AL – FARES NATIONAL COMPANY FORINVESTMENT AND EXPORT
(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND REVIEW REPORT FOR THE PERIOD ENDED JUNE 30, 2023

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MODERN
Accountants

Jabal Amman , 6th Circle
16 Djibouti St,
P.O.Box 940668
Amman 11194 , Jordan

T: +962 (6) 5561293
F: +962 (6) 5561204
E: info@modern-accountants.com

REPORT ON REVIEWING THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the president and members of the board of directors
AL – Fares National Company for Investment and Export
(Public Shareholding Company)

Introduction
We have reviewed the accompanying Interim Consolidated Statement of Financial Position of Al-Fares National Company for Investment and Export (P.L.C) as of June 30, 2023, and the related statements of Interim Consolidated Comprehensive income, Shareholders equity, and cash flows for the period then ended, The management is responsible for preparing and presenting company's financial statements in accordance with International Accounting Standard No. 34 (Interim Financial Reporting) which is an integral part of International Financial Reporting Standards. Our responsibility is limited to issuing a conclusion on these interim consolidated financial statements 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". This standard requires that we plan and perform the review to obtain reasonable assurance as to whether the financial statements are free of material misstatement. Our review the process of reviewing interim consolidated financial information is primarily limited to inquiries of the company's accounting and financial department's personnel as well as applying analytical procedures to financial data. The range of our review is narrower than the broad range of audit procedures applied according to International Auditing Standards. Accordingly, obtaining assurances and confirmations about other significant aspects checked through an audit procedure was not achievable; Hence, Wedo not express an opinion regarding this matter.

Conclusion
Based on our review, nothing has come to the attention that leads us to be believed that the accompanying interim consolidated financial statements do not express a true and fair view following the International Accounting Standard No. 34.

Emphasis of matter
The accompanying financial statements have been prepared in assuming that the company will continue as a going concern. the company has a deficit working capital of 496,098 JD as of June 30, 2023,which raises substantial doubt about its ability to continue as a going concern.

Modern Accountants

Abdul Kareem Qunais
License No.(496)

Amman - Jordan
July 26, 2023

Modern Accountants
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AL – FARES NATIONAL COMPANY FOR INVESTMENTAND EXPORT
(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF JUNE 30, 2023AND DECEMBER 31, 2022
(EXPRESSED IN JORDANIAN DINAR)

	Note	2023	2022
ASSETS			
Non-current assets			
Property and equipment		**303,555**	281,483
Intangible assets	4	**17,519,760**	17,519,760
Right of use assets		**54,673**	101,537
Total non-current assets		**17,877,988**	17,902,780
Current assets			
Prepaid expenses and other receivables		**1,115,780**	1,072,205
Inventory		**102,864**	45,432
Unbilled revenues		**3,238,064**	2,958,198
Accounts receivable		**7,726,797**	7,967,254
Cash and cash equivalents		**873,477**	775,481
		13,056,982	12,818,570
Obligations in discontinued subsidiaries company		-	-
Total current assets		**13,056,982**	12,818,570
TOTAL ASSETS		**30,934,970**	30,721,350
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Shares capital	1	**16,000,000**	16,000,000
Statutory reserve		**310,934**	310,934
Voluntary reserve		**25,230**	25,230
Accumulated losses		**(1,145,711)**	(870,016)
Total shareholders' equity		**15,190,453**	15,466,148
Non-current liabilities			
End-of-service indemnities		**158,551**	158,551
Long-term loans		**2,032,886**	3,480,349
Non-current lease obligation		-	7,874
Total non-current liabilities		**2,191,437**	3,646,774
Current liabilities			
Accrued expenses and other payables		**3,831,498**	3,644,729
Accounts payable and deferred Checks		**5,939,212**	5,329,565
Current lease obligation		**40,504**	87,474
Current portion of long-term loans		**3,178,415**	1,803,795
Banks overdraft		**563,451**	742,865
Total current liabilities		**13,553,080**	11,608,428
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**30,934,970**	30,721,350

The accompanying notes are an integral part of these interimconsolidated financial statements

AL – FARES NATIONAL COMPANY FOR INVESTMENTAND EXPORT
(PUBLIC SHAREHOLDING COMPANY)

INTERIMCONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME(UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2023
(EXPRESSED IN JORDANIAN DINAR)

	For the interim period		**From the beginning of the year to**	
	From April 1 2023to June 30, 2023	From April 1 2022 to June 30, 2022	**June 30, 2023**	June 30, 2022
Revenues				
Sales	**5,370,358**	5,371,107	**12,149,849**	11,325,288
Services revenues	**231,199**	285,971	**536,361**	568,183
Total revenue	**5,601,557**	5,657,078	**12,686,210**	11,893,471
Cost of revenues				
Cost of sales	**(4,842,067)**	(4,759,276)	**(11,146,824)**	(10,106,236)
Cost of services revenues	**(185,239)**	(219,961)	**(407,051)**	(423,915)
Total cost of revenue	**(5,027,306)**	(4,979,237)	**(11,553,875)**	(10,530,151)
Gross profit for the period	**574,251**	677,841	**1,132,335**	1,363,320
Selling, marketing and administrative expenses	**(537,388)**	(439,370)	**(1,092,387)**	(902,464)
Depreciations and amortization	**(50,320)**	(45,344)	**(99,052)**	(92,677)
Financingcost	**(92,958)**	(119,670)	**(199,945)**	(229,214)
Expected credit losses	**-**	-	**(30,000)**	-
Other revenues and expenses	**6,749**	10,694	**13,354**	15,118
(Loss) / Profit for the period	**(99,666)**	84,151	**(275,695)**	154,083
Other comprehensive income :				
Total comprehensive (loss) / income for the period	**(99,666)**	84,151	**(275,695)**	154,083
(Loss) / Earnings per share:				
(Loss) / Earnings per shareJD/ share	**(0,01)**	0,01	**(0,02)**	0,01
Weighted average of outstanding shares-share	**16,000,000**	16,000,000	**16,000,000**	16,000,000

The accompanying notes are an integral part of these interim consolidated financial statements

AL – FARES NATIONAL COMPANY FOR INVESTMENT AND EXPORT
(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONSOLIDATED STATEMENT OF SHAREHOLDERS'EQUITY (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2023
(EXPRESSED IN JORDANIAN DINAR)

	Share capital	Statutory reserve	Voluntary reserve	Accumulated losses	Total
Balance at January, 2023	16,000,000	**310,934**	**25,230**	**(870,016)**	**15,466,148**
Comprehensive income of the period	-	-	-	**(275,695)**	**(275,695)**
Balance at June30, 2023	16,000,000	**310,934**	**25,230**	**(1,145,711)**	**15,190,453**
Balance at January 1, 2022	16,000,000	260,534	25,230	(1,323,621)	14,962,143
Comprehensive income of the period	-	-	-	154,083	154,083
Balance at June30, 2022	16,000,000	260,534	25,230	(1,169,538)	15,116,226

The accompanying notes are an integral part of these interim consolidated financial statements

AL – FARES NATIONAL COMPANY FOR INVESTMENTAND EXPORT
(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS(UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2023
(EXPRESSED IN JORDANIAN DINAR)

	For the six months ended June 30, 2023	For the six months ended June 30, 2022
OPERATING ACTIVITIES		
(Loss) / Profit for the period	**(275,695)**	154,083
Adjustments on (loss) / profit for the period:		
Depreciations and amortization	**99,052**	92,677
Expected credit losses	**30,000**	-
Financingcost	**199,945**	229,214
Changes in operating assets and liabilities:		
Accounts receivable	**240,457**	(1,382,609)
Unbilled revenues	**(279,866)**	(872,879)
Inventory	**(57,432)**	(72,208)
Prepaid expenses and other receivables	**(43,575)**	(56,332)
Accounts payables and deferred checks	**609,647**	(39,029)
Accrued expenses and other payable	**156,769**	817,223
Net cash available from / (used in) operating activities	**679,302**	(1,129,860)
INVESTING ACTIVITIES		
Changes in Property and equipment	**(74,260)**	(62,868)
Net cash used in investing activities	**(74,260)**	(62,868)
FINANCING ACTIVITIES		
Loans	**(72,843)**	837,245
Banks overdraft	**(179,414)**	(278,086)
Lease obligation	**(58,953)**	(29,264)
Financingcost	**(195,836)**	(229,214)
Net cash (used in) / available from financing activities	**(507,046)**	300,681
Net change in cash and cash equivalents	**97,996**	(892,047)
Cash and cash equivalents, January 1	**775,481**	1,656,224
CASH AND CASH EQUIVALENTS, JUNE30	**873,477**	764,177

The accompanying notes are an integral part of these interim consolidated financial statements

1. ORGANIZATION AND ACTIVITIES

AL – Fares National Company for Investment and Export. P.L.C ("the Company") is a Jordanian public shareholding Company registered on November 21, 2005, under the commercial registration number (373).After conducting all legal procedures, it has been converted from a limited liability company to a public shareholding company.

The company's authorized, declared, and paid-up capital is 16,000,000JD divided to 16,000,000 shares with a par value of one JD per share.

The main activity of the Company is to import and export, to enter into other companies, and to borrow from banks tothe purposes of the company, agents and intermediaries, commercial distribution and marketing, computer software industry, computer hardware industry and its parts, technical, engineering and commercial consultancy and computer services, including computer programming.

The Company operates in the capital of Jordan - Amman.

2. NEW AND AMENDED IFRS STANDARDS

The following new and revised Standards and Interpretations are not yet effective	**It is valid for annual periods beginning on or after**
Classification of liabilities as current or not- current (Amendments to IAS 1)	January 1, 2023
IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts	January 1, 2023
Definition of Accounting Estimate (Amendments to IAS 8)	January 1, 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2)	January 1, 2023
Deferred Tax related to Assets and liabilities arising from a Single Transaction (Amendments to IAS 12)	January 1, 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Deferred Indefinitely

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpolations and amendments, may have no material impact on the financial statement of the Company in the period of initial application.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

The interim consolidated financial statement is presented in Jordanian Dinar since that is the currency in which the majority of the Company's transactions are denominated.

The interim consolidated financial statements have been prepared on a historical cost basis.

The interim consolidated statement does not include all the information and notes needed in the annual financial statement and must be reviewed with the ended financial statement on December 31, 2022, in addition to that the result for the six months ended on June 30, 2023, is not necessarily to be the expected results for the financial year ended December 31, 2023.

Significant accounting policies
The accounting policies used in the preparation of the interim consolidated financial information are consistent with those used in the audited consolidated financial statements for the year ended December 31, 2022.

Basis of consolidatinginterimfinancial statements
The interim consolidated financial statements incorporate the financial statements of Al-Fares National Company for Investment and Export (Public Shareholding Company) and the subsidiaries controlled by the Company(subsidiarys company).

Control is achieved where the Company:

- Ability to exert power over the investee.
- Exposure, or rights, to variable returns from its involvement with the investee.
- Ability to exert power over the investee to affect the number of the investor's returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries above.

When the Company has less than a majority of the voting, The Company shall have control over the investee when the voting rights sufficient to give it the ability to direct relevant activities of the investee individually.

The Company considers all relevant facts and circumstances when assessing whether or not the Company has voting rights in an investee sufficient to give it control. Those facts and circumstances include:

- Size of the holding relative to the size and dispersion of other vote holders
- Potential voting rights, other vote-holders, and Other parties
- Other contractual rights
- Any additional facts and circumstances may indicate that the company has, or does not have, the current ability to direct the activities related to the time needed to make decisions, including how to vote at previous shareholders' meetings.

The consolidation process begins when the companies achieve control of the investee enterprise (subsidiary), while that process stops when the companies lose control of the investee (subsidiary). In particular Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated income statement and the consolidated comprehensive income statement from the effective date of acquisition and up to the effective date of which it loses control of a subsidiary company.

Profit or loss and each component of other comprehensive income is attributed to the owners of the Company and the non-controlling interests. The total comprehensive income of subsidiaries is attributed to the owners of the Company and the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the parent's accounting policies.

All intergroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full-on consolidation.

The Interim Consolidated Financial Statements as of June 30,2023 comprise the financial statements of the subsidaries companies (Directly and Indirectly):

Company	Place of registration	Date of registration	Vote and ownership ratio	Main activity
National Computer Company Ltd. *	Jordan	1983	100%	Programming and analyzing computer systems and selling computer supplies and maintenance of electronic devices.
Allied Software Company Ltd.	Jordan	2001	92%	Development of computer software and information systems.
Aregon Ltd - Branch of foreign limited liability company.	Bermuda	2000	100%	Implementation of computer information and networks, installation and maintenance and provision of computer services.
Executrain Company Ltd.	Jordan	2001	100%	Training in the field of software development and analysis of all type and providing training and consulting services and the processing and development of computers, communications and software.
Al-Hadeneh for Electronics Co. Ltd. (exempted)	Jordan	2007	100%	The computer software industry, selling and assembling computers, contributing to other companies, and manufacturing printing machines
Optimiza Computer System Ltd.	UAE	2009	100%	Computer programming activities, consultancy experience, and related activities
Optimiza Morocco	Kingdom of Morocco	2012	100%	Trading computer systems and programs and trading of computer supplies, data processing, and trading of computers and accessories.
Optimiza for Technology	UAE	2018	100%	Computer programming activities, consulting, and related matters.
Optimiza for Technology	Egypt	2019	100%	Trading computer systems and hardware and supplies trade computer programming activities consulting expertise and related activities consulting expertise and related activities.
Al Faris National Company for Information Technology	KSA	2022	100%	Installation operating systems, Telecommunication wiring, Providing management and control service of communication networks, Artificial Intelligence Technologies.

* On June 19, 2014 branch to National Computer Company has been established in Aqaba Economic Zone under No (1114061901), following the regulations of Aqaba Special Zone No. (23) Of 2000, and its amendments.

*On March 26, 2018, the National Computer Company was established in the UAE under the number (803595).

FINANCIAL ASSETS

Classifications
The Company classifies its financial assets into the following categories: financial assets at fair value through the income statement, and receivables. Such classifications are determined based on the purpose for which these financial assets were acquired.
The management determines its classifications of the financial assets at initial recognition.

Receivables and loans
Receivables are financial assets (other than financial derivatives) with fixed or determinable payments that are not included in the financial market. These assets are classified as current assets unless they have maturities over 12 months after the statement of financial position date, as these are classified as non-current assets.

Recognition and measurement
Purchases and sales of financial assets arerecognized on the tradedate – the date on which the Company commits to purchases or sells the asset. Investments arerecognized at fair value while costs associated with purchases and sales are recognized in the interim consolidated income statements.

Impairment of financial assets
The Company reviews stated values on financial assets at the date of the statement of financial position determine whether objective indications of their impairment exist, individually or in the aggregate if such indications exist, a recoverable amount is estimated to determine impairment.

The criteria that the Company uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the debtor.

- A breach of contracts, such as a default or delinquency in interest or principal payments.

- The Company, for economic or legal reasons relating to the debtors' financial difficulty, granting the debtor a concession that the lender would not otherwise consider.

- It becomes probable that the debtor will enter bankruptcy or other financial reorganization.

- The disappearance of an active market for that financial asset because of financial difficulties.

- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, including.

(1) Adverse changes in the payment status of debtors in the portfolio.

(2) National or local economic conditions that correlate with defaults on the assets in the portfolio.

The Company first assesses whether objective evidence of impairment exists.

For the receivables category, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial assets original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the income statement.

If in a subsequent period, the amount of impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the income statement.

Reclassifications
If the business model under which the Company holds financial assets changes. The financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in a business model that results in reclassifying the Company's financial assets. During the current financial year and previous accounting period, there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made.

Impairment
IFRS 9 replaces the "incurred loss" model in IAS 39 with an expected credit loss model (ECLs). The Company recognizes loss allowance for expected credit losses on the following financial instruments that are not measured at FVTPL.
- Cash and bank balances:
- Trade and other receivables;
- Due to related party.

Except for purchased or originated credit-impaired (POCI) financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12 Month ECL, i.e. lifetime ECL that results from those default events on the financial instrument that are possible within 12 months after the reporting date(referred to as stage1); or

- Full lifetime ECL, i.e. Lifetime ECL that results from all possible default events over the life of the financial instruments, (referred to as stage2 and stage3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Company has elected to measure loss allowances of cash and bank balances. Trade and other receivables, and due from a related party at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flow to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios. Discounted at the asset's EIR.

Loss allowance for financial investments measured at amortized costs is deducted from the gross carrying amount of assets. For debt securities, an FVTOCI, the loss allowance is recognized in the OCI, instead of reducing the carrying amount of the asset.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue costs or effort. This includes both quantitative and qualitative information and analysis based on the previous company experience and on the available credit score including forward-looking information.

For certain categories of financial assets, assets that are assessed not to be impaired individually are. in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's experience of collecting payments, an increase in the number of delayed payments in the portfolio as well as observable changes in national or local economic conditions that correlate with default on receivables.

Impairment losses related to cash and bank balances, trade, and other receivables and due from a related party, are presented separately in the interim consolidated statement of income and other comprehensive income.

The Company considers debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of the grade of the investment.

Measurement of ECL

The Company employs statistical models for ECL calculations. ECLs are a probability-weighted estimate of credit losses. For measuring ECL under IFRS 9, the key input would be the term structure of the following variables.

- Probability of default (PD);
- Loss given default (LGD); and
- Exposure at default (EAD).

These parameters will be derived from our internally developed statistical models and other historical data. They will be adjusted to reflect forward-looking information.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred. Credit-impaired financial assets are referred to as stage 3 assets. At each reporting date, the Company assesses whether financial assets are carried at amortized costs and debt securities at FVTOCI at credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

DE-recognition of financial assets
The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the assetto another entity.If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. if the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On DE recognition of a financial asset measured at amortized cost or measured at FVTPL, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

On DE recognition of a financial asset that is classified as FVTOCI, the cumulative gain or loss previously accumulated in the cumulative changes in fair value of securities reserve is not reclassified to profit or loss but is reclassified to retained earnings.

Presentation of allowance for ECL is presented in the interim consolidated financial information

Loss allowances for ECL are presented in theinterim consolidated financial information as follows:

- For financial assets measured at amortized cost (loans and advances, cash and bank balances): as a deduction from the gross carrying amount of the assets.

- For debt instruments measured at FVTOCI no loss allowance is recognized in the interim consolidated statement of financial position as the carrying amount is at fair value. However, the less allowance is included as part of the revaluation amount in the re-evaluation reserve and recognized in other comprehensive income.

Critical judgments in applying the Company's accounting policies in respect of IFRS 9

Business model assessment
Classification and measurement of financial assets depend on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how Company s of financial assets were managed together to achieve a particular business objective. This assessment includes judgments reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed, and how the managers of the assets arecompensated. Monitoring is part of the Company s continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Significant increase of credit risk
ECLs are measured as an allowance equal to 12-month ECL for stage1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Establishing a Company s of assets with similar credit risk characteristics
When ECLs are measured on a collective basis, the financial instruments are Company collected based on shared risk characteristics (eg, instrument type, credit risk grade, collateral type, date of initial recognition, remaining term to maturity, industry, geographic location of the borrower, etc.). The Company monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that Company of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12month or lifetime ECLs but the amount of the ECLs changes because the credit risk of the portfolios differ.

Models and assumptions used
The Company uses various models and assumptions in measuring the fair value of financial assets as well as in estimating ECL. Judgment is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

Key sources of estimation uncertainty in respect of IFRS 9
The following are key estimations that the management has used in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

Establishing the number and relative weightings of forward-looking scenarios for each type of product /market determining the forward-looking information relevant to each scenario: When measuring ECL the Company uses reasonable and supportable forward-looking information, which s based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Probability of Default
PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions, and expectations of future conditions.

Loss Given to Default
LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Revenue recognition
Revenue is measured at the amount that reflects the provisions that the entity expects to receive in exchange for transporting goods or services to a customer, excluding amounts collected on behalf of third parties. The company recognizes revenue when each service obligation is fulfilled.

Separate selling prices are determined based on the observable price at which companies sell products and services on a separate basis. For items that are not sold separately, the company estimates separate selling prices using other methods.

The Group recognizes revenue from the following major sources:

Major operations
Revenue represents amounts payable in connection with services provided during the year and is measured at the fair value of the consideration received or receivable, net of discounts.

Revenue is recognized over time as the services are rendered.

If the services are provided under one arrangement in different reporting periods, then the corresponding allowance will be allocated based on the contracts signed with the clients.

Other income
The company recognizes revenue when the amount of revenue can be measured reliably; it is probable that future economic benefits will flow to the entity and when specific criteria for the company's activities are met.

Contract assets and liabilities
The Company has determined that contract assets and liabilities are to be recognized at the performance obligation level and not at the contract level and both contract assets and liabilities are to be presented separately in the financial statements. The Company classifies its contract assets and liabilities as current and non-current base coat he timing and patter none flow of economic benefit.

Expenses
Selling and marketing expenses mainly comprise costs incurred in the distribution and sale of the Company's products. All other expenses are classified as general and administrative expenses.

General and administrative expenses include both direct and indirect costs not specifically part of production costs as required under generally accepted accounting principles. Allocations between general and administrative expenses and the cost of sales are made consistently when required.

Cash and cash equivalents
Cash and cash equivalent include cash, demand deposits, and highly liquid investments with original maturities of three months or less.

Accounts receivable
Account receivables are stated at their net realizable value after forming an allowance for doubtful accounts based on a general review at the end of the year, bad debts are written off in the period of recognizing them.

Accounts payable and accrued
Accounts payable are stated at the obligation amounts for received services and goods, whether billed by the suppliers or not.

Jointly controlled operation
Controlled operation is the operation that includes using assets and other resources for the parties involved in the coalition rather than establishing a company or any financial structure separate from the coalition parties themselves and each party of the coalition use his propriety and equipment and incur his expenses and liability and provide his funding, the joint venture contract provides the method which enablestosplit the revenue from the joint contract and any expenses incur jointly between coalition parties, the financial statement include the Company share from joint venture business results using the equity method.

Inventories
Inventories are stated at cost or market whichever lower using (FIFO) inventory valuation method.

Investments in computer programs
The fair value of the computer program resulting from the acquisition of subsidiaries was reassessed based on the amount that can be recovered, if the value is less than the book value, it would be deducted from the reimbursable value, this impairment appears in the interim consolidated income statement.

Goodwill
The International Accounting Standards Board issued International Financial Reporting Standard No. (3) Business Consolidation, according to which the purchase cost is recorded over the fair value of the companies invested as goodwill, and when the amount recoverable from this goodwill is less than its net book value, its value is reduced to the recoverable value To redeem and record the value of the decline in the income statement.

Goodwill arising from the purchase of a subsidiary or jointly controlled entity represents the excess of the cost of the purchase over the company's share in the net fair value of the assets, liabilities, and contingent liabilities determined for the subsidiary or facility with joint control that is recognized as at the date of purchase. Goodwill is recorded first as an asset on a cost basis and is subsequently measured at cost, less accumulated impairment if any.

For impairment testing, goodwill is distributed to all the cash-generating units of the company that are expected to benefit from the merger.

An annual impairment test is conducted for the cash-generating units to which goodwill has been distributed or to more frequent periods if there is any indication that the unit has been impaired. If the recoverable amount of the cash-generating unit is less than its value, the impairment loss is charged first to reduce the carrying value of goodwill distributed to the unit and then to other assets listed proportionately based on the value listed for each asset in the unit. The impairment losses recognized for goodwill cannot be reversed in subsequent periods.
When a subsidiary or establishment is excluded by joint control, the goodwill allocated to it is determined to determine the profit or loss resulting from the disposal.

Property and equipment
Property and equipment are stated at cost after deducting accumulated depreciation. Expenditure on maintenance and repairs is expensed while expenditures for developments are capitalized. The acquisition price of assets includes the cost of loans taken to finance preparing equipment and providing necessary improvements to make them ready for use. Depreciation is allocated over the estimated useful lives of the applicable assets using the straight-line method. The estimated rates of depreciation of the principal assets using the straight-line method, the estimated rates of depreciation of the principal classes of assets are as follows:

	Annual depreciation rate
Machinery and equipment	20%
Furniture	10%
Computer software	25%
Decorations	10-15 %
Vehicles	15%
Tools	15%
Computers	15%
Books	20%

Useful lives and the depreciation method are reviewed periodically to make sure that the method and amortization period appropriate with the expected economic benefits of property and equipment.

An impairment test is performed to the value of the property and equipment that appears in the Interim ConsolidatedStatement of Financial Position When any events or changes in circumstances show that this value is non-recoverable.

In case of any indication to the low value, Impairment losses are calculated according to the policy of the low value of the assetsAt the exclusion of any subsequent property and equipment, recognize the value of gains or losses resulting, Which represents the difference between the net proceeds of exclusion and the value of the property and equipment that appears in the Interim ConsolidatedStatement of Financial Position, Gross Profit and loss.

Leasing
Lease contracts are classified as capital leases if the lease results in a material transfer of the property benefits and risks related to the asset in question to the lessee. Other leases are classified as operating leases.

Rents are recognized as a right to use asset and a corresponding liability on the date that the leased asset is available for company use. Each lease payment is distributed between the obligation and the cost of the financing. The finance charge is charged to the profit or loss over the term of the lease to obtain a fixed periodic rate for the outstanding leader on the remaining balance of the liabilities for each period. Depreciation is calculated on the right to use assets over the useful life of the asset or the lease term, whichever is shorter, by the straight-line method.

Operating lease obligations are measured at the present value of the remaining lease payments, as lease payments are discounted using the interest rate included in the lease. If this rate cannot be determined, the additional borrowing rate of the lessee is used, which is the rate the tenant has to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Rentals due under short-term operating leases and low-value assets are charged to the statement of comprehensive income during the period of the operating lease using the straight-line method. Short-term operating lease contracts are leases of 12 months or less.

Provisions
The provision had been formed, when the company has a present obligation (legal or expected) from past events which its cost of repayment consider accepted and it can estimate it reliably.

The provision had been measured according to the best expectations of the required alternative to meet the obligation as of the interim consolidatedstatement of financial position date after considering the risks and not assured matters about the obligation. When the provision had been measured with the estimated cash flows to pay the present obligation, then the accounts receivable had been recognized as an asset in case of receipt and replacement of the amount is certain and can measure the amount reliably.

The sector report
The business sector represents a collection of assets and operations engaged together in providing products or services subject to risks and returns that are different from those of other business sectors, which are measured according to the reports that are used by the executive director and the main decision-makers in the Company.

A geographical segment is associated with providing products in a particular economic environment subject to risks and returns that are differed from those for sectors to work in the economic environment.

Offsetting
Financial assets and financial liabilities are offset, and the net amount is reflected in the interim consolidated statement of financial position only when there are legal rights to offset the recognized amounts, and when intends to settle them on a net basis, or assets are realized and liabilities settled simultaneously.

Foreign currency translation

Foreign currency transactions are translated into Jordanian Dinar at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are included in the interim consolidated statement of income.

Critical accounting judgments and key sources of estimation uncertainty
The preparation of interim consolidated financial statements requires management to make judgments estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense. Actual results may differ from these estimates.

In preparing these interim consolidated financial statements, the significant Judgments made by management in applying the Company accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial interim consolidated statements.

4. INTANGIBLE ASSETS

Intangible assets amounting to JD 17,519,760 resulted from the Company's acquisition of full and/or part of the shares of partners in several companies operating in the field of information systems during 2005 and 2007.

The details of Intangible assets:

	2023	2022
Investment in developed computer programs	**15,107,872**	15,107,872
Goodwill*	**2,411,888**	2,411,888
	17,519,760	17,519,760

***The details of goodwill:**

	2023	2022
Total of goodwill	**4,286,888**	4,286,888
Provision of impairment of goodwill	**(1,875,000)**	(1,875,000)
Net Balance of goodwill	**2,411,888**	2,411,888

According to IFRS, the fair value for a computer program sire-evaluated based on the recoverable amount, and then when the recoverable amount of the fair value of the computer program is less than its carrying amount, we reduce its value to the recoverable amount and record this impairment in the interim consolidated comprehensive income statement. Based on the test of the impairment by the management at the end of 2022, there was no impairment in the value of goodwill and developed computer programs which were measured based on the value in use, which is calculated using discounted cash flows through approved estimated budgets by the company management, which covers five years based on a weighted average cost of capital WACC of 16.3 % annually.

5. FINANCIAL INSTRUMENTS

Management of share capital risks
The Company mange its capital to make sure that the Company will continue when it takes the highest return by the best limit for debts and owners' equity balances. The Company's strategy doesn't change from 2022.

Structuring of the Company's capital includes debts, which includes shareholders equity in the Company, which includes capital, reserves, and accumulated losses as listed in the changes in the interim consolidated statement of shareholders' equity.

The management of the financial risks
The Company's activities might be exposed mainly to the followed financial risks.

Management of the foreign currencies risks
It is the risk of changing the value of financial instruments due to changes in foreign exchange rates, and the Jordanian dinar is the base currency of the company, the Board sets limits on the financial position for each currency the company has and is reviewing the foreign exchange center daily and they are following strategies to make sure to keep foreign currencies Center within the approved boundaries.

All the Group's operations are mainly in Jordanian Dinar and the Saudi riyal, UAE dirham and Moroccan dirham, and there is no risk as a result of the company dealing in such currencies as the prices of those fixed currencies do not change because it is pegged to the US dollar.

Management of the interest price risks
Risk related to interest rate results mainly from borrowing money at varying interest rates and short-term deposits at fixed interest rates.

Sensitivity of the statement of comprehensive income is the impact of the assumed changes possible prices of interest on the profit of the Company for one year and it is calculated based on the financial liabilities which carry variable interest rates at the end of the year.

Credit risk management
The credit risks represent in one part of the financial instruments contracts has not obligated to pay the contractual obligations and cause of that the Company is exposing financial losses, However, there are no contracts with any other parts so the Company doesn't expose to different types of the credit risks.

6. APPROVAL OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS
The interim consolidated financial statements were approved by the Board of Directors and authorized for issuance on July 26, 2023this financial statement requires General Assembly approval.