Credit Financial Invest for Financial Brokerage
Limited Liability Company
Amman - The Hashemite Kingdom of Jordan

Consolidated Financial Statements
and Independent Auditor's Report
for the year ended December 31, 2023

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Independent Auditor's Report

To Messrs Board of Directors:
Credit Financial Invest for Financial Brokerage
Limited Liability Company
Amman – The Hashemite Kingdom of Jordan

Opinion

We have audited the accompanying consolidated financial statements of Credit Financial Invest for Financial Brokerage (Limited Liability Company), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended to December 31, 2023, and a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the company as at December 31, 2023, and of its consolidated financial performance and its consolidated cash flows for the year ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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ص.ب: ٩٢١١٠٠ عمان ١١١٩٢، الأردن

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

The Company has proper accounting records which are, in all material respects, consistent with the accompanying consolidated financial statements, accordingly, we recommend to approve these financial statements by the general assembly.

طلال أبوغزاله وشركاه الدولية
Talal Abu-Ghazaleh & Co. Intl.

Talal Abu-Ghazaleh & Co. International

Mohammad Al-Azraq
(License # 1000)

Amman, March 30, 2024

Credit Financial Invest For Financial Brokerage
Limited Liability Company
Amman - The Hashemite Kingdom of Jordan

Consolidated statement of financial position as at December 31, 2023

	Notes	2023	2022
ASSETS		JD	JD
Current Assets			
Cash and cash equivalents	3	1,415,076	3,131,312
Current accounts at banks and credit cards balances against financial brokerage customers payables		6,926,363	6,716,990
Brokerage customers accounts held with other parties		-	3,354,482
Local brokerage customers receivables	4	1,700,987	431,057
Financial assets at fair value through profit or loss	5	45,949	77,742
Other debit balances	6	2,885,657	1,920,651
Related parties receivables	7	19,144	244,813
Total current assets		**12,993,176**	**15,877,047**
Non-current Assets			
Financial assets at fair value through other comprehensive income	8	8,762	10,942
Intangible assets	9	226,368	230,543
Property and equipment	10	654,167	344,664
Right of use asset	11	238,361	237,848
Goodwill	12	105,855	105,855
Total non-current asset		**1,233,513**	**929,852**
Total Assets		**14,226,689**	**16,806,899**
LIABILITIES AND EQUITY			
Current Liabilities			
Customers credit accounts payables		7,231,819	10,241,346
Local brokerage customers payables		-	145,951
Accounts payable and other credit balances	13	1,228,351	613,031
Income tax provision	14	262,510	110,025
Lease liability - short term	11	72,757	66,738
Total current liabilities		**8,795,437**	**11,177,091**
Non-Current Liabilities			
Lease liability - long term	11	131,762	168,485
Total Liabilities		**8,927,199**	**11,345,576**
Equity			
Capital	15	5,000,000	5,000,000
Statutory reserve	16	213,613	141,950
Unrealized loss on translation of financial statements		(29,540)	(6,269)
Retained earnings		114,699	325,098
Non-controlling interest		718	544
Net equity		**5,299,490**	**5,461,323**
Total Liabilities and Equity		**14,226,689**	**16,806,899**

The accompanying notes form part of these financial statements

Credit Financial Invest For Financial Brokerage
Limited Liability Company
Amman - The Hashemite Kingdom of Jordan

Consolidated statement of comprehensive income for the year ended December 31, 2023

	Notes	2023	2022
Revenues		JD	JD
Net of brokerage commissions		8,049,799	5,379,278
Other revenues, net	17	472,821	266,852
Gain on revaluation of financial assets at fair value through profit or loss		11,292	42,175
Total		**8,533,912**	**5,688,305**
Expenses			
Marketing expenses	18	(3,696,428)	(2,841,805)
Administrative expenses	19	(4,609,380)	(2,265,984)
Lease liabilities interest expense		(25,681)	(17,838)
Total		**(8,331,489)**	**(5,125,627)**
Profit before tax and national contribution		**202,423**	**562,678**
Income tax		(280,243)	(122,540)
National contribution		(46,707)	(17,785)
Previous years income tax		-	(29,391)
Previous years national contribution		-	(3,991)
Deferred tax (subsidiary company)		(14,738)	(1,278)
(Loss) Profit		**(139,265)**	**387,693**
Other comprehensive income			
Unrealized loss on translation of financial statements		(23,271)	(6,269)
Total other comprehensive income		**(23,271)**	**381,424**
Profit attributable to :			
Parent company shareholders		(138,736)	387,306
Non-Controlling interest		(529)	387
Total		**(139,265)**	**387,693**
Total other comprehensive income attributable to :			
Parent company shareholders		(162,374)	381,043
Non-Controlling interest		(162)	381
Total		**(162,536)**	**381,424**

The accompanying notes form part of these financial statements

Credit Financial Invest For Financial Brokerage
Limited Liability Company
Amman - The Hashemite Kingdom of Jordan

Consolidated Statement of changes in equity for the year ended December 31, 2023

	Capital	Statutory reserve	Unrealized loss on translation of financial statements	Retained earnings	Total before Non-Controlling interest	Non-Controlling interest	Net
	JD	JD	JD	JD	JD		
Balance as at January 1, 2022	2,780,000	89,080	-	21,117	2,890,197	-	2,890,197
Increase in capital (note-15)	2,220,000	-	-	-	2,220,000	-	2,220,000
Comprehensive income	-	-	(6,269)	387,306	381,037	387	381,424
Statutory reserve	-	52,870	-	(52,870)	-	-	-
Non-controlling interest	-	-	-	-	-	187	187
Remaining of retained earnings of the subsidiary on acquisition date	-	-	-	(30,455)	(30,455)	(30)	(30,485)
Balance as at December 31, 2022	5,000,000	141,950	(6,269)	325,098	5,460,779	544	5,461,323
Comprehensive income	-	-	(23,271)	(138,736)	(162,007)	(529)	(162,536)
Statutory reserve	-	71,663	-	(71,663)	-	-	-
Non-controlling interest	-	-	-	-	-	703	703
Balance as at December 31, 2023	5,000,000	213,613	(29,540)	114,699	5,298,772	718	5,299,490

The accompanying notes form part of these financial statements

Credit Financial Invest For Financial Brokerage
Limited Liability Company
Amman - The Hashemite Kingdom of Jordan

Consolidated Statement of cash flows for the year ended December 31, 2023

	2023	2022
Cash flows from operating activities	JD	JD
Profit before tax and national contribution	202,423	562,678
Adjustments for :		
Depreciation and amortization	133,619	106,656
Profit on disposal of property and equipment	(133)	(1,835)
Depreciation of right of use asset	97,085	65,264
Expected credit losses	7,090	14,484
Lease liabilities interest expense	25,681	17,838
Changes in operating assets and liabilities:		
Current accounts at banks and credit cards balances against financial brokerage customers payables	(209,373)	(1,340,096)
Brokerage customers accounts held with other parties	3,354,482	827,191
Local brokerage customers receivables	(1,277,020)	(9,216)
Other debit balances	(965,006)	(541,886)
Related parties receivables	225,669	(244,813)
Financial assets at fair value through profit or loss	31,793	(77,742)
Customers credit accounts payables	(3,009,527)	1,138,516
Local brokerage customers payables	(145,951)	60,611
Accounts payable and other credit balances	529,642	87,677
Income tax paid	(127,758)	(168,240)
Net cash from operating activities	**(1,127,284)**	**497,087**
CASH FLOWS FROM INVESTING ACTIVITIES		
Financial assets at fair value through other comprehensive income	2,180	(10,942)
Purchase of property and equipment	(429,236)	(82,710)
Proceeds from disposal of property and equipment	987	3,993
Purchase of intangible assets	(7,150)	(13,949)
Goodwill	-	(105,855)
Net cash from investing activities	**(433,219)**	**(209,463)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Paid from lease liability	(133,165)	(72,258)
Increase in capital	-	2,220,000
Non-controlling interest	703	187
Remaining of retained earnings of the subsidiary on acquisition date	-	(30,485)
Net cash from financing activities	**(132,462)**	**2,117,444**
Net change in cash and cash equivalents	**(1,692,965)**	**2,405,068**
Cash and cash equivalents- beginning of year	3,131,312	736,781
Translation differences	(23,271)	(10,537)
Cash and cash equivalents- end of year	**1,415,076**	**3,131,312**

The accompanying notes form part of these financial statements

1. General

- Credit Financial Invest For Financial Brokerage was established on November 16, 2017 and registered as a limited liability company in the companies control department at the Ministry of Industry and Trade under the number (49631).
- The main activities of the Company are:
  - Commission broker.
  - Purchase and sale of shares, bonds and securities in Domestic and Foreign markets.
- The company is fully owned by CFI group holding limited - Cyprus
- Legal status and activity of the subsidiary :

Name of subsidiary	Legal status	Ownership %	Country of incorporation	Establishment date	Registry number	Main activities
El Mahrousa For Securities Trading	Egyptian Joint Stock Company	99	Arab Republic of Egypt	July 12, 2020	11456	- Commission broker. - Purchase and sale of shares, bonds and securities in Domestic and Foreign markets.

(*) According to the extraordinary meeting held on January 19,2022 it was decided to change the company's name to become Credit Financial Invest for Financial brokerage instead of ELMahrousa for securities Trading, all legal procedures were completed with related authorities on March 9,2023.

2. Basis for preparation of consolidated financial statements and significant accountant policies

2-1 Basis for consolidated financial statement preparation

- Consolidated financial statements preparation framework

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards issued by International Accounting Standard Board.

- Measurement bases used in preparing the consolidated financial statements

The consolidated financial statements have been prepared on the historical cost basis except for measurement of certain items at bases other than historical cost.

- Functional and presentation currency

The consolidated financial statements have been presented in Jordanian Dinar (JD) which is the functional currency of the entity.

2-2 Using of estimates

- When preparing of financial statements, management uses judgments, assessments and assumptions that affect applying the accounting policies and currying amounts of assets, liabilities, revenue and expenses. Actual result may differ from these estimates.
- Change in estimates are reviewed on a constant basis and shall be recognized in the period of the change, and future periods if the change affects them.
- For example, estimates may be required for expected credit losses, useful lives of depreciable assets, provisions and any legal cases against the entity.

2-3 Standards and Interpretations issued that became effective

Standard number or interpretation	Description	Effective date
IFRS (17) Insurance Contracts	IFRS (17) was issued in May 2017 as replacement for IFRS (4) Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of: • discounted probability-weighted cash flows • an explicit risk adjustment, and • A contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period.	January 1,2023 (deferred from January 1,2021)
Amendments to IAS (1) and IFRS Practice Statement 2	The amendments to IAS (1) require entities to disclose their material rather than their significant accounting policies.	January 1, 2023.
Amendments to IAS (8)	The amendment to IAS (8) Accounting Policies, Changes in Accounting Estimates and Errors The distinction between accounting policies and changes in accounting estimates is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.	January 1, 2023.
Amendments to IAS (12)	The amendments introduce an exception to the requirements in the standard that an entity does not recognize and does not disclose information about deferred tax assets and liabilities, an entity applies the exception and the requirement to disclose that it has applied the exception immediately upon issuance of the amendments	January 1,2023

Standards and Interpretations issued but not yet effective

Standard number or interpretation	Description	Effective date
IFRS (16) Leases	The amendment clarifies how a seller - lessee subsequently measures sale and lease back transaction.	January 1,2024
Amendments to IAS (1)	The amendments to Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date.	January 1, 2024 (Deferred from January 1, 2022).
Amendments to IAS (7) and IFRS (7) regarding supplier finance arrangements	Amendments require entities to provide qualitative and quantitative information about supplier finance arrangements.	January 1,2023

Standards and Interpretations issued but not yet effective

2-4 Summary of significant accounting policies

- Basis of consolidation (deemed appropriate)

  - The consolidated financial statements comprise the financial statements of the parent Credit Financial Invest for Financial Brokerage and the subsidiary that controls :

Name of subsidiary	Legal status	Paid capital	Ownership %	Total Assets	Total Liabilities	Retained Earnings	Profit for the year
		JD	%	JD	JD	JD	JD
El Mahrousa For Securities Trading	Egyptian Joint Stock Company	1,221,000	99.99	1,530,324	812,526	53,840	(528,946)

- Control is presumed to exist when the parent is exposed, or has rights, to variable returns from its involvement through its power over the investee, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control.
- Intergroup balances, transactions, income and expenses shall be eliminated in full.
- Non-controlling interests represent the equity in a subsidiary not attributable, directly or indirectly, to the parent.
- If a parent loses a control of a subsidiary, the parent derecognize the assets and liabilities of the subsidiary and non-controlling interests and other equities, recognize any profit or loss resulted from loss of control in the statement of comprehensive income, recognize any investment retained after loss of control at its fair value.

- Financial instruments

Financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

- Financial assets

- A financial asset is any asset that is:
  (a) Cash;
  (b) An equity instrument of another entity;
  (c) A contractual right to receive cash or another financial asset from another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity.
  (d) A contract that will or may be settled in the entity's own equity instruments.
- Financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset, but for financial assets at fair value through profit or loss, transaction costs are recognized in profit or loss.
- Financial assets are classified to three categories as follows:
  - Amortized cost.
  - Fair value through other comprehensive income.
  - Fair value through profit or loss.
- A financial asset is measured at amortized cost if both of the following conditions are met:
  - The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
  - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets are measured at fair value through other comprehensive income if both of the following conditions are met:

- The financial assets is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interests on that principal amount outstanding.

- All other financial assets (excluding financial assets at amortized cost or at fair value though other comprehensive income) are subsequently measured at fair value in profit or losses.
- On initial recognition of an equity investment that is not held for trading, the entity may irrevocably elect to present subsequent changes in the investments fair value in other comprehensive income.

Subsequent measurement of financial assets

Subsequently financial assets are measured as follows:

Financial assets	Subsequent measurement
Financial assets at fair value through profit or loss	Are subsequently measured at fair value net gains or losses, including interests revenues or dividends, are recognized in profit or loss
Equity instruments at fair value through other comprehensive income	Are subsequently measured at fair value - Dividends are recognized as income in profit or loss, unless the dividends clearly represent a recovery of part of investment cost. - Other net gains and losses are recognized in other comprehensive income (OCI) and are never reclassified from equity to profit or loss.
Debts instruments at their value through other comprehensive income	Are subsequently measured at fair value - Interests income is calculated using effective interests method, gains and losses from foreign exchange, impairment losses are recognized in profit or loss. - Other net gains or losses are recognized in other comprehensive income. - On derecognition accumulated gains and losses in other comprehensive income are reclassified into profit or loss.
Equity instruments at fair value through other comprehensive income	Are subsequently measured at fair value - Dividends are recognized as income in profit or loss, unless the dividends clearly represent a recovery of part of investment cost. - Other net gains and losses are recognized in other comprehensive income (OCI) and are never reclassified from equity to profit or loss.

Derecognition of financial assets

Derecognition of financial assets (or a part of a group of similar financial assets) when:

- The contractual rights to the cash flow from the financial assets expire, or
- It transfers the contractual rights to receive the cash flows of the financial assets or assume a contractual obligation to pay the cash flows entirely to a third party.

Financial liabilities

- A financial liability is any liability that is:
  (a) A contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or
  (b) A contract that will or may be settled in the entity's own equity instruments.
- Financial liabilities are initially recognized at fair value less transaction costs, directly attributable to the acquisition or issue of those liabilities, except for the financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.
- After initial recognition, the entity measures all financial liabilities at amortized cost using the effective interest method, except for financial liabilities at fair value through profit or loss

which are measured at fair value and other determined financial liabilities which are not measured under amortized cost method.
- Financial liabilities at fair value through profit or loss are stated at fair value, with any resulting gain or loss from change in fair value is recognized through profit or loss.

- Trade payables and accruals

Trade payables and accruals are liabilities to pay for goods or services that have been received or supplied and have been either invoiced or formally agreed with the suppliers or not.

- Offsetting financial instruments

A financial asset and a financial liability are offset and the net amount presented in the statement of financial position when, and only when, an entity currently has a legally enforceable right to set off amounts and intends either to settle in a net basis, or through realize the asset and settle the liability simultaneously.

- Cash and cash equivalents

Cash comprises cash on hand, current accounts and short term deposits at banks with a maturity date of three months or less, which are subject to an insignificant risk of changes in value.

- Trade receivables

  - Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
  - Trade receivables are stated at invoices (claims) amount net of allowance for expected credit losses, which represents the collective impairment of receivables.

- Impairment of financial assets

  - At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVTOCI are credit - impaired. A financial assets 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.
  - The entity recognizers loss allowance for expected credit loss (ECL) on:
    - Financial assets measured at amortized cost.
    - Debt investments measured at FVOCI.
    - Contract assets.
  - The entity measures loss allowances at an amount equal to lifetime ECLs.
  - Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.
  - When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Entity considers reasonable and supportable information that is relevant and available without undue cost or effort based in the entity's historical experience and forward looking information.
  - The entity considers a financial asset to be in default when:
    - The client is unlikely to pay its credit obligations to the entity in full, without recourse by the entity to actions such as realizing security (if any); or
    - The financial asset is more than 360 days past due.
  - Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.
  - A financial assets is written of when there is no reasonable expectation of recovering the contractual cash flows. The entity write of the gross carrying amount of the financial asset is in case of, liquidation, bankruptcy or issuance of a court ruling to reject the claim for financial asset.

- Property and equipment

- Property and equipment are initially recognized at their cost being their purchase price plus any other costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management.
- After initial recognition, the property and equipment are carried, in the statement of financial position, at their cost less any accumulated depreciation and any accumulated impairment..
- The depreciation charge for each period is recognized as expense. Depreciation is calculated on a straight line basis, which reflects the pattern in which the asset's future economic benefits are expected to be consumed over the estimated useful life of the assets using the following rates:

Category	Depreciation rate
	%
Equipment	20
Decoration	10
Furniture	10
Computers	33
Vehicle	15

- The estimated useful lives are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.
- The carrying values of property and equipment are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairments losses are calculated in accordance with impairment of assets policy.
- On the subsequent derecognition (sale or retirement) of the property and equipment, the resulting gain or loss, being the difference between the net disposal proceed, if any, and the carrying amount, is included in profit or loss.

Intangible assets

- Intangible assets are identifiable non-monetary assets without physical substance.
- Intangible assets acquired separately are reported at cost less accumulated amortization and accumulated impairment losses.
- Acquisition costs comprise the purchase price and other costs directly attributable to preparing the assets for their intended use.
- Amortization charge is recognized as loss, on a straight-line basis over the following useful lives of intangible assets:

Category	Useful Life (in years)
License	-
Software	20

- The estimated useful lives are reviewed at each financial year-end, with the effect of any changes in estimate being accounted for on a prospective basis.
- The carrying values of intangible assets are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairment loss is calculated in accordance with impairment of assets policy.

- **Impairment of non-financial assets**
  - At each statement of financial position date, management reviews the carrying amounts of its non-financial assets (property, plant and equipment and investment property) to determine whether there is any indication that those assets have been impaired.
  - If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, being the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of asset's fair value less costs to sell and the value in use. The asset's fair value is the amount for which that asset could be exchanged between knowledgeable, willing parties in arm's length transaction. The value in use is the present value of the future cash flows expected to be derived from the asset.
  - For the purpose of impairment valuation, assets are grouped at the lower level that have cash flow independently (cash generating unit), previous impairment for non-financial assets (excluding goodwill) is reviewed for the possibility of reversal at the date of the financial statements.
  - An impairment loss is recognized immediately as loss.
  - Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount due to reversal should not be more than what the depreciated historical cost would have been if the impairment had not been recognized in prior years. A reversal of an impairment loss is recognized immediately as income.

- **Provisions**
  - Provisions are present obligations (legal or constructive) resulted from past events, the settlement of the obligations is probable and the amount of those obligations can be estimated reliably. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the statement of financial position date.
  - Provisions reviewed and adjusted at each statement of financial position date. If outflows, to settle the provisions, are no longer probable, reverse of the provision is recorded as income.
  - If the entity expected to be reimbursed for a part or full provision, the reimbursement shall be recognized within assets, when it is virtually certain and its value can be measured reliably.
  - In the statement of comprehensive income, the expense relating to a provision may be presented net of the amount recognized for reimbursement.
  - Where the effect of the time value of money is material, provisions are discounted by using a currently pre-tax discount rate that reflect the risks specific to the liability, when using discount any increase in provision is recognized as a financial cost over time.

- **Related parties**
  - Transactions with related parties represent transfer of resources, services, or obligations between related parties.
  - Terms and conditions relating to related party transactions are approved by management.

- **Revenue recognition**
  - Revenues are recognized based on consideration specified in contract with customer that expected to be received excluding amounts collected on behalf of third parties.
  - Revenues is recognized when trading contracts are existed for the benefit of customers.

Rendering of service

Revenue is recognized when trading contracts are executed for the benefit of the customers.

- **Leases contracts**

The entity assesses at the commencement date of the lease agreement whether the contract is a lease or includes a lease agreement. And if the contract is in whole or in part transfer the right to control the use of a specific asset from one party to another for a specified period of time in exchange for a consideration, the entity recognizes the right-of- use assets and lease liability with the exception of low value and for short term leases (i.e. those with a lease term of 12 months or less) in which the entity recognizes the lease payments as operating expenses on either a straight-line basis over the lease term or another systematic basis is more representative of the time period to depreciate the economic benefits of the leased assets.

<u>The entity as a lessee</u>

- At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.
- Outstanding lease payments include:
  - Fixed payments less any lease incentives receivable.
  - Variable lease payments that depend on an index or rate, initially measured using the index or rate as the commencement date.
  - Amounts expected to be payable by the lessee to the lessor under residual value guarantees.
  - The exercise price of a purchase option if the lessee is reasonably certain to exercise that option.
  - Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.
- Lease liability is presented as a separate component in the entity's statement of financial position.
- The lease liability is measured subsequently by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.
- The entity shall reassess the lease liability (and makes a similar adjustment to the related right-of-use assets) whenever:
  - There is a change in the lease term, or there are events or change in circumstances that lead to a change in the assessment of an option to purchase the underlying asset, in this case the lease liability is re-measured by discounting the revised lease payments using the revised discount rate.
  - Lease payments are changed due to changes in an index, rate, or change in amounts expected to be payable under a residual value guarantee, in which cases the lease liabilities are re-measured by discounting the revised lease payments using a non-variable discount rate (unless the lease payments change due to the change in the floating interest rate, in which case the revised discount rate is used.
  - For lease modification that is not accounted for as a separate lease, in this case the lease liabilities are re-measured based on the revised lease term by discounting the revised lease payments using modified discount rate on the date of modification.
- Right-of-use asset shall comprise an initial measurement of the lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs incurred by the lessee that are subsequently measured less accumulated depreciation and impairment loss.
- When an entity incurs an obligation in dismantling and removing the underlying asset, restoring the site on which it is located, or restoring the underlying asset to the condition required by the terms and conditions of the lease, the provision is recognized and measured under IAS (37) and to the extent that the costs relate to the right-of-use assets, these costs are included in the related right-of-use assets, unless these costs are incurred to produce inventories.

- Right-of-use assets are depreciated over the shortest period between both the lease term and the useful life of the right-of-use asset.
- If the lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflect that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset over the useful life of the underlying asset. Depreciation begins on the commencement date of the lease.
- The right-of-use assets are presented as a separate component in the consolidated statement of financial position.
- The entity shall apply IAS (36) Impairment of Assets to determine whether the right- of-use asset is impaired and to account for any impairment loss identified as defined in "property and equipment" policy.
- As a practical expedient, IFRS (16) allows the lessee not to separate the non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component. A lessee did not apply this practical expedient. For a contract that contains a lease component and one or more additional lease or non-lease components, a lessee shall allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of non-lease components.

- <u>Dividend and interest revenue</u>
  - Dividend revenue from investments is recognized when the shareholder's right to receive payment is established.
  - Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

- <u>Income tax</u>

  Income tax is calculated in accordance with laws and regulations applicable in Jordan.

- <u>Foreign currencies</u>
  - In preparing the financial statements, transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the statement date (closing rate). Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined.
  - Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognized in profit or loss in the period in which they arise.

- <u>Contingent liabilities</u>
  - Contingent liabilities are possible obligations depending on whether some uncertain future events occur, or they are present obligations but payments are not probable or the amounts cannot be measured reliably.
  - Contingent liabilities are not recognized in the financial statements.

3. Cash and cash equivalents

	2023	2022
	JD	JD
Banks current accounts - foreign currency	895,489	1,491,538
Banks current accounts - JD	484,146	808,225
Deposits at banks (*)	70,600	866,249
Cash on hand	-	459
Less: Expected credit losses allowance - banks	(35,159)	(35,159)
Net	**1,415,076**	**3,131,312**

(*) Deposits at banks are tied monthly with annual interest rate amounting from 3% to 3.5%.

4. Brokerage customers receivables

	2023	2022
	JD	JD
Local brokerage customers receivables	1,748,239	471,282
Less: Expected credit losses allowance (*)	(47,252)	(40,225)
Net	**1,700,987**	**431,057**

(*) Movement for the expected credit losses allowance during the year was as follows:

	2023	2022
	JD	JD
Balance beginning of year	40,225	35,762
Provided during the year	7,090	14,484
Disposal during the year	-	(10,021)
Translation differences	(63)	-
Balance - end of year	**47,252**	**40,225**

5. Financial assets at fair value through profit or loss

Description	Country of incorporation	Number of shares	Investment percentage	2023	2022
		JD	%	JD	JD
BLOM bank mutual fund	Arab Republic of Egypt	777	0.0271	45,949	77,742

6. Other debit balances

	2023	2022
	JD	JD
Guarantee deposits	991,000	991,000
Accrued commissions	964,696	627,566
Prepaid expenses	717,675	174,405
CFI cards - inventory	38,634	-
Cash deposits	35,450	35,450
Settlement Guarantee Fund	35,186	30,309
Other debit account	28,833	1,000
Employee recievables	26,745	33,219
Deposits with other parties	18,602	1,916
Working advances	10,379	12,970
Refundable deposits	10,351	8,971
Income tax deposit - 7% on bank interests	8,106	3,845
Total	**2,885,657**	**1,920,651**

7. **Related parties**

- Related parties consist of transaction with partners and companies in which the partners have significant shares in them.

- Related parties receivables item companies of the following:

	2023	2022
	JD	JD
CFI - Global	18,091	-
CFI - Dubai	1,053	-
Representative Office - Egypt	-	244,813
Net	**19,144**	**244,813**

- Transactions with related parties are financing in nature.

8. Financial assets at fair value through other comprehensive income

Description	Country of incorporation	Number of shares	Investment percentage	2023	2022
		JD	%	JD	JD
Misr For Clearing, Settlment and Central Depository (*)	Arab Republic of Egypt	5,590	0.07	8,762	10,942

(*) Financial assets are not listed on an active financial market.

9. Intangible assets

2023	License (*)	Softwares	Total
	JD	JD	JD
Cost			
Balance - beginning of year	200,000	80,638	280,638
Addition	-	7,150	7,150
End of year balance	200,000	87,788	287,788
Accumulated amortization			
Balance - beginning of year	-	50,095	50,095
Amortization	-	11,325	11,325
Balance - end of year	-	61,420	61,420
Net	200,000	26,368	226,368

2022	License (*)	Softwares	Total
Cost			
Balance - beginning of year	200,000	66,689	266,689
Addition	-	13,949	13,949
Balance - end of year	200,000	80,638	280,638
Accumulated amortization			
Balance - beginning of year	-	34,355	34,355
Amortization	-	15,740	15,740
Balance - end of year	-	50,095	50,095
Net	200,000	30,543	230,543

(*) The license does not have a specified useful life and is tested for impairment.

10. Property and equipment

2023	Equipment	Decoration	Furniture	Computers	Vehicle	Payments for Major Improvements	Total
	JD	JD	JD	JD	JD		JD
Cost							
Balance - beginning of year	176,704	245,807	96,428	122,422	14,000	-	655,361
Additions	12,073	-	28,390	119,093	-	269,680	429,236
Disposals	-	-	(1,982)	-	-	-	(1,982)
Balance - end of year	188,777	245,807	122,836	241,515	14,000	269,680	1,082,615
Accumulated depreciation							
Balance - beginning of year	121,875	72,696	25,310	90,641	175	-	310,697
Additions	29,396	24,581	11,094	36,382	2,100	18,741	122,294
Disposals	-	-	(1,128)	-	-	-	(1,128)
Translation differences	(17)	-	55	(1,375)	-	(2,078)	(3,415)
Balance - end of year	151,254	97,277	35,331	125,648	2,275	16,663	428,448
Net	37,523	148,530	87,505	115,867	11,725	253,017	654,167

2022	Equipment	Decoration	Furniture	Computers	Vehicle	Payments for Major Improvements	Total
Cost							
Balance - beginning of year	167,364	211,729	85,937	73,038	11,900	-	549,968
Balance beginning of year - subsidiary	-	-	2,475	32,108	-	-	34,583
Addition	9,340	34,078	8,016	17,276	14,000	-	82,710
Disposal	-	-	-	-	(11,900)	-	(11,900)
Balance - end of year	176,704	245,807	96,428	122,422	14,000	-	655,361
Accumulated depreciation							
Balance - beginning of year	87,210	50,200	15,155	36,528	6,099	-	195,192
Balance beginning of year - subsidiary	-	-	1,232	31,344	-	-	32,576
Depreciation	34,665	22,496	8,955	22,989	1,811	-	90,916
Disposals	-	-	-	-	(7,735)	-	(7,735)
Translation differences	-	-	(32)	(220)	-	-	(252)
Balance - end of year	121,875	72,696	25,310	90,641	175	-	310,697
Net	54,829	173,111	71,118	31,781	13,825	-	344,664

11. Right of use asset

2023	Right of use asset
Cost	JD
Balance - beginning of year	346,315
Provided during the year	224,196
Amendments	(129,911)
Balance - end of year	**440,600**
Accumulated depreciation	
Balance - beginning of year	108,467
Depreciation	97,085
Translation differences	(3,313)
Balance - end of year	**202,239**
Net	**238,361**

2023	Lease liability
	JD
Balance - beginning of year - lease liability	235,223
Provided during the year	224,196
Amendments	(140,465)
Interest expense - amount recognized in income statement	25,681
Paid from lease liability	(133,165)
Translation differences	(6,951)
Balance - end of year - lease liability	**204,519**
Lease liability - short term	72,757
Lease liability - long term	131,762

2022	Right of use asset
Cost	JD
Balance - beginning of year	324,117
Provided during the year	22,198
Balance - end of year	**346,315**
Accumulated depreciation	
Balance - beginning of year	43,310
Depreciation	65,264
Translation differences	(107)
Balance - end of year	**108,467**
Net	**237,848**

2022	Lease liability
	JD
Balance - beginning of year - lease liability	267,533
Provided during the year	22,198
Interest expense - amount recognized in income statement	17,838
Paid from lease liability	(72,258)
Translation differences	(88)
Balance - end of year - lease liability	**235,223**
Lease liability - short term	66,738
Lease liability - long term	168,485

12. Goodwill

On November 20, 2022 the company purchased 99.99% of the capital of El Mahrousa for Securities Trading (Egyptian Joint Stock Company) in which it became a subsidiary , the fair value of the assets and liabilities equals the book value before acquisition as follows :

	Book values as of November 30, 2022
Assets	**JD**
Cash and cash equivalents	493,414
Local brokerage customers receivables	1,738
Other debit balances	8,141
Financial assets at fair value	20,417
Property and equipment	1,132
Total assets	**524,842**
Liabilities	
Customers credit accounts	303,766
Accounts payable and other credit balances	6,887
Total liabilities	**310,653**
Net assets	**214,189**
Non-controlling interest	(158)
Translation differences (capital)	2500
Net assets acquired	**216,531**
Goodwill resulting from acquisition	105,855
Cash paid	**322,386**

On November 30, 2022 El Mahrousa for Securities Trading (Egyptian Joint Stock Company) was valuated for an amount of EGP 11,077,653 which equals approximately JD 322,386 in exchange for the acquisition.

13. Trade payables and other credit balances

	2023	2022
	JD	JD
Accrued employees bonus and commission	660,000	240,000
Jordan Securities Commission fees	200,000	100,000
Accrued expenses	111,354	55,500
Notes payable	48,296	-
Accounts payable	40,762	27,446
Accrued tax employees	30,669	16,653
National contribution deposits (*)	44,789	17,785
Social security deposits	23,416	18,040
Trading settlement	22,243	101,320
Others	21,219	23,934
Deferred tax liabilities	12,975	-
Claims allowance	7,756	9,686
Consulting tax deductions	4,872	2,667
Total	**1,228,351**	**613,031**

(*) Movement for the national contribution deposits during the year was as follows:

	2023	2022
	JD	JD
Balance - beginning of year	17,785	23,094
Provided during the year	46,707	17,785
Previous years national contribution	-	3,991
Paid during the year	(19,703)	(27,085)
Balance - end of year	**44,789**	**17,785**

14. Income tax provision

	2023	2022
	JD	JD
Balance - beginning of year	110,025	126,069
Provided during the year	280,243	123,818
Previous years income tax	-	29,391
Paid during the year	(127,758)	(168,240)
Translation differences	-	(1,013)
Balance - end of year	**262,510**	**110,025**

15. Capital

Based on the extraordinary general assembly meeting minutes held on March 15, 2022 it was decided to increase the company's subscribed and paid capital with JD 2,220,000 so the capital after increase will become to JD 5,000,000 and this increase was through cash deposit in the company's account at bank.

16. Statutory reserve

- **Statutory reserve - Parent company**
  - Statutory reserve is allocated according to the Jordanian Companies Law by deducting 10% of the annual net profit until the reserve equals of the Company's subscribed capital. Such reserve is not available for dividends distribution.
  - For the general assembly after exhausting other reserves to decide in an extraordinary meeting to quench its losses from the accumulated amounts in statuary reserve, and to rebuild it in accordance with the provisions of the law.

- **Statutory reserve - Subsidiary (laws of Arab Republic of Egypt)**
  - [Statutory reserve is allocated by deducting 10% of the annual net profit until the reserve equals half of the Company's subscribed capital. Such reserve must be rebuilt if it has been used or deducted]
  - [Employees shall have a share of no less than 10% of the cash dividends, provided that it does not exceed the total of employees annual wages]

17. Other revenues, net

	2023	2022
	JD	JD
Currency differences	227,714	110,296
Bank interests	159,699	121,709
Others	78,858	28,773
Dividends	6,417	4,239
Gain on disposal of property and equipment	133	1,835
Total	**472,821**	**266,852**

18. Marketing expenses

	2023	2022
	JD	JD
Salaries and wages	1,151,970	1,161,542
Advertising	1,989,673	1,387,036
Subscriptions and fees	460,432	225,501
Contribution to social security	94,353	67,726
Total	**3,696,428**	**2,841,805**

19. Administrative expenses

	2023	2022
	JD	JD
Salaries, wages and realted benefits	2,969,344	1,226,446
Subscriptions and fees	286,254	156,798
Depreciation	122,295	90,916
Communications	114,274	36709
Other provisions	100,000	100,000
Professional fees	97,809	73,752
Right of use asset depreciation	97,085	65,264
Contribution to social security	95,647	78,203
Travel and transportations	91,500	30,435
Hospitality	81,431	49,048
Donations	66,035	36,400
Health insurance	61,145	55,817
Bank commission	51,598	30,327
Seminars	51,448	18,420
Cleaning	41,791	33,226
Rent	35,222	35,708
Maintenance	34,250	32,163
Staff activities	33,312	-
Governmental fees	27,155	19,647
Stationery and printings	25,926	13,999
Miscellaneous	25,239	17,637
Electricity and water	23,990	22,903
Technical services	20,137	-
Supplies	19,427	-
Transportation allowance for members of the Board of Directors	14,516	-
Amortization	11,325	15,740
Expected credit losses	7,090	14,484
Vehicles expenses	3,189	2,614
Taining	946	9,328
Total	**4,609,380**	**2,265,984**

20. Contingent liabilities

The company has a contingent liability for bank guarantees amounting to JD 991,000 with a cash insurance amounting to JD 991,000.

a) Capital risk:

Regularly, the capital structure is reviewed and the cost of capital and the risks associated with capital are considered. In addition, capital is managed properly to ensure continuing as a going concern while maximizing the return through the optimization of the debt and equity balance.

b) Currency risk:

- Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
- The risk arises on certain transactions denominated in foreign currencies, which imposes sort of risk due to fluctuations in exchange rates during the year.
- Certain procedures to manage the exchange rate risk exposure are maintained.

c) Interest rate risk:

- Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
- The risk arises on exposure to a fluctuation in market interest rates resulting from borrowings and depositing in banks.
- The entity is not exposed to interest rate risk.

d) Other price risk:

- Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.
- The risk arises from investing in equity investments. However, this risk is insignificant since no active trading on these investments is occurred.
- The entity is not exposed to other price risk.

e) Credit risk:

- Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- Credit policies have been established that explain how to deal with parties who are able to repay debt and obtain appropriate collateral, if necessary, as a means to reduce the risk of financial losses arising from the debt default.
- Regularly, the credit ratings of debtors and the volume of transactions with those debtors during the year are monitored.
- Ongoing credit evaluation is performed on the financial condition of debtors, also adequate provisions for doubtful receivables is taken.
- The carrying amount of financial assets recorded in the financial statements represents the - maximum exposure to credit risk without taking into account the value of any collateral obtained.

f) Liquidity risk:

- Liquidity risk is the risk of encountering difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.
- Liquidity risk is managed through monitoring cash flows and matching with maturity dates of the financial assets and liabilities.
- The following table shows the maturity dates of financial assets and liabilities as of December 31:

	Less than a year		One year and above	
Description	2023	2022	2023	2022
	JD	JD	JD	JD
Assets				
Cash and cash equivalents	1,415,076	3,131,312	-	-
Current accounts at banks and credit cards balances against financial brokerage customers payables	6,926,363	6,716,990	-	-
Brokerage customers accounts held with other parties	-	3,354,482	-	-
Brokerage customers receivables	1,700,987	431,057	-	-
Financial assets at fair value through profit or loss	45,949	77,742	-	-
Other debit balances	2,167,982	1,746,246	-	-
Related parties receivable	19,144	244,813	-	-
Financial assets at fair value through other comprehensive income	-	-	8,762	10,942
Total	12,275,501	15,702,642	8,762	10,942
Liabilities				
Brokerage customers payables	7,231,819	10,241,346	-	-
Local brokerage customers payables / margin	-	145,951	-	-
Accounts payable and other credit balances	1,228,351	613,031	-	-
Total	8,722,680	11,000,328	-	-

21. The potential effects of economic fluctuations

As a result of the current global conflict, where the entity has taken into account any possible impact of current economic fluctuations in the inputs of future macroeconomic factors when determining the severity and probability of economic scenarios to determine expected credit losses.