

**THE CONSULTANT AND INVESTMENT GROUP COMPANY PUBLIC
SHAREHOLDING COMPANY**

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

30 JUNE 2024

**Report on Review of Interim Condensed Consolidated Financial Statements
To the Board of Directors of The Consultant and Investment Group Company
Public Shareholding Company
Amman – The Hashemite Kingdom of Jordan**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of the Consultant and Investment Group Company - Public Shareholding Company (the “Company”) and its subsidiary (the “Group”) as at 30 June 2024, comprising of the interim condensed consolidated statement of financial position as at 30 June 2024 and the related interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six months period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard IAS (34) (“Interim Financial Reporting”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (2410) “Review of Interim Financial Information Performed by the Independent Auditor of the 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS (34).

ERNST & YOUNG
Amman - Jordan

Ernst and Young

Amman – Jordan
30 July 2024

THE CONSULTANT AND INVESTMENT GROUP COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Notes	30 June 2024	31 December 2023
		JD (Unaudited)	JD (Audited)
<u>Assets</u>			
Non-current assets -			
Property and equipment	3	17,440,840	17,722,841
Projects under construction	3	11,910,556	11,026,329
Investment properties		2,735,044	2,735,044
Right of use assets		732,805	838,537
Deferred tax assets	6	548,725	548,725
		<u>33,367,970</u>	<u>32,871,476</u>
Current assets -			
Medicine and medical supplies		1,756,965	1,455,679
Accounts receivables		5,450,935	4,708,305
Other debit balances		1,098,971	1,173,183
Checks under collection		28,418	50,453
Cash-on-hand and bank balances	8	563,533	287,314
		<u>8,898,822</u>	<u>7,674,934</u>
Total assets		<u>42,266,792</u>	<u>40,546,410</u>
<u>Equity and Liabilities</u>			
Shareholders' equity -			
Paid-in capital	1, 7	20,000,000	20,000,000
Statutory reserve	7	911,074	911,074
Retained earnings		1,614,664	1,150,618
Total equity		<u>22,525,738</u>	<u>22,061,692</u>
Liabilities -			
Non-current liabilities -			
Long-term lease liabilities		415,350	550,523
Long-term liabilities against finance lease contracts	4	8,997,839	9,152,632
Long-term Murabaha facilities	5	1,266,738	96,749
		<u>10,679,927</u>	<u>9,799,904</u>
Current liabilities -			
Short-term lease liabilities		392,970	370,000
Short-term liabilities against finance lease contracts	4	1,614,481	1,639,306
Short-term Murabaha facilities	5	1,494,563	264,892
Contingent liabilities provision		1,266,786	1,051,790
Accounts payable and other credit balances		4,133,815	5,134,391
Income tax provision	6	158,512	224,435
		<u>9,061,127</u>	<u>8,684,814</u>
Total liabilities		<u>19,741,054</u>	<u>18,484,718</u>
Total equity and liabilities		<u>42,266,792</u>	<u>40,546,410</u>

The attached notes from 1 to 11 form part of these interim condensed consolidated financial statements

THE CONSULTANT AND INVESTMENT GROUP COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2024 (UNAUDITED)

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2024	2023	2024	2023
		JD	JD	JD	JD
Operating revenues		5,300,448	4,648,517	10,231,960	8,916,231
Cost of operating revenues		(3,833,055)	(3,330,545)	(7,590,598)	(6,790,025)
Gross profit		1,467,393	1,317,972	2,641,362	2,126,206
General and administrative expenses		(814,997)	(686,893)	(1,629,996)	(1,617,929)
Provision of contingent liabilities expense		(104,996)	(245,000)	(214,996)	(245,000)
Finance and lease liabilities costs		(187,014)	(94,409)	(372,689)	(185,988)
Other income, net		54,610	79,467	191,629	116,948
Profit for the period before income tax		414,996	371,137	615,310	194,237
Income tax	6	(86,098)	(70,088)	(151,264)	(92,239)
Profit for the period		328,898	301,049	464,046	101,998
Other comprehensive income items		-	-	-	-
Total comprehensive income for the period		328,898	301,049	464,046	101,998
		JD/Fils	JD/Fils	JD/Fils	JD/Fils
Basic and diluted profit per share for the period	11	0/016	0/015	0/023	0/005

The attached notes from 1 to 11 form part of these interim condensed consolidated financial statements

THE CONSULTANT AND INVESTMENT GROUP COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024 (UNAUDITED)

	Paid-in capital JD	Statutory reserve JD	Retained earnings JD	Total JD
For the six months period ended 30 June 2024 -				
Balance as at 1 January 2024	20,000,000	911,074	1,150,618	22,061,692
Total comprehensive income for the period	-	-	464,046	464,046
Balance as at 30 June 2024	<u>20,000,000</u>	<u>911,074</u>	<u>1,614,664</u>	<u>22,525,738</u>
For the six months period ended 30 June 2023 -				
Balance as at 1 January 2023	20,000,000	793,808	431,338	21,225,146
Total comprehensive income for the period	-	-	101,998	101,998
Balance as at 30 June 2023	<u>20,000,000</u>	<u>793,808</u>	<u>533,336</u>	<u>21,327,144</u>

The attached notes from 1 to 11 form part of these interim condensed consolidated financial statements

THE CONSULTANT AND INVESTMENT GROUP COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024 (UNAUDITED)

	Notes	For the six months ended 30 June	
		2024	2023
		JD	JD
<u>OPERATING ACTIVITIES</u>			
Profit for the period before tax		615,310	194,237
Adjustments for:			
Finance and lease liabilities costs		400,727	185,988
Depreciation	3	581,227	550,687
Depreciation on right-of-use assets		156,727	166,554
Provision for contingent liabilities		214,996	245,000
Provision for employees' vacations		20,180	17,577
Provision for end of service indemnity		13,753	11,174
Working capital changes:			
Medicine and medical supplies		(301,286)	(12,532)
Accounts receivable		(742,630)	(817,675)
Other debit balances		74,212	(4,881)
Checks under collection		4,868	-
Accounts payable and other credit balances		(1,115,984)	641,930
Income tax paid	6	(217,187)	(374,237)
Provision for employees' vacations paid		-	(11,548)
Net cash flows (used in) from operating activities		(295,088)	792,274
<u>INVESTING ACTIVITIES</u>			
Purchases of property and equipment	3	(299,226)	(119,495)
Projects under construction	3	(884,227)	(705,676)
Net cash flows used in investing activities		(1,183,453)	(825,171)
<u>FINANCING ACTIVITIES</u>			
Liabilities against finance lease contracts		(179,618)	108,452
Murabaha facilities		2,399,660	-
Finance costs and lease liabilities interests paid		(291,214)	(129,406)
Lease liabilities paid		(191,235)	(174,360)
Net cash flows from (used in) financing activities		1,737,593	(195,314)
Net increase (decrease) in cash and cash equivalents		259,052	(228,211)
Cash and cash equivalents at the beginning of the period		304,481	174,919
Cash and cash equivalents at the end of the period	8	563,533	(53,292)

The attached notes from 1 to 11 form part of these interim condensed consolidated financial statements

THE CONSULTANT AND INVESTMENT GROUP COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2024 (UNAUDITED)

(1) GENERAL

The Consultant and Investments Group Company (Istishari Hospital) was established and registered on 7 November 1995, as a Public Shareholding Company. The Company's paid-in capital is JD 8,000,000. It was increased in prior years in phases to become JD 20,000,000 as at 30 June 2024. The Company's offices are located in Wadi Saqra, P.O Box 840431 Amman 11184 The Hashemite Kingdom of Jordan.

The principal activities of the Company are industrial construction, commercial agencies, investment in commercial and financial projects, establishment and management of health and construction projects, real estate, residential, urban or industrial, commercial markets of all kinds and related services.

The interim condensed consolidated financial statements were approved by the Board of Directors on 28 July 2024.

(2) BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation –

The interim condensed consolidated financial statements as at 30 June 2024 have been prepared in accordance with International Accounting Standard (34), ("Interim Financial Reporting").

The interim condensed consolidated financial statements are presented in Jordanian Dinars, which is the functional currency of the Group.

The interim condensed consolidated financial statements do not contain all information and disclosures that are required by the International Financial Reporting Standards (IFRSs) and should be read in conjunction with the Group's annual report as at 31 December 2023. In addition, the results of the six-month period ended 30 June 2024 are not necessarily indicative of the result that may be expected for the financial year ending 31 December 2024.

The interim condensed consolidated financial statements comprise the financial statements of the Company and the following subsidiary:

	Capital	Nature of activity	Ownership Percentage	
			30 June 2024	31 December 2023
	JD		%	%
Al Motamaizah for Hospital Management Co	15,000	Hospital services and import of medical devices and supplies	100	100

CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2023 except for the adoption of new standards effective as of 1 January 2024:

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The Group is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. The amendments are not expected to have a material impact on the Group's interim condensed consolidated financial statements.

Amendments to IFRS 16: *Lease Liability in a Sale and Leaseback*

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no material impact on the Group's interim condensed consolidated financial statements.

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

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no material impact on the Group's interim condensed consolidated financial statements.

(3) PROPERTY AND EQUIPMENT AND PROJECTS UNDER CONSTRUCTION

Property and Equipment:

During the six-month period ended 30 June 2024, the Group purchased property and equipment at a cost of JD 299,226 (30 June 2023: JD 119,495). The depreciation amounted to JD 581,227 for the six months ended 30 June 2024 (30 June 2023: JD 550,687).

Projects Under Construction:

This account represents the expansion project of the main building of the Hospital. Additions to projects under construction during the six-months period ended 30 June 2024 were amounted to JD 884,227 (30 June 2023: JD 705,676).

(4) LIABILITIES AGAINST FINANCE LEASE CONTRACTS

This item represents liabilities against finance lease contracts granted to the Group by the International Arab Islamic Bank:

	30 June 2024 (unaudited)			31 December 2023 (audited)		
	Short-term	Long-term	Total	Short-term	Long-term	Total
	JD	JD	JD	JD	JD	JD
Solar energy project *	234,849	690,094	924,943	254,356	807,573	1,061,929
Hospital expansion project **	945,992	3,576,896	3,522,888	1,170,478	3,183,351	4,353,829
Land purchase ***	458,205	4,730,849	5,189,054	261,911	5,182,888	5,444,799
	1,639,046	8,997,839	10,686,745	1,686,745	9,173,812	10,860,557
Less: Land relinquishment fees***	(24,565)	-	(24,565)	(47,439)	(21,180)	(68,619)
Total	1,614,481	8,997,839	10,612,320	1,639,306	9,152,632	10,791,938

* The Group signed a financial lease agreement on 18 November 2018 to finance a solar energy project with a total value of JD 2,490,750. The lease yield rate was 2.5% annually, of which to be paid in 109 monthly instalments divided over 9 years of JD 22,851 per month. The financing was rescheduled in 2021 that the final instalment due on 18 August 2028.

** The Group signed manufacturing contracts 5 September 2019 for the expansion of the fourth and fifth floors of the Istishari Hospital with a total value of JD 1,694,812. An annual manufacturing margin of 2.36% was to be repaid on 48 monthly instalments.

*** This item includes liabilities related to financial leasing contracts for the purchase of land as detailed below:

- 1) The Group signed a financial lease agreement 28 July 2016 to finance the purchase of land no. (1284) from the International Arabic Islamic Bank. The Bank acquired the land and then re-leased it to the Group. As a result, the Group incurred transfer fees of JD 426,951 which were paid to the Amman Land Registry and recorded as a liability to be amortized over the life of the facility.

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The lease term is set at 108 months over 9 years, paid monthly from 31 August 2017. The monthly instalment was amounted to JD 55,931. The financing was rescheduled, and the monthly instalment was amounted to JD 50,691 for a year from 31 May 2022. Also, the financing was rescheduled, so the monthly instalment was amounted to JD 51,872 for a one year from 31 May 2023. The yield rate for the first year was 6.5% of the principal financing amount, while the variable margin for the first year was 1%.

- 2) During 2022, the Group signed financial leasing agreements to purchase two plots of land No. 954 and 1028 in Wadi Saqra Basin No. 18 with the Islamic International Arab Bank, provided that the lease period is 120 months divided into 10 years, and to be paid monthly starting from 30 November 2023. The rate of the return for the first year was 6.2% from the original financing value.

The Group's liabilities under the financial lease contracts are secured by the lessor's ownership of the leased assets.

The annual payments and the finance installments due dates are as follows:

Period / Year	Amount JD
1 July 2024 until 30 June 2025	1,639,046
1 July 2025 until 30 June 2026	1,866,685
1 July 2026 until 30 June 2027	1,756,548
1 July 2027 until 30 June 2028	1,793,576
1 July 2028 and after	3,581,030
	<u>10,636,885</u>

(5) MURABAHA FACILITIES

	30 June 2024 (unaudited)			31 December 2023 (audited)		
	Short-term	Long-term	Total	Short-term	Long-term	Total
	JD	JD	JD	JD	JD	JD
Murabaha finance facilities	1,494,563	1,266,738	2,761,301	264,892	96,749	361,641
	<u>1,494,563</u>	<u>1,266,738</u>	<u>2,761,301</u>	<u>264,892</u>	<u>96,749</u>	<u>361,641</u>

This item represents facilities granted to the Group from the International Arabic Islamic Bank as the Group signed in 2023 Murabaha financing agreements with the International Arabic Islamic Bank with a ceiling up to JD 1,000,000 at a Murabaha rate of 6.8% to finance the purchase of medications. These facilities are repaid in monthly instalments. The first payment was due on 1 February 2024, and the final payment is due on 21 May 2025.

The Group signed a restricted investment Wakala agreement with the International Arabic Islamic Bank on 3 March 2024 for financing purposes for an amount of JD 2,100,000 at a Murabaha rate of 10.08%. The first payment is due on 18 August 2024 for a portion of the facility amounted to JD 300,000 paid over 12 monthly installments as the Group has a grace period for the remaining amount of JD 1,800,000. The payments schedule will be agreed upon the completion of the payment of the first installment.

THE CONSULTANT AND INVESTMENT GROUP COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2024 (UNAUDITED)

The Group signed a restricted investment Wakala agreement with the International Arabic Islamic Bank on 5 June 2024 for financing purposes for an amount of JD 360,000. The payments schedule will be agreed upon on 5 September 2024.

(6) INCOME TAX

Income tax provision for the periods ended at 30 June 2024 and 2023 was calculated in accordance with the Income Tax Law No. (34) of 2014 and its amendments. The income tax rate for the Group is 20% in addition to a 1% National Contribution tax.

Tax Returns:

The Consultant and Investment Group Company

The Income Tax and Sales Department audited tax returns for the years between 2016 and 2022 the Company reached a final settlement with the Income and Sales Tax Department up to the year 2022. During 2021, the Income Tax and Sales Department referred to the declarations for the years between 2016-2018 and issued a preliminary decision for JD 1,266,786 of claims against the Group. The Group's management objected to the decision and filed a lawsuit with the Income and Sales Tax Department and a final ruling for the lawsuit was issued during the year 2024 by the Jordanian Court of Cassation, and the ruling was in favor of the Income and Sales Tax Department for an amount of JD 1,266,786. The Company filed its tax return for the Income and Sales Tax Department for the year 2023. The Income and Sales Tax Department did not review the Company's accounting records up to the date of these interim condensed consolidated financial statements. In the opinion of the management and their tax consultant, the provision recognized by the Group is sufficient.

Al Motamaizah for Hospital Management Co (Subsidiary)

The Company reached a final settlement with the Income and Sales Tax Department up to the year 2022. The Company filed its tax return for the Income and Sales Tax Department for the year 2023, The Income and Sales Tax Department did not review the Company's accounting records up to the date of these interim condensed consolidated financial statements.

Movement on income tax provision is as follows:

	30 June 2024	31 December 2023
	JD (Unaudited)	JD (Audited)
Beginning balance for the period/year	224,435	528,308
Income tax for the period/year	151,264	187,654
Income tax paid	(217,187)	(491,527)
Ending balance for the period/year	158,512	224,435

THE CONSULTANT AND INVESTMENT GROUP COMPANY - PUBLIC SHAREHOLDING COMPANY
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30 JUNE 2024 (UNAUDITED)

Movement on deferred tax assets is as follows:

	30 June 2024	31 December 2023
	JD (Unaudited)	JD (Audited)
Balance as at the beginning of the period/year	548,725	697,181
Added during the period/year	-	4,394
Released during the period/year	-	(152,850)
Balance as at the end of the period/year	<u>548,725</u>	<u>548,725</u>

(7) EQUITY

Paid in Capital -

The authorized and paid-in capital amounted to JD 20,000,000 at par value of JD 1 each.

Statutory reserve -

The accumulated amounts in this account represent appropriations of 10% of annual profit before tax and is not available for distribution to shareholders. Statutory reserve should not exceed 25% of the Company's paid in capital.

(8) CASH AND BANK BALANCES

Cash and cash equivalent in the interim condensed consolidated statement of financial position is as follows:

	30 June 2024	31 December 2023
	JD (Unaudited)	JD (Audited)
Cash-on-hand	170,798	43,651
Bank balances	<u>392,735</u>	<u>243,663</u>
	<u>563,533</u>	<u>287,314</u>

For the purpose of interim condensed consolidated statement of cashflows, the details of cash and cash equivalents are as follows:

	30 June 2024	30 June 2023
	JD (Unaudited)	JD (Unaudited)
Cash-on-hand and bank balances	563,533	103,385
Bank overdraft	-	(156,677)
	<u>563,533</u>	<u>(53,292)</u>

THE CONSULTANT AND INVESTMENT GROUP COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2024 (UNAUDITED)

(9) RELATED PARTY TRANSACTIONS AND BALANCES

Related parties transactions represent transactions with the subsidiary, major shareholders, directors and key management personnel of the Group and the companies which they are major shareholders in. Pricing policies and terms of the transactions with related parties are approved by the Group's management.

The following is a summary of compensations (salaries, allowances and other benefits) of key management personnel of the Group:

	30 June 2024	30 June 2023
	JD	JD
	(Unaudited)	(Unaudited)
Salaries and other benefits of key management personal	93,000	93,000

(10) CONTINGENT LIABILITIES

Letters of guarantees –

As at the interim condensed consolidated financial statements date, the Group has outstanding letters of guarantees with an amount of JD 94,287 as at 30 June 2024 (31 December 2023: JD 84,038) and cash margin with an amount of JD 13,944 (31 December 2023: JD 12,406).

Lawsuits –

In addition to what is disclosed in note (6) regarding the decision to impose an additional income tax on the Group for the years between 2016-2018 and where the Group has recorded a provision against this claim, the Group is defendant in a number of lawsuits with an amount of JD 93,382 as at 30 June 2024 (31 December 2023: JD 93,382). The Group's management and its legal counsel believe that the provision recorded against these lawsuits is adequate to meet any obligations that may arise and there is no need to book an additional provision against these lawsuits.

(11) BASIC AND DILUTED EARNINGS PER SHARE

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
Profit for the period (JD)	464,046	101,998
Weighted average number of shares (Share)	20,000,000	20,000,000
	JD/Fils	JD/Fils
Basic and diluted earnings per share for the period	0/023	0/005