Company	5,000	60	Amman	August 4, 2015	Operating
Al-Muneirah Gas Station for Fuel and Oil Company	5,000	100	Amman	November 6, 2014	Operating
Al-Tanmwieh Al-A'ola Gas Station for Fuel Company	5,000	60	Amman	November 19, 2015	Operating
Al Qastal Gas Station for Fuel and Oil Company	5,000	60	Amman	June 19, 2017	Operating
Taj Amon Gas Station for Fuel Company	5,000	80	Amman	September 20, 2017	Operating
Al Shira' Gas Station for Fuel and Oil Company (Paid 50%)	5,000	95	Al Aqaba	February 19, 2017	Non-operating under renovation
Al Failaq Gas Station for Fuel and Oil Company (Paid 50%)	5,000	100	Amman	July 7, 2020	Non-operating under renovation

* The capital of Jordan Lube Oil Manufacturing Company was completely paid on July 12, 2021 to be JD 3 million.

- Jordan Petroleum Products Marketing Company (JPPMC) was established on February 12, 2013 and has total assets of its own and of its consolidated subsidiaries of JD 340,209,992, while its total liabilities and those of its Consolidated subsidiaries amounted to JD 243,808,683 as of September 30, 2021. The Company's consolidated profit amounted to JD 15,657,923, which includes non-controlling interest profit of JD 68,642 for the period ended September 30, 2021. Moreover, the company has started operating gradually since May 1, 2013, and part of Jordan Petroleum Refinery Company's distribution activity assets have been transferred at their net book value to JPPMC In implementation of the concession expiry agreement in 2008 The said transfer was mandatory due to transferring the distribution activity to JPPMC. In addition, some employees of the Jordan Petroleum Refinery Company have been assigned to work for JPPMC, which shall bear their employment costs. In the meantime, the task of providing consumers with oil derivatives has been transferred to JPPMC, except for asphalt, fuel oil, and gas clients, and some oil clients of the security authorities. All the required legal procedures to finalize the assets ownership transfer to the Company were completed.

- Jordan Petroleum Products Marketing Company receives a marketing commission of 12 fils per each liter sold and a retail commission of 15 fils per each liter sold until August 31, 2018. The retail commission has been amended to 18 fils per each liter sold as of September 1, 2018. Moreover, Jordan Petroleum Products Marketing Company receives other commissions, representing evaporation loss allowance and transport fees according to the oil derivatives selling prices bulletin (IPP).

6. Significant Accounting Policies

The accounting policies adopted in preparing the condensed consolidated interim financial information are consistent with the accounting policies followed in preparing the consolidated financial statements for the year-ended December 31, 2020. However, the revised international financial reporting standards, which became effective for financial periods beginning on or after the first of January 2021, were followed in preparing the Company's condensed consolidated interim financial statements, which did not materially affect the amounts and disclosures contained in the condensed consolidated interim financial information for the previous period and years, noting that it may have an impact on the accounting treatment of future transactions and arrangements.

Interest Rate Benchmark Reform - Phase two amendments

Effective from January 1, 2021, the Company has implemented Interest Rate Benchmark Reform - Phase two amendments which address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in IFRS 9, IFRS 7, IFRS 4, IFRS 16 and IAS 39 related to changes in the basis for determining contractual cash flows of financial assets and liabilities, lease liabilities and hedge accounting.

The amendments require a Company to account for a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by interest rate benchmark reform by updating the effective interest rate of the financial asset or financial liability. In addition, it provides certain exceptions to hedge accounting requirements.

In relation to exposure to cash flow and fair value hedges and non-derivative financial assets and liabilities related to the measurable interest between banks maturing after year 2021 and it indicated that there is no significant impact of the interest rate reform on the Company's results.

7. Changes in Significant Accounting Judgments and Uncertain Key Sources of Estimation

The preparation of the condensed consolidated interim financial statements and the adoption of accounting policies require the management to make judgments, estimates, and assumptions that affect the amounts of financial assets and financial liabilities and the disclosure of contingent liabilities. These estimates and judgments also affect revenues, expenses, and provisions, in general, as well as expected credit losses, and changes in fair value shown in the condensed consolidated interim statement of comprehensive income and in owners' equity. In particular, the Company's management is required to make judgments to estimate the amounts and timing of future cash flows. The above-mentioned estimates are based on multiple hypotheses and factors with varying degrees of estimation and uncertainty. Actual results may differ from estimates as a result of changes in these conditions and circumstances in the future.

The management believes that its estimates adopted in the condensed financial information are reasonable and similar to the estimates adopted in preparing the consolidated financial statements for the year 2020.

8. Receivables and Other Debit Balances

This item consists of the following:

	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Governmental departments and institutions, security authorities and electricity companies – fuel (a)	222,082,725	209,086,739
Fuel clients and others (b)	51,828,336	55,774,270
Alia Company - Royal Jordanian Airlines (c)	5,849,066	8,839,676
Checks under collection (d)	32,449,628	28,231,647
Total receivables	312,209,755	301,932,332
Ministry of Finance – relationship (e)	138,256,988	72,712,083
General sales tax deposits (f)	126,275,750	124,510,001
Other debit balances (g)	4,437,658	3,919,728
Employees' receivables	1,663,527	1,784,658
Advances, letters of credit deposits and purchase orders – subsidiary Company	935,168	766,121
Prepaid expenses (h)	16,359,285	17,229,705
Contracts acquisition expenses – subsidiary company (i)	6,106,114	6,302,786
	606,244,245	529,157,414
Less: Expected credit losses provision (j)	(19,611,609)	(21,812,417)
	586,632,636	507,344,997

- The Company is adopting a policy of dealing with only creditworthy counterparties in order to reduce the risk of financial loss from credit defaults. The following table shows the aging of receivable:

	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
1 day – 119 days	83,156,570	81,740,961
120 days – 179 days	6,187,597	14,801,750
180 days – 365 days	25,139,294	43,828,868
More than a year *	197,726,294	161,560,753
Total	312,209,755	301,932,332

- The Company studies the aging of the receivables and the sufficiency of the booked provision at the end of each financial period.

* This item includes receivables of JD 176,552,102, whose maturity exceeded one year, due from Governmental agencies and securities or guaranteed by the Government. The Company’s management believes that it has the ability to collect these receivables, and there is no need to record any provisions against them. The receivables include amounts due from partners in subsidiaries of JD 6,521,499, which are past due for over one year. The Company’s Management believes that there is no need to record any additional provisions against these receivables, as agreements have been signed with these partners for them to repay these receivables against real estate mortgages along with the transfer of profits resulting from the subsidiary companies operations to the Company.

a. This item includes receivables for fuel withdrawals by the ministries, governmental departments and entities, security agencies, National Electricity Company, and power-generating companies of JD 188,768,610 related to the refining and gas activity, JD 8,481,053 for the lube oil factory, and JD 24,833,062 related to the Jordan Petroleum Products Marketing Company as of September 30, 2021.

- This item includes amounts due from the National Electric Company and power-generating companies against fuel withdrawals of JD 72,197,674 as of September 30, 2021 (JD 72,185,201 as of December 31, 2020).

- The Company was committed to reduce the debt of Governmental departments and institutions and security authorities by JD 317,601,186 during the year 2019, according to the Company's capital borrowing agreement from the banks by an amount of JD 455,505,000 on behalf of the government to pay part of the debt due from the government in exchange for issuing pledges by the Ministry of Finance to pay the amount of the loans and interests due and signed between the Company and the Jordanian government represented by the Minister of Finance, according to Prime Minister’s decision No. (9158) taken in its session held on March 24, 2020.

- Upon the Offsetting Committee approval dated June 7, 2020 for offsetting requested by of Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, for offsetting the Jordanian Royal Medical Services debt of JD 2,651,001, the debt of the Civil Defense of JD 3,449,364, the debt of the Jordanian Armed Forces – Arab Army of JD 3,768,905, and the debt of the Ministry of Health of JD 1,827,031, and the amounts due to the Income and Sales tax Department of JD 11,696,301, the above-mentioned offsets were processed during July 2020.

- Upon the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance, to offset the Ministry of Education’s debts with part of the special tax accrued on the company with an amount of JD 1,638,914 the offsetting committee approved the request and was processed during September 2020.

- Upon the offsetting request by Jordan Petroleum Products Marketing Company submitted to the Ministry of Finance , for offsetting the Jordanian Armed Forces – Arab Army debts with an amount of JD 5,574,712 against part of the special tax due from the Company, the offsetting committee approved the request and was processed during January 2021.

- Upon the offsetting request by Jordan Petroleum Products Marketing Company to the Ministry of Finance to offset the accrued Royal Medical Services debt with an amount of JD 1,271,118 with part of the special tax accrued on the Company , the offsetting committee approved the request and processed during March 2021.

- Upon on the offsetting request by Jordan petroleum Products Marketing Company to the Ministry of Finance to offset the accrued on Jordanian Armed Forces – Arab Army in an amount of JD 3,622,469 with part of the Company’s accrued taxes , the offsetting committee approved the request and processed during August 2021.

- The company signed an agreement to provide oil derivatives to Jordanian Royal Air Force on May, 26 , 2021 included a payment deadline by 15 days since the day of receiving the invoices and according to that the Jordanian Royal Air Force was committed to pay its withdrawals as the due date.

b. This item includes fuel customers and other receivables of JD 4,858,312 related to the refining and gas activity of JD 4,929,122 related to the oil factory, and JD 42,040,902 related to Jordan Petroleum Products Marketing Company as of September 30, 2021.

c. This item contains account receivable of JD 11,014 related to oil factory and JD 5,838,052 related to Jordan Products Petroleum Marketing Company as of September 30, 2021.

- On March 6, 2016, the Company signed a settlement agreement related to the outstanding debt with Alia Company - Royal Jordanian Airlines, whereby 10% of the debt balance was paid during March 2016. Meanwhile, Alia Company – Royal Jordanian Airlines commits to pay the remaining amount in 60 installments, by which the first installment is accrued on March 31, 2016, and the last installment on February 28, 2021 and an effective average borrowing rate incurred by Jordan Petroleum Refinery Company. Moreover, Alia Company – Royal Jordanian Airlines is committed to pay all the subsequent invoices on their due date. Accordingly, Jordan Petroleum Refinery Company has not recorded any additional provisions as a result of this settlement. Furthermore, the Ministry of Finance has informed the Company in Letter No. (18/4/15391) dated September 26, 2016, that the provision recorded for Alia Company – Royal Jordanian Airlines should be reversed, since Alia Company – Royal Jordanian Airlines is committed to pay its consequential payments, provided that Alia Company – Royal Jordanian Airlines continues to comply with the settlement according to the agreement signed with the Company on March 2016 and pay its monthly withdrawals on time. Accordingly, Jordan Petroleum Refinery Company has reversed the provision recorded for Alia Company – Royal Jordanian Airlines amounted about JD 31 million in year 2016.

- In accordance with the Council of Minister's Decision No. (11131), taken in its meeting held on August 16, 2015, a quantity discount was granted to jet fuel consumers on the selling price of Jet fuel approved by the monthly Fuel Pricing Committee according to the consumption segments from August 1, 2015 till December 31, 2016, provided that the discount to be calculated annually. Moreover, the Council of Ministers issued Decision No. (293), adopted in its meeting held on October 23, 2016, which stipulated amending on the Jet fuel consumption segments for one year as of October 31, 2016. Additionally, in its meeting held on February 26, 2017, the Council of Ministers issued Decision No. (1958), which retroactively approved amendment of the implementation commencement date of the decision amending the discount segments under the Council of Ministers' Decision No. (293), retrospective effective from August 1, 2015, instead of October 31, 2016. Based on the above decisions, the discount amount due to Alia Company – Royal Jordanian Airlines for the period from August 1, 2015 till July 31, 2017 amounted to JD 29,947,993.

- Pursuant to the Company's Board of Directors' Decision No. (5/2/1), adopted in its meeting No. (1/2018), dated March 12, 2018, the Company reduced the amount of JD 15,523,797 from Alia Company – Royal Jordanian Airlines debt during the year 2017, provided that the remaining discount balance is reduced from the Company's monthly withdrawal invoices after deducting the outstanding and unpaid invoices from the date of signing a new agreement between the two Companies until July 31, 2018. The accrued discount for the period from August 1, 2017 till the expiry of the specified discount shall be treated under the Council of Ministers' decisions by reducing (40%) of Alia Company – Royal Jordanian Airlines debts, and (60%) of the Company's monthly withdrawals. In case the relationship with the Government is terminated, the discount shall be calculated up to April 30, 2018, according to the same rates stated above. After this date, the Council of Ministers' decisions shall be applied independently from Jordan Petroleum Refinery Company. Pursuant to the Council of Ministers' Decision No. (4141), adopted in its meeting held on August 20, 2017, the extension of the discount period granted to Alia Company – Royal Jordanian Airlines was approved for an additional year effective from October 31, 2017.

- Pursuant to the Council of Ministers' Decision No. (5614), adopted in its meeting held on December 17, 2017, the interest rate charged on Alia Company – Royal Jordanian Airlines' debt due to Jordan Petroleum Refinery Company, which was 4.4% per annum on December 20, 2016, has been reduced to 0.5% per annum. Moreover, interest income for the years 2015 and 2016 to date has been reversed in the form of a future balance, so that the resulting financial impact will be settled within the financial relationship between the Ministry of Finance and Jordan Petroleum Refinery Company. As of May 1, 2018, the Company has calculated the effective borrowing average interest rate annually in accordance with the debt settlement agreement with Alia Company, and suspending the implementation of the above Council of Ministry decisions.

- Pursuant to the Council of Ministers' Decision No. (1958), adopted in its meeting held on February 26, 2017, it was approved to charge the discount granted to Alia Company to the Ministry of Finance's account directly without reducing the discount from the Company's sales revenue.

- During the period ended April 30, 2018, the Company recorded an amount of JD 11,659,699 to the Ministry of Finance's account as a discount to Alia Company according to the above-mentioned Council of Ministers' decisions. The amount of JD 4,663,880 has been reduced from the balance of the debt settlement agreement, and the amount of JD 6,995,819 was recorded as deposits to Alia Company, pursuant to the Company's Board of Directors' Decision No. (5/2/1). The Company did not calculate any discounts as of May 1, 2018.

- The Company addressed its Letter No. (2/25/51/1/1/6814), dated September 30, 2018, to Alia Company – Royal Jordanian Airlines, stating that if Alia Company is willing to continue to implement the decisions of the Council of Ministers regarding the discount and reduce the interest rate through Jordan Petroleum Refinery Company, the Company shall be provided with a letter from the Ministry of Finance stating its approval to record the amount of the discount and interest difference directly to the Ministry of Finance's accounts. These amounts shall be taken within the settlement of the financial relationship between Jordan Petroleum Refinery Company and the Government, pursuant to the Council of Ministers' Decision No. (7633), adopted in its meeting held on April 30, 2018.

- Alia Company – Royal Jordanian Airlines has invited licensed Companies to tender for supplying Royal Jordanian aircraft with jet fuel according to the decision of the Ministry of Energy and Mineral Resources, which includes the decision for the licensed marketing companies to start the activity of supplying jet fuel. The tender was awarded to the Jordan Petroleum Products Marketing Company – a subsidiary. As a result, an agreement for the jetfuel supply was signed between Alia Company – Royal Jordanian Airlines and Jordan Petroleum Products Marketing Company on November 1, 2018. Consequently, the direct supply activity to Alia Company – Royal Jordanian Airlines has been transferred from Jordan Petroleum Refinery Company to Jordan Petroleum Products Marketing Company – a subsidiary company.

- Pursuant to the Council of Ministers' Decision No. (2674), adopted in its meeting held on January 9, 2019, the quantity discount granted to Alia Company - Royal Jordanian Airlines was extended to November and December of 2018.

- Pursuant to the Council of Ministers' Decision No. (3874), adopted in its meeting held on March 27, 2019, the quantity discount granted to Alia Company – Royal Jordanian Airlines was extended from January 1, 2019 to December 31, 2019, provided that the discount is settled on the financial relationship between the Government and the Jordan Petroleum Refinery Company.

- Pursuant to the Ministry of Finance's Letter No. (18/4/20267), dated September 27, 2019, which included the request of the Ministry of Finance to charge the discount difference due to Alia Company - Royal Jordanian Airlines, according to the above-mentioned decisions, to the financial relationship between the Government and Jordan Petroleum Refinery Company until the end of the due discount, Jordan Petroleum Refinery Company has recalculated the due discount up to July 31, 2018, but has not calculated the discount after this date, as the direct supply relationship between Jordan Petroleum Refinery Company and Alia Company – Royal Jordanian Airlines ended on October 31, 2018. This resulted in recording an amount of JD 9,645,385 in the balance of the financial relationship between the Company and the Government, accompanied by a decrease in Alia Company - Royal Jordanian Airlines debt settlement agreement of JD 3,858,154, and a recording of an amount of JD 5,787,231, as discount deposits due to Alia Company –Royal Jordanian Airlines within accounts payable and other credit balances item.

- Based on the agreement between the Jordan Petroleum Refinery Company and Alia Company - Royal Jordanian Airlines signed on November 26, 2019, and after all the balances between the two Companies have been matched, both parties agreed to offset the accrued outstanding balance due from Alia Company - Royal Jordanian Airlines related to the refining and gas activity with the discount deposits balances and interest deposits balances of Alia Company - Royal Jordanian Airlines. Accordingly, the offsetting took place and resulted on the payable to Alia Company - Royal Jordanian Airlines, which was booked in the Company's records for the refining and gas activity with an amount of JD 11,253,235 (Note 11/J).

- Pursuant to the Council of Ministers' Decision No. (1976), adopted in its meeting held on April 18, 2021, It was approved that the Ministry of Finance would pay the discounts owed to Alia Company - Royal Jordanian Airlines that are not paid for its jet fuel withdrawals according to the discount decisions granted to Alia Company - Royal Jordanian Airlines for its withdrawals according to a mechanism to be agreed upon between the Ministry of Finance and Alia Company - Airlines Royal Jordanian, with the aim of not burdening the government with any additional burdens as a result of increasing the balance of the financial relationship between the refinery and the government and the consequent interests of delayed payments.

d. The maturity date of checks under collection for the refining and gas activities extends up to October 5, 2021 and amounted to JD 2,739,294. However, the maturity date of checks for the oil factory extends up to December 31, 2021 and amounted to JD 2,090,877. Moreover, the maturity date of checks for Jordan Petroleum Products Marketing Company extends up to December 5, 2022 and amounted to JD 27,619,457.

e. The Ministry of Finance's receivables (the relationship) includes an amount of JD 122,628,830, related to the refining and gas activity, and an amount of JD 15,628,158 related to Jordan Petroleum Products Marketing Company as of September 30, 2021.

- As per the Ministry of Finance's Letter No. (8AR/4/5197), dated February 18, 2020, the balance of the financial relationship between the company and the Government as of December 31, 2018 of JD 591,669,659 was confirmed, provided that the debt of National Electricity Company was matched between the two companies, Accordingly, the National Electricity Company confirmed the balance in its letter No. (7216/2503), dated March 11, 2020, and requested that it be allowed to pay the balance over three years in equal monthly installments. The company did not accept the National Electricity company's request and it did give a juridical warning to pay all the due amounts and its interest, As a result of the National Electricity Company's failure to pay the accrued amounts, the Company has filed a case against the National Electric Company at the competent courts.

- The Company was committed to reducing the debt of Ministry of Finance (the relationship) by JD 137,903,814 during the year 2019, according to the company's borrowing agreement from the banks by an amount of JD 455,505,000 on behalf of the government to pay part of the debt due from the government in exchange for issuing undertakings by the Ministry of Finance to pay the amount of loans and interest Due and signed on June 16 ,2020 between the company and the Jordanian government represented by the Minister of Finance, after the Prime Minister's approved the agreement and authorized the Minister of Finance to sign it on behalf of the Jordanian government, according to Prime Minister's decision No. (9158) taken in its session held on March 24, 2020.

- Upon the offsetting request of the Jordan Petroleum Refinery Company to the Ministry of Finance to offset a part of the Ministry of Finance debt (Primary Ministry of finance account the relationship) to the Company and the general and special tax included in the customs statement to the favor of customs department , by which the customs department approved the procedures mentioned on March 16, 2020, and the offsetting committee approved on July 6, 2020 to process the offsetting with an amount of JD 58,042,756 , and the offsetting procedure mentioned above were completed during July 2020 .

- Upon the offsetting request by Jordan Petroleum Refinery Company submitted to the Ministry of Finance, for offsetting the Ministry of Finance relationship account due to the company amounted to JD 137,667,786 , and the balance of the deposits differences in pricing of derivatives and surpluses accrued to the government in the amount of JD 44,167,683 and the balance of establishing alternative tanks trusts due to the government in the amount of JD 93,500,103 for the balances as of September 30, 2020, the Ministry of Finance letter No. (18/4/694) was received on January 10, 2021, which includes the approval of the above-mentioned offsetting based on the offsetting instructions, and that the offsetting was carried out at the Ministry of Finance on January 4, 2021, and that the financial offsetting effect is recorded in the financial statements for the year 2020, according to the balances of the financial relationship between the company and the government as of September 30, 2020 contained in the company's letter No. (2/25/51/1/8988) dated December 15, 2020.

- The general and special taxes balances in the financial relationship balance between the Company and the government below are identical to the records of the Income and Sales Tax Department as of September 30, 2021.

- Upon the Prime Minister decision No. (5329) adopted in its session held on July 10, 2019, which included the approval to authorize the Jordan Petroleum Refinery Company to implement the terms of the Memorandum of Understanding for the processing and transportation of crude oil between the government of the Republic of Iraq and the government of the Hashemite Kingdom of Jordan, the company signed the agreement on August 1, 2019 and the company issued a letter of credit in favor of the Central Bank of Iraq to cover the value of the amount of 10 thousand barrels per day throughout the year according to the monthly average price of a barrel of Brent crude oil minus 16 US dollars, noting that the quantities of Iraqi oil were supplied at the end of August of 2019 and according to the minutes signed between the concerned parties in the Ministry of Finance, the Ministry of Energy and Mineral Resources, and the Jordan Petroleum Refinery Company on March 10, 2020, the balances and accounts of Iraqi crude oil were reconciled until December 31, 2019, and according to the minutes signed between those concerned in the Ministry of Finance and the Ministry of Energy and Mineral Resources And the Jordan Petroleum Refinery Company, on June 30, 2020, Iraqi crude oil balances and accounts were reconciled up to April 30, 2020, noting that Iraqi oil supply was stopped during the May and June 2020 due to the decrease in international prices and it started to be supplied again on the first of July 2020 and its supply ended by the end of November 2020 and the Iraqi oil balances and accounts were reconciled until the end of the current tender according to the minutes signed between the concerned parties in the Ministry of Finance And the Ministry of Energy and Mineral Resources and the Jordan Petroleum Refinery Company on December 20, 2020, Noting that the government of Jordan agreed with the Iraqi Ministry of Oil to renew the agreement, the supply of Iraqi oil was started under the new agreement at the beginning of September 2021, Moreover, the Jordan Petroleum Refinery Company was authorized to implement the terms of the agreement on behalf of the Jordanian government under the letter of Ministry of Energy No.(MNG/5483/8/21) dated August 12, 2021 based on Prime Minister’s Resolution No. (1391) adopted in its session held on February 17, 2021.

- The Ministry of Finance’s balances related to Jordan Petroleum Products Marketing Company activity were confirmed as of December 31, 2018 through the Ministry of Finance’s approval of the Jordan Petroleum Products Marketing Company’s Letter No. (111/2/936), dated February 19, 2019.

- The Ministry of Finance’s balances for Jordan Petroleum Products Marketing Company activity were confirmed as of December 31, 2019 through the Ministry of Finance’s approval of the Jordan Petroleum Products Marketing Company’s Letter No. (111/2/1645), dated March 4, 2020.

- The Ministry of Finance’s balances for Jordan Petroleum Products Marketing Company activity were confirmed as of December 31, 2020 through the Ministry of Finance’s approval of the Jordan Petroleum Products Marketing Company’s Letter No. (111/2/1061), dated March 2, 2021.

- The Company signed an agreement for supplying oil derivatives with the Royal Jordanian Air Force on May 26, 2021 included payment deadline of 15 days starting from the invoices receiving day, and according to that Jordanian Royal Air force was committed to pay all due amounts on time.

- The balance of the financial relationship between the Company and the Government related to the refining and gas activity as of April 30, 2018 (End of financial relationship with the government) is as follows:

	April 30, 2018 (Audited)
Amounts Owed to the Company:	JD
Ministry of Finance primary account (relationship)	**220,480,978**
General sales tax deposits	**101,792,998**
Debts of security authorities, Governmental departments and institutions, and the National Electricity Company: *	
Armed Forces / Directorate of Supply	101,513,938
Royal Air Force	136,424,517
Directorate of General Security	45,627,576
Directorate General of the Gendarmerie	9,553,718
Civil Defense	3,259,795
Departments, ministries, and Governmental agencies and Institutions	3,280,986
National Electricity Company	76,413,291
Total Debts of Security Authorities, Governmental Departments and Institutions, and the National Electricity Company	**376,073,821**
Total Amounts owed to the Company	**698,347,797**
Less: Amounts Owed to the Government:	
Deposits differences of oil derivatives pricing and surplus	43,746,064
Special sales tax deposits	1,738,247
Deposits for constructing alternative tanks - Ministry of Energy	93,500,103
Fees and allowances according to the oil derivatives pricing bulletin (IPP)	21,244,292
Total amounts due to the Government	**160,228,706**
Balance Owed by the Government to the Company	**538,119,091**

- The financial relationship balance between the Company and the Government related to the refining and gas activity as of December 31, 2018 (Confirmed according to Ministry of Finance letter No. (8AR/4/5197)) is as follows:

	December 31, 2018 (Audited)
Amounts Owed to the Company:	JD
Ministry of Finance primary account (relationship)	**267,790,407**
General sales tax deposits	**106,334,261**
Debts of security authorities, Governmental departments and institutions, and the National Electricity Company: *	
Armed Forces / Directorate of Supply	88,823,533
Royal Air Force	168,094,404
Directorate of General Security	45,626,257
Directorate General of the Gendarmerie	8,425,446
Civil Defense	3,269,279
Departments, ministries, and Governmental agencies and Institutions	3,362,267
National Electricity Company	76,378,522
Total Debts of Security Authorities, Governmental Departments and Institutions, and the National Electricity Company	**393,979,708**
Total Amounts owed to the Company	**768,104,376**
Less: Amounts Owed to the Government:	
Deposits differences of oil derivatives pricing and surplus	44,022,727
Special sales tax deposits	2,861,098
Deposits for constructing alternative tanks - Ministry of Energy	93,500,103
Fees and allowances according to the oil derivatives pricing bulletin (IPP)	36,050,789
Total amounts due to the Government	**176,434,717**
Balance Owed by the Government to the Company	**591,669,659**

- The financial relationship balance between the Company and the Government related to the refining and gas activity as of December 31, 2019 (after reducing the amount of JD 455,505,000 – Government's loan) is as follows:

	December 31, 2019 (Audited)
Amounts Owed to the Company:	JD
Ministry of Finance primary account (relationship)	**211,997,358**
General sales tax deposits	**114,624,265**
Debts of security authorities, Governmental departments and institutions, and the National Electricity Company: *	
Armed Forces / Directorate of Supply	1,074,301
Royal Air Force	59,938,960
Directorate of General Security	2,181
Departments, ministries, and Governmental agencies and Institutions	3,550,513
National Electricity Company	72,147,468
Total Debts of Security Authorities, Governmental Departments and Institutions, and the National Electricity Company	**136,713,423**
Total Amounts owed to the Company	**463,335,046**
Less: Amounts Owed to the Government:	
Deposits differences of oil derivatives pricing and surplus	44,134,309
Special sales tax deposits	(2,189,866)
Deposits for constructing alternative tanks the Ministry of Energy	93,500,103
Fees and allowances according to the oil derivatives prices bulletin (IPP)	48,609,966
Total amounts due to the Government	**184,054,512**
Balance Owed by the Government to the Company	**279,280,534**

- The balance of the financial relationship between the Company and the Government related to the refining and gas activity as of September 30, 2020 (Confirmed by the Ministry of Finance according to the Ministry approval on the offsetting dated January 4, 2021) is as follows:

	September 30, 2020 (Reviewed)
Amounts Owed to the Company:	JD
Ministry of Finance primary account (relationship)	**194,763,517**
General sales tax deposits	**122,602,265**
Special sales tax deposits	**44,997,572**
Debts of security authorities, Governmental departments and institutions, and the National Electricity Company: *	
Armed Forces / Directorate of Supply	1,325,578
Royal Air Force	92,293,727
Directorate of General Security	2,475
Departments, ministries, and Governmental agencies and Institutions	2,421,811
National Electricity Company	72,147,468
Total Debts of Security Authorities, Governmental Departments and Institutions, and the National Electricity Company	**168,191,059**
Total Amounts owed to the Company	**530,554,413**
Less: Amounts Owed to the Government:	
Deposits differences of oil derivatives pricing and surplus	44,167,683
Deposits for constructing alternative tanks - Ministry of Energy	93,500,103
Fees and allowances according to the oil derivatives pricing bulletin (IPP)	50,718,837
Total amounts due to the Government	**188,386,623**
Balance Owed by the Government to the Company	**342,167,790**

- The Financial relationship balance between the Company and the Government related to the refining and gas activity as of December 31, 2020 is as follows:

	December 31, 2020 (Audited)
	JD
Amounts Owed to the Company:	
Ministry of Finance primary account (relationship)	**68,240,240**
General sales tax deposits	**123,188,580**
Special sales tax deposits	**33,757,592**
Debts of security authorities, Governmental departments and institutions, and the National Electricity Company: *	
Armed Forces / Directorate of Supply	1,374,855
Royal Air Force	103,436,845
Directorate of General Security	2,632
Departments, ministries, and Governmental agencies and Institutions	3,290,168
National Electricity Company	72,147,468
Total Debts of Security authorities, Governmental Departments and Institutions, and the National Electricity Company	**180,251,968**
Total Amounts Owed to the Company	**405,438,380**
Less: Amounts Owed to the Government:	
Deposits differences of oil derivatives pricing and surplus	19,104
Deposits for constructing alternative tanks – The Ministry of Energy	-
Fees and allowances according to the oil derivatives pricing bulletin (IPP)	51,514,419
Total Amounts Owed to the Government	**51,533,523**
Balance Owed to the Company from the Government	**353,904,857**

- The balance of the financial relationship between the Company and the Government related to refining and gas activity as of September 30, 2021 is as follows:

	September 30, 2021 (Reviewed)
	JD
Amounts Owed to the Company:	
Ministry of Finance primary account (relationship)	**122,628,830**
General sales tax deposits	**125,362,031**
Special sales tax deposits	**7,735,748**
Debts of security authorities, Governmental departments and institutions, and the National Electricity Company: *	
Armed Forces / Directorate of Supply	1,077,471
Royal Air Force	112,553,531
Directorate of General Security	2,025
Departments, ministries, and Governmental agencies and Institutions	2,988,115
National Electricity Company	72,147,468
Total Debts of Security Authorities, Governmental Departments and Institutions, and the National Electricity Company	**188,768,610**
Total Amounts owed to the Company	**444,495,219**
Less: Amounts Owed to the Government:	
Deposits differences of oil derivatives pricing and surplus	89,843
Deposits for constructing alternative tanks - Ministry of Energy	-
Fees and allowances according to the oil derivatives pricing bulletin (IPP)	45,956,691
Total amounts due to the Government	**46,046,534**
Balance Owed by the Government to the Company	**398,448,685**

* According to the Company's minutes of meetings with the Ministry of Finance held on November 8, 9 and 16, 2017, in order to determine the balances of the financial relation between Jordan Petroleum Refinery Company and the Government (excluding Jordan Petroleum Product Marketing Company and the Lube Oil Factory) for the balances as of September 30, 2017, the Ministry of Finance has taken a pledge for all of the debt balances of the Armed Forces, Royal Air Force, Public Security Directorate, the General Directorate of Gendarmerie, other security forces, and governmental departments, within its budget as well as the debts of the National Electric Power Company for the refining and gas activities of JD 319,468,856 as of September 30, 2017. In the meantime, the two parties have agreed that no provision would be made for the debts of Royal Jordanian Company, municipalities, governmental universities, and managerially and financially independent governmental institutions during the relationship period, provided that if those amounts are not collected through the judiciary, and the Company is required to write them off, the Ministry of Finance pledges to pay those debts and any related costs.

f. The general sales tax deposits item includes an amount of JD 125,362,031, related to the refining and gas activity, and JD 913,719 related to Jordan Petroleum Products Marketing Company as of September 30, 2021.

- In accordance with the Council of Ministers' Decision No. (6953), taken in its meeting held on March 19, 2018, approval was obtained on exempting the quantities of gasoline (95) used in the production of gasoline (90) and (95) quantity of (2,360,253) tons from the general and special sales tax for the period from May 1, 2013 until September 30, 2017. The decision shall include any quantity of gasoline (95) used in the mixing process for the production of gasoline (90) and (95) until the end of the financial relationship between the Government and the Jordan Petroleum Refinery Company. Moreover, the outstanding customs statements at the Customs Department were finalized during July 2020.

- According to Law No. (107) for year 2019, the Amended Special Tax Law, the general and special taxes, fees have been combined in the price bulletin (IPP) under the special taxes item, and have been determined for each material as per the law described above.

- In accordance with the Council of Ministers' Decision No. (6544), adopted at its meeting held on September 23, 2019, all types of gasoline shall be included in Schedule No. 2 annexed to the General Sales Tax Law for goods and services subject to the General Sales Tax at a percentage or for an amount of (Zero).

- In its meeting held on January 3, 2016, under Decision No. (13363), based on the recommendations of the Economic Development Committee in its session held on December 22, 2015, the Council of Ministers approved exempting the Company from general and special sales tax effective from May 1, 2013 on its imports for quantities sold to the marketing companies only, provided that the general sales tax and special sales tax thereon shall be paid by those companies within the pricing structure of IPP. Moreover, the outstanding customs statements at the Jordan Customs Department were finalized during July 2020.

- The Income and Sales Tax Department letter No. (20/4/347) dated February 16, 2021 which were received included that general and special taxes to be collected on the sales of the Jordan Petroleum Refinery Company to the three marketing companies through marketing companies only, and Jordan Petroleum Refinery Company is not obligated to pay taxes on its sales to the marketing companies and it is only obligated to pay tax on its sales to other customers.

- Upon the offsetting request by Jordan Petroleum Refinery Company to the Ministry of Finance to offset a part of the Ministry of Finance (Ministry of Finance primary account – relationship) debt due to the Company and the general and special taxes on Customs statements due to the customs department. The Customs Department approved the offset on March 16, 2020 and upon it the offsetting committee approved on July 6, 2020 the offset with an amount of JD 58,042,756, and the offsetting procedure above were completed during July 2020.

- Based on a decision number (2898) by Council of Ministers that had been taken on July 7, 2021 they accept to exempt the company's imports of crude oil and oil derivatives from customs fees (Standard fees) for the period ended April 30, 2022.

g. This item consists mainly of the current account of the Jordan Petroleum Refinery Company Employees' Housing Fund, Insurance for the Jordan Customs Department, and other debts.

h. This item consists mainly from the prepaid expenses account related to the Company's insurance, rents, marketing, security and protection, and contractors' payments to establish gas stations prepayments, including an amount of JD 4,491,070, related to the refining and gas activity, and JD 11,868,215 related to Jordan Petroleum Products Marketing Company as of September 30, 2021.

i. This item represents what was paid to the gas stations' owners according to agreements through which Jordan Petroleum Products Marketing Company (Subsidiary company) supplies these gas stations with their fuel needs. According to these agreements, the Company shall participate in building or modernizing the gas stations and installing pumps. In addition, the gas stations shall carry the trade name for the Jordan Petroleum Products Marketing Company as their authorized distributor, and the related amounts shall be amortized over the contracts period or the useful life of the asset, whichever is lower.

j. The movement on the provision expected credit losses provision is as follows:

	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance at the beginning of the period/year	21,812,417	16,982,422
Provision recorded during the period/year	157,530	4,990,170
Released during the period/year *	(2,358,338)	(160,175)
Balance at the End of the Period/Year	19,611,609	21,812,417

* The item released from expected credit losses provision includes an amount of JD (1,138,509) that was recorded in favor of the government within the accounts of the financial relationship between the company and the government according to Prime Minister's resolution No. (7633) adopted in its session held on April 30, 2018.

- The expected credit losses provision as of September 30, 2021 includes an amount of JD 4,886,634 related to the refining and gas activity, JD 2,419,902 related to the oil factory, and JD 12,305,073 related to Jordan Petroleum Products Marketing Company. The provision has been calculated after taking into consideration the debts guaranteed by the Ministry of Finance.

9. Crude Oil, Finished Oil Products, and Supplies

This item consists of the following:

	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Finished oil derivatives and lube oil	190,911,080	184,380,042
Crude oil and materials under process	95,747,244	47,189,794
Raw materials, spare parts, and other supplies	61,361,649	62,993,308
Goods in transit	28,586,943	9,856,245
(Less): Provision for slow moving and obsolete inventory and sediments	(7,606,659)	(7,957,384)
	369,000,257	296,462,005

- The movement on the provision for slow moving and obsolete inventory and sediments is as follows:

	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance at the beginning of the period/year	7,957,384	18,295,494
Released during the period/year	(259,905)	(9,553,951)
Paid during the period/year	-	(491,186)
Written-off materials during the period/year	(90,820)	(292,973)
Balance at the end of the period/year	7,606,659	7,957,384

10. Due to Banks

This item consists from overdraft and short-term loans accounts granted by several local banks to finance the Company's activities, at annual interest and murabaha rates ranging from 2.1% annually to 6.5% annually, during the period ended September 30, 2021, against the Company's guarantee as a legal personality. This item includes an amount of JD 580,161,217 for the refinery and gas activity, and JD 24,404,123 for Jordan Petroleum Products Marketing Company as of September 30, 2021.

11. Payables and Other Credit Balances

This item consists of the following:

	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Deposits differences of oil derivatives pricing and surplus (a)	5,122,471	4,536,221
Special sales tax deposits on oil derivatives (b)	65,398,546	38,285,733
Deposits for constructing alternative tanks – Ministry of Energy (c)	-	-
Suppliers and obligations from purchase orders and services and others	111,336,333	44,382,723
Gas cylinders replacement, maintenance and repair provision (d)	5,000,000	5,000,000
Fees and allowances according to the oil derivatives price bulletin (IPP) (e)	45,956,691	51,514,419
Lawsuits provision (Note 18/b)	1,770,907	622,350
Advance payments from customers (f)	7,759,934	6,751,394
Shareholders' deposits	12,704,394	13,639,658
Creditors and other credit balances	12,051,033	9,549,222
Retention deducted from contractors	433,787	469,402
Employees' vacations provision	2,033,927	1,961,271
Subsidiary company import pricing differences (g)	11,287,228	8,863,678
Storage fees provision (h)	1,285,578	7,954,329
Balances retained against acquisition of subsidiary company (i)	907,135	963,939
Alia company deposits – Royal Jordanian Airlines (j)	11,253,235	11,253,235
	294,301,199	205,747,574

a. This item includes oil derivatives pricing differences deposits and surplus with an amount of JD 89,843, related to the refining and gas activity, and to JD 5,032,628, related to Jordan Petroleum Products Marketing Company as of September 30, 2021.

- This item includes deposits amounts resulting from oil derivatives pricing and surplus differences between total cost including taxes, fees, and transportation charges; actual selling prices; and the rounding-up of fractions differences according to oil derivatives pricing bulletin (IPP) and the published price effective from March 2, 2008. These differences are considered as the Government's right according to the Ministry of Energy and Mineral Resources' Letter No. (9/4/1/719), dated February 16, 2009, and the Ministry of Finance's Letter No. (18/4/9952), dated April 29, 2009. Consequently, the Company was obliged, effective from March 2008, to record the results of the differences of prices in favor of the Ministry of Finance. Additionally, the Government has claimed the differences in the pricing of oil derivatives effective from December 14, 2008, according to the decision of the oil derivatives pricing committee, in its meeting held on December 13, 2008, provided that the pricing surplus be recorded as deposits under the liabilities within the Company's consolidated financial statements.

- Upon the offsetting request by Jordan Petroleum Refinery Company submitted to the Ministry of Finance, for offsetting the Ministry of Finance account – the relationship due to the company amounted to JD 137,667,786 which includes the balance of differences of oil derivatives pricing and surplus deposits due to the government in the amount of JD 44,167,683 and the balance of establishing alternative tanks deposit due to the government in the amount of JD 93,500,103 for the balances as of September 30 2020, the Ministry of Finance letter No. (18/4/694) was received on January 10, 2021, which includes the approval of the above-mentioned offsetting based on the offsetting instructions, and that the offsetting was carried out at the Ministry of Finance on January 4, 2021, and that the financial offsetting effect is recorded in the financial statements for the year 2020, according to the balances of the financial relationship between the company and the government as of September 30, 2020 contained in the company's letter No. (2/25/51/1/8988) dated December 15, 2020.

- The movement on the deposits of oil derivatives pricing differences and surplus is as follows:

	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance at the beginning of the year	4,536,221	45,420,322
Recorded during the period/year	586,250	3,283,582
Paid during the period/year	-	(44,167,683)
Balance at the End of the Period/Year	5,122,471	4,536,221

b. This item includes an amount of JD (7,735,748) related to the refining and gas activity due from Income and Sales Tax Department, and an amount of JD 73,134,294 due from Jordan Petroleum Products Marketing Company to Income and Sales Tax Department as of September 30, 2021.

- Under Law No. (107) for the year 2019, the amended Special Tax Law, the general and special taxes, fees and stamps mentioned in the oil derivatives pricing bulletin (IPP) have been combined under special tax item and specified for each item as per the above-mentioned law.

- Upon the offsetting request by Jordan Petroleum Refinery Company submitted to the Ministry of Finance, and approved on March 16, 2020 by the Customs Department, and on July 6, 2020, by the Offsetting Committee, part of the Ministry of Finance's debt (the Ministry of Finance primary account relationship) was offset with the general and special tax on the customs' statements held at the Customs Department for a total amount of JD 58,042,756. The above-mentioned offsetting was completed during July 2020.

- The Income and Sales Tax Department letter No. (20/4/347) dated February 16, 2021 which were received included the approval general and special taxes to be collected on the sales of the Jordan Petroleum Refinery Company to the three marketing companies through marketing companies only, and the Petroleum Refinery Company is not obligated to pay taxes on its sales to the marketing companies and is only obligated to pay tax on its sales to other customers.

c. According to His Excellency the Prime Minister's Letter No. (58/11/1/5930), dated March 24, 2010, an amount of JD (34) per ton sold was added to the price of unleaded gasoline (both types) within the pricing mechanism of oil derivatives, starting from April 16, 2010. Moreover, the related proceeds are recorded in a special account maintained by the Company for the Government, represented by the Ministry of Energy and Mineral Resources, to build tanks for the storage of crude oil and/ or oil derivatives at an average of (70) thousand tons in Aqaba and paid to the Ministry of finance, this item has been discontinued within oil derivatives pricing mechanism, starting from the first of December 2016, according to the oil derivatives selling prices bulletin (IPP).

- Upon the offsetting request of the Jordan Petroleum Refinery Company submitted to the Ministry of Finance, for offsetting the Ministry of Finance relationship account due to the company amounted to JD 137,667,786 which includes the balance of the differences in pricing of derivatives and surpluses trusts due to the government in the amount of JD 44,167,683 and the balance of establishing alternative tanks trusts due to the government of an amount of JD 93,500,103 for the balances as of September 30 2020, the Ministry of Finance letter No. (18/4/694) dated on January 10, 2021, which includes the approval of the above-mentioned offsetting based on the offsetting instructions, and that the offsetting was carried out at the Ministry of Finance on January 4, 2021, and that the financial offsetting effect is recorded in the financial statements for the year 2020, according to the balances of the financial relationship between the company and the government as of September 30, 2020 contained in the company's letter No. (2/25/51/1/8988) dated December 15, 2020.

d. The movement on the gas cylinders replacement, maintenance and repair provision is as follows:

	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance at the beginning of the period/year	5,000,000	5,000,000
Recorded during the period/year *	2,858,946	4,186,428
Released during the period/year *	(2,858,946)	(4,186,428)
Balance at the End of the Period/Year	5,000,000	5,000,000

* During the period ended September 30, 2021, a provision of JD 2,858,946 was recorded as gas cylinders write-off and repair cost, in accordance with oil derivatives selling prices bulletin (IPP) amounting to JD (10) for each ton of gas sold. An amount of JD 2,858,946 has been released. Moreover, the number of gas cylinders sold during the period ended September 30, 2021 was around 22.9 Million gas cylinders 12.5 kg.

e. This item represents fees, allowances, and the deposits restricted for the Ministry of Finance's in accordance to the oil derivatives selling prices bulletin (IPP) related to the refining and gas activity only.

- The movement on this item is as follows:

	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance at the beginning of the Period/Year	51,514,419	48,609,966
Recorded during the period/year	2,312,636	2,904,453
Paid during the period/year	(7,870,364)	-
Balance at the End of the Period/Year	45,956,691	51,514,419

f. This item represents advance payments from fuel and gas clients for purchasing finished oil derivatives.

g. This item represents pricing differences from imported finished oil derivatives between the cost of imported finished oil derivatives during the years from 2017 until the end of 2020, and the period ended September 30, 2021, and the Refinery Gate price included in the oil derivatives pricing bulletin (IPP) concerning the imports of Jordan Petroleum Products Marketing Company (Subsidiary Company) related to finished oil derivatives. In this regard, the Company recorded the difference between the actual import cost and the refinery gate price of oil derivatives as per the oil derivatives of prices bulletin (IPP) under the item of import pricing differences within payables and other credit balances, as the Company is uncertain as to whether it is the right for the Company or for the Ministry of Finance, and therefore, If it was the company's rights, this balance becomes a revenue for the company, and if it is the Ministry of Finance's rights, it is transferred from the deposits account without affecting the condensed consolidated interim statement of profit or loss.

h. The Company has recorded a provision for storage fees against the claim of the Jordan Oil Terminals Company (JOTC) under its Letter No. (1/64/2018), dated April 3, 2018. In the letter, JOTC claimed storage fees on fuel oil at 3.5% and 1%, by JD 3.5 per cubic-ton stored as of May 25, 2017. However, Jordan Petroleum Refinery Company rejected this claim. Based on this rejection, Letter No. (2/20/408), dated January 3, 2019, from the Energy & Minerals Regulatory Commission (EMRC) was received. The letter specified the initial storage fees at JD 2 per month, instead of JD 3.5 per cubic-ton. However, the fees shall be studied by the Energy & Minerals Regulatory Commission (EMRC) during the first half of the year 2019. Moreover, the claim shall be re-examined for the period from May 25, 2017 until the end of the financial relationship between the Company and the Government, which does not have effect on the Government. Noting that, Energy & Minerals Regulatory Commission has not determined the definitively fees until this date.

- The Company received Letter No. (18/4/12022), dated June 23, 2020, from the Ministry of Finance, which includes the Ministry of Finance's request to the Company to pay the fuel oil storage fees for JOTC for the period from May 25, 2017 until April 30, 2018, as the government has borne the cost of storage fees according to the financial relationship between the Company and the government for that period. In this respect, the Company paid the amount until the end of the financial relationship with the government.

- The company signed a settlement report with the JOTC on June 6, 2021 included matching the balance between the two companies and record the due amount for the JOTC which include that it has to be paid on six equal monthly instalments , In Addition, the payment of storage fees of fuel oil 3.5% on a monthly basis. Moreover, the company through April 2021 exported the Fuel Oil 1% which was imported for The national Electricity Company since the Egyptian Oil was interrupted , The National Electricity promised the Company to purchase the fuel oil and to pay all the costs , but it did not commit the promise and as result of that they send a judicial warning including their claim for the difference of Importing and exporting values , Included in claimed costs the cost of the material storage in JOTC tanks. As a result of the non-response of the National Electric Company, the company filed a case against the National Electric Company to collect the difference in the value of fuel oil 1% and all the costs of importing and storing it with the competent courts.

- The movement on provision for storage fees is as follows:

	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance at the beginning of the Period/Year	7,954,329	9,889,819
Recorded during the period/year	691,365	3,064,510
Paid during the period/year	(7,360,116)	(5,000,000)
Balance at the End of the Period/Year	1,285,578	7,954,329

i. This item represents the amount retained by Jordan Petroleum Products Marketing Company (subsidiary company) against any future obligations that may arise on the Hydron Energy Company LLC, after the acquisition in accordance with the agreement between both parties.

j. Based on the agreement between Jordan Petroleum Refinery Company and Alia Company - Royal Jordanian Airlines signed on November 26, 2019, and after all the balances between the two Companies had been matched, both parties agreed to offset the accrued outstanding balance due from Alia Company - Royal Jordanian Airlines related to the refining and gas activity against the discount deposits balances and interest deposit balances of Alia Company - Royal Jordanian Airlines. Accordingly, the offsetting took place and resulted in the payable to Alia Company - Royal Jordanian Airlines which was booked in the Company's records related to refining and gas activity in with an amount of JD 11,253,235.

12. Provision for Income Tax

a. The movement on the income tax provision is as follows:

	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Provision for income tax at the beginning of the Period/Year	675,314	7,646,805
Add: Income tax expense for the period/year	4,303,766	674,001
Less: Income tax paid during the period/year	(1,860,007)	(7,645,492)
Provision for Income Tax at the End of the Period/Year	3,119,073	675,314

b. The details of the Income Tax (Surplus) expense for the nine months ended September 30, 2021 and 2020 are as following:

	For the Nine Months Ended September 30,	
	2021 (Reviewed)	2020 (Reviewed)
	JD	JD
Income tax for the period	4,303,766	498,732
Deferred tax assets impact for the period *	4,987,999	(9,902,729)
Income Tax (Surplus) expense for the period	9,291,765	(9,403,997)

* This item includes deferred taxes related to accumulated losses that has been taken advantage of during the period ended September 30, 2021, according to the tax rates applied on the Company and its subsidiary companies.

- The Company reached a final and irrevocable tax settlement with the Income and Sales Tax Department until the end of the year 2018, the Company has calculated and paid its tax and duly submitted its tax declarations for the years 2019 and 2020. In addition, the tax expense for the period ended September 30, 2021 has been calculated, in accordance with the provisions of the Jordanian Income Tax Law. In the opinion of the Company's management and tax advisor, the provisions stated in the condensed consolidated interim financial information are sufficient to cover its tax obligations.

- The Jordan Petroleum Products Marketing Company (a subsidiary company) reached a final and irrevocable tax settlement with the Income and Sales Tax Department until the end of the year 2019. In addition, the company submitted its tax returns for the year 2020 and paid the declared tax thereof. The Income and Sales Tax Department has not reviewed the Company's accounts thereon. In addition, the tax expense for the period ended September 30, 2021 has been calculated with the provisions of the Jordanian Income Tax Law. In the opinion of the company's management and tax advisor, the provisions stated in the condensed consolidated interim financial information are sufficient to cover its tax obligations.

- The income tax declaration has been submitted for all the subsidiary companies of the Jordan Petroleum Products Marketing Company up to the year 2020, and the declared income tax was paid. Moreover, the income tax expense has been calculated for Jordan Petroleum Products Marketing Company's subsidiaries for the period ended September 30, 2021, according to the Jordanian Income Tax Law. In the opinion of the Company's management and tax advisor, the provisions booked in the condensed consolidated interim financial information are sufficient to cover its tax obligations.

- The Income and Sales Tax Department has reviewed and issued its final decision for the years 2011, 2012, and 2013. On May 10, 2015, the Department informed the Company of the review, which resulted in tax differences of JD 15,618,205. Moreover, the Company has requested the Prime Minister to exempt it from the income tax differences, legal compensations, and fines, due that these amounts resulted from the Company's loans that exceeded the accepted borrowings to capital ratio under the Income and Sales Tax Law, and these borrowings were obtained to fulfill the diesel and fuel oil needs of power-generating companies, in light of the Egyptian gas interruption. Furthermore, the Council of Ministers approved, in its meeting held on January 3, 2016, to exempt the Jordan Petroleum Refinery Company from the income tax differences, legal compensations, and fines for the years 2011, 2012, and 2013. Consequently, the Company recorded a provision for the income tax differences for the year 2014, as this year has not been included in the exemption decision of JD 5,422,683, provision for legal compensation for the year 2014 of JD 4,338,146, and provision for delay payments (0.004) of JD 1,897,939, against any probable future tax liabilities until the Income Tax Department reviews the year 2014. In this connection, the Income and Sales tax Department issued its final and irrevocable tax assessment for 2014, and on July 2, 2017, it informed the Company about the results of the said assessment, which resulted in additional taxes of JD 7,838,578, and a legal compensation of JD 6,270,866 on the above tax differences. Consequently, the Company increased the provision for tax differences to JD 7,838,578, and the increase provision for legal compensation become to JD 6,270,866. Additionally, the provision for late payment of (0.004) was increased to JD 2,743,502 for the period ended September 30, 2017. Moreover, the Company submitted an objection to the Income and Sales Tax Department because these amounts resulted from its borrowings which exceeded the capital ratio under the Income and Sales Tax Law, and the borrowing was obtained to fulfill the diesel and fuel oil needs of the power-companies in light of the interruption of the Egyptian gas supply.

  On November 6, 2017, the final decision was issued in a notification letter by the Ministry of Finance/Income and Sales Tax Department, which stipulated reducing the differences amount to JD 6,531,687, and the legal compensation to JD 250,311. Accordingly, the Company paid the amounts stated in the notification letter and a penalty of JD 2,286,090 at a rate of (0.004) and recorded the difference of JD 2,590,680 as revenue in the consolidated statement of profit or loss for the year ended December 31, 2017.

- The legal income tax rate is 17% on the refining and gas activity and lube oil factory plus a national contribution of 1%, and 20% for Jordan Petroleum Products Marketing Company and its subsidiaries plus a national contribution of 1%.

13. <u>Death, Compensation, and End-of-Service Indemnity Fund</u>

According to the Board of Directors' resolution to merge the death, disability, and indemnity fund with the staff end-of-service indemnity into one fund, namely the (death, compensation and end-of-service indemnity fund), and according to the General Announcement No. 11/2012, issued by Jordan Petroleum Refinery Company, dated March 3, 2012, the employee shall receive, at the end of his service, 150% of their monthly gross salary based on the last salary received. However, this amount may not exceed JD 2,000 for every work year for those whose gross monthly salaries do not exceed JD 2,000. If the monthly gross salary exceeds JD 2,000, the employee shall be paid a one-month gross salary for every work year as an end-of-service compensation according to the last salary paid. The Board of Directors shall determine the amount of the provision every year, in light of the amount of this liability, to enable the Company to set up the full provision within five years according to Appendix No. (5) of the above-mentioned New Fund Law. Moreover, there is no shortage in the required provision balance as of September 30, 2021.

14. Net Sales

This item consists of the following:

	For the Nine Months Ended September 30,	
	2021 (Reviewed)	2020 (Reviewed)
	JD	JD
Refinery and gas cylinders filling sales *	281,116,266	299,477,615
Lube-oil factory sales	17,429,910	15,430,034
Jordan Petroleum Products Marketing Company sales	979,882,338	775,038,141
Less: fees, allowances and taxes according to the oil derivatives prices bulletin (IPP)	(419,184,327)	(372,251,773)
	859,244,187	717,694,017

* The sales from Jordan Petroleum Refinery Company to Jordan Petroleum Products Marketing Company (subsidiary company) of finished oil derivatives amounted to JD 453,660,046 during the period ended as of September 30, 2021.

15. Cost of Sales

This item consists of the following:

	For the Nine Months Ended September 30,	
	2021 (Reviewed)	2020 (Reviewed)
	JD	JD
Crude oil and materials under process at the beginning of the period	47,189,794	41,863,633
Purchases of crude oil and raw materials used in production	130,327,086	397,505,205
Less: Crude oil and materials under process at the end of the period	(95,747,244)	(48,940,793)
Cost of Materials used in Production	81,769,636	390,428,045
Industrial Expenses	39,469,841	42,103,281
Total Production Cost	121,239,477	432,531,326
Add: Finished oil derivatives at the beginning of the period	184,380,042	285,774,084
Purchases of finished oil derivatives	700,219,345	208,603,158
Less: Finished oil derivatives at the end of the period	(190,911,080)	(180,026,336)
Subsidy of oil derivatives recorded on the Ministry of Finance account *	(51,574,224)	(22,589,740)
Add: Surplus of oil derivatives pricing difference recorded to the Ministry of Finance account *	586,250	1,990,514
	763,939,810	726,283,006

- The average purchase cost per crude oil barrel amounted to USD 67.14 for the nine months ended September 30, 2021 (USD 40.79 for the nine months ended September 30, 2020).

* This item represents the difference in the selling price to the consumer from the price specified in the oil derivatives price bulletin (IPP), as it resulted in an amount of JD 40,158,286 as subsidy and an amount of JD 70,738 as a surplus from the sales of the refining and gas activity; and an amount of JD 11,415,938 as a subsidy, and an amount of JD 515,512 as a surplus from the sales of Jordan Petroleum Product Marketing Company (a subsidiary company).

16. Profit (Loss) Earnings per Share for the Period

This item consists of the following:

	For the three Months Ended September 30,		For the nine Months Ended September 30,	
	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)
	JD	JD	JD	JD
Profit (Loss) for the period attributable to shareholders	9,235,136	24,410,704	38,230,189	(31,724,668)
Weighted-average number of shares	100,000,000	100,000,000	100,000,000	100,000,000
Profit (Loss) Earnings per Share for the Period - Basic and Diluted	-/9	-/24	-/38	(-/32)

- The weighted-average number of shares for diluted profit (loss) earnings per share for the year attributable to the Company's shareholders is calculated based on the number of authorized shares for the period ended September 30, 2021 and 2020 according to International Accounting Standard No. (33).

17. Settlement of Targeted Income with the Government before the End of the Relationship with the Government

The calculated difference for reaching the targeted income was recorded on a commercial basis in the Ministry of Finance's account. In this regard, the calculated loss difference for the period ended April 30, 2018 was recorded under the income settlement with the Government which affected the amounts due from the Ministry of Finance as stated in receivables and other debit balances. Moreover, no income settlement with the Government has been reached after April 30, 2018, the end of the relationship with the Government as of May 1, 2018. Noting that the liquefied gas activity was not separated from the refining activity despite the fact that the Council of Ministers' Decision No. (7633) adopted in its session held on April 30, 2018, has set the rate of return on investment for the LPG filling centers for the purposes of calculating the commission amount for them at a rate of 12%. Moreover the amount of the commission for the period from May 1, 2018 to December 31, 2018 was set at JD 43 per ton, so that it covers any surplus or deficit amounts resulting from an increase or decrease in the rate of return on investment over the target value in calculating the commission amount for the filling centers for the subsequent period, down or up. And that the above mechanism does not result in any increase in the cost of the cylinder for citizens or subsidy from the Treasury / Ministry of Finance for this activity, noting that the company has provided the Energy Sector Regulatory Commission with all the information and data on gas activity so that the amount of the commission for the years 2019 and 2020 is determined, which reflects The rate of return on investment for this activity is 12% annually, and the Ministry of Energy and Mineral Resources has assigned an auditor and an external studies company to determine the value of the commission for the years 2019 and 2020. The authorities appointed by the Ministry of Energy and Mineral Resources were provided with all the required data, and these authorities provided the Ministry of Energy and Mineral Resources and the Energy Sector Regulatory Commission with the final report, and no decision has been made to this date by the government regarding the final commission value that reflects the rate of return on investment at a rate of 12% annually According to Council of Ministers' Decision No. (7633) mentioned above, , and as a result the negotiations are is still in process between the Company and the Government, by which a new studies company were appointed by the Ministry of Energy and Mineral Resources. The company has completed its work and sent the reports to the Ministry of Energy and Mineral Resources , and no decision has been made to this date by the Ministry regarding the final commission value, moreover, the company is still under following-up with the government to determine the final commission value.

- The movement on the profit settlement item with the Government for the period ended 30, April 2018 is as follows:

	April 30, 2018
	JD
(Loss) for the period before tax and before profits settlement	427,523
The Company's targeted profit after tax for the period *	4,390,332
Income tax for the period	965,905
Recorded on the Government's account to reach targeted profit	5,783,760

- Moreover, the change in the composition of oil derivatives pricing bulletin (IPP) from the beginning of 2018 to date , comprising a decrease in the refinery gate price item within the composition of the selling price of the finished oil derivatives (IPP); and the increase in the amount of Governmental fees and taxes has had a negative impact on the net sales of the gas and refining activity for the above-mentioned periods and years and a negative impact on the settlement of the financial relationship with the Government as of April 30, 2018 in comparison with prior years.

* In accordance with the Prime Ministry's Letter No. (31/17/5/21025), related to the opinion of the Legislation and Opinion Bureau, Jordan Petroleum Refinery Company shall bear the costs of the Indian cylinders rejected by the Jordan Standards and Metrology Organization. Accordingly, Jordan Petroleum Refinery Company sent Letter No. (2/25/25/7/1741), dated February 14, 2017, to His Excellency the Minister of Finance. The letter stated that the cost of the Indian cylinders incurred by the Company up to December 31, 2016 amounted to JD 7,665,784, and that the net selling price of these cylinders amounted to JD 1,331,250, and therefore, the net losses amounted to JD 6,334,534. If the Company were to bear all these costs at the same time, the targeted (guaranteed) income would decrease by JD 5,067,628 for the year ended December 31, 2016. This would affect the Company negatively in the financial market. Consequently, the Council of Ministers approved, in its Letter No. (31/17/5/14/14153), dated March 28, 2017, that the Company would bear the net cost of the provision for the Indian cylinders of JD 6,334,534 over five years starting from the year 2016 for JD 1,266,907. This amount has been deducted from the targeted income for the Company of JD (15) million. Accordingly, the net targeted income for the years 2016 and 2017 became JD 13,733,093 for each year. An amount of JD 2,533,814 was amortized in the Statement of Profit or Loss for the refining and gas filling activity during the years 2016 and 2017, and the amortization of the remaining amount, which represents JD 3,800,720 has been deferred to be amortized over the upcoming three years. The Company amortized an amount of JD 1,829,004 during the year 2018, and the remaining amount of JD 3,658,008 during the years 2019 and 2020. During the year 2019, the Company amortized the entire remaining amount of JD 3,658,008.

Pursuant to Decision No. (48) of the Company's Board of Directors, in its meeting No. 4/2018, dated April 28, 2018, Jordan Petroleum Refinery Company donated the Indian cylinders which was rejected by the Standards and Metrology Organization, in addition to their valves and 1,500 spare valves, and their containers to the Arab International Construction and Contracting Company, which is considered a subsidiary company of the Jordanian Armed Forces / Arab Army. Accordingly, the actual cost of the cylinders, valves, and their storage containers has become JD 8,020,825. In this regard, IFRS requires that the full amount should be recognized when incurred without being deferred. Moreover, the Company's records indicate that if the loss had been recorded when incurred during the year 2016, it would have resulted in a decrease in profit and retained earnings of JD 5,067,628, instead of being decreased by JD 1,266,907 as at December 31, 2016, and an increase in profit for the year 2019 by JD 3,658,008.

The following table illustrates the targeted profit calculation mechanism for the Company as of April 30, 2018:

	April 30, 2018
	JD
Actual cost of the Indian cylinders and valves	7,665,784
Storage containers cost	355,041
Total cost of cylinders, valves, and containers	8,020,825
Amounts amortized in 2016 and 2017	(2,533,814)
Net remaining amount to be amortized over three years	5,487,011
The period share from the amount ended as of April 30, 2018	(609,668)
Targeted profit for the period before amortization	5,000,000
Targeted profit for the Company after amortization	4,390,332

- The Company calculated the cost of the loss amortization of the Indian Gas Cylinders, valves, and containers for the years 2019 and 2020, and recorded it in the consolidated statement of profit or loss with an amount of JD 3,658,008 for the year 2019. Moreover, the total loss of JD 8,020,825 was fully amortized at the end of 2019.

18. Contingent Liabilities and Financial Commitments

a. As of the condensed consolidated interim statement of financial position date, the Company was contingently liable and financially committed as follows:

	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Letters of credit and bills of collections*	558,130,415	493,380,505
Banks' letters of guarantee	7,043,152	9,158,340
Contracts for projects under construction	10,315,321	15,067,269

* This item includes standby L/Cs of JD 99 million which is equivalent to USD 140 million in favor of Saudi Aramco Company as of September 30, 2021 and December 31, 2020.

b. There are lawsuits in courts raised against the Company for financial claims estimated at JD 1.771 Million as of September 30, 2021 (JD 622 thousand as of December 31, 2020). Moreover, some prior year's lawsuits were raised against both the Government and the Company. Consequently, the estimated contingent liabilities from unsettled lawsuits and the required provisions have been taken in accounts payable and other credit balances. In the opinion of the Company's management and its legal consultant, the booked provisions are sufficient to meet any future obligations.

- A lawsuit was raised against Jordan Petroleum Refinery Company on November 29, 2012 by the contractor Joint Venture Companies Christopher de Constantends (S.A), Whitermoon (S.A), and Engineering Group (K.Z.U) Limited, the executer of Tender No. (16/2006). In the lawsuit, the contractor claimed an amount of USD 7 million as compensation for work performed, representing invoices for additional work as well as compensation and interest for the delay of the work performed. On September 22, 2015, the Court issued its decision obligating the Company to pay JD 3,605,014 with interest of 9% starting from September 20, 2015 and rejected all other claims and the corresponding Jordan Petroleum Refinery Company's counter-claims, therefore, the Company recorded a provision of JD 4 million for this lawsuit during the year 2015. The execution notice was issued by Amman Execution Department No. (21943/2017/b) dated December 3, 2017, obligating the Jordan Petroleum Refinery Company to pay an amount of JD 3,605,014 with interest of JD 574,940. Meanwhile, the Company paid the full amount during the year 2017.

- During the year 2015, the Court of Cassation issued its Verdict No. 1663/2015 in favor of Jordan Petroleum Refinery Company, prohibiting the Supreme Regulations Council and the Hashemite Municipality from claiming JD 6,385,064 for returns related to regulating a land owned by the Company.

c. According to the minutes of the Company’s meetings with the Ministry of Finance and the Jordan Petroleum Refinery Company held on November 8, 9 and 16, 2017, to determine the balances of the financial relation between Jordan Petroleum Refinery Company and the Government (excluding Jordan Petroleum Product Marketing Company and the Lube-Oil Factory) for the balances as of September 30, 2017, it was agreed as follows:

1. To confirm the balance of the Ministry of Finance’s main account of JD 195,194,153, and the balance of the general sales tax deposits of JD 97,388,860, and the balance of special sales tax deposits of JD 937,034 as of September 30, 2017 as a right for Jordan Petroleum Refinery Company for the refining and gas activity. Moreover, the Ministry of Finance has also taken a pledge for all of the debt balances of the Armed Forces, Royal Air Force, Public Security Directorate, the General Directorate of the Gendarmerie, other security forces, and governmental departments, within its budget as well as the debts of the National Electric Power Company for refining and gas activities of JD 319,468,856 as of September 30, 2017. In the meantime, the two parties have agreed that no provision would be recorded for the debts of Royal Jordanian Company, municipalities, governmental universities, and administratively and financially independent governmental institutions during the relationship period, provided that if those amounts are not collected through the judiciary, and the Company is required to write them off, the Ministry of Finance pledges to pay those debts and any related costs.

2. To confirm the deposits balances of price differences pricing and surplus of JD 43,488,857, and deposits for setting up alternative tanks of JD 93,500,103 as well as fees, stamps and allowances according to (IPP) of JD 9,051,757 as of September 30, 2017 as a right for the Government.

3. The two parties have not reached an agreement on the value of the strategic inventory deposits, as the Government is claiming the amount of valuation in 2008 of JD 156,787,303. Meanwhile, Jordan Petroleum Refinery Company is objecting to this amount since these quantities of inventory are deposits booked by the Company and will be refunded as quantities in case the relationship with the Government is terminated.

4. The two parties have not reached an agreement as to which party will maintain the gas cylinders replacement, maintenance, and repair provision balance of JD 10 million.

5. The two parties have agreed that the provision for lawsuits and other liabilities balance of JD 6.3 million as of September 30, 2017 is a right to Jordan Petroleum Refinery Company. In this regard, if any amount for a lawsuit was won by the Company, the booked amount will be transferred to the Government. On the other hand, any judicial expense incurred by the Company during the period of its relationship with the Government will be borne by the Ministry of Finance except for the booked provision.

6. The two parties have agreed that the other provisions balance of JD 234 thousand as of September 30, 2017 is the right of Jordan Petroleum Refinery Company.

7. The two parties have agreed that the income tax provision as of September 30, 2017 is the right of the Government and shall be transferred to the Income and Sales Tax Department on the due date in accordance with the Income and Sales Tax Law.

8. The two parties have agreed that the labor provisions balance (provision for work injuries compensation; provision for employees’ vacation; provision for end- of- service indemnity; and provision for death, compensation, and end-of-service indemnity) as of September 30, 2017 is the right to Jordan Petroleum Refinery Company.

9. The two parties have not reached an agreement as to which party will maintain the provision for doubtful debts balance (expected credit losses provision) of JD 10.5 million as of September 30, 2017.

10. The two parties have agreed that the provision for the legal compensation balance of JD 6.27 million as of September 30, 2017 is a right to the Jordanian Government. Meanwhile, the full amount has been paid before the end of 2017.

11. The two parties have agreed that the penalty and delay in payments provision balance of JD 2.74 million as of September 30, 2017 is a right to the Jordanian Government. Meanwhile, the full amount has been paid before the end of 2017.

12. The two parties have not reached an agreement as to who will maintain the provision for slow-moving and obsolete and sediments inventory balance of JD 19.9 million as of September 30, 2017.

d. In accordance with the Council of Ministers' Decision No. (7633), taken in its meeting held on April 30, 2018, The financial relationship between the company and the government has ended and the company has been operating on a commercial basis as of May 1, 2018 (Note 3).

<u>19. Strategic Inventory Deposits – The Ministry of Finance</u>

<u>End of Relationship with the Government</u>

Pursuant to the Council Ministers' Decision No. (7633), taken in its meeting held on April 30, 2018, the Ministry of Finance was mandated to follow up on implementing the procedures and submit any related conclusions to the Council of Ministers regarding the transfer of the Government's strategic inventory, which has been determined in terms of quantity and value, to the Jordan Oil Terminals Company (JOTC), provided that the value of this inventory is settled later. Additionally, Jordan Petroleum Refinery Company started transferring the strategic inventory to JOTC during April 2018, and the Company is still transferring the remaining quantities to the Jordan Oil Terminals Company (JOTC) according to the quantities requested by the Jordan Oil Terminals Company (JOTC) and the Ministry of Energy and Mineral Resources as per JOTC's storage capacity. During July 2020, the company transferred the government's jet fuel to the Air Force and transferred the government's asphalt to the Ministry of public Works during the year 2020 at the request of the Ministry of Energy and Mineral Resources. During February 2021, the company exported the fuel oil %3.5 owned by the government at the request of the Ministry of Energy and Mineral Resources. The company also received a letter from the Ministry of Finance and the Ministry of Energy and Mineral Resources that includes the government's sale of crude oil owned by the government to the company as of the beginning of March 2021 on the basis of crude oil prices issued by Aramco for March 2021, and the company purchased these quantities during March 2021, in implementation of Council of Ministers decision No. (1150) taken in its session held on February 3, 2021, noting that the approval of the Ministry of Finance to settle the inventory value and quantity was finalized according to the Ministry of Finance letter No. (4/18/28669) dated August 29, 2019.

The table below illustrates the strategic inventory quantity left:

	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	Quantity/ Tons	Quantity/ Tons
Crude Oil *		42,926
Liquefied petroleum gas (LPG)	-	-
Gasoline 90	-	-
Gasoline 95	-	-
Jet-fuel	-	2
Kerosene	7,309	30,977
Diesel	-	-
Fuel Oil 3.5% **	-	3,950
Asphalt	-	-
	7,309	77,855

* The company purchased (42,926) Tons of crude oil that is owned by the government during the period ended as of September 30, 2021, in implementation of Council of Ministers decision No. (1150).

** The company exported (80,168) Tons of fuel oil 3.5% that is owned by the government, on behalf of the government upon its request during February 2021.

20. Ministry of Finance and Related Parties' Balances and Transactions

The balances and movements resulting from transactions with the Ministry of Finance and related parties are as follows:

	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)
Balances:	JD	JD
Ministry of Finance – The relationship (Note 8/e)	138,256,988	72,712,083
Ministry of Finance – deposits of oil derivatives pricing differences and surplus (Note 11/a)	(5,122,471)	(4,536,221)

	For the Nine Months Ended September 30,	
	2021 (Reviewed)	2020 (Reviewed)
Transactions:	JD	JD
Ministry of Finance – subsidy for crude oil derivatives recorded on the Ministry of Finance (Note 15)	51,574,224	22,589,740
Ministry of Finance – differences for oil derivatives pricing surplus recorded to the Ministry of Finance account (Note 15)	(586,250)	(1,990,514)

Executive management and members of the Board of Directors' salaries, remuneration, and other benefits amounted to JD 988,753 for the period ended September 30, 2021 (JD 1,073,988 for the period ended September 30, 2020).

21. Distribution of Assets, Liabilities and Results by Sector

The information relating to the Company's disclosed segments is set out below in accordance with IFRS 8. This standard requires identifying segments that can be reported based on the internal reports that are regularly reviewed by the Company's chief operating decision maker and are used to allocate resources to segments and to assess their performance. In addition, the Company's primary activity is represented in conducting activities related to crude oil, oil derivatives, liquefied petroleum gas and lube oil. The majority of the Company's revenues, profits, and assets relate to its operations in the Hashemite Kingdom of Jordan. Inter-sectorial sales are recognized at normal selling prices.

- The Company is organized, for management purposes, into the following four major business sectors:

  a. Refining: This sector separates and converts the components of imported crude oil into a set of various finished oil derivatives. This sector depends on licensing from the American UOP Company in the majority of its operations.

  b. Distribution: Distribution links the importing within the Company and refining activity, on one hand, and all customers in the various areas of the Kingdom, on the other. Moreover, distribution fulfills customers' demands for the Company's finished oil derivatives and gas.

  c. Lube-oil Manufacturing: This sector includes the manufacturing, production, and filling of various types of oil required in the local and foreign markets.

  d. Liquefied Gas Manufacturing and Filling: This sector includes producing and filling liquefied gas; and manufacturing, repairing, maintaining, and filling gas cylinders through three of the Company's Gas Stations.

- All of the Company's assets, liabilities, and operations are inside the Hashemite Kingdom of Jordan.

- The following are the Company's activities distributed according to activity type:

	Refining Activity and Filling Gas Cylinders	Lube Oil Factory	Jordan Petroleum Products Marketing Company	Other	Total
	JD	JD	JD	JD	JD
For the period ended September 30, 2021 (Reviewed):					
Profit for the period after tax	17,052,750	5,492,092	15,657,923	96,066	38,298,831
For the period ended September 30, 2020 (Reviewed):					
(Loss) profit for the Period after tax	(31,740,155)	5,937,121	(5,917,634)	64,971	(31,655,697)

	September 30, 2021 (Reviewed)				
Other Information	Refining Activity and Filling Gas Cylinders	Lube Oil Factory	Jordan Petroleum Products Marketing Company	Other	Total
	JD	JD	JD	JD	JD
Total sector's assets	862,501,335	31,280,004	340,209,992	6,415,522	1,240,406,853
Total sector's liabilities	723,023,371	24,968,906	243,808,683	302,395	992,103,355

	December 31, 2020 (Audited)				
	Refining Activity and Filling Gas Cylinders	Lube Oil Factory	Jordan Petroleum Products Marketing Company	Other	Total
	JD	JD	JD	JD	JD
(Loss) profit for the year before tax	(21,506,238)	7,831,677	(4,094,622)	100,729	(17,668,454)
Total sector's assets	735,728,238	31,003,156	322,450,338	4,789,005	1,093,970,737
Total sector's liabilities	614,333,424	23,427,307	239,955,649	271,945	877,988,325

- The following are the Company's business results analysis according to activity type (before consolidating the business results):

	Note	Refining activity and gas cylinders filling	Lube Oil Factory	Jordan Petroleum Products Marketing Company	Other	Total
		For the period Ended September 30, 2021				
		JD	JD	JD	JD	JD
Net Sales	14	705,813,037	17,429,910	589,661,286	-	1,312,904,233
Less: Cost of sales	15	(664,177,359)	(9,227,788)	(544,194,709)	-	(1,217,599,856)
Gross profit from sales		41,635,678	8,202,122	45,466,577	-	95,304,377
Add: Operating income and other		8,878,962	86,603	1,640,110	-	10,605,675
Gross profit		50,514,640	8,288,725	47,106,687	-	105,910,052
Less: Selling and distribution expenses		(21,467,767)	(1,196,965)	(18,211,789)	-	(40,876,521)
General and administrative expenses		(5,415,030)	(236,556)	(2,557,593)	-	(8,209,179)
Bank interest and commissions		(13,981,807)	-	(2,397,245)	96,066	(16,282,986)
(Provision) for lawsuits	11	(206,650)	-	(941,907)	-	(1,148,557)
Released from provision of expected credit losses	8/J	-	(157,530)	1,219,829	-	1,062,299
Released from provision slow moving and obsolete inventory and sediments	9	259,905	-	-	-	259,905
(Provision) for storage fees	11/h	(691,365)	-	-	-	(691,365)
Released from employees' vacations provision	11	72,656	-	-	-	72,656
Provision for work injuries compensation		-	-	-	-	-
Income from storage of strategic inventory		1,505,732	-	-	-	1,505,732
Interest income resulting from government's delay		10,244,413	-	-	-	10,244,413
Lease liabilities interests		-	-	(2,005,853)	-	(2,005,853)
Interest resulting from the acquisition of a subsidiary company		-	-	-	-	-
Amortization of intangible assets		-	-	(2,250,000)	-	(2,250,000)
Profit for the period before Income tax		20,834,727	6,697,674	19,962,129	96,066	47,590,596
Income tax expense for the period	12/b	(3,781,977)	(1,205,582)	(4,304,206)	-	(9,291,765)
Profit for the period		17,052,750	5,492,092	15,657,923	96,066	38,298,831

	Note	Refining activity and gas cylinders filling	Lube Oil Factory	Jordan Petroleum Products Marketing Company	Other	Total
		For the period Ended September 30, 2020				
		JD	JD	JD	JD	JD
Net Sales	14	556,859,769	15,430,034	434,348,824	-	1,006,638,627
Less: Cost of sales	15	(589,743,498)	(8,181,893)	(417,302,225)	-	(1,015,227,616)
Gross (loss) profit from sales		(32,883,729)	7,248,141	17,046,599	-	(8,588,989)
Add: Operating income and other		12,355,577	24,838	1,769,897	-	14,150,312
Gross (loss) profit		(20,528,152)	7,272,979	18,816,496	-	5,561,323
Less: Selling and distribution expenses		(22,334,119)	(963,386)	(12,639,653)	-	(35,937,158)
General and administrative expenses		(7,409,025)	(206,568)	(3,105,500)	-	(10,721,093)
Bank interests and commissions		(15,424,351)	(1,057)	(2,068,671)	64,971	(17,429,108)
Released from lawsuits provision	11	113,842	-	-	-	113,842
(Provision) of expected credit losses	8/J	163,301	(221,751)	(4,479,765)	-	(4,538,215)
Released from provision of slow moving and obsolete inventory and sediments	9	8,293,361		-	-	8,293,361
(Provision) for storage fees	11/H	(2,093,865)	-	-	-	(2,093,865)
Released from employees' vacations provision	11	159,658	-	-	-	159,658
Released from work injuries compensation provision		3,234,886	-	-	-	3,234,886
Income from storage of strategic inventory		6,503,625	-	-	-	6,503,625
Interest income resulting from government's delay		9,806,632	-	-	-	9,806,632
Lease liabilities interests		-	-	(1,674,627)	-	(1,674,627)
Interest resulting from the acquisition of a subsidiary company		-	-	(88,955)	-	(88,955)
Amortization of intangible assets		-	-	(2250,000)	-	(2,250,000)
(Loss) Profit for the period before income tax	12/b	(39,514,207)	5,880,217	(7,490,675)	64,971	(41,059,694)
Surplus Income tax for the period		7,774,052	56,904	1,573,041	-	9,403,997
(Loss) profit for the period		(31,740,155)	5,937,121	(5,917,634)	64,971	(31,655,697)

22. Future Plan

Inquiries received from contractors interested in implementing and financing the fourth expansion project are currently being responded to pave for preparing their offers that are expected to be received October 27, 2021 (The deadline for receiving bids has been extended three times in a row, depending on the contractors request), which the competition is limited between contractors who have been qualified by Technip / British branch (project management contractor) , and this is done after a visit by (50) specialist from EPCF to preview the project site and the existed refinery , whereas , in May 24 , 2021 as technical pre-bid meeting held remotely with all contractors and with a participation of 90 specialists , In Addition , a commercial pre-bid meeting will be hold on July 27, 2021 with all contractors and refinery consultants participants from all parties with a number of 83 expert and the contractors inquiries has been responded.

In regard to the procedures of financing the fourth extension project and after finishing the preparation all papers that investors usually request , the financing consultant Standard Chartered Bank initiated to contact the Company's major shareholders (Social security , and Islamic Development Bank and all investor whom are interested in the fourth extension project (The Saudi Jordanian Investment Fund for example , etc.).

Noting that the necessary documents requested by investors have been completed and provided to them, and many investors have submitted letters of interest in financing, and the stage of verification studies (due diligence) will be launched upon the investors' request.

AON Company has been appointed as an insurance advisor for the fourth expansion project to cover aspects related to policies, programs, and insurance requirements for the project to meet the requirements of the financiers and investors. In addition, AON will conduct a study to determine what needs to be done to issue a Business Interruption policy at the stage of financial closing (in addition to the policies currently operating in line with investors' request). In addition, ECO and WKC companies have been assigned to work as an environmental expert (as they prepared an environmental assessment study for the project). The said companies have prepared a gap study to assess the environmental and social impact of the project, and they will prepare the terms of reference in coordination with the Ministry of Environment to cover all activities of the refinery based on their request of the Ministry of Environment and merge them with the documents of the environmental assessment study for the project.

In this context, there is a plan for completing the selection of the contractor to be stipulated with, no later than the third quarter of 2022, whereas the implementation of the project will begin after the completion of the works related to the financial closing, which is expected to be reached during the year 2022.

In terms of the relationship with the Government, the Company is still communicating with the Government to reach an agreement on the remaining matters related to their financial relationship, following the end of the financial relationship between the Government and the Company as of May 1, 2018, pursuant to the Council of Ministers' Resolution No. (7633) to defer the application of the oil derivatives specification until the completion of the fourth expansion project, provided that a specific implementation plan is adhered to.

In light of the recovery of crude oil prices and oil derivatives as a result of the return to normal life in light of the world adaptation to coexist with the Corona virus pandemic, the Company is showing an obvious improvement and expects to recover the losses incurred in the year 2020 and make profits this year, despite that the sales of some items are still affected in terms of quantity and value.

Jordan Petroleum Products Marketing Company continues along the path of development ,expansion and manage new stations, Until the third quarter of 2021, it was opened and managed : Al-Hayat Tower Gas Station/Al-Qwaira; Khrais Gas Station/Irbid; Al-Jundi Station / Zarqa; ; Al Jaloudi Gas Station/radio area; Sakhr Al-Sukhour Gas Station / Giza; Sokhna Station ; Al-Hourani Station / Radio Area ; Al-Enaizat Station / Abu Nseir; Al-Halles Station/ Al-Quwirah; Jerash station / Kufr-Khal ; Wadi Mousa station / Petra, Al-raei station/Mafraq; Om Al-basateen station/Na'ur, Ismael Al-Khateeb station/Ma'an and Al-Karak station/Zai and Luzi Gas Station/Jubeiha.

It is planned until the end of the year 2021 to open and manage Al-Tareeq Al-Khalfi Gas Station/Aqaba; Al-Sakka Gas Station/100th Street; Al-al bayt University Station ; Royal Court Station and Al-azraq Base Station and Al-Gardens street station/Amman . Moreover, the Company will renovate older gas stations.

The customer orders transfer system has also been upgraded by Jordan Petroleum Products Marketing Company during the third quarter of 2021 through the activation of smart applications through smart systems for fuel orders and the transfer and automatic submission of station orders, in addition to activating the electronic payment service for all services provided by the Company through Efawateercom, re-loading of cards, or e-pre-payments for home distribution orders and factories' and companies' orders.

The automation system for the gas stations and the electronic cards system have also been upgraded by adding the feature of activation of the card's password service, controlling the vehicle's expense and fuel consumption according to the mileage in kilo meters indicated by the vehicle's odometer, or through linking the vehicle to the Global Positioning System (GPS) tracker, as well as developing an a Radio-frequency Identification (RFID) system for filling and electronically controlling the price changes for all the owned stations, which are managed from the control room.

The company held training courses that is specialized in the recent developed health and safety management systems and the process of how to transfer the risky materials for all the transportation by truck drivers.

It is planned that until the end of 2021, the company will obtain international quality certificates in managing the quality of services and products, health and safety systems and environmental management systems with the highest internationally approved standards, and provide all the employees with an intensified training on the latest health and safety management systems, provide them with all the necessary equipment and apply the latest systems in protecting the facilities against theft and risks.

Moreover, the television monitoring system is applied to the domestic transport and distribution fleet tanks through the central control room, in addition to the automation of tank counters and their inventory and automation of home distribution customers' requests through the application of automated simulation systems with customers in terms of demand and delivery.

Smart applications will be activated to organize technical support for customers at their stations, in addition to completing the inventory automation and electronic selling systems in all managed and supplied stations.

With regard to the lube oil activity, the Company completed the project of amending the packaging designs used to package its products, as the packaging designs of size (20) liters and (25) liters are being amended in order to reduce imitation of JoPetrol oils products and come up with more attractive designs. Moreover, experimental packages have been produced, and the new designs are being registered at the Chamber of Commerce and Industry to maintain their ownership and begin producing them, and they got Preliminary approval.

As part of the factory’s renovation plan, work is under way to purchase and install a new production line to fill (1) liter packages and the tender is offering, and it is still under evaluation. Under the cost reduction plan, work is under way to purchase and install a mixing system for some of the additives as the tender is offering, in addition to expansion in importing of bulk additives in flexible tanks with a size of (20) cubic meters. And installation of solar power generating system, Moreover, they give the tender and the installation work will start during the first quarter of 2022.

The plan includes improving the general appearance of the plant and its infrastructure, completing the modernization of production lines by rehabilitating some lines, purchasing new lines, improving the storage capacity of ready-made oils by installing additional overhead tanks, as well as modernizing a set of tank pumps.

The lube oils laboratory is being renovated through purchasing new and modern testing devices in order to improve the laboratory’s reliability, qualify it to test used lube oils, and raise the level of the after-sale service. Noting that the lube oil lab has the accreditation from Jordanian standards and specifications.

As for exporting, part of the factory’s plan is to expand its exports to include Sudan and Yemen, and the expansion of export to Chad to cover all the regions of Chad, in addition to the neighboring regions, such as Libya and the Cameroon and the continuance of exporting to Lebanon, Liberia, Palestine and Georgia. Moreover, delivery vehicles of finished goods to customers are being replaced through purchasing modern vehicles.

Within the automation of work procedures plan, a radar system for Base oil and mixture tanks will be installed in the oil factory, noting that a tender has been submitted. In Addition, computerized systems are currently being upgraded to link work procedures between the various activities of the factory to become electronic.

23. Fair Value Hierarchy

a. Financial Assets and Financial Liabilities for the Company Measured at Fair Value on a Recurring Basis:

Some of the financial assets and financial liabilities are measured at fair value at the end of each financial period. The following table provides information about how the fair value of these financial assets and financial liabilities is determined (valuation techniques and key inputs used):

	Fair Value as at					
Financial Assets	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)	Fair Value Hierarchy	Valuation Techniques and Key Inputs Used	Significant Unobservable Inputs	Relationship between Unobservable Inputs and Fair Value
	JD	JD				
Financial assets at fair value						
Financial assets at fair value through comprehensive income:						
Companies' shares	2,627,906	2,257,261	Level 1	Listed prices in financial markets	Not applicable	Not applicable
Total financial assets at fair value	2,627,906	2,257,261				

There were no transfers between level 1 and level 2 during the financial period.

b. The fair value of financial assets and financial liabilities of the Company not specified at fair value on an ongoing basis:

The management believes that the book value of the financial assets and financial liabilities shown in the Company's interim condensed consolidated financial information approximates their fair values. Meanwhile, investment properties and gas stations were evaluated in the subsidiaries upon acquisition.

24. Comparative Figures

During the period ended September 30, 2021, the Group adjusted the comparative figures for the same period from the year 2020 according to International Accounting Standard No. (8), with retrospective effect, to comply with the requirements of IFRS No. 10 "Consolidated Financial Statements". This treatment affected the items of the condensed consolidated interim profit or loss statement. Moreover, the Group's results of operations, equity and cash flows were not affected, as they resulted from adjustments related to offsetting some transactions between the Company and its subsidiary companies.

- The effect of the adjustments on the items related to the period ended September 30, 2020 was as follows:

	September 30, 2020		
	Balance before the Adjustments	Effect of the Adjustments	Adjusted Balance
Condensed Consolidated Interim Profit or loss Statement	JD	JD	JD
Operating income and other	14,150,312	(2,996,505)	11,153,807
Selling and distribution expenses	(35,937,158)	2,671,856	(33,265,302)
Bank interests and commissions	(17,429,108)	324,649	(17,104,459)
		-	

25. Approval of the Condensed Consolidated Interim Financial Information

The condensed consolidated interim financial information were approved and authorized for issuance by the board of directors on October 24, 2021.