

**Travertine Company**  
**Public Shareholding Company**  
**Condensed Interim Financial Statements (Unaudited)**  
**30 June 2021**

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

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

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

**Introduction**

We have reviewed the accompanying condensed interim financial statements of Travertine Company PLC, comprising the interim statement of financial position as at 30 June 2021, interim statement of comprehensive income, interim statement of changes in equity and interim statement of cash flows for the six-months period then ended and the notes about condensed interim financial statements. Management is responsible for the preparation and presentation of the condensed interim financial statements in accordance with International Accounting Standard number (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements number (2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Material Uncertainty Related to Going Concern**

The accompanying condensed interim financial statements have been prepared on a going concern basis, and as indicated in the interim statement of financial position the Company accumulated losses (including the accumulated changes in fair value) reached (83%) of its capital, and the Company suffers from financial difficulties due to liquidity problems and a major decline in sales. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. And its continuity depends on its ability to implement the management plan which is mentioned in note (6).

**Basis of Qualified Conclusion**

- During the years 2017 and 2018 the Company did not record depreciation for some of its plant and equipment related to the production factory, this resulted in a decrease in depreciation expenses by an amount of JOD (369,597), and increase in shareholders' equity by the same amount.
- The accompanying condensed interim financial statements includes unrecorded expected credit losses amounting to JOD (338,113) as at 30 June 2021.

**Qualified Conclusion**

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

**Emphasis of Matter**

The General Assembly of the Company has approved in its extra ordinary meeting held on 8 August 2018, the merger between Travertine Company PLC with International Silica Industries Company PLC. The main Company will be Travertine Company PLC, and International Silica Industries Company is the merged Company. The merger has not been Completed to the date of the condensed interim financial statements.

29 July 2021

Amman - Jordan



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**Travertine Company**  
**Public Shareholding Company**  
**Interim Statement of Financial Position as at 30 June 2021**  
**(In Jordanian Dinar)**

	30 June 2021 (Unaudited)	31 December 2020 (Audited)
<b>Assets</b>		
<b>Non - current assets</b>		
Property, plant and equipment	1,061,287	1,143,589
Right of use assets	65,188	68,736
Financial assets measured at fair value through other comprehensive income	26,916	26,916
<b>Total non - current assets</b>	<u>1,153,391</u>	<u>1,239,241</u>
<b>Current assets</b>		
Inventories	1,002,794	1,142,632
Spare parts	131,515	134,457
Accounts receivable	343,115	312,668
Amounts due from related parties	61,451	62,567
Other receivables	63,185	55,047
Cash and cash equivalents	16,135	6,585
<b>Total current assets</b>	<u>1,618,195</u>	<u>1,713,956</u>
<b>Total assets</b>	<u><b>2,771,586</b></u>	<u><b>2,953,197</b></u>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Paid-in capital	4,600,000	4,600,000
Statutory reserve	181,803	181,803
Accumulated changes in fair value of financial assets	(286,590)	(286,590)
Accumulated losses	(3,529,950)	(3,155,625)
<b>Net equity</b>	<u>965,263</u>	<u>1,339,588</u>
<b>Liabilities</b>		
<b>Non - current liabilities</b>		
Credit facilities - long term	414,600	431,525
Lease obligation - long term	60,653	60,653
Deferred checks - long term	79,584	69,123
Amounts due to related parties	205,324	200,324
<b>Total non - current liabilities</b>	<u>760,161</u>	<u>761,625</u>
<b>Current liabilities</b>		
Credit facilities - short term	44,000	20,000
Lease obligation - short term	11,160	7,386
Deferred checks - short term	89,406	39,504
Accounts payable	519,141	427,429
Other liabilities	382,455	357,665
<b>Total current liabilities</b>	<u>1,046,162</u>	<u>851,984</u>
<b>Total liabilities</b>	<u>1,806,323</u>	<u>1,613,609</u>
<b>Total equity and liabilities</b>	<u><b>2,771,586</b></u>	<u><b>2,953,197</b></u>

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

**Travertine Company**  
**Public Shareholding Company**  
**Interim Statement of Comprehensive Income**  
**for the Six Months Ended at 30 June 2021 (Unaudited)**

(In Jordanian Dinar)

	For the three months ended		For the six months ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Net sales	162,073	51,329	265,127	99,542
Cost of sales	(347,327)	(77,338)	(517,561)	(434,411)
<b>Gross loss</b>	<b>(185,254)</b>	<b>(26,009)</b>	<b>(252,434)</b>	<b>(334,869)</b>
Administrative expenses	(55,358)	(31,710)	(100,213)	(79,969)
Selling and distribution expenses	187	(8,032)	(10,115)	(18,743)
Financing expenses	(41)	(11,806)	(11,563)	(23,643)
Sales tax penalties expenses	-	(2,013)	-	(15,253)
Net of other revenues and expenses	-	-	-	1,945
<b>Total comprehensive loss for the period</b>	<b>(240,466)</b>	<b>(79,570)</b>	<b>(374,325)</b>	<b>(470,532)</b>
<b>Basic and diluted loss per share</b>	<b>(0.052)</b>	<b>(0.017)</b>	<b>(0.081)</b>	<b>(0.102)</b>

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

**Travertine Company**  
**Public Shareholding Company**  
**Interim Statement of Changes in Equity for the Six Months Ended at 30 June 2021 (Unaudited)**  
**(In Jordanian Dinar)**

	<u>Paid - in capital</u>	<u>Statutory reserve</u>	<u>Accumulated changes in fair value of financial assets</u>	<u>Accumulated losses</u>	<u>Net equity</u>
<b>Balance at 1 January 2021</b>	4,600,000	181,803	(286,590)	(3,155,625)	1,339,588
Total comprehensive loss for the period	-	-	-	(374,325)	(374,325)
<b>Balance at 30 June 2021</b>	<u>4,600,000</u>	<u>181,803</u>	<u>(286,590)</u>	<u>(3,529,950)</u>	<u>965,263</u>
<b>Balance at 1 January 2020</b>	4,600,000	181,803	(286,590)	(2,493,540)	2,001,673
Total comprehensive loss for the period	-	-	-	(470,532)	(470,532)
<b>Balance at 30 June 2020</b>	<u>4,600,000</u>	<u>181,803</u>	<u>(286,590)</u>	<u>(2,964,072)</u>	<u>1,531,141</u>

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

**Travertine Company**  
**Public Shareholding Company**  
**Interim Statement of Cash Flows for the Six Months Ended at 30 June 2021 (Unaudited)**  
**(In Jordanian Dinar)**

	30 June 2021	30 June 2020
<b>Operating activities</b>		
Loss for the period	(374,325)	(470,532)
Depreciation	88,845	91,163
Right of use assets deprecation	3,549	3,568
Lease obligation interest	3,774	4,029
<b>Changes in working capital</b>		
Accounts receivable	(30,447)	(12,153)
Inventories	139,838	182,262
Spare parts	2,942	2,259
Amounts due from/to related parties	6,116	17,744
Other receivables	(8,138)	11,756
Deferred checks	60,363	(24,993)
Accounts payable	91,712	16,060
Other liabilities	24,789	154,565
<b>Net cash flows from (used in) operating activities</b>	<b>9,018</b>	<b>(24,272)</b>
<b>Investing activities</b>		
Property, plant and equipment	(6,543)	-
<b>Financing activities</b>		
Credit facilities	7,075	25,616
<b>Net changes in cash and cash equivalents</b>	<b>9,550</b>	<b>1,344</b>
Cash and cash equivalents, beginning of year	6,585	12,619
<b>Cash and cash equivalents, end of period</b>	<b>16,135</b>	<b>13,963</b>

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

**Travertine Company**  
**Public Shareholding Company**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**30 June 2021**  
**(In Jordanian Dinar)**

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**1 . General**

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

The Company shares are listed in Amman stock Exchange.

The condensed interim financial statements were authorized for issue by the Company's Board of Directors in its meeting held on 29 July 2021.

**2 . Summary of Significant Accounting Policies**

**Basis of preparation**

The condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard number (34) "Interim Financial Reporting". They do not include all of the information required in annual financial statements in accordance with IFRSs, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2020.

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

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

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

**Use of estimates**

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



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

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

### **3 . Income tax**

- The Company has settled its tax liability with the Income Tax Department up to 2016 in addition to 2018.
- The income tax returns for the years 2017, 2019 and 2020 have been filed with the Income Tax Department, but the Department has not reviewed the Company's records till the date of this report.
- No Income and National Contribution Tax provision has been calculated for the six months ended at 30 June 2021, because the taxable expenses exceeded the taxable income.

### **4 . Contingent liabilities**

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

### **5 . Fair value**

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

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

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

30 June 2021	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income	-	-	26,916	<u>26,916</u>
31 December 2020	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income	-	-	26,916	<u>26,916</u>

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

The accompanying condensed interim financial statements have been prepared on a going concern basis, and as indicated in the interim statement of financial position, the Company's accumulated losses (including the accumulated changes in fair value) represent 83% of its share capital, and the Company suffers from financial difficulties due to liquidity problems and a major decline in sales. These events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern, and its continuity depends on its ability to implement the management's plan, which includes the company selling and utilizing previously extracted blocks in local and foreign markets. The Company is also in the process of adding new products and materials, and is planning to open an exhibition in Amman to sell its' products.