

**Travertine Company**  
**Public Shareholding Company**

**Condensed Interim Financial Statements (Unaudited)**

**30 September 2022**

**Travertine Company**  
**Public Shareholding Company**

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**Report on Review of Condensed Interim Financial Statements**

To The Board of Directors  
Travertine Company  
Public Shareholding Company  
Albalqa - Jordan

**Introduction**

We have reviewed the accompanying condensed interim financial statements of Travertine Company PLC, comprising the interim statement of financial position as at 30 September 2022, interim statement of profit or loss, interim statement of comprehensive income, interim statement of changes in equity and interim statement of cash flows for the nine-months period then ended and the notes about condensed interim financial statements. Management is responsible for the preparation and presentation of the condensed interim financial statements in accordance with International Accounting Standard number (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements number (2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial statements 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.

**Material Uncertainty Related to Going Concern**

The accompanying condensed interim financial statements have been prepared on a going concern basis, and as indicated in the interim statement of financial position the Company accumulated losses reached (97%) of its capital, and the Company suffers from financial difficulties due to liquidity problems and a major decline in sales. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. And its continuity depends on its ability to implement the management plan which is mentioned in note (6).

**Basis of Qualified Conclusion**

- During the years 2017 and 2018 the Company did not record depreciation for some of its plant and equipment related to the production factory, this resulted in a decrease in depreciation expenses by an amount of JOD (369,597), and increase in shareholders' equity by the same amount.
- We were unable to validate the balance of several accounts receivables amounting to JOD (327,380) as at 30 September 2022, as we could not receive confirmations from these receivables or perform any alternative procedures.
- We were unable to validate the balance of The Board of director's Vice-President Mr. Kem Fouad Abu Jaber debit account amounting to JOD (30,847) as at 30 September 2022.

**Qualified Conclusion**

Based on our review, with the exception of the matters described in the basis of qualified conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard number (34) "Interim Financial Reporting".

20 December 2022  
Amman - Jordan



**Arab Professionals**  
**Amin Samara**  
**License No. (481)**

**Travertine Company**  
**Public Shareholding Company**  
**Interim Statement of Financial Position as at 30 September 2022**  
**(In Jordanian Dinar)**

	<b>30 September 2022 (Unaudited)</b>	<b>31 December 2021 (Audited)</b>
<b>Assets</b>		
<b>Non - current assets</b>		
Property, plant and equipment	857,472	976,436
Right of use assets	56,228	61,581
Financial assets measured at fair value through other comprehensive income	-	1
<b>Total non - current assets</b>	<u>913,700</u>	<u>1,038,018</u>
<b>Current assets</b>		
Inventories	865,601	880,187
Spare parts and production materials	138,106	137,325
Accounts receivable	350,707	354,367
Amounts due from related parties	58,662	60,335
Other assets	60,280	58,716
Cash and cash equivalents	13,328	5,149
<b>Total current assets</b>	<u>1,486,684</u>	<u>1,496,079</u>
<b>Total assets</b>	<u><b>2,400,384</b></u>	<u><b>2,534,097</b></u>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Paid-in capital	4,600,000	4,600,000
Statutory reserve	181,803	181,803
Accumulated changes in fair value of financial assets	-	(313,505)
Accumulated losses	<u>(4,470,208)</u>	<u>(3,820,451)</u>
<b>Net equity</b>	<u>311,595</u>	<u>647,847</u>
<b>Liabilities</b>		
<b>Non - current liabilities</b>		
Credit facilities - long term	441,844	339,575
Lease obligation - long term	50,025	55,628
Deferred checks - long term	900	36,995
Amounts due to related parties	205,324	205,324
<b>Total Non - current liabilities</b>	<u>698,093</u>	<u>637,522</u>
<b>Current liabilities</b>		
Credit facilities - short term	36,000	132,000
Lease obligation - short term	6,489	7,705
Deferred checks - short term	93,696	86,988
Accounts payable	654,584	579,223
Other liabilities	599,927	442,812
<b>Total current liabilities</b>	<u>1,390,696</u>	<u>1,248,728</u>
<b>Total liabilities</b>	<u>2,088,789</u>	<u>1,886,250</u>
<b>Total equity and liabilities</b>	<u><b>2,400,384</b></u>	<u><b>2,534,097</b></u>

“The accompanying notes from (1) to (6) are an integral part of these condensed interim financial statements and read with review report”

**Travertine Company**  
**Public Shareholding Company**  
**Interim Statement of Profit or Loss for the Nine Months Ended at 30 September 2022 (Unaudited)**  
**(In Jordanian Dinar)**

	For the three months ended		For the nine months ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
Net sales	159,754	222,693	623,913	487,820
Cost of sales	(252,182)	(232,764)	(769,810)	(750,325)
<b>Gross loss</b>	<b>(92,428)</b>	<b>(10,071)</b>	<b>(145,897)</b>	<b>(262,505)</b>
Administrative expenses	(63,216)	(56,983)	(190,930)	(157,196)
Selling and distribution expenses	(3,638)	(4,119)	(8,696)	(14,234)
Finance expenses	(13,293)	(23,520)	(35,966)	(35,083)
Net of other revenues and expenses	7,650	-	7,650	-
<b>Loss for the period</b>	<b>(164,925)</b>	<b>(94,693)</b>	<b>(373,839)</b>	<b>(469,018)</b>
<b>Basic and diluted loss per share for the period</b>	<b>(0.036)</b>	<b>(0.021)</b>	<b>(0.081)</b>	<b>(0.102)</b>

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**Travertine Company**  
**Public Shareholding Company**  
**Consolidated Statement of Comprehensive Income**  
**For the Nine Months Ended at 30 September 2022 (Unaudited)**

**(In Jordanian Dinar)**

	For the three months ended		For the nine months ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
Loss for the period	(164,925)	(94,693)	(373,839)	(469,018)
<b>Other Comprehensive income items:</b>				
Changes in Fair value of Financial assets through other comprehensive income	37,587	-	37,587	-
<b>Total comprehensive loss for the period</b>	<b>(127,338)</b>	<b>(94,693)</b>	<b>(336,252)</b>	<b>(469,018)</b>

“The accompanying notes from (1) to (6) are an integral part of these condensed interim financial statements and read with review report”

**Travertine Company**  
**Public Shareholding Company**  
**Interim Statement of Changes in Equity for the Nine Months Ended at 30 September 2022 (Unaudited)**  
**(In Jordanian Dinar)**

	<u>Paid - in capital</u>	<u>Statutory reserve</u>	<u>Cumulative changes in fair value</u>	<u>Accumulated losses</u>	<u>Total</u>
<b>Balance at 1 January 2022</b>	<b>4,600,000</b>	<b>181,803</b>	<b>(313,505)</b>	<b>(3,820,451)</b>	<b>647,847</b>
Total comprehensive loss for the period	-	-	37,587	(373,839)	<b>(336,252)</b>
Sale of financial assets through other comprehensive income	-	-	275,918	(275,918)	-
<b>Balance at 30 September 2022</b>	<b><u>4,600,000</u></b>	<b><u>181,803</u></b>	<b><u>-</u></b>	<b><u>(4,470,208)</u></b>	<b><u>311,595</u></b>
<b>Balance at 1 January 2021</b>	<b>4,600,000</b>	<b>181,803</b>	<b>(286,590)</b>	<b>(3,155,625)</b>	<b>1,339,588</b>
Total comprehensive loss for the period	-	-	-	(469,018)	<b>(469,018)</b>
<b>Balance at 30 September 2021</b>	<b><u>4,600,000</u></b>	<b><u>181,803</u></b>	<b><u>(286,590)</u></b>	<b><u>(3,624,643)</u></b>	<b><u>870,570</u></b>

“The accompanying notes from (1) to (6) are an integral part of these condensed interim financial statements and read with review report”

**Travertine Company**  
**Public Shareholding Company**  
**Interim Statement of Cash Flows for the Nine Months Ended at 30 September 2022 (Unaudited)**  
**(In Jordanian Dinar)**

	30 September 2022	30 September 2021
<b>Operating activities</b>		
Loss for the period	(373,839)	(469,018)
Depreciation	119,164	133,973
Gain from sale of property, plant and equipment	(7,650)	-
Right of use assets depreciation	5,352	5,352
Lease obligation interest	5,181	5,580
<b>Changes in working capital</b>		
Accounts receivable	3,660	(39,420)
Inventories	14,586	190,886
Spare parts and production materials	(781)	2,074
Other assets	(1,564)	(6,416)
Deferred checks	(29,387)	41,107
Accounts payable	75,361	79,543
Other liabilities	157,117	44,751
<b>Net cash flows used in operating activities</b>	<b>(32,800)</b>	<b>(11,588)</b>
<b>Investing activities</b>		
Property, plant and equipment	7,450	(6,542)
Sale of financial asset through other comprehensive income	37,587	-
<b>Net cash flow from (used in) investing activities</b>	<b>42,037</b>	<b>(6,542)</b>
<b>Financing activities</b>		
Credit facilities	6,269	25,008
Amounts due from/to related parties	1,673	6,674
Lease obligation payments	(12,000)	(12,000)
<b>Net cash flows (used in) from financing activities</b>	<b>(4,058)</b>	<b>19,682</b>
<b>Net changes in cash and cash equivalents</b>	<b>8,179</b>	<b>1,552</b>
Cash and cash equivalents, beginning of year	5,149	6,585
<b>Cash and cash equivalents, end of period</b>	<b>13,328</b>	<b>8,137</b>

“The accompanying notes from (1) to (6) are an integral part of these condensed interim financial statements and read with review report”



**Travertine Company**  
**Public Shareholding Company**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**30 September 2022**  
**(In Jordanian Dinar)**

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**1 . General**

**Travertine Company PLC.** Was established on 1 June 1999 as a Public Shareholding Company and registered at the Ministry of Trade and Industry under number (338). The Company head office is in the Hashemite Kingdom of Jordan. The Company's main objective is mining to extract travertine rocks to produce all related products.

The Company shares are listed in Amman Stock Exchange.

The accompanying condensed interim financial statements were authorized for issue by the Company's Audit committee in its meeting held on 20 December 2022.

**2 . Summary of Significant Accounting Policies**

**Basis of preparation**

The condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard number (34) "Interim Financial Reporting". They do not include all of the information required in annual financial statements in accordance with IFRSs, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2021.

The condensed interim financial statements have been prepared on a historical cost basis except for investment securities, which have been measured at fair value.

The condensed interim financial statements are presented in Jordanian Dinar which is the functional currency of the Company.

The accounting policies are consistent with those used in the previous period, except for the adoption of new and amended standards effective as at the beginning of the year.

**Use of estimates**

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

Management believes that the estimates are reasonable and are as follows:

- Management reviews periodically the tangible assets in order to assess the depreciation for the year based on the useful life and future economic benefits. Any impairment is taken to the interim statement of profit or loss.
- The measurement of impairment losses under IFRS 9 requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. Elements of the expected credit loss model that are considered accounting judgments and estimates include Probability of default (PD), Loss given default (LGD) and Exposure at default (EAD).
- Inventories are held at the lower of cost or net realizable value. When inventories become old or obsolete, an estimate is made of their net realizable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.
- Because of the nature of this industry, management is using its judgment for identifying some of the travertine rock quantities.

### **3 . Income tax**

- The Company has settled its tax liability with the Income Tax Department up to the year 2020.
- The income tax return for the year 2021 have been filed with the Income Tax Department, but the Department has not reviewed the Company's records till the date of this report.
- No income tax provision has been calculated for the nine months period ended at 30 September 2022, because the taxable expenses exceed the taxable income, and due to the existence of accumulated taxable losses.

### **4 . Contingent liabilities**

- The Company is contingently liable against several labor rights lawsuits filed against the Company, currently these cases are pending for future sessions.
- The Company is contingently liable against letters of guarantees amounting to JOD (19,000).

### **5 . Fair value**

The fair values of the financial assets and liabilities are not materially different from their carrying values as most of these items are either short-term in nature or re-priced frequently.

Financial assets and financial liabilities measured at fair value in the interim statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

30 September 2022	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income	-	-	-	-
31 December 2021	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income	-	-	1	1

**6 . Material Uncertainty Related to Going Concern**

The accompanying condensed interim financial statements have been prepared on a going concern basis, and as indicated in the interim statement of financial position, the Company's accumulated losses represent (97%) of its share capital, and the Company suffers from financial difficulties due to liquidity problems. This situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern, and its continuity depends on its ability to implement the management's plan, which includes starting the necessary maintenance needed for equipment to increase productivity, selling and utilizing the idle blocks and products in competitive prices. The Company will also focus on local and foreign marketing and introduce new products and ores, especially Basalt.