

**Arab International Company for
Education and Investment
Public shareholding company
Amman - The Hashemite Kingdom of Jordan**

**Condensed consolidated interim financial statements
as of June 30, 2021
(Reviewed not audited)**

**Arab International Company for
Education and Investment**
Public shareholding company
Amman - The Hashemite Kingdom of Jordan

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Report on the review of the consolidated condensed interim financial statements

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To the Board of Directors of

The Arab International Company for

Education and Investment

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

Introduction:

We have reviewed the accompanying condensed interim Consolidated financial statements of **The Arab International Company for Education and Investment- public shareholding company** which comprising , statement of consolidated condensed interim financial position as at June 30, 2021, and statement of consolidated condensed interim of comprehensive income, statement of consolidated condensed interim of changes in owners' equity and statement of consolidated condensed interim of cash flows for the six-month period ended June 30, 2021 and the related explanatory notes.

The management is responsible for the preparation and presentation of these condensed interim consolidated financial statements in accordance with IAS 34 - *Condensed interim Financial Reporting*. Our responsibility is to express a conclusion on these consolidated condensed interim consolidated financial statements based on our review.

Scope of review:

We conducted our review in accordance with International Standard on Review 2410 "Review of Condensed Interim Financial Information Performed by the Independent Auditor of the Entity". A review of the condensed interim financial information consists of making inquiries primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with international Standards on Auditing. Consequently, it 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 consolidated condensed interim financial statements are not prepared, in all material respects in accordance with IAS 34.

Other matters:

-The attached condensed consolidated interim financial statements have been prepared in accordance with the instructions of the Securities Commission and for management purposes.
-The financial statements were audited as on December 31, 2020, and the interim condensed financial statements as on June 30, 2020 were reviewed by another auditor, who issued an unqualified audit report on March 30, 2021 and an unqualified review report on August 5, 2020, respectively.
- The comparative consolidated interim financial statements numbers for the consolidated interim comprehensive income statement, the consolidated interim statement of changes in equity and the consolidated interim cash flow statement are not available, due to the fact that no consolidated interim financial statements were issued for the same period.

Obeidat & alsalih Co.


Nabeel Moh'd Obeidat

License No. 877



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Amman in
July 28, 2021

**Arab International Company for
Education and Investment
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Statement of condensed consolidated interim financial position
as of June 30, 2021 (reviewed not audited)**

	<u>Note</u>	<u>30-Jun-2021</u>	<u>31-Dec-2020</u>
<u>Assets</u>		JD	JD
<u>Non - current assets</u>		(Reviewed)	(Audited)
Investments in associates	6	41,585,254	41,922,671
Investing in a subsidiary - under incorporation	7	50,000	50,000
Property , plant & equipments - net	8	44,446,080	45,898,588
Projects under construction		2,812,418	2,702,692
Intangible assets - Net		2,938	3,754
Cheques under collection & notes receivable -long term	9	28,838	65,389
Financial assets at fair value through comprehensive income st.		162,700	146,938
The right to use assets	10	44,083	58,778
Total non - current assets		<u>89,132,311</u>	<u>90,848,810</u>
<u>Current assets</u>			
Cash on hand and at banks		456,949	558,127
Accounts receivable - net		9,006,912	7,376,035
Cheques under collection & notes receivable -short term	9	126,445	853,197
Due from related parties	20 A	6,654,284	6,485,805
Financial assets at fair value through income		342,782	325,809
Supplies warehouse and other		3,028,169	3,408,434
Other debit balances - net		3,664,815	3,108,661
Total current assets		<u>23,280,356</u>	<u>22,116,068</u>
Total assets		<u><u>112,412,667</u></u>	<u><u>112,964,878</u></u>

The accompanying notes form from (1) To (23) is an integral part of these statements

**Arab International Company for
Education and Investment**
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Follow - statement of condensed consolidated interim financial position
as of June 30, 2021 (reviewed not audited)

	Note	30-Jun-2021	31-Dec-2020
<u>Owners' equity and liabilities</u>		JD	JD
<u>Owners' equity</u>		(Reviewed)	(Audited)
Capital		40,500,000	40,500,000
Statutory reserve		10,125,000	10,125,000
Fair value reserve		882,920	852,421
Shares owned by subsidiary		(3,684,555)	(3,711,949)
Retained earnings	11	22,696,671	25,936,671
Profit for the period		1,962,077	-
Total owners' equity due to shareholders		72,482,113	73,702,143
Minority interests		11,667,336	11,189,457
Total owners' equity		84,149,449	84,891,600
<u>Non-current liabilities</u>			
Provision for end of service indemnity	12	299,205	299,205
Rent contracts' liabilities - long term	10	-	15,653
Total non-current liabilities		299,205	314,858
<u>Current liabilities</u>			
Banks overdraft	14	8,070,687	6,766,242
Loans - short term	15	4,065,457	6,105,000
Loans - accrued		1,017,889	-
Accounts payable		4,848,258	3,971,005
Rent contracts' liabilities - short term	10	30,632	29,313
Deffered cheques - short term	13	2,405,825	2,446,674
Due to related parties	20 B	145,807	118,237
Unearned revenues		2,490,043	2,218,651
Students refundable deposits		268,233	272,882
Income tax provision	16	193,628	1,158,585
Other credit balances		4,427,554	4,671,831
Total current liabilities		27,964,013	27,758,420
Total owners' equity and liabilities		112,412,667	112,964,878

The accompanying notes form from (1) To (23) is an integral part of these statements

**Arab International Company for
Education and Investment**
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Statement of condensed consolidated interim of comprehensive income
for the six months ended June 30, 2021 (reviewed not audied)

	Note	For the six months ended 30-Jun-2021 JD (Reviewed)	For the three months ended 30-Jun-2021 JD (Reviewed)
Revenues		15,637,033	7,572,083
Operating expenses		(10,083,996)	(5,448,908)
Gross profit margin		5,553,037	2,123,175
General & administrative expenses		(2,340,801)	(1,203,732)
Company's share of associates' profit	6 B	310,972	449,967
Impairment debts		(182,692)	(74,970)
Finance expenses		(351,849)	(135,819)
Returned from impairment debts		345,250	345,250
Other revenues		277,550	229,356
Unrealized gains from financial assets at fair value through income		16,973	(6,365)
Profit for the period before tax		3,628,440	1,726,862
Income tax	16	(659,753)	(212,826)
Profit for the period		2,968,687	1,514,036
<u>Due to:</u>			
Shareholders		2,390,499	1,204,145
Minority interests		578,188	309,891
Total		2,968,687	1,514,036
<u>Add: other comprehensive income items</u>			
Net changes in fair value for financial assets through comprehensive income statement & associates		30,499	(452,995)
Total comprehensive income for the period		2,999,186	1,061,041
<u>Due to:</u>			
Shareholders		2,420,998	751,150
Minority interests		578,188	309,891
Total		2,999,186	1,061,041
		Fils/Dinar	Fils/Dinar
Basic and diluted earning per share	17	0.059	0.037

There are no figures for the comparison period due to not issuing consolidated interim financial statements for the same period.

The accompanying notes form from (1) To (23) is an integral part of these statements

**Arab International Company for
Education and Investment
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Statement of condensed consolidated interim of changes in owners' equity
for the six months ended June 30, 2021 (reviewed not audited)**

Description	Capital JD	Statutory reserve JD	Fair value reserve * JD	Shares owned by subsidiary JD	Retained earnings		Profit of the period		Total retained earnings JD	Total owners' equity due to shareholders JD	Minority interests JD	Total JD
					Realized JD	Unrealized JD	Realized JD	Unrealized JD				
<u>For the six months ended June 30, 2021</u>												
Balance as of January 1, 2021 - audited	40,500,000	10,125,000	852,421	(3,711,949)	11,866,693	14,069,978	-	-	25,936,671	73,702,143	11,189,457	84,891,600
Earned profit received from associates	-	-	-	-	333,091	(333,091)	-	-	-	-	-	-
Prior years' income - associates	-	-	-	-	-	-	-	9,011	9,011	9,011	-	9,011
Prior years' income tax - associates	-	-	-	-	-	-	-	(437,433)	(437,433)	(437,433)	(85,308)	(522,741)
Adjusted opening balances	40,500,000	10,125,000	852,421	(3,711,949)	12,199,784	13,736,887	-	(428,422)	25,508,249	73,273,721	11,104,149	84,377,870
Profit for the period	-	-	-	-	-	-	2,015,045	375,454	2,390,499	2,390,499	578,188	2,968,687
Fair value reserve	-	-	30,499	-	-	-	-	-	-	30,499	-	30,499
Total comprehensive income for the period	-	-	30,499	-	-	-	2,015,045	375,454	2,390,499	2,420,998	578,188	2,999,186
Shares owned by subsidiary	-	-	-	27,394	-	-	-	-	-	27,394	-	27,394
Minority interests	-	-	-	-	-	-	-	-	-	-	(15,001)	(15,001)
Dividends to shareholders (note 11)	-	-	-	-	(3,240,000)	-	-	-	(3,240,000)	(3,240,000)	-	(3,240,000)
Balance as of June 30, 2021 - reviewed	40,500,000	10,125,000	882,920	(3,684,555)	8,959,784	13,736,887	2,015,045	(52,968)	27,898,748	72,482,113	11,667,336	84,149,449

In accordance with the instructions of Securities Commission, it is prohibited to dispose fair value reserve & Unrealized retained earnings through dividends to shareholders or capitalization or loss amortization or anything else .

Consolidated retained earnings include the company's share of the share premium and the reserves held with the subsidiary in the amount of **1,724,769** Jordanian dinar (a **959,506** Jordanian dinar against the share premium, a **725,678** Jordanian dinar against the statutory reserve, a **39,585** Jordanian dinar against the voluntary reserve) and it is not distributable to the partners except for the voluntary reserve.

There are no figures for the comparison period due to not issuing consolidated interim financial statements for the same period.

The accompanying notes form from (1) To (23) is an integral part of these statements

**Arab International Company for
Education and Investment
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Statement of condensed consolidated interim of cash flows
for the six months ended June 30, 2021 (reviewed not audited)**

	Note	30-Jun-2021 JD (Reviewed)
<u>Cash flows from operating activities</u>		
Profit for the period before tax		3,628,440
Depreciation & amortization		2,006,017
Depreciation of the right to use assets	10	14,695
Rent contracts liabilities interests	10	2,023
Company's share of associates losses	6 B	(310,972)
Unrealized (gains) loss from financial assets at fair		(16,973)
Capital gains		(7,204)
Impairment debts		182,692
Returned from impairment debts		(345,250)
Finance expenses		351,849
Operating income before changes in working capital		5,505,317
<u>(Increase) decrease in current assets</u>		
Accounts receivable		(1,468,319)
Cheques under collection		763,303
Due from related parties		(168,479)
Supplies warehouse and other		380,265
Other debit balances		(556,154)
<u>Increase (decrease) in current liabilities</u>		
Accounts payable & deferred cheques		836,404
Due to related parties		27,570
Unearned revenues		271,392
Students refundable deposits		(4,649)
Other credit balances		(256,669)
Net cash provided from operating activities before paid tax		5,329,981
Paid tax	16	(1,624,710)
Prior years' income tax paid - associates		(171,304)
Net cash provided from operating activities		3,533,967

There are no figures for the comparison period due to not issuing consolidated interim financial statements for the same period.

The accompanying notes form from (1) To (23) is an integral part of these statements

**Arab International Company for
Education and Investment
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Follow - statement of condensed consolidated interim of cash flows
Follow - statement of consolidated condensed interim of cash flows**

	Note	30-Jun-2021 JD (Reviewed)
<u>Cash flows from investing activities</u>		
Acquisitions of property , plant & equipments	8	(553,981)
Proceeds from sales of prperty , plant & equipments		8,493
Paid on projects under construction		(109,726)
Earned profit received from associates	6 C	333,091
Net cash (used in) investing activities		<u>(322,123)</u>
<u>Cash flows from financing activities</u>		
Banks overdraft		1,304,445
Loans		(1,021,654)
Minority interests		(15,001)
Dividends to shareholders	11	(3,240,000)
Rent net payments		(16,357)
Shares owned by subsidiary		27,394
Finance expenses		(351,849)
Net cash (used in) financing activities		<u>(3,313,022)</u>
Net (decrease) in cash		(101,178)
Cash on hand and at banks at beginning of period		558,127
Cash on hand and at banks at end of period		<u>456,949</u>

There are no figures for the comparison period due to not issuing consolidated interim financial statements for the same period.

The accompanying notes form from (1) To (23) is an integral part of these statements

Arab International Company for

Education and Investment

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

Notes to the condensed consolidated interim financial statements - reviewed not audited

1- Company's registration and objectives

The **Arab International Company For Education And Investment** was established & registered as a public shareholding company under number (208) on **November 20, 1989** , the company operates its educational activities through the **Applied Science University** , which started teaching as of **October 13, 1991**.

One of company's main objectives is to found and establish a private university to accommodate students from Jordan and abroad and prepare them as specialists at the university level in the technological fields mainly inlaid with human and social studies that can contribute to meet the needs of the Kingdom and neighbouring Arab countries .

It also aims to establish a number of centers and institutes for the rehabilitation of students enrolled to a leading positions in various scientific , training and performance fields .

The company may, in order to achieve its objectives directly , carry out all the investment activities required by its business and its interest in selling, buying, owning, brokering , lending , borrowing , pledging and lending . The company may also have an interest to participate in any way in the bodies and institutions that cooperate to achieve its objectives in The Hashemite Kingdom of Jordan or outside .

The condensed consolidated interim financial statements were approved by the board of directors at its meeting held on **July 28, 2021**, these financial statements aren't subject to the approval of the general assembly of shareholders .

2- Basis of preparation of interim financial statements

These condensed consolidated interim financial statements have been prepared in accordance with international accounting standards ((IFRS) IAS 34)(Interim Financial Reporting).

The condensed consolidated interim financial statements are presented in Jordanian Dinars (JOD) which is the company's presentation functional currency .

The condensed consolidated interim financial statements have been prepared on historical cost except financial assets and liabilities which appears on fair value.

These condensed consolidated interim financial statements do not include all the information required for a complete set of IFRS financial statements, However , selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the company's financial position and performance since the last annual report of financial statements as of **December 31, 2020**, in addition, The results for the three months period ended **June 30, 2021** are not necessarily indicative of the results that may be expected for the financial year ending **December 31, 2021**, and no appropriation was made for the six months profit ended **June 30, 2021** since it made at the year-end .

Arab International Company for

Education and Investment

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

Notes to the condensed consolidated interim financial statements - reviewed not audited

3- Use of estimates

The preparation of the condensed consolidated 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 particular, considerable judgement 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 change in such provisions.

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

- Management evaluates its investments for impairment on a regular basis where there is a prolonged decline, Management estimates the value of impairment and the same is charged in the statement of condensed interim comprehensive income - An estimate of the collectible amount of trade accounts receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

- Inventories are held at the lower of either cost or net realizable value. When inventories become old or obsolete, an estimate is made of their 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 aging or obsolescence, based on historical selling prices.

- Management reviews periodically the tangible and intangible assets in order to assess the amortization and depreciation for the year based on the useful life and future economic benefits. Any impairment is taken to the statement of condensed interim comprehensive

4- Significant accounting policies

Changes in accounting policies

The accounting policies followed in the preparation of the interim condensed financial statements for the period are consistent with those followed in the preparation of the financial statements for the year ended December 31, 2020, except for the company's application of the following standards:

Standard Interest Rate Reforms - Phase Two Adjustments

The amendments require the entity to recognize the change in the basis for determining the contractual cash flows of the asset or liability, which is required to reform the interest rate standard by updating the effective interest rate of the financial asset or liability, in addition, it provides exceptions to the requirements of hedge accounting. With regard to exposure to cash flows, fair value hedges, and non-derivative financial assets and liabilities related to the benchmark interest between banks, which mature after 2021, it was found that there is no significant impact of the standard interest rate reform on the company's business results.

Arab International Company for

Education and Investment

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

Notes to the condensed consolidated interim financial statements - reviewed not audited

5- Basis of consolidation of the financial statements

- The condensed consolidated interim financial statements consist of assets , liabilities , revenues & expnses of **The Arab International Company for Education and Investments** and 1 subsidiary as follows :

<u>Company's name</u>	<u>Legal form</u>	<u>Date of control</u>	<u>Capital</u>	<u>Ownership rate</u>	<u>Company's share of subsidiary's profit</u>	<u>Investment's net book value</u>
		JD	JD	%	JD	JD
Ibn Alhaytham Hospital Co.	P.S.C	January 1,2021	20,000,000	50.201	1,290,221	11,761,520

- Summary for Subsidiary's Assets & Liabilities & Revenues & Profits :

<u>Company's name</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Revenues</u>	<u>Profit for the period</u>
	JD	JD	JD	JD
Ibn Alhaytham Hospital Co.	33,095,316	9,666,459	7,034,798	1,161,043

Control realized when company has ability of control the financial and operation policies for subsidiaries for obtained benifets from its activities .

Subsidiaries' income results is being consolidated in statement of consolidated income from date of control up to stop that control on subsidiaries when the actual control on subsidiaries move to company or from company .

The financial statements for the mother company and subcdiaries are prepared for the period of the same accounting policies which used in the mother company (The Arab International Company for Education and Investments) , if subsidiary used differnet policies some adjusting must made on its financial statements to be applicable to the policies used in the mother company .

Minority interests represents part non owned by company from subsidiaries' owner's equity , minority interests stated in net company's assets as a separated item from shares owner's equity of the company .

**Arab International Company for
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Public shareholding company
Amman - The Hashemite Kingdom of Jordan

Notes to the condensed consolidated interim financial statements - reviewed not audited

6- **Investments in associates**

A. This item consists of :

	Number of shares Share	Ownership rate %	Market value JD	30-Jun-2021	31-Dec-2020
				Fair value	
				JD (Reviewed)	JD (Audited)
<u>National</u>					
<u>Public shareholding companies (listed)</u>					
International Co. for Medical Investments	1,127,415	48.167	1,319,076	959,222	1,058,408
First Finance Co.	8,062,863	23	3,789,546	10,599,930	10,806,813
Jordanian Real Estate Co. for Development ***	5,582,601	16.181	2,233,040	5,785,282	5,718,444
Contempro Co. for Housing projects ***	580,924	8.334	395,028	639,531	642,458
Total			7,736,690	17,983,965	18,226,123
<u>Limited liability companies (unlisted)</u>					
Arab Int'l Food & Factories & Investments Co.	4,856,545	46.252	-	10,887,993	11,056,860
Ettihad Schools Co.	6,246,489	41.643	-	7,743,262	7,732,094
Alomana' for Investment & portfolio management	4,399,091	48.878	-	4,655,395	4,592,955
Trans World Information Technology Co.	45,810	44.911	-	308,139	308,139
Applied Energy Co. *	80,000	40	-	-	-
University Scientific Research Co. **	6,000	20	-	6,000	6,000
Jordanian Consultative Center for Administrative Development & Capacity Building **	500	50	-	500	500
Total			-	23,601,289	23,696,548
Total				41,585,254	41,922,671

* The company's share of associates business results is recorded, and the record stops when the investment's value become zero (in the company's records (the net equity of associates as of **June 30, 2021** was negative).

** The investments representative at cost according to not issueing financial statements.

*** The investments were classified above as associates due to the presence of indicators from the investor in influencing the financial and operating decisions of these companies.

**Arab International Company for
Education and Investment
Public shareholding company
Amman - The Hashemite Kingdom of Jordan**

Notes to the condensed consolidated interim financial statements - reviewed not audited

6- **Investments in associates - follow**

B. **The following summary of assets, liabilities, revenues and companys' share of associates P/L :**

	Activity	Assets JD	Liabilities JD	Revenues JD	Companys' share of associates P/L JD	
<u>National</u>						
<u>Public shareholding companies (listed)</u>						
	International Co. for Medical Investments	Trade	2,639,906	648,992	5,492	(38,521)
	First Finance Co.	Finance	54,676,359	8,663,729	2,906,376	110,846
	Jordanian Real Estate Co. for Development	Real-estate	37,158,571	1,406,020	558,520	27,106
	Contemproaries Co. for Housing projects	Real-estate	6,896,199	290,838	73,828	(2,927)
	Total		101,371,035	11,009,579	3,544,216	96,504
<u>Limited liability companies (unlisted)</u>						
	Arab Int'l Food & Factories & Investments Co.	Industry	23,992,166	137,088	190	(25,761)
	Ettihad Schools Co.	Education	24,729,071	6,134,680	2,154,171	201,613
	Alomana' for Investment & portfolio management	Brokerage	10,210,245	9,524,445	296,380	38,616
	Trans World Information Technology Co. *	Programing	-	-	-	-
	Applied Energy Co.*	Renewable energy	-	-	-	-
	University Scientific Research Co. *	Research	-	-	-	-
	Jordanian Consultative Center for Administrative Development & Capacity Building *	Trainig	-	-	-	-
	Total		58,931,482	15,796,213	2,450,741	214,468
	Total		160,302,517	26,805,792	5,994,957	310,972

* Financial information are not available according to not issueing interim financial statements .

**Arab International Company for
Education and Investment**
Public shareholding company
Amman - The Hashemite Kingdom of Jordan

Notes to the condensed consolidated interim financial statements - reviewed not audited

6- **Follow - Investment in associates**

C. **Transaction of investment in associates during the period represents of :**

	<u>30-Jun-2021</u>	<u>31-Dec-2020</u>
	JD	JD
	(Reviewed)	(Audited)
Balance beginning of the period / year	41,922,671	49,873,415
Company's share of associates profit	310,972	744,483
Net changes in fair value for associates	27,128	1,640,111
Dividends received from associates	(333,091)	(291,750)
Prior years' income (expenses) - associates	9,011	(32,169)
Prior years' income tax - associates	(351,437)	-
Transfer from associates to subsidiary	-	(10,011,419)
Balance ending of the period / year	<u>41,585,254</u>	<u>41,922,671</u>

D. For purposes of company's membership in the associates board of directors and other purposes for Security Depository Center , the number of share reserved as follows:

		<u>30-Jun-2021</u>	<u>31-Dec-2020</u>
	No. of shares	Market Value	
	Share	JD	JD
		(Reviewed)	(Audited)
International Co. for Medical Investments	20,800	24,336	19,500
First Finance Co.	50,000	23,500	25,500
Jordanian Real Estate Co. for Development	5,000	2,000	1,800
Total		<u>49,836</u>	<u>46,800</u>

Arab International Company for

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Amman - The Hashemite Kingdom of Jordan

Notes to the condensed consolidated interim financial statements - reviewed not audited

7- **Investing in a subsidiary - under incorporation**

This item consists of :

	No. of shares	Ownery rate	30-Jun-2021	31-Dec-2020
<u>National</u>	Share	%	JD	JD
<u>Limited liability companies (unlisted)</u>			(Reviewed)	(Audited)
Jordan Medical Modern University Company - under incorporation	50,000	100	50,000	50,000
Total			50,000	50,000

The financial statements of the subsidiary have not been consolidated, as the company is still under incorporation, as it was established on **December 22, 2020**.

**Arab International Company for
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Notes to the condensed consolidated interim financial statements - reviewed not audited

8- Property , plant & equipments - Net

A. This item consists of the following :

	Lands	Buildings & constructions	Laboratory equipment & office machines	Furniture & fixtures	Scientific research instrument - solar energy	Cars & buses	Books & periodicals	Tools & equipments	Laboratory equipments	Educational & clarification tools	Power plant	Others	Irrigation networks	Parking	Leasehold improvements	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<u>Cost</u>																
Balance beginning of the period	15,519,001	54,400,999	35,919,395	5,707,505	2,927,420	3,080,383	3,292,695	271,553	198,071	325,387	151,191	225,213	15,081	112,828	54,050	122,200,772
Additions	-	164,547	349,370	12,449	-	-	10,654	820	-	-	-	16,141	-	-	-	553,981
Disposals	-	-	(1,363)	(655)	-	(17,359)	-	-	-	-	-	-	-	-	-	(19,377)
Balance ending of the period	15,519,001	54,565,546	36,267,402	5,719,299	2,927,420	3,063,024	3,303,349	272,373	198,071	325,387	151,191	241,354	15,081	112,828	54,050	122,735,376
<u>Accumulated depreciations</u>																
Balance beginning of the period	-	33,306,357	29,854,581	5,245,842	1,353,971	2,923,763	2,591,981	254,914	121,510	324,936	151,184	117,129	15,074	40,942	-	76,302,184
Depreciation	-	901,502	804,920	70,493	145,168	23,396	31,996	2,478	9,422	-	-	1,958	-	8,462	5,405	2,005,200
Disposals	-	-	(446)	(284)	-	(17,358)	-	-	-	-	-	-	-	-	-	(18,088)
Balance ending of the period	-	34,207,859	30,659,055	5,316,051	1,499,139	2,929,801	2,623,977	257,392	130,932	324,936	151,184	119,087	15,074	49,404	-	78,289,296
Book value as of June 30, 2021 (reviewed)	15,519,001	20,357,687	5,608,347	403,248	1,428,281	133,223	679,372	14,981	67,139	451	7	122,267	7	63,424	54,050	44,446,080
Book value as of December 31, 2020 (audited)	15,519,001	21,094,642	6,064,814	461,663	1,573,449	156,620	700,714	16,639	76,561	451	7	108,084	7	71,886	54,050	45,898,588

B. Cost of depreciated property , plant & equipments & still in use JD **30,815,580** as of **June 30, 2021** (JD **30,704,584** as of **December 31, 2020**) .

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9- Cheques under collection & notes receivable

A. This Item Consists of :

	30-Jun-2021		31-Dec-2020	
	<u>Short term</u>	<u>Long term</u>	<u>Total</u>	<u>Total</u>
	JD	JD	JD	JD
			(Reviewed)	(Audited)
Cheques under collection (9 B)	126,445	28,838	155,283	344,891
Notes receivable	-	-	-	573,695
Total	126,445	28,838	155,283	918,586

B. Cheques under collection maturity date extend to **October 1, 2024** .

10- The right to use assets & rent contracts liabilities

A. The movement of the right to use assets & rent contracts liabilities during the period as follow :

	<u>The right to use assets</u>	<u>Rent contracts' liabilities</u>
	JD	JD
Balance beginning of the period / year	58,778	44,966
Depreciation of the right to use assets	(14,695)	-
Rent contracts liabilities interests	-	2,023
Rent net payments	-	(16,357)
Balance ending of the period / year	44,083	30,632

B. Rent contracts liabilities

	30-Jun-2021	31-Dec-2020
	JD	JD
	(Reviewed)	(Audited)
Rent contracts liabilities - short term	30,632	29,313
Rent contracts liabilities - long term	-	15,653
Total	30,632	44,966

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11- Retained earnings

A. This item consists of :

	30-Jun-2021	31-Dec-2020
	JD	JD
	(Reviewed)	(Audited)
Balance beginning of the period / year	25,936,671	24,597,342
Prior years' expenses & income tax	-	(157,767)
Adjusted opening balance	25,936,671	24,439,575
Profit for the year after tax	-	5,547,096
Dividends paid to shareholders *	(3,240,000)	(4,050,000)
Balance ending of the period / year	22,696,671	25,936,671
<u>It's distributed as follows:</u>		
Retained earnings from realized profit	8,959,784	12,699,657
Retained earnings from unrealized profit	13,736,887	13,237,014
Total	22,696,671	25,936,671

* The general assembly decided in its ordinary meeting held on **April 29, 2021** to distribute cash dividends at the rate of **8%** of capital, amounted of **JD 3,240,000**.

12- End of service idemnity

The movement of end of service idemnity during the year as follow :

	30-Jun-2021	31-Dec-2020
	JD	JD
	(Reviewed)	(Audited)
Balance beginning of the period / year	299,205	249,778
Additions for the period / year	-	51,662
Paid from end of service idemnity	-	(2,235)
Balance ending of the period / year	299,205	299,205

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13- **Deffered cheques**

A. This Item Consists of :

	<u>30-Jun-2021</u> JD (Reviewed)	<u>31-Dec-2020</u> JD (Audited)
Deffered cheques - accrued & short term	<u>2,405,825</u>	<u>2,446,674</u>

B. Deffered cheques maturity date extend to **June 5, 2022** .

C. Deffered checks represent the value of payments to the associate company (Applied Energy Company) to pay part of the company's share in the renewable energy project wick mentioned in projects under construction.

14- **Banks overdraft**

A. This item consists of :

	<u>Facilities limit</u> JD	<u>Interest rate</u> %	<u>30-Jun-2021</u> JD (Reviewed)	<u>31-Dec-2020</u> JD (Audited)
<u>Mother company</u>				
Arab bank	3,250,000	7.125	623,733	2,170,533
Ittihad bank	5,000,000	7	4,885,607	2,000,375
Arab bank	750,000	-	-	65,750
<u>Subsidiary</u>				
Ittihad bank	2,000,000	6.75	<u>2,561,347</u>	<u>2,529,584</u>
Total			<u>8,070,687</u>	<u>6,766,242</u>

B. Arab bank facilities due date of **May 27, 2022**.

C. Ittihad bank facilities due date of **October 31, 2021**

D. All facilities had been given to company through company's name gurantee .

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15- **Loans**

A. This Item Consists of :

	30-Jun-2021		31-Dec-2020	
	Short term	Long term	Total	Total
	JD	JD	JD	JD
			(Reviewed)	(Audited)
Al-Rajhi Bank (15B)	1,017,889	4,065,457	5,083,346	6,105,000
Total	1,017,889	4,065,457	5,083,346	6,105,000

B. The parent company obtained three loans from Al-Rajhi Bank on March 30, 2021, April 22, 2021 and June 9, 2021, respectively, with a total value of 5,083,346 dinars, in return for selling goods to the customer on credit. The loans are due on June 30, 2021, July 22, 2021 and 9 September 2021, respectively, and profits of 89,056 dinars were calculated for the three loans as deferred profits, and the outstanding loan amounting to 1,017,889 dinars was paid on July 7, 2021.

16- **Income tax provision**

A. **Transaction of income tax provision during the period represents of :**

	30-Jun-2021	31-Dec-2020
	JD	JD
	(Reviewed)	(Audited)
Balance beginning of the period/year	1,158,585	1,148,032
Tax of the period/year (Note 16 C)	659,753	1,487,309
Paid tax during the period/year	(1,624,710)	(1,476,756)
Balance ending of the period/year	193,628	1,158,585

B. The parent company's income tax for the end of 2018 was accepted within the sampling system, and self-assessment statements for the years 2019 and 2020 were submitted and have not yet been reviewed by the Income and Sales Tax Department. The income tax for the subsidiary company was settled until the end of 2018, and the self-assessment statements for the years 2019 and 2020 were submitted within the legal period of the Income and Sales Tax Department, and they have not yet been reviewed.

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16- Income tax provision

C. Reconciliation of taxable income

	<u>30-Jun-2021</u>	<u>31-Dec-2020</u>
	JD	JD
	(Reviewed)	(Audited)
Recorded profit	3,628,440	7,761,276
Non-taxable income	(673,195)	(983,022)
Non-taxable expenses	186,434	390,531
Taxable income	3,141,679	7,168,785
Income tax rate	20%	20%
Income tax for the period / year	628,336	1,433,757
National contribution accountt (1% of taxable income)	31,417	53,552
Income tax provision	659,753	1,487,309

The income tax provision has been distributed as follows:

Parent company income tax	443,641	1,124,598
Subsidiary income tax	216,112	362,711
Total	659,753	1,487,309

17- Basic and diluted earning per share

This item consists of :

	<u>30-Jun-2021</u>
	JD
Profit of the period after tax (JD)	2,390,499
Weighted average shares (share)	40,500,000
Basic and diluted earning per share	0.059

The diluted earning per share is equal to the basic earning per share .

18- Contingent liabilities

At the date of financial statements there were contingent liabilities represented of bank gurantees as follows:

	<u>30-Jun-2021</u>	<u>31-Dec-2020</u>
	JD	JD
	(Reviewed)	(Audited)
Mother company	1,762,876	1,762,876
Subsidiary	88,000	88,000
Total	1,850,876	1,850,876

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19- Legal situation

Mother company:

There are cases filed by the mother company company against third parties with a value of JD **1,847,962** , including cases filed against the Ministry of Higher Education and Scientific Research. Transfer it to the Scientific Research Fund. The purpose of this is to prevent a claim for payment of JD **1,626,256** on the grounds that this amount is in excess of the percentage allocated for the purposes of scientific research and fielding for previous years and the company should transfer it to the Scientific Research Fund.

There are lawsuits filed by third parties against the mother company amounting to JD **1,094,559** and include a case worth JD **1** million filed by Azmi Shaaban in his personal capacity against Amana for Agricultural Investments company and its board of directors members. Where he lent the company the amount of one million Jordanian dinars, and the first installment of it has been paid, at a value of **252,000** dinars, leaving **748,000** Jordanian dinars remaining, the Arab International Company for Education and Investment is a member of the board of directors of the company.

The members of the Board have signed a guarantee to pay the premiums of the loan granted to the company and the member representing the Arab International Company for Education and Investment exceeded the limits of his mandate to represent the company in the board. The Court of First Instance issued a decision to dismiss the lawsuit from the Arab Company for Education and Investment and obliged the company's representative in the Board in his personal capacity to a share of the amount of JD **748,000** (representing the remaining amount of the loan granted). The decision was appealed and the Court of Appeal issued a decision to commit the Arab International Company for Education and Investment to its share of the amount of JD **124,666** and the case is currently pending before the Court of Cassation, and the rest of the cases filed against the company, mostly labor cases.

In the opinion of the legal advisor of the company, the result of these cases will be in favor of the company, and adequate provisions have been made to them in the financial statements.

Legal consultant opinion that the results of these issues will be favour to company , the company take enough provisions for it inside financial statements .

Subsidiary:

There are lawsuits filed by others against the company with a value of JD **854,491** Jord, and other cases filed by the company against others, with a value of JD **545,827** . In the opinion of the company's management and the company's legal advisor, the probable outcome of these cases will be in favor of the company and that the provision made in the books is sufficient to meet any potential liabilities.

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20- Related parties transactions

Realated parties include key shareholders , key management personnel , key managers , associates and subsidiaries and controlled companies . The company's management has approved the pricing policies and terms of transactions with related parties.

A. Details of due from related parties appear on financial position

	Type of transaction	30-Jun-2021 JD (Reviewed)	31-Dec-2020 JD (Audited)
<u>associates</u>			
Jordan Medical Modern University Company	Finance	5,000,893	5,000,287
Applied Energy Co.	Finance	1,458,797	1,283,554
International Co. for Medical Investments	Exp. & property	181,346	189,413
Jordanian Consultative Center for Administrative Development & Capacity Building	Finance	86,500	86,500
Amana Company for Agricultural and Industrial Investments	Finance	33,917	33,917
University Scientific Research Co.	Finance	8,132	8,132
Arab Int'l Food & Factories & Investments Co.	Expenses	8,616	7,168
Jordanian Real Estate Co. for Development	Expenses	-	195
Alomana Company for Investment and Portfolio Management	Brokerage	4,633	5,189
Total		6,782,834	6,614,355
Deduct : related parties impairment debts		(128,550)	(128,550)
Net		6,654,284	6,485,805

B. Details of due to related parties appear on financial position

	Type of transaction	30-Jun-2021 JD (Reviewed)	31-Dec-2020 JD (Audited)
<u>associates</u>			
Trans World Information Technology Co.	Softwares	88,556	88,556
First Finance Co.	Expenses	9,448	6,885
Haman Real Estate Company	Rents	18,429	16,358
Ettihad Schools Co.	Expenses	28,435	6,438
Jordanian Real Estate Co. for Development	Expenses	939	-
Total		145,807	118,237

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Notes to the condensed consolidated interim financial statements - reviewed not audited

20- **Follow - related parties transactions**

c. **Wages , allowances and other benefits for senior excutive managements :**

	<u>30-Jun-2021</u>
	JD
Wages & other benefits	583,929

21- **Risk management**

The company is exposed in general to financial risks, credit risks, liquidity risks and market risks, especially in light of the Corona pandemic, and in general, the goals and policies of the company in managing the financial risks to which the financial statements are exposed, and they have been disclosed in the financial statements as well as the financial statements of the company as well On December 31, 2020.

22- **Subsequent events**

There are no subsequent events may have material affects to financial position .

23- **Comparative figures**

Some of the comparative figures have been reclassified to suit the classification of the current fiscal period figures. The reclassification and did not result in any impact on the profit or property rights of the previous year.