

MEDITERRANEAN TOURISM INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED
MARCH 31, 2023
TOGETHER WITH REVIEW REPORT

MEDITERRANEAN TOURISM INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
MARCH 31, 2023

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Review Report

AM/ 007833

To the Chairman and Members of the Board of Directors
Mediterranean Tourism Investment Company
(A Public Shareholding Limited Company)
Amman – Jordan

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Mediterranean Tourism Investment Company (A Public Shareholding Limited Company), as of March 31, 2023 and the related condensed interim statement of profit or loss and comprehensive income, changes in shareholders' equity, and statement of cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Company". A review of condensed 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 the accompanying condensed interim financial statements for Mediterranean Tourism Investment Company (A Public Shareholding Limited Company) are not prepared in accordance with International Accounting Standard No. (34) related to Interim Financial Reporting.

Other Matter

The accompanying condensed interim financial information are a translation of the condensed interim financial information in the Arabic language to which reference is to be made.

Amman – Jordan
April 27, 2023



Deloitte & Touche (M.E.) – Jordan

Deloitte & Touche (M.E.)
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MEDITERRANEAN TOURISM INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

<u>ASSETS</u>	<u>Note</u>	March 31, 2023 (Reviewed not Audited) JD	December 31, 2022 (Audited) JD
Non-Current Assets:			
Property and equipment - net	4	58,726,942	59,096,655
Financial assets at fair value through other comprehensive income	5	<u>325,811</u>	<u>355,233</u>
Total Non-Current Assets		<u>59,052,753</u>	<u>59,451,888</u>
Current Assets:			
Inventory		177,377	194,210
Other debit balances		349,286	226,783
Accounts receivables - net		557,893	676,680
Deferred tax assets		956,730	956,730
Cash on hand and at bank	6	<u>1,061,339</u>	<u>2,658,909</u>
Total Current Assets		<u>3,102,625</u>	<u>4,713,312</u>
Total Assets		<u>62,155,378</u>	<u>64,165,200</u>
<u>SHAREHOLDERS' EQUITY AND LIABILITIES</u>			
Shareholders' Equity:			
Paid-up capital	7/a	45,000,000	45,000,000
Share premium	7/b	63,624	63,624
Statutory reserve		4,633,805	4,633,805
Fair value reserve		(90,523)	(61,101)
Accumulated losses		(1,651,340)	(1,651,340)
Profit for the period		25,434	-
Shareholders' Equity - net		<u>47,981,000</u>	<u>47,984,988</u>
Current Liabilities:			
Accounts payable		1,127,057	874,496
Due to a related party	13	108,677	266,402
Other credit balances	8	1,098,334	1,508,646
Loans - short term	9	2,384,173	2,071,449
Income tax provision	10	<u>268,205</u>	<u>268,205</u>
Total Current Liabilities		<u>4,986,446</u>	<u>4,989,198</u>
Non Current Liabilities:			
Loans - Long term	9	<u>9,187,932</u>	<u>11,191,014</u>
Total Non current Liabilities		<u>9,187,932</u>	<u>11,191,014</u>
Total Liabilities		<u>14,174,378</u>	<u>16,180,212</u>
Total Shareholders' Equity and Total Liabilities		<u>62,155,378</u>	<u>64,165,200</u>

Board of Directors Chairman

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

MEDITERRANEAN TOURISM INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
(REVIEWED NOT AUDITED)

	<u>Note</u>	For the Three-Month Period	
		Ended on March 31,	
		2023	2022
		JD	JD
Four Seasons Hotel operating revenue	11	3,890,793	3,381,170
<u>Less:</u> Operating expenses - Four Seasons Hotel		(745,484)	(603,026)
General and administrative expenses-Four Seasons Hotel		(2,262,974)	(1,835,895)
Hotel Gross Operating Profit		882,335	942,249
Other revenue		30,161	22,769
General and administrative expenses - Owing Company		(20,330)	(22,804)
Depreciation of property and equipment		(578,246)	(580,555)
Bank interest expense		(116,956)	(107,650)
Management fees		(171,530)	(174,299)
Profit for the Period		25,434	79,710
		JD/Share	JD/Share
Earning per Share for the Period - (Basic and Diluted)	12	0,0006	0,0018

Board of Directors Chairman

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MEDITERRANEAN TOURISM INVESTMENT COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF COMPREHINSIVE INCOME

(REVIEWED NOT AUDITED)

	For the Three-Month	
	Period Ended March 31,	
	<u>2023</u>	<u>2022</u>
	JD	JD
Profit for the period	25,434	79,710
Other comprehensive income items which will not be reclassified to condensed interim statement of income in subsequent period		
Net change in fair value reserve	<u>(29,422)</u>	<u>(74,471)</u>
Total (Comprehensive loss) Comprehensive Income for the Period	<u><u>(3,988)</u></u>	<u><u>5,239</u></u>

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MEDITERRANEAN TOURISM INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(REVIEWED NOT AUDITED)

	Paid-up Capital	Share Premium	Statutory Reserve	Fair Value Reserve	(Accumulated losses)	Profit for the Period	Total
	JD	JD	JD	JD	JD	JD	JD
For the Three-Month Period Ended on March 31, 2023							
Balance - beginning of the period (Audited)	45,000,000	63,624	4,633,805	(61,101)	(1,651,340)	-	47,984,988
Profit for the period	-	-	-	-	-	25,434	25,434
Changes in fair value reserve	-	-	-	(29,422)	-	-	(29,422)
Total (Comprehensive loss) for the Period	-	-	-	(29,422)	-	25,434	(3,988)
Balance - Ending of the Period (Reviewed)	<u>45,000,000</u>	<u>63,624</u>	<u>4,633,805</u>	<u>(90,523)</u>	<u>(1,651,340)</u>	<u>25,434</u>	<u>47,981,000</u>
For the Three-Month Period Ended on March 31, 2022							
Balance - beginning of the period (Audited)	45,000,000	63,624	4,527,346	(293)	(3,353,283)	-	46,237,394
Profit for the period	-	-	-	-	-	79,710	79,710
Changes in fair value reserve	-	-	-	(74,471)	-	-	(74,471)
Total Comprehensive Income for the Period	-	-	-	(74,471)	-	79,710	5,239
Balance - Ending of the Period (Reviewed)	<u>45,000,000</u>	<u>63,624</u>	<u>4,527,346</u>	<u>(74,764)</u>	<u>(3,353,283)</u>	<u>79,710</u>	<u>46,242,633</u>

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MEDITERRANEAN TOURISM INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONDENSED INTERIM STATEMENT OF CASH FLOWS
(REVIEWED NOT AUDITED)

	Note	For the Three-Month Period	
		Ended on March 31,	
		2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		JD	JD
Profit for the period		25,434	79,710
Adjustments :			
Depreciation of property and equipment		578,246	580,555
Interest expenses		116,956	107,650
Bank interest income		(1,378)	(622)
Expected credit loss provision		-	7,308
Cash Flows from operating activities before change in working capital		719,258	774,601
Decrease (Increase) in accounts receivables		118,787	(130,498)
Decrease in inventory		16,833	7,808
(Increase) in other debit balances		(122,503)	(175,285)
Increase (Decrease) in accounts payable		252,561	(78,501)
(Decrease) in due to a related party		(157,725)	(51,943)
(Decrease) Increase in other credit balances		(463,109)	126,090
Net Cash Flows from Operating Activities		364,102	472,272
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Purchases) of property and equipment	4	(208,533)	(254,209)
Bank interest received		1,378	622
Net Cash Flows (used in) Investing Activities		(207,155)	(253,587)
CASH FLOWS FROM FINANCING ACTIVITIES:			
(Decrease) in Loans		(1,690,358)	(382,912)
Interest expenses paid		(64,159)	(61,702)
Net Cash Flows (used in) from Financing Activities		(1,754,517)	(444,614)
(Decrease) in Cash		(1,597,570)	(225,929)
Cash on hand and at bank - beginning of the period		2,658,909	1,579,706
Cash on Hand and at Bank - End of the Period	6	1,061,339	1,353,777

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MEDITERRANEAN TOURISM INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
(REVIEWED NOT AUDITED)

1. General

- Mediterranean Tourism Investment Company is a Public Shareholding Limited Company that was established on November 20, 1996 in Amman – Hashemite kingdom of Jordan with an authorized capital of JD 15 Million represented by 15,000,000 shares at a par value of one Jordanian Dinar per share. This capital has been increased several times, and the last of which was in 2003 to become JD 45 Million.
- The Company's main objectives are establishment and management of hotels, resorts and hotel facilities as well as the building of hotels, restaurants and swimming pools, including establishment and operating Four Seasons Hotel in Amman.
- The Company and Four Seasons Hotels and Resorts Corporation signed an agreement for managing the Four Seasons Hotel in Amman on January 27, 1997, the agreement is valid for 15 years effective from the actual commencement of the Hotel's operations which started during 2003, and it was automatically renewed for 15 years and valid till the 27th of January 2033. The Hotel consists of 193 rooms, and according to this agreement the agreed fees should be paid for the management of the Four Seasons Hotels International.

Deficit of working capital and the company as going concern

The deficit in the working capital of the company, as of March 31, 2023, amounted to around JD 2 million (December 31, 2022: around JD 276 thousand) resulting from obtaining loans that are due within a year and early settled of some loans within three months in the amount of JD 1.8 million.

2. Significant Accounting Policies

a. Basis of preparation of the Condensed Interim Financial Statements

- The accompanying condensed interim financial information of the Company for the three months ended March 31, 2023 have been prepared in accordance with International Accounting Standard (IAS) 34 relating to Interim Financial Reporting.
- The condensed interim financial information are prepared on the historical cost basis except for the financial assets and financial liabilities, which are presented at their fair value as of the condensed interim financial statements date.
- The condensed interim financial information are stated in Jordanian Dinar, which represents the functional currency for the Company.
- The condensed interim financial information do not include all information and disclosures required for the annual financial statements prepared in accordance with International Financial Reporting Standards. Moreover, the results of operations for the three-month period ended March 31, 2023 do not necessarily provide an indication of the expected results of operations for the year ending December 31, 2023 and should be read with the annual report as of December 31, 2023.
- The Company has not booked statutory reserve amounts for profits of the three-month period ended March 31, 2023 as required by the Jordanian companies' law and issued regulations, as these are interim financial results, and deductions are booked at the end of the entity's fiscal period.

Significant Accounting Policies

The accounting policies used in the preparation of the condensed interim financial information for the period ended on March 31, 2023 are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2022. However, the following revised IFRS standards, which became effective for financial periods beginning on or after January 1, 2023, were followed in preparing the Company condensed interim financial information, which did not materially affect the amounts and disclosures contained in the condensed 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.

IFRS 17 Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the Board issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after January 1, 2023. At the same time, the Board issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after January 1, 2023.

In December 2021, the IASB issued Initial Application of IFRS 17 and IFRS 9—Comparative Information (Amendment to IFRS 17) to address implementation challenges that were identified after IFRS 17 was published. The amendment addresses challenges in the presentation of comparative information.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application. Modifications are applied retroactively, unless impractical, in this case, the modified retroactively or fair value approach is applied.

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

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or noncurrent is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services, amendment apply retrospectively.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2 amendment apply retrospectively.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors

The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments.

Amendments to IAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
 - Right-of-use assets and lease liabilities
 - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset.

The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

3. Judgements, Estimates, & risk management

Preparation of the condensed interim financial information and the application of the Company's accounting policies require the Company's management to make judgments and estimates that affect the financial assets and financial liabilities balances and disclosure of contingent liabilities. They also affect revenue, expenses, provisions, expected credit loss and changes in the investment valuation reserve that appear in the condensed interim statement of comprehensive income and within shareholders' equity. In particular, this requires the Company's management to make significant judgments to estimate future cash flows and their timing. The mentioned estimates are necessarily based on different assumptions and factors that have varying amounts of estimation and uncertainty, and the actual results may differ from estimates due to changes stemming from those estimates future circumstances.

We believe that the estimates and assumptions adopted in preparing these condensed interim financial information are reasonable and consistent with those used in the year ended 2022.

4. Property and Equipment - Net

Additions to property and equipment amounted to JD 208,533 during the three months of 2023 (JD 254,209 for the same period of the year 2022).

5. Financial Assets at Fair Value through Other Comprehensive Income

This item consists of the following:

	March 31, 2023	December 31, 2022
	JD	JD
Quoted shares in Amman Stock Exchange	319,291	348,713
Un-quoted shares in Amman Stock Exchange	6,520	6,520
	<u>325,811</u>	<u>355,233</u>

6. Cash on Hand and at Bank

This item consists of the following:

	March 31, 2023	December 31, 2022
	JD	JD
Cash on hand	14,000	14,000
Current accounts at bank	278,050	1,534,533
Deposits at bank *	769,289	1,110,376
	<u>1,061,339</u>	<u>2,658,909</u>

* This item represents deposits in Jordanian Dinar and US Dollars with an annual interest rate between 1.25% and 2.25%.

Balances with bank are assessed to have low credit risk of default since this bank are highly regulated by the Central Bank of Jordan. Accordingly, the Company's management estimates the provision of loss on balances with bank at the end of the reporting period at an amount equal to 12 month expected credit loss. Taking into account the historical default experience and the current credit ratings of the bank, the Company's management have assessed that there is no impairment, hence no provision was recorded on these balances.

7. Paid-up Capital and Share Premium

a. Paid-up capital:

The paid-up capital amounted to JD 45 million divided into 45 million shares and each share amounted to one Jordanian Dinar as of March 31, 2023 and December 31, 2022, moreover, there were no changes over the paid-up capital during the current and previous period.

b. Share premium:

The share premium amounted to JD 63,624 as of March 31, 2023 and December 31, 2022.

8. Other Credit Balances

This item consists of the following:

	March 31, 2023	December 31, 2022
	JD	JD
Accrual expenses	140,180	490,083
Advance payments from customers	480,387	298,043
Advance rent payments	44,074	30,720
Income and sales tax withholdings	129,528	43,612
Increments for Hotel's employees	-	273,441
Board members bonus	-	55,000
Shareholders' withholdings	58,642	58,642
Employees vacation provision	137,687	137,753
Other credit balances	107,836	121,352
	1,098,334	1,508,646

9. Loans

This item consists of the following:

	March 31, 2023 (Reviewed)		December 31, 2022 (Audited)	
	Short Term	Long Term	Short Term	Long Term
	JD	JD	JD	JD
Loan (1) *	-	3,316,550	-	3,291,103
Loan (2) **	1,185,957	5,853,627	873,233	5,810,146
Loan (3) ***	1,198,216	17,755	1,198,216	2,089,765
	2,384,173	9,187,932	2,071,449	11,191,014

* The company has been granted a loan with a limit of JD 2 million from the Arab Jordan Investment Bank (related party) within the Central Bank's program to support the tourism economic sectors during the year 2019, the limit was increased during the year 2020 by JD 1 million and during 2021 by JD 1 million to become JD 4 million with an interest rate of 2.75%, and the loan was fully utilized during the year ended December 31, 2022, and an amount of JD 709 thousand was settled out of the loan's amount in 2022, and the increase in the limit by JD 700 thousand and the loan rescheduling has been approved and the company granted two- year grace period and the next installment will be due in January 2025, and the last installment is due on July 31, 2029 and an amount of JD 25 thousand was utilized. The purpose of obtaining the loan is to renovate and modernize the hotel floors and other facilities, pay the salaries of employees and support working capital, including bills and benefits for suppliers.

** The company has been granted a loan limit of USD 14 million from the Arab Jordan Investment Bank during the year 2021 (related party), then the loan limit was reduced to USD 12.5 million during the third quarter of the year 2022 at an interest rate of 4.5% and utilized around USD 9.427 million of the loan granted to be settled over equal quarterly installments, including a two-year grace period, with the first installment due on April 30, 2023 and the last installment on January 30, 2031. The purpose of granting the loan is to modernize the hotel floors and other facilities.

*** The Company has been granted a loan with a limit of USD 8.45 million from Cairo Amman Bank with a variable interest of 5.5%, and around USD 6.750 million were utilized from the original loan granted, and USD 2,112 million was settled out of the loan's amount till the 2023, and an advance payment in the amount of USD 2.5 million was paid, the rest of the loan installments are to be paid according to equal and consecutive monthly installments, and the first installment is due on October 31, 2021 and the last installment on 30 April 2024. The purpose of this loan is to renovate the hotel rooms and other facilities

10. Income Tax provision

a. Income Tax provision

The movement of the income tax provision is as the following:

	March 31, 2023	December 31, 2022
	JD	JD
Beginning balance for the period/year	268,205	55,286
Income tax for the period/year	-	212,919
Ending Balance for the Period/year	268,205	268,205

b. Deferred tax assets

This item consists of the following:

	For the Three-Month Period Ended March 31, 2023			March 31, 2023	December 31, 2022
	beginning of the year Balance JD	Added amounts JD	End of year balance JD	Deferred tax JD	Deferred tax JD
<u>Included accounts</u>					
<u>Deferred tax assets</u>					
The realized losses for the years 2020 and 2021	4,783,651	-	4,783,651	956,730	956,730
	<u>4,783,651</u>	<u>-</u>	<u>4,783,651</u>	<u>956,730</u>	<u>956,730</u>

- The Company has reached a final settlement with Income Tax Department up to the year 2018. Noting that income tax returns for the year 2019 to 2022 have been submitted but not reviewed by Income Tax Department yet. In the opinion of the Management and its tax advisor, the booked provisions are sufficient to meet the tax obligations.
- The Management did not book income tax expense for the three-month period ended March 31, 2023 because there are acceptable accumulated losses.
- Mediterranean Tourism Investment Company (Four Seasons Hotel) has been granted exemptions from taxes and customs fees related to capital expenditures (for the purpose of the renovation), in accordance with article (3.C) of the Investment Incentives law No. 33 for the year 2015 issued under article (4) of the Investment law No. 30 for the year 2014, this exemption will expire on July 11, 2022.

11. Four Seasons Hotel Operating Revenue

This item consists of the following:

	For the Three-Month Period Ended March 31,	
	2023	2022
	JD	JD
Rooms Revenue	1,489,987	1,435,473
Food Revenue	1,361,712	1,024,663
Beverage Revenue	259,725	262,275
Banqueting Revenue	225,709	177,312
Other	553,660	481,447
	<u>3,890,793</u>	<u>3,381,170</u>

12. Earnings per Share for the Period

This item consists of the following:

	For the Three-Month Period Ended March 31,	
	2023	2022
	JD	JD
Profit for the period	25,434	79,710
Weighted-average number of shares	45 million	45 Million
	JD/Share	JD/Share
Earnings per Share for the Period-Basic and Diluted	0/0006	0/0018

13. Related Parties Transactions and Balances

The details of balances and transactions with related parties are as follows:

	March 31, 2023	December 31, 2022
On-Financial Position Items		
Cash at Bank:		
Deposits and current accounts – AJIB *	1,047,339	2,644,830
Accounts Receivable:		
Board of Directors members	23,614	11,059
Due to a related party:		
Four Seasons Hotels and Resorts International **	108,677	266,402
Loan:		
Arab Jordan Investment Bank *	10,356,179	9,974,482
Investment:		
Investment in AJIB *	37,291	36,713
Off-Financial Position Items:		
Bank Guarantees - AJIB *	15,586	15,586

<u>Items in the condensed interim Income Statement:</u>	For the Three-Month Period Ended on March 31,	
	2023	2022
	JD	JD
Four Seasons Hotels and Resorts International management fees **	171,530	174,299
Bank interest income - AJIB *	6,041	622
Hotel executive management salaries and benefits	136,773	149,948
Bank interest expenses – AJIB*	86,285	67,625

* Arab Jordan Investment Bank (AJIB) is a shareholder with ownership of 9,63% of the Mediterranean Tourism Investment Company paid-up capital and also a member on the company's board of directors.

** The operator company of the hotel business.

14. Business Segments

a. Information about the Company's Business Segments

The Company mainly owns the Four Seasons Hotel noting that the Company's registration including building a residence and managing hotels and resorts, hotels preparations and constructing hotels, restaurants, and swimming pools. Note (11) illustrates the distribution of the Hotel's revenue.

b. Information about Geographical Distribution

Major Company's assets, liabilities, and operations are in the Hashemite Kingdom of Jordan.

15. Lawsuits

There are lawsuits raised against the Company amounting to JD around 150 thousand at the designated courts as of March 31, 2023 and December 31, 2022. The Company has booked a provision of the amount of around JD 40 thousand as of March 31, 2023 and December 31, 2022 for these lawsuits and the Management and the legal consultant believe that the Company should not book any additional provision for these cases.

16. Contingent Liabilities

As of the date of the financial position, the Company had contingent liabilities represented in bank guarantees with an amount of JD 15,586 as of March 31, 2023 (bank guarantees of JD 15,586 as of March 31, 2022).

17. Fair Value Hierarchy

a. Fair value of financial assets and financial liabilities that are 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 reporting period. The following table gives information about how the fair value of these financial assets and financial liabilities are determined (valuation techniques and key inputs).

	Fair Value		Fair Value Hierarchy	Valuation Techniques and Key Inputs	Significant Unobservable Inputs	Relationship of Significant Unobservable Inputs to Fair Value
	March 31, 2023 (Reviewed)	December 31, 2022 (Audited)				
Financial Assets/ Financial Liabilities	March 31, 2023 (Reviewed)	December 31, 2022 (Audited)				
	JD	JD				
Financial assets at fair value through other comprehensive income						
Quoted shares	319,291	348,713	Level 1	Listed prices in the financial markets	Not Applicable	Not Applicable
Unquoted shares	6,520	6,520	Level 2	Through using the latest financial information available	Not Applicable	Not Applicable
Total	325,811	355,233				

There were no transfers between Level 1 and 2 during the period ended March 31, 2023.

b. Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis:

Except for what is set out in the table below, we believe that the carrying amount of financial assets and liabilities shown in the condensed interim financial statements approximates their fair value because the Company's management believes that the carrying value of the items is equivalent to their fair value. This is due to either maturity or short-term interest rates repriced during the period.

	March 31, 2023 (Reviewed)		December 31, 2022 (Audited)		Fair Value Hierarchy
	Book Value	Fair Value	Book Value	Fair Value	
Financial assets not calculated at fair value	JD	JD	JD	JD	
Deposits at bank	769,289	769,289	1,110,376	1,110,376	Level 1
Total financial assets not calculated at fair value	<u>769,289</u>	<u>769,289</u>	<u>1,110,376</u>	<u>1,110,376</u>	

The fair values of the above financial assets and financial liabilities included in level 2 and 3 categories have been determined in accordance with the generally accepted pricing models, which reflects the credit risk of counterparties.

18. Approval of interim condensed financial information

These interim condensed financial information for the three months ended March 31, 2023, were approved by the management on April 25, 2023.