

Amoun International for Investments
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Consolidated financial statement
and independent auditor's report
for the year ended December 31, 2022

Amoun International for Investments
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

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Independent Auditor's Report

To Messrs. Shareholders
Amoun International for Investments
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Amoun International for Investments (Public Shareholding Company), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the consolidated Financial Statements* section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of a matter

We refer to note no. (18) of the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Independent Auditor's Report for the year ended December 31, 2022

Investment property

According to the requirements of International Financial Reporting Standards, investment property is initially measured at cost including transaction costs, and a test for impairment is made for the investment property in the consolidated statement of financial position when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication of impairment exists, impairment loss is calculated according to the assets impairment policy.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standard, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's consolidated financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



Independent Auditor's Report for the year ended December 31, 2022

As part of an audit in accordance with International Standard on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the group consolidated financial statement. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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



Independent Auditor's Report for the year ended December 31, 2022

Report on Other Legal and Regulatory Requirements

The Company has proper accounting records which are, in all material respects, consistent with the accompanying consolidated financial statements, accordingly, we recommend to approve these consolidated financial statements by the general assembly.

Talal Abu-Ghazaleh & Co. International



Mohammad Al-Azraq
(License # 1000)

Amman - February 16 ,2023

Amoun International for Investments
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Consolidated statement of financial position as at December 31, 2022

	Note	2022	2021
		JD	JD
ASSETS			
Non-current Assets			
Property and equipment	3	5,665,013	5,641,478
Investment properties	4	866,203	667,257
Intangible asset	5	4,264	8,529
Total Non-Current Assets		6,535,480	6,317,264
Current Assets			
Aragen Biotechnology Co. receivable		-	100,000
Financial assets at fair value through profit or loss	6	406,842	12,600
Other debit balances	7	62,407	53,235
Operator receivable		-	2,869
Trade receivables	8	3,080	20,170
Cash and cash equivalents	9	284,712	1,334,644
Total Current Assets		757,041	1,523,518
TOTAL ASSETS		7,292,521	7,840,782
EQUITY AND LIABILITIES			
Equity			
Capital		6,180,371	6,180,371
Statutory reserve	10	362,890	346,839
Retained earnings	11	647,747	1,204,237
Total Equity		7,191,008	7,731,447
Current Liabilities			
Loan - current portion		-	73,965
Operator payable		5,838	-
Other credit balances	12	85,352	23,419
Trade payables		10,323	11,951
Total Liabilities		101,513	109,335
TOTAL LIABILITIES AND EQUITY		7,292,521	7,840,782
Contra accounts			
Notes receivable received as to repay a debt		-	100,000

The accompanying notes form part of these financial statements

Amoun International for Investments
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Consolidated statement of comprehensive income for the year ended December 31, 2022

	Notes	2022	2021
		JD	JD
Hotel operating revenues	13	647,292	419,010
Hotel operating expenses	14	(540,980)	(319,544)
Hotel operating profit		106,312	99,466
Recovery of impairment in investment lands	4	198,946	-
Other revenues, net	15	52,037	87,230
Administrative expenses	16	(93,387)	(102,803)
Depreciation and amortization		(185,629)	(185,345)
Finance costs		(681)	(8,261)
Profit (loss)		<u>77,598</u>	<u>(109,713)</u>
Weighted average number of shares during the year		<u>6,180,371 Share</u>	<u>6,180,371 Share</u>
Basic profit (loss) per share	17	<u>JD -\013</u>	<u>JD (-\018)</u>

The accompanying notes form part of these financial statements

Amoun International for Investments
Public Shareholding Company
Amman – The Hashemite Kingdom of Jordan

Consolidated statement of changes in equity for the year ended December 31, 2022

	Capital		Statutory reserve		Retained earnings		Total
	JD		JD		JD		JD
Balance as at January 1, 2021	6,180,371		346,839		1,313,950		7,841,160
Loss	-		-		(109,713)		(109,713)
Balance as at December 31, 2021	6,180,371		346,839		1,204,237		7,731,447
Dividends	-		-		(618,037)		(618,037)
Profit	-		-		77,598		77,598
Statutory reserve	-		16,051		(16,051)		-
Balance as at December 31, 2022	6,180,371		362,890		647,747		7,191,008

The accompanying notes form part of these financial statements

Amoun International for Investments
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Consolidated statement of cash flows for the year ended December 31, 2022

	2022	2021
	JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss)	77,598	(109,713)
Adjustments for :		
Depreciation and amortization	185,629	185,345
Loss on disposal of property and equipment	22,672	6,577
Recovery of impairment in investment lands	(198,946)	-
Change in fair value of financial assets at fair value through profit or loss	23,119	2,200
Expected credit losses	-	4,236
Recovery of expected credit loss allowance	(4,510)	(2,000)
Recovery of litigation provision	-	(12,056)
Change in operating assets and liabilities:		
Aragen Biotechnology Co. receivable	100,000	800,000
Financial assets at fair value through profit or loss	(417,361)	-
Other debit balances	(7,662)	12,557
Trade receivables	20,090	(20,605)
Operator receivable	8,707	11,328
Other credit balances	61,933	(21,786)
Trade payables	(55,700)	(178,302)
Net cash from operating activities	(184,431)	677,781
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(229,697)	(40,566)
Proceeds from sale of property and equipment	2,126	1,046
Net cash from investing activities	(227,571)	(39,520)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends	(563,965)	-
Loan	(73,965)	(216,962)
Net cash from financing activities	(637,930)	(216,962)
Net change in cash and cash equivalents	(1,049,932)	421,299
Cash and cash equivalents - beginning of year	1,334,644	913,345
Cash and cash equivalents - end of year	284,712	1,334,644
Information about non-cash transactions		
Undelivered dividend	54,072	-

The accompanying notes form part of these financial statements

Amoun International for Investments
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan
Notes to the consolidated financial statements

1. Legal status and activities

– Legal status and activity for the parent company and its subsidiary as follows:

<u>Company's Name</u>	<u>Legal status</u>	<u>Ownership percentage</u> %	<u>Record date at the Ministry of Industry and Trade</u>	<u>Record number</u>	<u>The main objectives of the company</u>
Amoun International for Investments	Public shareholding company	-	April 28, 2008	452	Investing in real estate, agricultural, industrial, therapeutic, tourism, service and financial fields.
Rawat Ammoun Tourism Investments Co.	Limited liability	100	August 21, 2014	37916	Purchase lands, build apartments and residential complexes and other.

- On August 15, 2019 a managing agreement was signed between Rawat Ammoun Tourism Investment Co. and Firas Bashir establishment for Managing and Operating Hotels for that it is the operator for the Hotel. The duration of this agreement is 5 contract years renewed every year with the consent of the two parties, and in case of that the company terminate the agreement without a legal justification then the company is obligated to pay the average percentage of profits achieved to the operator in the period before the termination of the contract multiplied by each year of the remaining years of this agreement.
- This agreement begins on August 15, 2019 and ends on August 15, 2024.
- The operator is entitled to a percentage of the net profit after deducting all expenses, fees, taxes and all items related to operating expenses, wherever they are mentioned, where this percentage is according to the following:
 - 7% if the net profit to revenue ratio is less than 10%.
 - 10% if the net profit percentage of revenues exceeds 10%.
- The operator shall commit to ensuring that the average monthly salaries for hotel workers are between 15,000 - 20,000 Jordanian dinars, and any increase from that will deduct from his dues.
- Operating expenses include the following:
 - Cost of consumables and goods.
 - Salaries and related expenses (including meals and uniforms for employees, social security, health insurance, and incentive commissions).
 - Power, water, telephones and telecommunications supplies.
 - Carry out regular repair and maintenance work required to maintain the hotel, operating equipment, furniture, fixtures and equipment.
 - Cost of operating supplies, operating equipment and materials.
 - Commissions for travel and tourism agencies, whether existing companies or websites of electronic reservation companies.
 - Taxes payable or expected in relation to the operation of the hotel, all taxes and fees, whatever their type, form, or description, licensing fees at all official authorities, and revenue taxes imposed on company or operator profits in accordance with the applicable laws and other taxes.
 - All fees and expenses related to monitoring and auditing of accounts or legal aspects related to the operation of the hotel, including what legal advisors receive.
 - Bad debts and doubtful debts after obtaining written approval from the company
 - Management, operation, supervision and follow-up fees.
- The financial statements were approved by the board of directors in its session number (1/2023) held on February 15 ,2023 and requires the approval of the general assembly of shareholders.

2. Basis for preparation of consolidated financial statements and significant accountant policies

2-1 Basis for consolidated financial statement preparation

– Consolidated financial statements preparation framework

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards issued by International Accounting Standard Board.

– Measurement bases used in preparing the consolidated financial statements

The consolidated financial statements have been prepared on the historical cost basis except for measurement of certain items at bases other than historical cost.

– Functional and presentation currency

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

2-2 Using of estimates

- When preparing of consolidated financial statements, management uses judgments, assessments and assumptions that affect applying the accounting policies and currying amounts of assets, liabilities, revenue and expenses. Actual result may differ from these estimates.
- Change in estimates are reviewed on a constant basis and shall be recognized in the period of the change, and future periods if the change affects them.
- For example, estimates may be required for expected credit losses, useful lives of depreciable assets, provisions, and any legal cases against the entity.

2-3 Standards and Interpretations issued that became effective

Standard number or interpretation	Description	Effective date
Amendments to IFRS (1) Subsidiary First-time Adoption of International Financial Reporting Standards	Extension of an optional exemption permitting a subsidiary that becomes a first-time adopter after its parent to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. A similar election is available to an associate or joint venture.	January 1,2022
Amendments to IFRS (3) Business Combinations	Minor amendments were made to IFRS (3) to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS (37) Provisions, Contingent Liabilities and Contingent Assets. The amendments also confirm that contingent assets should not be recognised at the acquisition date.	January 1,2022
IFRS (9) Financial Instruments	Annual Improvements to IFRS (9), for year 2018 - 2020	June 1,2022
Amendments to IFRS (16) Covid-19-related Rent Concessions.	<p>As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments.</p> <p>In May 2020, the IASB made an amendment to IFRS 16 Leases, which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted.</p> <p>The relief was originally limited to reduction in lease payments that were due on or before June 30, 2021. However, the IASB subsequently extended this date to June 30, 2022.</p>	January 1,2020 April 1,2021
Amendments to IAS (16) Property, Plant and Equipment	The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.	January 1,2022
Amendments to IAS (37) Provisions Contingent Liabilities and contingent Assets	The amendment to clarifies that the direct costs of fulfilling a onerous contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling onerous contracts.	January 1,2022

Standards and Interpretations issued but not yet effective

Standard number or interpretation	Description	Effective date
IFRS (16) Leases	The amendment clarifies how a seller - lessee subsequently measures sale and lease back transaction.	January 1,2024
IFRS (17) Insurance Contracts	IFRS (17) was issued in May 2017 as replacement for IFRS (4) Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of: <ul style="list-style-type: none"> • discounted probability-weighted cash flows • an explicit risk adjustment, and • A contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period. 	January 1,2023 (deferred from January 1,2021)
Amendments to IAS (1)	The amendments to Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date.	January 1, 2024 (Deferred from January 1, 2022).
Amendments to IAS (1) and IFRS Practice Statement 2	The amendments to IAS (1) require entities to disclose their material rather than their significant accounting policies. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.	January 1, 2023
Amendments to IAS (8)	The amendment to IAS (8) Accounting Policies, Changes in Accounting Estimates and Errors The distinction between accounting policies and changes in accounting estimates is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.	January 1, 2023.

2-4 Summary of significant accounting policies

- Basis of consolidation

- The consolidated financial statements comprise the financial statements of the parent company and Rawat Ammoun Tourism Investments Co. (subsidiary) which is 100% controlled by the company.
- Control is presumed to exist when the parent is exposed, or has rights, to variable returns from its involvement through its power over the investee, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control.
- Intergroup balances, transactions, income and expenses shall be eliminated in full.

- Property and equipment

- Property and equipment are initially recognized at their cost being their purchase price plus any other costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management.
- After initial recognition, the property and equipment are carried, in the statement of financial position, at their cost less any accumulated depreciation and any accumulated impairment. Land is not depreciated.
- The depreciation charge for each period is recognized as expense. Depreciation is calculated on a straight line basis, which reflects the pattern in which the asset's future economic benefits are expected to be consumed over the estimated useful life of the assets using the following rates:

<u>Category</u>	<u>Depreciation rate</u>
	%
Buildings	2
Apartment	2
Kitchen machinery and equipment	15
Furniture and decorations	20
Electronic and offices devices	15-20
Solar energy system	5
Linens and accessories	20
Computer hardware and software	25
Vehicle	15

- The estimated useful lives are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.
- The carrying values of property and equipment are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairments losses are calculated in accordance with impairment of assets policy.
- On the subsequent derecognition (sale or retirement) of the property and equipment, the resulting gain or loss, being the difference between the net disposal proceed, if any, and the carrying amount, is included in profit or loss.
- Amount paid to build up property and equipment are initially carried to projects under construction account. When the project becomes ready for use, it will be transferred to property and equipment caption.

- Investment property

- Investment property is property (land or building- or part of a building- or both):
 - Held by the entity to earn rentals,
 - For capital appreciation,
 - Or both, rather than for use in production or supply of goods or services or for administrative purposes, or for sale in the ordinary course of business.
- Investment property is measured initially at its cost, including transaction costs.
- After initial recognition, investment property is carried, in the statement of financial position, at its cost less any accumulated depreciation and any accumulated impairment. Land is not depreciated.
- Buildings depreciation charge for each period is recognized in the statement of comprehensive income. Depreciation is calculated on a straight line basis, which reflects the pattern in which the buildings' future economic benefits are expected to be consumed by the entity over their estimated useful life of 25 years.
- The estimated useful lives are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.
- The carrying values of investments property are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairments losses are calculated in accordance with impairment of assets policy.
- On the subsequent derecognition (sale or retirement) of the investment property, the resulting gain or loss, being the difference between the net disposal proceed, if any, and the carrying amount, is included in profit or loss.

- Intangible assets

- Intangible assets are identifiable non-monetary assets without physical substance.
- Intangible assets acquired separately are reported at cost less accumulated amortization and accumulated impairment losses.
- Acquisition costs comprise the purchase price and other costs directly attributable to preparing the assets for their intended use.
- Amortization charge is recognized as loss, on a straight-line basis over the following useful lives of intangible assets:

<u>Category</u>	<u>Useful Life (in years)</u>
Website	25

- The estimated useful lives are reviewed at each financial year-end, with the effect of any changes in estimate being accounted for on a prospective basis.
- The carrying values of intangible assets are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairment loss is calculated in accordance with impairment of assets policy.

- Impairment of non-financial assets

- At each statement of financial position date, management reviews the carrying amounts of its non-financial assets (property, plant and equipment and investment property) to determine whether there is any indication that those assets have been impaired.
- If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, being the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of asset's fair value less costs to sell and the value in use. The asset's fair value is the amount for which that asset could be exchanged between knowledgeable, willing parties in arm's length transaction. The value in use is the present value of the future cash flows expected to be derived from the asset.

- For the purpose of impairment valuation, assets are grouped at the lower level that have cash flow independently (cash generating unit), previous impairment for non-financial assets (excluding goodwill) is reviewed for the possibility of reversal at the date of the financial statements.
- An impairment loss is recognized immediately as loss.
- Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount due to reversal should not be more than what the depreciated historical cost would have been if the impairment had not been recognized in prior years. A reversal of an impairment loss is recognized immediately as income.

- **Financial instruments**

Financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

- **Financial assets**

- A financial asset is any asset that is:
 - (a) Cash;
 - (b) An equity instrument of another entity;
 - (c) A contractual right to receive cash or another financial asset from another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity.
 - (d) A contract that will or may be settled in the entity's own equity instruments.
- Financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset, but for financial assets at fair value through profit or loss, transaction costs are recognized in profit or loss.
- Financial assets are classified to three categories as follows:
 - Amortized cost.
 - Fair value through other comprehensive income.
 - Fair value through profit or loss.

Subsequent measurement of financial assets

Subsequently financial assets are measured as follows:

Financial assets	Subsequent measurement
Financial assets at fair value through profit or loss	Are subsequently measured at fair value net gains or losses, including interests revenues or dividends, are recognized in profit or loss

Derecognition of financial assets

Derecognition of financial assets (or a part of a group of similar financial assets) when:

- The contractual rights to the cash flow from the financial assets expire, or
- It transfers the contractual rights to receive the cash flows of the financial assets or assume a contractual obligation to pay the cash flows entirely to a third party.

- **Financial liabilities**

- A financial liability is any liability that is:
 - (a) A contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or
 - (b) A contract that will or may be settled in the entity's own equity instruments.

- Financial liabilities are initially recognized at fair value less transaction costs, directly attributable to the acquisition or issue of those liabilities, except for the financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.
- After initial recognition, the entity measures all financial liabilities at amortized cost using the effective interest method, except for financial liabilities at fair value through profit or loss which are measured at fair value and other determined financial liabilities which are not measured under amortized cost method.
- Financial liabilities at fair value through profit or loss are stated at fair value, with any resulting gain or loss from change in fair value is recognized through profit or loss.

- Trade payables and accruals

Trade payables and accruals are liabilities to pay for goods or services that have been received or supplied and have been either invoiced or formally agreed with the suppliers or not.

- Offsetting financial instruments

A financial asset and a financial liability are offset and the net amount presented in the statement of financial position when, and only when, an entity currently has a legally enforceable right to set off amounts and intends to either settle in a net basis, or through realize the asset and settle the liability simultaneously.

- Cash and cash equivalents

Cash comprises cash on hand, current accounts and short term deposits at banks with a maturity date of three months or less, which are subject to an insignificant risk of changes in value.

- Trade receivables

- Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
- Trade receivables are stated at invoices (claims) amount net of allowance for expected credit losses which represents the collective impairment of receivables.

- Impairment of financial assets

- At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVTOCI are credit - impaired. A financial assets is "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.
- The entity recognizes loss allowance for expected credit loss (ECL) on:
 - Financial assets measured at amortized cost.
 - Debt investments measured at FVOCI.
 - Contract assets.
- The entity measures loss allowances at an amount equal to lifetime ECLs.
- Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.
- When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Entity considers reasonable and supportable information that is relevant and available without undue cost or effort based in the entity's historical experience and forward looking information.
- The entity considers a financial asset to be in default when:
 - The client is unlikely to pay its credit obligations to the entity in full, without recourse by the entity to actions such as realizing security (if any); or
 - The financial asset is more than 360 days past due.
- Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

- A financial assets is written off when there is no reasonable expectation of recovering the contractual cash flows. The entity write off the gross carrying amount of the financial asset is in case of, liquidation, bankruptcy or issuance of a court ruling to reject the claim for financial asset.
- **Basic earnings per share from loss or profit**

Basic earnings per share is calculated by dividing profit or loss, attributable to ordinary shareholders, by the weighted average number of ordinary shares outstanding during the year.
- **Revenue recognition**
 - The entity recognize revenue from sale of good and rendering of service when control is transferred to the customer.
 - Revenues are recognized based on consideration specified in contract with customer that expected to be received excluding amounts collected on behalf of third parties.
 - Revenue is reduced for amount of any trade discounts and volume rebates allowed by the entity.
- **Rendering of service**

Revenue resulting from the contract of service providing was recognized by referring to the percentage of operation at the date of financial statement.
- **Dividend and interest revenue**
 - Dividend revenue from investments is recognized when the shareholder's right to receive payment is established.
 - Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.
- **Borrowing costs**
 - Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.
 - Borrowing costs are expensed in the period in which they are incurred.
- **Foreign currencies**
 - Transactions in currencies other than the functional currency (foreign currencies) are converted according to the exchange rates prevailing on the date of the transactions.
 - In preparing the financial statements, transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the statement date (closing rate). Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined.
 - Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognized in profit or loss in the period in which they arise.
- **Contingent liabilities**
 - Contingent liabilities are possible obligations depending on whether some uncertain future events occur, or they are present obligations but payments are not probable or the amounts cannot be measured reliably.
 - Contingent liabilities are not recognized in the financial statements.

Amoun International for Investments
Public Shareholding Company
Amman – The Hashemite Kingdom of Jordan

Notes to the consolidated financial statements for the year ended December 31, 2022

3. Property and equipment

	Lands		Buildings (*)		Apartment		Kitchen machinery and equipment		Furniture and decorations		Electronic and office devices		Solar energy system		Linens and accessories		Computer hardware and software		Vehicle		Project under construction		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
2022																								
Cost																								
Balance - beginning of year	2,000,000	3,028,800	260,000	298,362	298,362	148,713	29,350	31,402	27,213	11,550	-	-	-	-	-	-	-	-	-	-	-	-	-	6,131,038
Additions	-	-	-	2,762	5,482	1,863	-	1,745	1,200	-	-	-	-	-	-	-	-	-	-	-	-	216,645	-	229,697
Disposals	-	-	-	-	(40,260)	(1,948)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(42,208)
Balance - end of year	2,000,000	3,028,800	260,000	298,410	263,584	148,625	29,350	33,147	28,413	11,550	-	-	-	-	-	-	-	-	-	-	-	-	-	6,318,527
Accumulated depreciation																								
Balance - beginning of year	-	120,542	67,658	87,348	135,393	40,612	1,467	11,899	13,092	11,549	-	-	-	-	-	-	-	-	-	-	-	-	-	489,560
Depreciation	-	60,576	5,200	44,581	33,714	22,592	1,468	6,380	6,853	-	-	-	-	-	-	-	-	-	-	-	-	-	-	181,364
Disposals	-	-	-	-	(16,607)	(803)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(17,410)
Balance - end of year	-	181,118	72,858	131,929	152,500	62,401	2,935	18,279	19,945	11,549	-	-	-	-	-	-	-	-	-	-	-	-	-	653,514
Net	2,000,000	2,847,682	187,142	166,481	111,084	86,227	26,415	14,868	8,468	1	216,645	-	-	-	-	-	-	-	-	-	-	-	-	5,665,013
2021																								
Cost																								
Balance - beginning of year	2,000,000	3,035,433	260,000	289,984	300,561	130,976	29,350	29,195	25,913	11,550	-	-	-	-	-	-	-	-	-	-	-	-	-	6,100,842
Additions	-	5,487	-	6,309	3,026	22,337	-	2,207	1,300	-	-	-	-	-	-	-	-	-	-	-	-	(17,880)	-	40,566
Transferred	-	17,880	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(615)	(5,225)	(4,500)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(10,370)
Balance - end of year	2,000,000	3,028,800	260,000	295,648	298,362	148,713	29,350	31,402	27,213	11,550	-	-	-	-	-	-	-	-	-	-	-	-	-	6,311,038
Accumulated depreciation																								
Balance - beginning of year	-	60,049	62,458	43,498	101,581	19,774	-	5,839	6,478	11,549	-	-	-	-	-	-	-	-	-	-	-	-	-	311,226
Depreciation	-	60,493	5,200	44,035	35,219	21,963	1,467	6,060	6,614	-	-	-	-	-	-	-	-	-	-	-	-	-	-	181,081
Disposals	-	-	-	(185)	(1,437)	(1,125)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,477)
Balance - end of year	-	120,542	67,658	87,348	135,393	40,612	1,467	11,899	13,092	11,549	-	-	-	-	-	-	-	-	-	-	-	-	-	489,560
Net	2,000,000	2,908,258	192,342	208,300	162,969	108,101	27,883	19,503	14,121	1	216,645	-	-	-	-	-	-	-	-	-	-	-	-	5,641,478

(*) The building items mentioned above includes finance costs amounted JD 29,615 as at December 31, 2022.

4. Investment properties

	2022	2021
	JD	JD
Balance - beginning of year	667,257	1,211,885
Recovery of impairment in investment lands	198,946	-
Impairment provision in prior years	-	(544,628)
Balance - end of year	<u>866,203</u>	<u>667,257</u>

(*) A decrease in the value of the land in the amount of JD 544,628 was calculated in prior years. After an increase during the year on land prices, the net value of the decrease on the plots of land became JD 345,682.

(**) The average market value of investment lands according to the assessment of two real estate experts on January 18 and 22, 2023 amounted to JD 866,203.

5. Intangible asset

	Website
2022	JD
Cost	
Balance - beginning of year	8,529
Amortization	(4,265)
Balance - end of year	<u>4,264</u>
2021	
Cost	
Balance - beginning of year	12,793
Amortization	(4,264)
Balance - end of year	<u>8,529</u>

6. Financial assets at fair value through profit or loss

	2022	2021
	JD	JD
Balance - beginning of year	12,600	14,800
Purchase during the year	832,584	-
Sale during the year	(415,223)	-
Change in fair value	(23,119)	(2,200)
Balance - end of year	<u>406,842</u>	<u>12,600</u>

7. Other debit balances

	2022	2021
	JD	JD
Refundable deposit	14,390	14,390
Prepaid expenses	14,115	18,712
Work advances	12,130	5,787
Prepaid to income and sales tax department	6,860	5,024
Other	5,958	35
Credit cards receivables	4,348	-
Employees receivable	1,910	4,577
Prepaid to national contribution	1,485	-
Brokerage receivables	635	-
Accrued interest revenue	576	4,285
Prepaid to suppliers, net (*)	-	425
Total	62,407	53,235

(*)Prepaid to suppliers , net item consist of the following:

	2022	2021
	JD	JD
Prepaid to suppliers	-	1,935
Less: Allowance for expected credit losses (**)	-	(1,510)
Net	-	425

(**) Movement on allowance for expected credit losses on prepaid to suppliers during the year is as follows:

	2022	2021
	JD	JD
Balance - beginning of year	1,510	3,510
Recovery of provision expected credit loss	(1,510)	(2,000)
Balance - end of year	-	1,510

8. Trade receivables

	2022	2021
	JD	JD
Trade receivables	69,508	89,598
Less : Allowance for expected credit losses (*)	(66,428)	(69,428)
Net	<u>3,080</u>	<u>20,170</u>

(*) Movement on allowance for expected credit losses during the year is as follows:

	2022	2021
	JD	JD
Balance - beginning of year	69,428	65,434
Provided during the year	-	4,236
Recovery of expected credit loss allowance	(3,000)	-
Receivables written off	-	(242)
Balance - end of year	<u>66,428</u>	<u>69,428</u>

9. Cash and cash equivalents

	2022	2021
	JD	JD
Deposit at bank (*)	150,000	1,150,000
Current accounts at banks - Jordanian Dinar	130,177	182,172
Current account at bank - US Dollar	4,535	2,472
Total	<u>284,712</u>	<u>1,334,644</u>

(*) The deposit mentioned above is tied for one year with an interest rate of 4.25%.

10. Statutory reserve

Parent Company - Public Shareholding Company

- Statutory reserve is allocated according to the Jordanian Companies Law by deducting 10% of the annual net profit until the reserve equals one quarter of the Company's subscribed capital. However, the Company may, with the approval of the General Assembly, continue to deduct this annual ratio until this reserve equals the subscribed capital of the Company in full. Such reserve is not available for dividends distribution.
- For the general assembly after exhausting other reserves to decide in an extraordinary meeting to quench its losses from the accumulated amounts in statutory reserve, and to rebuild it in accordance with the provisions of the law.

Subsidiary Company - Limited Liability Company

- Statutory reserve is allocated according to the Jordanian Companies Law by deducting 10% of the annual net profit until the reserve equals of the Company's subscribed capital. Such reserve is not available for dividends distribution.
- For the general assembly after exhausting other reserves to decide in an extraordinary meeting to quench its losses from the accumulated amounts in statutory reserve, and to rebuild it in accordance with the provisions of the law.

11. Retained earnings

According to an extraordinary general assembly meeting was held on March 28, 2022, it was decided to distribute dividends 10% of the Company's capital to shareholders.

12. Other credit balances

	<u>2022</u>	<u>2021</u>
	JD	JD
Shareholders deposits	54,426	-
Accrued expenses	12,953	15,718
Unearned revenues	7,912	1,695
Sales and income tax department deposits	7,638	2,866
Employees payable	2,136	-
Social security deposits	287	2,266
Deffered check	-	874
Litigation provision (*)	-	-
Total	<u><u>85,352</u></u>	<u><u>23,419</u></u>

(*) Movement on litigation provision during the year is as follows:

	<u>2022</u>	<u>2021</u>
	JD	JD
Balance - beginning of year	-	21,256
Paid during the year	-	(9,200)
Recovery of litigation provision	-	(12,056)
Balance - end of year	<u><u>-</u></u>	<u><u>-</u></u>

13. Hotel operating revenues

	<u>2022</u>	<u>2021</u>
	JD	JD
Rooms	515,323	341,468
Food and beverage	68,185	47,943
Banquet hall	49,009	20,054
Other	14,775	9,545
Total	<u><u>647,292</u></u>	<u><u>419,010</u></u>

14. Hotel operating expenses

	2022	2021
	JD	JD
Departments expenses (14/a)	321,752	168,499
Administrative expenses (14/b)	110,982	67,324
Services expenses	57,161	42,869
Maintenance department expenses	26,358	30,817
Marketing expenses	24,727	10,035
Total	540,980	319,544

(14/a) Departments expenses

	2022	2021
	JD	JD
Rooms (*)	169,811	91,127
Food and beverage (**)	118,309	57,880
Banquet hall	25,764	10,305
Other	7,868	9,187
Total	321,752	168,499

(*) Rooms Cost

	2022	2021
	JD	JD
Agent commissions	54,634	27,044
Salaries, wages and related benefits	52,520	28,106
Dry-clean and consumables	22,636	15,303
Guest supplies	15,398	8,615
Cleaning	9,918	3,304
Social security contribution	5,729	3,191
Health insurance	3,318	2,054
Staff meals	2,946	2,006
Stationery and printing	2,167	926
Uniform	433	571
Miscellaneous	112	7
Total	169,811	91,127

(**) Food and beverage cost

	2022	2021
	JD	JD
Salaries, wages and related benefits	52,400	26,903
Food and beverage	46,548	20,449
Social security contribution	5,956	2,712
Consumables	5,342	2,550
Staff meals	2,856	1,811
Health insurance	2,784	2,027
Guest supplies	890	626
Uniform	650	563
Cleaning supplies	597	137
Stationery and printing	216	102
Miscellaneous	70	-
Total	118,309	57,880

(14/b) Administrative expenses

	2022	2021
	JD	JD
Operator fees (*)	29,905	20,062
Governmental fees and licenses	28,783	1,592
Computers	11,013	10,490
Security	9,934	6,872
Commissions	8,848	5,288
Miscellaneous	5,820	3,917
Communications	5,470	7,557
Subscriptions	4,400	8,354
Travel and transportation	2,650	1,150
Insurance	2,329	600
Stationery and printing	631	395
Public relations	469	622
Banking	395	275
Advertising	335	-
Professional fees	-	150
Total	110,982	67,324

(*) This item represent operator portion from net income according to operation agreement, in addition to 3% from rooms revenue.

15. Other revenue

	2022	2021
	JD	JD
Service revenue	32,309	20,925
Bank interests	24,120	41,435
Gains on sale of financial assets at fair value through profit or loss	17,660	-
Gym guarantee allowance	17,600	-
Recovery of expexted credit losses allowance	4,510	2,000
Others	1,629	1,611
Earned discount	-	17,980
Recovery of litigation provision	-	12,056
Loss on disposal property and equipment	(22,672)	(6,577)
Change in fair value of financial assets at fair value through profit or loss	(23,119)	(2,200)
Net	<u>52,037</u>	<u>87,230</u>

16. Administrative expenses

	2022	2021
	JD	JD
Salaries, wages and related benefits	49,149	43,560
Professional fees	13,950	21,400
Governmental fees and subscriptions	10,290	10,935
Social security contribution	6,290	5,893
Health insurance	4,749	4,689
Communication	2,088	1,905
Water and electricity	1,483	1,247
Vehicles expenses	1,054	1,265
Staff meal	872	573
Cleaning	844	929
Maintenance	827	3,619
Bank interests and commissions	503	132
Miscellaneous	361	1,508
General assembly meeting expense	271	100
Hospitality	232	145
Donations	200	-
Stationery and printings	120	197
Legal fees and expenses	85	200
Foreign exchange	19	-
Expected credit losses	-	4,236
Travel and transportations	-	270
Total	93,387	102,803

17. Basic profit (loss) per share

	2022	2021
	JD	JD -
Profit (loss)	77,598	(109,713)
Weighted average number of share	6,180,371	6,180,371
Basic profit (loss) per share	JD -\013	JD (-/018)

18. Accumulated losses for subsidiary

The accumulated losses of Rawaat Ammon Company for Tourism Investments (limited liability) at the date of the statement of financial position amounted to JD 515,487 representing 344% of the company's capital.

Article No. (75) of the Companies Law No. (22) for the year 1997 and its amendments indicates that [should the Limited Liability Company's losses amount to three quarters of its capital, the Company shall be liquidated unless the General Assembly decides in an extraordinary meeting to increase the Company's capital to deal with the losses or quench the losses in accordance with the accredited international accounting and auditing standards, provided that the total of the remaining losses does not exceed half of the Company's capital in both cases]. According to the future plan set by the company's management, the company will quench the accumulated losses in the partner's payable account during 2023.

19. Legal cases

According to the lawyer letter, there is one legal case raised by the company against others as at the balance sheet date amounting to JD 120,000 and this legal case are still pending with the competent courts.

20. Tax status

Parent

Sales and income tax status has been settled till year 2021 According to the opinions of management and tax consultant, there is no need to take any provisions and the company will not have any future financial tax obligations.

Subsidiary

Income Tax

Sales and income tax status has not been settled for 2019, 2020 and 2021 According to the management and tax consultant's opinions, there is no need to take any provisions and the company will not have any future financial tax obligations.

Sales Tax

Sales and income tax status has not been settled for 2017, 2018, 2019, 2020 and 2021 According to the management and tax consultant's opinions, there is no need to take any provisions and the company will not have any future financial tax obligations.

21. Risk management

a) Capital risk:

Regularly, the capital structure is reviewed and the cost of capital and the risks associated with capital are considered. In addition, capital is managed properly to ensure continuing as a going concern while maximizing the return through the optimization of the debt and equity balance.

b) Currency risk:

- Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
- The risk arises on certain transactions denominated in foreign currencies, which imposes sort of risk due to fluctuations in exchange rates during the year.
- Certain procedures to manage the exchange rate risk exposure are maintained.
- Most of foreign currency transactions are in USD, and JD exchange rate is fixed against USD.
- The following table represents foreign currencies as at December 31, 2022:

Description	Currency	Exchange rate against Jordanian Dinar	Amount in foreign currency	Amount in local currency (JD)
Current account at bank	US Dollar	-/708	6,405	4,535

c) Interest rate risk:

- Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
- The risk arises on exposure to a fluctuation in market interest rates resulting from borrowings and depositing in banks.
- The risk is managed by maintaining an appropriate mix between fixed and floating interest rates balances during the financial year.
- The following table shows the sensitivity of profit or loss and equity to changes in interest rates received by the entity on its deposits with banks and on interest rates paid by the entity on borrowing from the banks:

As of December 31, 2022	Change in interest	Effect on profit (loss) and equity
	%	JD
Deposit at bank	0.5	± 750

d) Other price risk:

- Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.
- The risk arises from investing in equity investments.

- The following table shows the sensitivity to profit or loss and equity to the changes in the listed prices of investments in equity instruments, assuming no changes to the rest of other variables:

As of December 31, 2022	Change in price	Effect on profit (loss) and equity	
	%		JD
Financial assets at fair value through profit or loss	5	±	20,342
As of December 31, 2021			
Financial assets at fair value through profit or loss	5	±	630

e) **Credit risk:**

- Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- Regularly, the credit ratings of debtors and the volume of transactions with those debtors during the year are monitored.
- Ongoing credit evaluation is performed on the financial condition of debtors, also adequate provisions for doubtful receivables is taken.
- The carrying amount of financial assets recorded in the financial statements represents the - maximum exposure to credit risk without taking into account the value of any collateral obtained.

f) **Liquidity risk:**

- Liquidity risk is the risk of encountering difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.
- Liquidity risk is managed through monitoring cash flows and matching with maturity dates of the financial assets and liabilities.
- The following table shows the maturity dates of financial assets and liabilities as of December 31:

Description	Less than a year	
	2022	2021
	JD	JD
Assets		
Aragen Biotechnology Co. receivable	-	100,000
Financial assets at fair value through profit or loss	406,842	12,600
Other debit balances	46,807	34,098
Operator receivable	-	2,869
Trade receivables	3,080	20,170
Cash and cash equivalents	284,712	1,334,644
Total	741,441	1,504,381
Liabilities		
Loan	-	73,965
Operator payable	5,838	-
Other credit balances	77,440	21,724
Trade payables	10,323	11,951
Total	93,601	107,640

22. Financial statements for the subsidiary

The consolidated financial statements includes the financial statement of Rawat Amon for Tourism Investments (subsidiary) and it is as follows:

Company name	Paid capital	Percentage of ownership	Total assets	Total liabilities	Accumulated losses	Loss
	JD	%	JD	JD	JD	JD
Rawat Amon for Tourism Investments	150,000	100	5,603,720	5,969,207	(515,487)	(82,910)

23. Fair value of financial instruments

- The entity shall classify measuring fair value methods using fair value hierarchy that reflects the significance of inputs used in making the measurements. The hierarchy of fair value of financial instruments have the following levels:
 - Level 1: listed prices (unadjusted) in active markets for identical assets or liabilities.
 - Level 2: inputs rather than prices listed in level 1 and observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
 - Level 3: inputs for the asset or liability is not based on comparable market data that can be observed (non-observable inputs).

As December 31, 2022	Levels	
	1	Total
Financial assets	JD	JD
Financial assets at fair value through profit or loss	406,842	406,842

24. The potential effects of economic fluctuations

As a result of the current global conflict, where the entity has taken into account any possible impact of current economic fluctuations in the inputs of future macroeconomic factors when determining the severity and probability of economic scenarios to determine expected credit losses.

Because of the potential effects of the Corona virus, the management of the entity has taken future information for the twelve months following the reporting period at least, whether related to the negative effects of the virus on the business process or the ability to pay its debts. The management of the entity has made a study of the potential effects of the current economic fluctuations to determine the declared amounts of the entity's financial and non-financial assets that represent management's best estimates based on observable information. Markets remain volatile and the amounts recorded remain sensitive to fluctuations in the market.

25. Reclassification

2021 balances have been reclassified to confirm to the adopted classification in 2022.