

Rum Financial Brokerage

"Public Shareholding Limited Company"

Amman- The Hashemite Kingdom of Jordan

Interim Financial Statements &Independent

Auditor's Report as at March 31, 2025

Rum Financial Brokerage

"Public Shareholding Limited Company"

Amman- The Hashemite Kingdom of Jordan

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Amman: 29/04/2025

No : 330/2025/60004

Messrs. Rum Financial Brokerage
"Public Shareholding Limited Company"
Amman – The Hashemite Kingdom of Jordan

Introduction

We have reviewed the accompanying interim financial statements for **Rum Financial Brokerage "Public shareholding Limited Co "**, comprising the interim statement of financial position as at 31 March 2025 and the related interim statement of comprehensive income, interim statement of changes in shareholders equity and interim statement of cash flows for the three months' then ended.

Management responsibility on financial statement:

Management is responsible of the preparation and presentation of this interim financial information in accordance with international financial reporting standard (IAS 34) interim financial reporting. Our responsibility is to express a conclusion on this interim condensed financial statement based on our review.

Scope of review

We conducted our review in accordance with the international standard on review engagements (2410) "review of interim financial information performed by the independent auditor of the entity." a review of 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.

Going Concern

The company's ability to continue its operations in the future depends on its ability to generate sufficient future cash flows to meet its obligations. It is noted that the company's accumulated losses as of the date of the interim financial statements amount to JD 2,023,151, exceeding 50% of the company's capital.

Basis for Qualified Conclusion

The provision for impairment of brokerage receivables is insufficient as of the date of the interim financial statements.

Qualified Conclusion

Based on our review, except for the effect of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects, the financial position of Rum Brokerage Company (Public Shareholding Limited Company) as of March 31, 2025, and its financial performance and cash flows for the period then ended, in accordance with International Accounting Standard (IAS) 34 – Interim Financial Reporting. The company's financial year ends on December 31 of each year, and the accompanying interim financial statements have been prepared for management purposes and to meet the requirements of the Securities Commission.

The Scientific Office for Auditing,
Accounting and Consulting
Jamal Mohammad Dalah
Amman - Jordan
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Public Accountants

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Rum Financial Brokerage
" Public Shareholding Limited Company "
Amman- The Hashemite Kingdom of Jordan
The interim financial position as at 31st March 2025

	<u>Note</u>	<u>31-Mar-2025</u> <u>JD</u>	<u>31-Dec-2024</u> <u>JD</u>
<u>Assets</u>			
<u>Current Assets</u>			
Cash and cash equivalents	2	1,042,449	829,912
Accounts receivable - financial brokerage clients	3	710,284	743,717
Other debit balances	4	129,595	108,102
Total Current Assets		<u>1,882,328</u>	<u>1,681,731</u>
<u>Non-current Assets</u>			
Financial assets at the fair value through other comprehensive income	5	166,953	272,162
Guarantees insurance		421,013	427,513
Contributions to settlement guarantee fund	6	26,188	25,000
Intangible assets	7	31,355	35,406
Property and equipment, net	8	45,450	48,425
Deferred Tax Assets	9	780,721	780,721
Total Non-current Assets		<u>1,471,680</u>	<u>1,589,227</u>
Total Assets		<u>3,354,008</u>	<u>3,270,958</u>
<u>Liabilities and Equity</u>			
<u>Current Liabilities</u>			
Accounts payable - local brokerage clients		994,905	779,780
Accounts payable - foreign Brokerage clients		391	391
Due to related parties	10	36	49
Securities depository center settlement		38,127	38,831
Contingent liabilities related to lawsuits		400,000	200,000
Other credit balances	11	100,694	100,496
Total Current Liabilities		<u>1,534,153</u>	<u>1,119,547</u>
<u>Equity</u>			
Authorized capital		5,000,000	5,000,000
Paid capital		4,000,000	4,000,000
Compulsory reserve		5,800	5,800
Fair value reserve		(162,794)	(143,453)
Accumulated losses		(2,023,151)	(1,710,936)
Net Equity		<u>1,819,855</u>	<u>2,151,411</u>
Total Liabilities and Equity		<u>3,354,008</u>	<u>3,270,958</u>

The accompanying notes constitute an integral part of this statement
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Rum Financial Brokerage

" Public Shareholding Limited Company "

Amman- The Hashemite Kingdom of Jordan

The Interim statement of comprehensive income for the period ended at 31 st March 2025

	<u>Note</u>	<u>31-Mar-2025</u> <u>JD</u>	<u>31-Mar-2024</u> <u>JD</u>
<u>Revenues</u>			
Brokerage commission revenues		16,293	28,114
Other revenues		1,188	33,248
Total revenues		17,481	61,362
<u>Expenses</u>			
Employees benefits		(31,370)	(37,612)
Depreciation and amortization		(7,026)	(5,726)
Impairment expenses of receivables , employee receivables& contingent liabilities		(202,318)	(1,979)
Administrative and general expenses	12	(50,185)	(44,684)
Total expenses		(290,899)	(90,001)
Realized losses from the sale of financial assets at fair value / Comprehensive income		(38,797)	-
Loss of the period		(312,215)	(28,639)
<u>Comprehensive income items</u>			
Change in fair value		(19,341)	(70)
Total Comprehensive loss		(331,556)	(28,709)
		<u>JD / Fils</u>	<u>JD / Fils</u>
Loss per share (Basic and diluted)	13	(0.078)	(0.007)

The accompanying notes constitute an integral part of this statement

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Rum Financial Brokerage
" Public Shareholding Limited Company "
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The Interim statement of the changes in shareholders' equity for the period ended at 31 st March 2025

	<u>Capital</u>	<u>Compulsory</u>	<u>Fair value</u>	<u>Accumulated</u>	<u>Total</u>
	<u>JD</u>	<u>reserve</u>	<u>reserve</u>	<u>losses</u>	<u>JD</u>
		<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
<u>Balance at 31 December 2024</u>	4,000,000	5,800	(143,453)	(1,710,936)	2,151,411
Loss of the period	-	-	-	(312,215)	(312,215)
Change in the fair value reserve	-	-	(19,341)	-	(19,341)
<u>Balance at 31 March 2025</u>	<u>4,000,000</u>	<u>5,800</u>	<u>(162,794)</u>	<u>(2,023,151)</u>	<u>1,819,855</u>
<hr/>					
<u>Balance at 31 December 2023</u>	4,000,000	5,800	(2,409)	(994,612)	3,008,779
Loss of the period	-	-	-	(28,639)	(28,639)
Change in the fair value reserve	-	-	(70)	-	(70)
<u>Balance at 31 March 2024</u>	<u>4,000,000</u>	<u>5,800</u>	<u>(2,479)</u>	<u>(1,023,251)</u>	<u>2,980,070</u>

The accompanying notes constitute an integral part of this statement

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Rum Financial Brokerage
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The Interim statement of cash flows for the period ended at 31 st March 2025

	<u>31-Mar-2025</u>	<u>31-Mar-2024</u>
	<u>JD</u>	<u>JD</u>
<u>Cash flows from operational activities</u>		
Loss of the period	(312,215)	(28,639)
Depreciation & amortization exp	7,026	5,726
Accounts receivable impairment, employee receivables impairment, and contingent liabilities	202,318	-
Operational losses	(102,871)	(22,913)
<u>Changes in the working capital items</u>		
Securities Depository Center Settlements	(704)	(59,305)
Brokerage clients / Accounts receivable / Local and foreign	31,115	101,601
Other currents assets	(21,493)	(26,036)
Financial assets at fair value through other comprehensive income	85,868	-
Contributions to settlement guarantee fund	(1,188)	(1,174)
Guarantees insurances	6,500	-
Brokcrage clients & Accounts payable & Related party accounts	215,112	413,793
Other credit liabilities	198	(5,439)
Net cash from operational activities	212,537	400,527
Change in the cash	212,537	400,527
cash at beginning	829,912	864,512
Cash at Ending	1,042,449	1,265,039

The accompanying notes constitute an integral part of this statement
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Rum Financial Brokerage
"Public Shareholding Limited Company"
Amman- The Hashemite Kingdom of Jordan
Accounting Policies

Basic of Preparing the Interim Financial Statements

- The accompanying interim financial statements were prepared in accordance with the International Accounting Standard 34 (Interim Financial Reports).
- The interim financial statements were prepared according to the Historical Cost Principle except for the financial assets available for sale which are reflected at the fair value.
- The financial statements are presented in Jordanian Dinar; the functional currency of the Company, and the amounts are rounded to the nearest Dinar.
- The accounting policies for the current period are similar with the accounting policies of the previous period.
- The results of this interim do not necessarily represent the expected result for the whole financial year.

Use of Estimates

Preparing financial statements and applying accounting policies require the Management of the Company to make some estimates and suppositions that may affect the financial statements and the accompanying notes. Such estimates are based on assumptions of different accuracy and certainty. Therefore, actual results in the future may differ from the Management's estimates due to the variations of conditions and circumstances of these assumptions. Below are the most important estimates applied in the preparation of the financial statements:

- Management periodically reevaluates the useful life of tangible assets for the purpose of calculating the annual depreciation based on the general condition of those assets and estimated useful life in the future. The impairment loss (if any) is taken in the income statement.
- Management periodically reviews financial assets that are presented at cost to estimate any impairment in value and are stated in the consolidated statement of income
- The Management of the Company estimates the value of the provision for bad debts taking into consideration the possibility of collecting such liabilities.

Cash on Hand and at Banks

Are represented by cash on hand and at banks and they do not involve risks of change in their value.

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Accounting Policies

- **Accounts Receivable**

Accounts receivable is reflected at cost after deducting the provision for bad debts. debts are written off when there is subjective evidence on the possibility of not collecting liabilities. The collected amounts of written-off debts are added to the revenues.

- **Financial Assets at Amortized Cost**

Financial instruments such as bills receivable, accounts receivable, due to banks, loans, accounts payable and accrued expenses are demonstrated at amortized cost by using the actual revenue method after deducting any impairment loss.

- **Financial Assets at Fair Value Through the Comprehensive Income Statement**

Change differences are recorded in the fair value of the financial assets defined at fair value from the other comprehensive income. The limited value of financial assets in the other comprehensive income statement that have market prices in active financial markets are demonstrated at fair value after deducting the impairment accumulated losses in their fair value.

The limited value of financial assets in the other comprehensive income statement that do not have market prices and which their fair value could not be reliably defined, are demonstrated at cost and any impairment in their value is recorded in the other comprehensive income statement.

The profits and losses resulting from the differences of foreign currencies exchange to interest-bearing debentures are recorded at fair value through the other comprehensive income statement. While, the differences of foreign currencies exchange for equity instruments are recorded in the accumulated change at fair value within the equity rights.

- **Property, Equipment, and Accumulated Depreciation**

Property and equipment are demonstrated at cost after deducting the accumulated depreciation. They are depreciated when they are ready for use on the basis of the straight-line method over their expected useful life by using the following annual rates:

Furnishings, furniture, and decorations	20%
Office supplies and computers	15%

When the recoverable amount of any property or equipment is less than their book value, their value shall be diluted and the remaining book value over the useful life is depreciated after the reevaluation of the reassessed year.

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Accounting Policies

- **Accounts Payable and Accruals**

Accounts payable and accruals are recognized after taking an advantage of the provided services for the Company, whether they were claimed by the supplier or not.

- **Setoff**

financial assets and financial liabilities are set-off and the net amount is reflected in the financial statements upon the availability of legally binding rights, and when they are settled on the setoff basis or when assets realization and liabilities settlements take place at the same time.

- **Provisions**

Provisions are recorded when there are legal or expected obligations of the company as a result of previous events where cash amounts are likely to be paid to fulfill such obligations. On the date of the financial position, the allocated provisions are reviewed and adjusted based on the latest information available to the Management.

- **Recognition of Revenues**

Revenues are realized upon buying or selling shares to the clients of the company and issuing invoice for them.

Interests revenues are realized on a time base to reflect the actual revenue on assets.

The distribution of the investment profits is recognized upon being approved by the General Assemblies of the investment companies.

Other revenues are realized according to the accrual basis.

- **Date of Financial Assets Recognition**

The purchase and sale of financial assets are recognized on the trade date (the date on which the Company commits to sell or purchase the financial asset.)

- **Impairment in the Financial Assets**

The Company reviews the value of the financial assets stated in the records of the company at the date of the financial statements to determine if there are indications of impairment in their value. In case of such indications, the recoverable fair value of the assets is estimated to define the impairment loss. In case the recoverable value is less than the net book value stated in the records of the Company, the impairment value will be stated in the comprehensive income statement.

- **Income Tax**

The Company is subjected to the Income Tax Law, as amended, and the instructed by the Income Tax Department in the Hashemite Kingdom of Jordan. The book takes place in accordance with the accrual basis where the provision for income tax is calculated according to the adjusted profit basis.

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Rum Financial Brokerage
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Accounting Policies

1- General:

- **Rum Financial Brokerage**, (Al-Safwah Financial Investment Co. previously) was established on 05/09/2005 as a limited liability company under No.(10698) with a capital of (2,469,232) JD/Share. The company has been converted into a public shareholding company under No. (457) on 17/08/2008, with an authorized capital become (4 Million) JD / Share , and the paid capital (4) Million JD / Share , As of November 28, 2023, the authorized capital was increased to 5 million JD per share. However, the legal procedures were not completed as of the date of the financial statements.
- The accompanying financial statements were approved by the Board of Directors on 29/04/2025 .

Objectives of the Company:

- Financial brokerage.
- financial consultancy.

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Rum Financial Brokerage
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Notes to the interim financial statements for March 2025

2- Cash on hand and at banks :

<u>Description</u>	<u>31-Mar-2025</u> <u>JD</u>	<u>31-Dec-2024</u> <u>JD</u>
Cash and cheques on hand	483	11,205
Cash at banks/ client notes	1,041,407	818,160
Cash at banks/ client notes/ foreign	428	391
Cash at banks	131	156
Total	1,042,449	829,912

3- Brokerages Client / Accounts Receivable :

<u>Description</u>	<u>31-Mar-2025</u> <u>JD</u>	<u>31-Dec-2024</u> <u>JD</u>
Brokerages clients / Accounts Receivable	3,210,283	3,243,717
Foreign Brokerages clients / Accounts Receivable	162,925	160,606
Less provision for impairment of accounts recivables	(2,662,924)	(2,660,606)
Total	710,284	743,717

The movement on the provision for impairment of account recievables during the period is as follows :

<u>Description</u>	<u>31-Mar-2025</u> <u>JD</u>	<u>31-Dec-2024</u> <u>JD</u>
Balance at the beginning of the year	2,660,606	1,550,000
Addition	2,318	1,110,606
Balance at the end of the period	2,662,924	2,660,606

4- Other Current Assets :

<u>Description</u>	<u>31-Mar-2025</u> <u>JD</u>	<u>31-Dec-2024</u> <u>JD</u>
Other receivables	46,285	43,786
Pre-paid exp.	83,048	64,316
Employees advance	262	-
Total	129,595	108,102

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Notes to the interim financial statements for March 2025

5- Financial Assets at Fair Value through Other Comprehensive Income :

<u>Description</u>	<u>Status</u>	<u>Number of shares 2024</u>	<u>31-Mar-2025 JD</u>	<u>Number of shares 2024</u>	<u>31-Dec-2024 JD</u>
Century investment group Co.	Membership reservation	1,000	269	1,000	190
Arab Union International Insurance Co.	Under liquidation	982,650	166,684	982,650	186,291
Rum Group for Transportation and tourism investment	-	-	-	1,717,400	85,681
Total			166,953		272,162

6- Contribution to settlement guarantee fund :

This balance represents the value of cash contribution incurred upon the company in accordance with the requirements of the Securities Depository Center in favor of Settlement Guarantee Fund.

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Notes to the interim financial statements for March 2025

7- Intangible Assets

	<u>brokerage license</u> <u>JD</u>	<u>Software & website</u> <u>JD</u>	<u>Computer Software</u> <u>JD</u>	<u>Total</u> <u>JD</u>
Cost				
Balance at December 31, 2024	50,000	17,891	38,844	106,735
Additions	-	-	-	-
Balance as at March 31, 2025	50,000	17,891	38,844	106,735
Amortization				
Balance at December 31, 2024	30,000	9,359	31,970	71,329
Additions	2,500	780	771	4,051
Balance as at March 31, 2025	32,500	10,139	32,741	75,380
Book value as at March 31, 2025	17,500	7,752	6,103	31,355
Book value as at December 31, 2024	20,000	8,532	6,874	35,406

8- Net value of Property and equipment

	<u>Furniture & decorations</u> <u>JD</u>	<u>Office equipment and computers</u> <u>JD</u>	<u>Total</u> <u>JD</u>
Cost			
Balance as at December 31, 2024	106,480	100,665	207,145
Additions	-	-	-
Balance as at March 31, 2025	106,480	100,665	207,145
Accumulated depreciation			
Balance at December 31, 2024	71,040	87,680	158,720
Additions	2,072	903	2,975
Balance as at March 31, 2025	73,112	88,583	161,695
Book value as at March 31, 2025	33,368	12,082	45,450
Book value as at December 31, 2024	35,440	12,985	48,425

9- Deferred tax assets

Based on the letter from the company's tax advisor dated 21/01/2025 regarding deferred tax assets, it was recommended to recognize deferred tax assets in the amount of JOD 780,721 to cover the tax period from 2018 through 2024.

10- Related Parties Accounts :

	<u>31-Mar-2024</u> <u>JD</u>	<u>31-Dec-2024</u> <u>JD</u>
Description		
Financial brokerage / board's members	34	34
Employee Accounts	2	15
Total	<u>36</u>	<u>49</u>

Rum Financial Brokerage
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Notes to the interim financial statements for March 2025

11- Other Current Liabilities :

	<u>31-Mar-2025</u>	<u>31-Dec-2024</u>
<u>Description</u>	<u>JD</u>	<u>JD</u>
Other accounts payable	53,474	48,959
Employees' payable	41,779	43,663
Other trust accounts	5,441	7,874
Total	100,694	100,496

12- Administrative and General Expenses :

	<u>31-Mar-2025</u>	<u>31-Mar-2024</u>
<u>Description</u>	<u>JD</u>	<u>JD</u>
Rent-exp	6,962	3,750
Fees and subscriptions	8,332	10,315
Business development expenses	6,000	6,000
Post, phone and internet	1,551	2,369
Professional fees	5,431	5,123
Health insurance	2,270	1,680
Water and electricity	1,428	1,095
Miscellaneous	1,123	5,792
Stationery and computer supplies	130	796
Advertisement expenses	70	220
Trading errors	40	297
Banks exp.	5,781	6,134
Hospitality and cleaning	1,610	532
Transportation	300	306
Legal exp.	9,157	275
Total	50,185	44,684

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Notes to the interim financial statements for March 2025

13- Loss Per Share (Basic & Diluted) :

<u>Description</u>	<u>31-Mar-2025</u>	<u>31-Mar-2024</u>
	<u>JD</u>	<u>JD</u>
Loss of the period	(312,215)	(28,639)
	<u>Share</u>	<u>Share</u>
Weighted average of shares number	4,000,000	4,000,000
	<u>JD / Share</u>	<u>JD / Share</u>
Basic and diluted loss per share	<u>(0.078)</u>	<u>(0.007)</u>

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Notes to the interim financial statements for March 2025

14- Contingent Liabilities

As of the financial position date, the company has the following contingent liabilities:

- Bank guarantees issued in favor of the Securities Depository Center amounting to JOD 75,000, with collateral of JOD 30,000.
- Bank guarantees issued in favor of the Securities Commission amounting to JOD 160,000, with collateral of JOD 32,000.
- Bank guarantees issued in favor of the Securities Commission amounting to JOD 500,000, with collateral of JOD 365,513.
- The company has recognized a provision for contingent liabilities amounting to JOD 400,000 related to lawsuit No. (2023/6726) filed against the company for an amount of JOD 500,000. The case is still pending before the court, and no legal fees have been recorded for the company's lawyer, which will be due upon issuance of the final judgment.

15- Risk Management

Interest Rate Risks

Interest rate risks result from the potential effect of changes in interest rates on profits of the company or the fair value of financial instruments. Since most of the financial instruments have fixed interest rate and are represented at amortized cost, the variability of the profits of the company and equity to changes in interest rate is considered inessential.

Credit Risks

Credit risks are risks resulting from inability or failure of the other party of the Financial Management to meet the obligations thereof to the company the matter that may result in occurrence of losses. The company works on minimizing credit risks by means of dealing with reputable banks.

Foreign Currency Rates Risks

Foreign currency risks are represented in the risk of fluctuation of the value of the financial instruments due to the fluctuations of foreign currency rates. Since most of the transactions of the company are in Jordanian Dinar, with some in US Dollar, the sensitivity of the profits of the company and equity to changes in foreign exchange rates is considered immaterial.

Share Price Risks

Share price risks result from change in the fair value of investment in shares, where the company works on managing such risks by means of diversification of investments in several geographic zones and economic sectors.

Liquidity Risks

Liquidity risks are represented in the inability of the company to provide necessary funding for performing its obligations at maturity dates. With a view to avoid these risks, the company diversifies the sources of funding, manages assets and liabilities and reconciles the terms thereof.