

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

CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE-MONTH PERIOD ENDED  
SEPTEMBER 30, 2021  
TOGETHER WITH REVIEW REPORT

MEDITERRANEAN TOURISM INVESTMENT COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN  
SEPTEMBER 30, 2021

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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 September 30, 2021 and the related condensed interim statement of profit or loss and comprehensive income for the three and nine-month period then ended, changes in shareholders' equity, and statement of cash flows for the nine-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 Matters**

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  
October 28, 2021

Deloitte & Touche (M.E.) – Jordan

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

	Note	September 30, 2021 (Reviewed not Audited) JD	December 31, 2020 (Audited) JD
<u>ASSETS</u>			
Non-Current Assets:			
Property and equipment - net	4	60,593,896	58,203,720
Financial assets at fair value through other comprehensive income	5	340,860	367,681
Total Non-Current Assets		60,934,756	58,571,401
Current Assets:			
Inventory		180,126	210,854
Other debit balances		207,111	155,105
Accounts receivables - net		424,584	157,367
Cash on hand and at bank	6	1,739,216	488,999
Total Current Assets		2,551,037	1,012,325
Total Assets		63,485,793	59,583,726
<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		4,527,346	4,527,346
Fair value reserve		(75,474 )	(48,653)
Accumulated losses		(2,037,075 )	(2,037,075)
(Loss) for the period		(1,448,673 )	-
Shareholders' Equity - net		46,029,748	47,505,242
Current Liabilities:			
Accounts payable		983,897	561,117
Due to a related party	13	183,001	171,140
Other credit balances	8	1,088,928	741,591
Loans - short term	9	1,698,208	2,838,044
Income tax provision	10	55,286	55,286
Total Current Liabilities		4,009,320	4,367,178
Non Current Liabilities:			
Loans - Long term	9	13,446,725	7,711,306
Total Non current Liabilities		13,446,725	7,711,306
Total Liabilities		17,456,045	12,078,484
Total Shareholders' Equity and Total Liabilities		63,485,793	59,583,726

Board of Directors Chairman

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM  
FINANCIAL STATEMENTS 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)

	Note	For the Three-Month Period		For the Nine-Month Period	
		Ended on September 30,		Ended on September 30,	
		2021	2020	2021	2020
		JD	JD	JD	JD
Four Seasons Hotel operating revenue	11	3,364,147	909,010	5,000,697	3,354,098
<u>Less:</u> Four Seasons Hotel cost of revenue		(654,797)	(275,000)	(1,082,640)	(836,228)
General and administrative expenses-Four Seasons Hotel		<u>(1,696,453)</u>	<u>(1,213,437)</u>	<u>(3,525,957)</u>	<u>(3,724,223)</u>
Hotel Gross Operating Profit (Loss)		1,012,897	(579,427)	392,100	(1,206,353)
Other revenue		30,122	130,915	77,657	206,159
General and administrative expenses - Owner Company		(48,000)	(34,194)	(103,894)	(89,834)
Depreciation of property and equipments		(638,683)	(437,406)	(1,510,739)	(1,309,859)
Bank interest expense		(112,609)	(1,017)	(112,609)	(28,874)
Management fees		(118,831)	(24,599)	(159,105)	(89,660)
Expected credit loss provision		<u>-</u>	<u>-</u>	<u>(32,083)</u>	<u>(7,308)</u>
(Loss) for the period before tax expense		124,896	(945,728)	(1,448,673)	(2,525,729)
Income tax for the period	10	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(Loss) for the Period		<u>124,896</u>	<u>(945,728)</u>	<u>(1,448,673)</u>	<u>(2,525,729)</u>
		<u>JD/Share</u>	<u>JD/Share</u>	<u>JD/Share</u>	<u>JD/Share</u>
(Losses) per Share for the Period - (Basic and Diluted)	12	<u>0/003</u>	<u>(0/021)</u>	<u>(0/032)</u>	<u>(0/056)</u>

Board of Directors Chairman

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MEDITERRANEAN TOURISM INVESTMENT COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

(REVIEWED NOT AUDITED)

	For the Three-Month		For the Nine-Month	
	Period Ended September 30,		Period Ended September 30,	
	2021	2020	2021	2020
	JD	JD	JD	JD
(Loss) for the period	124,896	(945,728)	(1,448,673)	(2,525,729)
Other comprehensive income items which will not be reclassified to condensed interim statement of profit or loss in subsequent periods:				
Net change in fair value reserve	-	(6,578)	(26,821)	(29,368)
Total (Comprehensive loss) for the Period	<u>124,896</u>	<u>(952,306)</u>	<u>(1,475,494)</u>	<u>(2,555,097)</u>

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FINANCIAL STATEMENTS AND SHOULD BE READ WITH THE ACCOMPANYING REVIEW REPORT.

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) Retained Earnings	(Loss) for the Period	Total
<u>For the Nine-Month Period Ended on September 30, 2021</u>	JD	JD	JD	JD	JD	JD	JD
Balance - beginning of the period (Audited)	45,000,000	63,624	4,527,346	(48,653)	(2,037,075)	-	47,505,242
Changes in fair value reserve	-	-	-	(26,821)	-	-	(26,821)
(Loss) for the period	-	-	-	-	-	(1,448,673)	(1,448,673)
Total (Comprehensive loss) for the Period	-	-	-	(26,821)	-	(1,448,673)	(1,475,494)
Balance - Ending of the Period (Reviewed)	45,000,000	63,624	4,527,346	(75,474)	(2,037,075)	(1,448,673)	46,029,748
<u>For the Nine-Month Period Ended on September 30, 2020</u>							
Balance - beginning of the period (Audited)	45,000,000	63,624	4,527,346	(64,465)	1,612,528	-	51,139,033
Changes in fair value reserve	-	-	-	(29,368)	-	-	(29,368)
(Loss) for the period	-	-	-	-	-	(2,525,729)	(2,525,729)
Total (Comprehensive loss) for the Period	-	-	-	(29,368)	-	(2,525,729)	(2,555,097)
Balance - Ending of the Period (Reviewed)	45,000,000	63,624	4,527,346	(93,833)	1,612,528	(2,525,729)	48,583,936

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

		For the Nine-Month Period Ended on September 30,	
	Note	2021	2020
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
(Loss) for the period before tax		(1,448,673)	(2,525,729)
Adjustments:			
Depreciation of property and equipment		1,510,739	1,309,859
Interest expenses paid		112,609	28,874
(Gain) from sale of property and equipment		-	(44,112)
Bank interest income		(1,396)	(10,820)
Expected credit loss provision		32,083	7,308
Cash Flows from (used in) Operating Activities Before Change in Working Capital		205,362	(1,234,620)
(Increase) decrease in accounts receivables		(299,300)	298,649
Decrease in inventory		30,728	141,279
(Increase) in other debit balances		(52,006)	(112,367)
Increase (decrease) in accounts payable		422,780	(76,546)
Increase (decrease) in due to a related party		11,861	(135,936)
Increase (decrease) in other credit balances		347,337	(275,635)
Cash flows from (used in) Operating activities before Income Tax Paid		666,762	(1,395,176)
Income tax paid	10	-	(17,023)
Net Cash Flows from (used in) Operating Activities		666,762	(1,412,199)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property and equipment	4	(3,900,915)	(5,291,978)
Proceeds from sale of property and equipment		-	44,112
Bank interest received		1,396	10,820
Net Cash (used in) Investing Activities		(3,899,519)	(5,237,046)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase in loans	9	4,595,583	2,028,050
Interest expenses paid		(112,609)	(118,255)
Net Cash Flows from Financing Activities		4,482,974	1,909,795
Increase (Decrease) in Cash		1,250,217	(4,739,450)
Cash on hand and at bank - beginning of the year		488,999	4,950,268
Cash on Hand and at Bank - End of the Period	6	1,739,216	210,818

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

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**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 have 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 27<sup>th</sup> 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.
- During the years 2019 and 2020, the Four Seasons Hotel in Amman was re-modernized, Four Seasons, the renovation work completed during the year 2021.

**Deficit of working capital and the company's continuing as going concern**

The deficit in the working capital of the company as of September 30, 2021 amounted to about JD 1.5 million (December 31, 2020: about JD 3.35 million), resulting from obtaining loans that are due within a year and suspension of the hotel operations as a result of the COVID-19 pandemic, these loans were utilized for facilities renovation. During the month of July of the current year, the hotel completed its renovation work and resumed its operational activities, which contributed to the generation of operational profits and a reduction in the working capital deficit.

**2. Significant Accounting Policies**

**a. Basis of preparation of the Condensed Interim Financial Statements**

- The accompanying condensed interim financial statements of the Company for the nine months ended September 30, 2021 have been prepared in accordance with International Accounting Standard (IAS) 34 relating to Interim Financial Reporting.
- The condensed interim financial statements 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 statements are stated in Jordanian Dinar, which represents the functional currency for the Company.
- The condensed interim financial statements 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 nine-month period ended September 30, 2021 do not necessarily provide an indication of the expected results of operations for the year ending December 31, 2021 and should be read with the annual report as of December 31, 2020.

- The Company has not booked statutory reserve amounts for profits for the period ended September 30, 2021 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 condensed interim financial information are consistent with the accounting policies that were followed in preparing the financial statements for the year ending on December 31, 2020. However, the following revised IFRSs were followed which became effective for financial periods beginning on or After the first of January 2021, in preparing the interim condensed financial statements of the company, 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.

#### **Interest Rate Benchmark Reform - Phase 2 amendments**

Effective from January 1, 2021, the Company has implemented Interest Rate Benchmark Reform - Phase 2 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 relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities and hedge accounting.

The amendments require an entity 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 linked to Inter Bank Offered Rate maturing beyond the year 2021 and it was found that there is no material impact of the interest rate reform on the Company's results

### **3. Judgements, Estimates, & risk management**

Preparation of the condensed interim financial statements 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 statements are reasonable and consistent with those used in the year ended 2020.

### **The impact of COVID-19**

The Coronavirus (Covid-19) outbreak in early 2020 in many geographical regions around the world has caused widespread disruptions to business, with a consequential negative impact on economic activity and business. Also, this event is witnessing continuous and rapid developments, which required the Company's management to conduct an evaluation of the expected effects on the Company's business inside the kingdom, perform a study to review and evaluate potential risks, and providing additional disclosures in the condensed interim financial statements as of September 30, 2021. Furthermore, the hotel started its operational activities during the month of July 2021. Accordingly, the Company has taken the following measures to contain the crisis:

#### **a. The Company's plan to address the new Coronavirus (COVID-19) pandemic**

The Management's plan to deal with the disruption of economic activities and business related to the outbreak of the new Coronavirus (COVID-19) is as follows:

1. The company has developed a monitoring plan to respond to disruption data and available alternatives periodically.
2. The company has reviewed all of its contracts with suppliers and has organized its obligations in accordance with the cash flows.
3. Completing the Hotel's redecoration and renovation process which started in 2019.
4. Increase the stages related to the Hotel's redecoration and renovation, as the Management suspended the Hotel operations during the year 2020, the permitted works were started responding to the instructions of the Jordanian Defence Law and the instructions of the Hashemite kingdom of Jordan, and utilised the suspension of the Hotel operations to continue the Hotel's redecoration and renovation process.
5. The Hotel Management issued permits for employees with experience in the Hotel's redecoration and renovation.
6. The company did not dismiss any employee during the pandemic, as the company reduced the salaries and wages of employees and those working in the hotel business in response to the instructions of the Jordanian Defense Law.
7. The Hotel Management has studied the feasibility of providing catering services related to the hotel's restaurants and has been applied.
8. The Company has reviewed the fixed assets values and compared them with the market values, and the Management confirms that the market values of the assets exceed the net book value.

#### **b. The impact of the new Coronavirus (COVID-19) outbreak on the results of the Company's operations**

The company completed the redecoration and renovation of the hotel in July 2021, and accordingly, its impact on the company cannot be reasonably determined at the date of issuance of these financial statements. Based on the analysis prepared by the company's management so far. Management will continue to closely monitor the situation and take additional measures should the period of disturbance be prolonged. These and other related matters will be examined and their impact on the company's estimates, including the expected credit loss model for financial assets, evaluation of investments in financial assets, in addition to evaluating the indicators of impairment in the value of fixed assets and the rationality of the inputs used for this purpose in future periods.

c. The Impact of the Coronavirus (COVID-19) outbreak on the Company's liquidity levels

The company has prepared all scenarios related to the stressful situation, and the company has obtained medium and long-term loans to suit the renovation of the hotel and to enhance liquidity.

4. Property and Equipment - Net

Additions to property and equipment amounted to JD 3.9 million during the nine months of 2021 mainly representing the renovation of hotel floors and others facilities (JD 1.8 million for the same period of the year 2020).

The paid bank interest during the first nine months of 2021 amounted to around JD 113 thousand (JD 29 thousand for the same period of the year 2020).

5. Financial Assets at Fair Value through Other Comprehensive Income

This item consists of the following:

	September 30, 2021	December 31, 2020
	JD	JD
Quoted shares in Amman Stock Exchange	325,580	352,401
Un-quoted shares in Amman Stock Exchange*	15,280	15,280
	<u>340,860</u>	<u>367,681</u>

- \* The fair value for this investment is calculated using the latest available audited financial statements.

6. Cash on Hand and at Bank

This item consists of the following:

	September 31, 2021	December 31, 2020
	JD	JD
Cash on hand	10,000	10,000
Current accounts at bank	1,123,785	318,971
Deposits at bank *	<u>605,431</u>	<u>160,028</u>
	<u>1,739,216</u>	<u>488,999</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 Bank balances at the end of the reporting period at an amount equal the expected credit loss over 12 months. 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 loss 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 September 30, 2021 and December 31, 2020, 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 September 30, 2021 and December 31, 2020.

#### 8. Other Credit Balances

This item consists of the following:

	September 30, 2021	December 31, 2020
	JD	JD
Accrual expenses	371,710	251,162
Advance payments from customers	254,985	200,421
Advance rent payments	34,455	35,851
Tax withholdings	98,893	9,326
Increments for Hotel's employees	140,959	58,144
Social Security withholdings	10,673	13,105
Shareholders withholdings	58,642	58,952
Employees vacation provision	43,276	29,292
Other credit balances	75,335	85,338
	<u>1,088,928</u>	<u>741,591</u>

#### 9. Loans

This item consists of the following:

	September 30, 2021 (Reviewed)		December 31, 2020 (Audited)	
	Short Term	Long Term	Short Term	Long Term
	JD	JD	JD	JD
Loan (1) *	499,992	3,177,315	156,250	2,843,750
Loan (2) **	-	-	2,382,240	1,162,760
Loan (3) ***	1,198,216	3,586,034	299,554	3,704,796
Loan (4) ****	-	6,683,376	-	-
	<u>1,698,208</u>	<u>13,446,725</u>	<u>2,838,044</u>	<u>7,711,306</u>

\* The Company has been granted a loan with a limit of JD 2 million from the Arab Jordan Investment Bank (related party) during the year of 2020, the limit has been increased of an amount of JD 1 million during the year of 2020 and during the year of 2021 increased of an amount of JD 1 million to become JD 4 million at an interest rate of 2.75% and has been utilized by JD 3.7 million during the period ended September 30, 2021, to be settled over 96 equal and consecutive monthly installments, with a grace period of 24 months from the date of signing the contract with the first installment was due on August 31, 2021 and the last installment will be due on July 31, 2029. The purpose of this loan is to renovate the hotel rooms and other facilities, and to pay employees' salaries and to support the working capital which include invoices and suppliers entitlements.

\*\* The Company has been granted a loan with a limit of USD 5 million from the Arab Jordan Investment Bank (related party), which has been fully settled through the period ended September 30, 2021. The purpose of obtaining the loan was to renovate the hotel floors and other facilities.

\*\*\* The company obtained a loan with a limit of USD 8.45 million from Cairo Amman Bank with interest rate of 3.65%, and about USD 6.748 million was utilized from the granted loan that would be settled in 60 installments within 72 months, including a 12-month grace period, the first installment will be due on October 31, 2021. The purpose of obtaining the loan is to renovate the hotel floors and other facilities.

\*\*\*\* The company obtained a loan with a limit of USD 14 million from the Arab Jordan Investment Bank during the year 2021 (related party) then the loan limit has been reduced to USD 12.5 million during the third quarter of the year at an interest rate of 1% in addition to the LIBOR rate for every three months, and about of USD 9.427 million was utilized from the granted loan provided that should be settled in equal quarterly installments, including two years of grace period, so that the first installment will be due on April 30, 2023, and the last installment will be due on January 30, 2031. The purpose of obtaining the loan is to renovate the floors of the hotel and other facilities.

#### 10. Income Tax provision

##### a. Income Tax provision

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

	September 30, 2021	December 31, 2020
	JD	JD
Beginning balance for the period/year	55,286	76,582
Income tax paid	-	(21,296)
Ending Balance for the Period/year	55,286	55,286

- Management did not record any income tax expense during the nine-month period ended September 30, 2021, as the company incurred loss.
- The Company did not book deferred tax assets and liabilities due to immateriality, moreover, Management does not expect to benefit from these assets in the near future.
- The Company has reached a final settlement with Income Tax Department up to the year 2018. Noting that income tax returns for the years 2019 and 2020 has 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.
- 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 to 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 Nine-Month Period Ended September 30,	
	2021	2020
	JD	JD
Rooms Revenue	1,717,727	900,454
Food and beverage revenue	2,220,644	1,470,254
Banqueting Revenue	312,349	277,745
Other	749,977	705,645
	5,000,697	3,354,098

#### 12. (Losses) per Share for the Period

This item consists of the following:

	For the Three-Month Period Ended September 30,		For the Nine-Month Period Ended September 30,	
	2021	2020	2021	2020
	JD	JD	JD	JD
(Loss) for the period	124,896	(945,728)	(1,448,673)	(2,525,729)
Weighted-average number of shares	45 Million Shares	45 Million Shares	45 Million Shares	45 Million Shares
(Losses) per Share for the Period- Basic and Diluted	JD/Share 0/003	JD/Share (0/021)	JD/Share (0/032)	JD/Share (0/056)

### 13. Related Parties Transactions and Balances

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

	September 30, 2021	December 31, 2020
On-Financial Position Items:		
Cash at Bank:		
Deposits and current accounts – AJIB *	1,729,216	478,999
Accounts Receivable:		
Board of Directors members	42,498	12,579
Due to a related party:		
Four Seasons Hotels and Resorts International **	183,001	171,140
Loan:		
Arab Jordan Investment Bank *	10,360,683	6,545,000
Investment:		
Investment in AJIB *	37,580	34,401
Off-Financial Position Items:		
Bank Guarantees - AJIB *	15,586	26,586
	For the Nine-Month Period Ended September 30,	
<u>Items in the condensed interim Income Statement:</u>	<u>2021</u>	<u>2020</u>
	JD	JD
Four Seasons Hotels and Resorts International management fees **	159,105	89,660
Bank interest income - AJIB *	1,396	10,820
Hotel executive management salaries and benefits	242,145	283,240
Bank interest expenses – AJIB*	10,265	118,255

\* Arab Jordan Investment Bank (AJIB) is a shareholder and Board of Directors member 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 around JD d184 thousand at the designated courts as of September 30, 2021. The Company has booked a provision of the amount of around JD 32 thousand as of September 30, 2021 as 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 September 30, 2021 (bank guarantees of JD 26,586 as of September 30, 2020).

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).

Financial Assets/ Financial Liabilities	Fair Value		Fair Value Hierarchy	Valuation Techniques and Key Inputs	Significant Unobservable Inputs	Relationship of Significant Unobservable Inputs to Fair Value
	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)				
	JD	JD				
Financial assets at fair value through other comprehensive income						
Quoted shares	325,580	352,401	Level 1	Listed prices in the financial markets Through using the latest financial information available	Not Applicable	Not Applicable
Unquoted shares	15,280	15,280	Level 2		Not Applicable	Not Applicable
Total	340,860	367,681				

There were no transfers between Level 1 and 2 during the period ended September 30, 2021.

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.

	September 30, 2021 (Reviewed)		December 31, 2020 (Audited)		Fair Value Hierarchy
	Book Value	Fair Value	Book Value	Fair Value	
	JD	JD	JD	JD	
<b>Financial assets not calculated at fair value</b>					
Deposits at bank	605,431	605,431	160,028	160,028	Level 1
<b>Total financial assets not calculated at fair value</b>	605,431	605,431	160,028	160,028	

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 nine months ended September 30, 2021, were approved by the Board of Directors on October 20, 2021.