

**OFFTEC HOLDING GROUP  
(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED)**

**31 March 2024**

**OFFTEC HOLDING GROUP**  
**(Public Shareholding Company)**

**Interim condensed consolidated financial statements**  
**(Unaudited)**

**31 March 2024**

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**Review report on the interim condensed consolidated financial statements  
To the Chairman and members of the Board of Directors of Offtec Holding Group  
(Public Shareholding Company)**

**Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of the Offtec Holding Group (the "Company") and its subsidiaries (together the "Group") as at 31 March 2024, and the related interim condensed consolidated statements of income and interim condensed consolidated statement of comprehensive income for the three months period ended 31 March 2024, the interim condensed consolidated statements of changes in shareholders' equity and interim condensed consolidated statement of cash flows for the three months period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of interim financial information performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurances that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

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

For and on behalf of PricewaterhouseCoopers "Jordan"

  
Hazem Hanna Sababa  
License No. (802)



Amman - Jordan  
29 April 2024

**OFFTEC HOLDING GROUP**  
**(Public Shareholding Company)**  
**Interim condensed consolidated statement of financial position (Unaudited)**  
**As at 31 March 2024**

	Note	31 March 2024 JD (Unaudited)	31 December 2023 JD (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	4	1,117,854	1,202,420
Intangible assets	5	6,792,258	6,792,258
Right of use of leased assets		1,038,027	778,622
Investment properties	6	945,423	945,423
Deferred tax assets		289,630	286,541
Non-current portion of net investment In finance contracts at amortised cost	7	2,381,942	1,093,493
		<u>12,565,134</u>	<u>11,098,757</u>
<b>Current assets</b>			
Current portion of net investment In finance contracts at amortised cost	7	9,828,054	12,261,089
Inventory		6,961,238	6,303,227
Trade receivables	8	6,462,135	7,404,057
Other debit balances		3,062,795	2,219,338
Cash and cash equivalents	9	2,843,703	3,034,187
		<u>29,157,925</u>	<u>31,221,898</u>
<b>Total assets</b>		<u>41,723,059</u>	<u>42,320,655</u>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' equity</b>			
Authorized, subscribed, and paid-in capital	11	34,850,000	34,850,000
Reverse acquisition reserve	10	(18,627,185)	(18,627,185)
Statutory reserve	11	1,767,813	1,767,813
Foreign currency translation		95,684	95,684
Accumulated losses		(3,899,867)	(3,610,272)
<b>Net shareholders' equity</b>		<u>14,186,445</u>	<u>14,476,040</u>
Non-controlling interest		840,607	834,478
<b>Net equity</b>		<u>15,027,052</u>	<u>15,310,518</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provision for end of service		1,277,241	1,295,227
Long-term loans		954,441	1,094,917
Lease liabilities		368,194	483,122
		<u>2,599,876</u>	<u>2,873,266</u>
<b>Current liabilities</b>			
Bank overdrafts		2,991,814	3,103,652
Short term loans		8,862,445	8,734,316
Lease liabilities		584,663	292,335
Trade payables		2,840,109	4,037,418
Other credit balances	12	8,063,597	7,202,763
Income tax provision	16	753,503	766,387
		<u>24,096,131</u>	<u>24,136,871</u>
<b>Total liabilities</b>		<u>26,696,007</u>	<u>27,010,137</u>
<b>Net equity and liabilities</b>		<u>41,723,059</u>	<u>42,320,655</u>

**The accompanying notes from 1 to 17 form an integral part of these interim condensed consolidated financial statements**

**OFFTEC HOLDING GROUP**  
**(Public Shareholding Company)**  
**Interim condensed consolidated statement of income (Unaudited)**  
**For the three months ended 31 March 2024**

		For the three months ended 31 March	
	Note	2024	2023
		JD	JD
		(Unaudited)	(Unaudited)
Revenue from contracts with customers		5,880,721	5,864,147
Revenue from finance contracts		1,519,917	1,622,198
<b>Total revenues</b>		<b>7,400,638</b>	<b>7,486,345</b>
Cost of sales		(4,967,124)	(4,810,471)
<b>Gross profit</b>		<b>2,433,514</b>	<b>2,675,874</b>
Administrative expenses		(1,113,503)	(1,463,967)
Expected credit losses	7 & 8	(886,251)	(237,838)
Other expenses		(15,354)	(44,942)
<b>Operating profit</b>		<b>418,406</b>	<b>929,127</b>
Finance costs		(500,317)	(433,255)
<b>(Loss) profit for the period before tax</b>		<b>(81,911)</b>	<b>495,872</b>
Income tax	16	(173,195)	(205,750)
<b>Net (loss) profit for the period</b>		<b>(255,106)</b>	<b>290,122</b>
 <b>(Loss) profit for the period attributable to:</b>			
Shareholders		(289,595)	292,984
Non-controlling interest		34,489	(2,862)
		<u>(255,106)</u>	<u>290,122</u>
 <b>Earnings per share:</b>			
Earnings per share from the (loss) profit for the period attributable to the Company's shareholders		Fils / JD	Fils / JD
Basic and diluted	15	<u>(0.008)</u>	<u>0.008</u>

**The accompanying notes from 1 to 17 form an integral part of these interim condensed consolidated financial statements**

**OFFTEC HOLDING GROUP**  
**(Public Shareholding Company)**  
**Interim condensed consolidated statement of comprehensive income (Unaudited)**  
**For the three months ended 31 March 2024**

	For the three months ended 31 March	
	2024	2023
	(Unaudited)	(Unaudited)
Net (loss) profit for the period	(255,106)	290,122
<b>Add: other comprehensive income items</b>		
Items that can be subsequently transferred to income statement:		
Foreign currency translation	-	14,134
<b>Total comprehensive (loss) income for the period</b>	<b>(255,106)</b>	<b>304,256</b>
<b>Total comprehensive (loss) profit attributable to:</b>		
Shareholders	(289,595)	307,118
Non-controlling interest	34,489	(2,862)
	<b>(255,106)</b>	<b>304,256</b>

The accompanying notes from 1 to 17 form an integral part of these interim condensed consolidated financial statements

**OFFTEC HOLDING GROUP**  
**(Public Shareholding Company)**  
**Interim condensed consolidated statement of changes in equity (Unaudited)**  
**For the three months ended 31 March 2024**

	Authorized, subscribed and paid-in capital	Reverse acquisition reserve	Statutory reserve	Foreign currency translation	(Accumulated losses) retained earnings	Net shareholders' equity	Non- controlling interest	Net equity
	JD	JD	JD	JD	JD	JD	JD	JD
<b>For the three months ended 31 March 2024 (Unaudited)</b>								
<b>Balance as at 1 January</b>	34,850,000	(18,627,185)	1,767,813	95,684	(3,610,272)	14,476,040	834,478	15,310,518
Net loss for the period	-	-	-	-	(289,595)	(289,595)	34,489	(255,106)
Dividends of non-controlling interest (Note 17)	-	-	-	-	-	-	(28,360)	(28,360)
<b>Balance as at 31 March</b>	<u>34,850,000</u>	<u>(18,627,185)</u>	<u>1,767,813</u>	<u>95,684</u>	<u>(3,899,867)</u>	<u>14,186,445</u>	<u>840,607</u>	<u>15,027,052</u>
<b>For the three months ended 31 March 2023 (Unaudited)</b>								
<b>Balance as at 1 January</b>	34,850,000	(18,627,185)	1,767,813	86,160	1,283,502	19,360,290	672,917	20,033,207
Net profit for the period	-	-	-	-	292,984	292,984	(2,862)	290,122
Other comprehensive income for the period	-	-	-	14,134	-	14,134	-	14,134
Total comprehensive income	-	-	-	14,134	292,984	307,118	(2,862)	304,256
Dividends of non-controlling interests (Note 17)	-	-	-	-	-	-	(28,360)	(28,360)
<b>Balance as at 31 March</b>	<u>34,850,000</u>	<u>(18,627,185)</u>	<u>1,767,813</u>	<u>100,294</u>	<u>1,576,486</u>	<u>19,667,408</u>	<u>641,695</u>	<u>20,309,103</u>

The accompanying notes from 1 to 17 form an integral part of these interim condensed consolidated financial statements

**OFFTEC HOLDING GROUP**  
**(Public Shareholding Company)**  
**Interim condensed consolidated statement of cash flows (Unaudited)**  
**For the three months ended 31 March 2024**

	Note	for the three months ended 31 March	
		2024	2023
		JD	JD
		(Unaudited)	(Unaudited)
<b>Operating activities</b>			
Net (loss) profit for the period before income tax		(81,911)	495,872
<b>Adjustments for:</b>			
Depreciation of property and equipment	4	118,113	91,383
Depreciation of right of use leased assets		92,562	89,801
Finance costs		500,317	433,255
(Reversal of) Provision for end of service		(17,986)	63,319
Provision for slow-moving inventories		6,515	3,178
Provision for expected credit losses	7 & 8	886,251	237,838
<b>Changes in working capital items:</b>			
Net investment in finance contracts at amortised cost		324,018	(1,053,511)
Inventory		(664,526)	596,000
Trade receivables		876,239	91,926
Other debit balances		(843,457)	(622,809)
Trade payables		(1,197,309)	(1,804,878)
Other credit balances		860,834	3,005,422
<b>Cash flows generated from operating activities before payment of end of service indemnity and income tax</b>		859,660	1,626,796
End of service indemnity paid		-	(3,064)
Income tax paid	16	(189,168)	(257,558)
<b>Net cash flows generated from operating activities</b>		<u>670,492</u>	<u>1,366,174</u>
<b>Investing activities</b>			
Purchase of property and equipment	4	(33,547)	(94,243)
Proceeds from sale of property and equipment		-	2,293
<b>Net cash flows used in investing activities</b>		<u>(33,547)</u>	<u>(91,950)</u>
<b>Financing activities</b>			
Granted loans		3,725,456	1,785,741
Repayment of loans		(3,737,803)	(1,776,797)
(Repayment) granted of bank overdrafts		(111,838)	108,337
Lease liability paid		(196,377)	(186,188)
Finance costs paid		(478,507)	(411,259)
Dividends of non-controlling interests	17	(28,360)	(28,360)
<b>Net cash flows used in financing activities</b>		<u>(827,429)</u>	<u>(508,526)</u>
<b>Foreign currency translation differences</b>		-	14,134
<b>Net change in cash and cash equivalents</b>		<u>(190,484)</u>	<u>779,832</u>
Cash and cash equivalents as at 1 January	9	3,034,187	1,539,503
<b>Cash and cash equivalents as at 31 March</b>	9	<u>2,843,703</u>	<u>2,319,335</u>
<b>Non-cash transactions:</b>			
Additions of right of use assets / lease liabilities		453,711	138,708
Disposal of right of use assets / lease liabilities		<u>101,745</u>	-

**The accompanying notes from 1 to 17 form an integral part of these interim condensed consolidated financial statements**



**(1) GENERAL INFORMATION**

OFFTEC Holding Group is a Public Shareholding Company and registered in the public shareholding companies registry on 7 December 2004 under No. 355 at the Companies Controller at the Ministry of Industry and Trade.

The Company's authorized, subscribed and paid-up capital is JD 34,850,000 as at 31 March 2024 and 31 December 2023, divided into 34,850,000 shares, each with a nominal value of 1 JD.

The Company is listed in the Amman Stock Exchange.

The Company's main objectives are as follows:

- Managing the subsidiaries of the company or participating in the management of other companies in which it owns shares.
- Investing its money in shares, bonds and securities.
- Providing loans, guarantees and financing to its subsidiaries.
- Owning patents.
- Owning trademarks.

The Group's head office is located in Amman - Jabal Amman - Third Circle.

These interim condensed consolidated financial statements were approved by the Board of Directors on 29 April 2024.

**(2) MATERIAL ACCOUNTING POLICY INFORMATION**

**2.1 Basis of preparation of the interim condensed consolidated financial statements**

The accompanying interim condensed consolidated financial statements for the three months ended 31 March 2024 have been prepared in accordance with the IAS (34), (Interim financial reports).

The Jordanian Dinar is the presentation currency for the interim condensed consolidated financial statements and is the Group's functional currency.

The interim condensed consolidated financial statements have been prepared under the historical cost convention.

These interim condensed consolidated financial statements do not include all information and notes required in the annual consolidated financial statements which are prepared in accordance with the IFRS, and should be read along with the Group's annual report as at 31 December 2023. The results for the three months business ended 31 March 2024 are not necessarily indicative of the results that may be expected for the year ending 31 December 2024. No provision was made for the profit of the three-month period ended 31 March 2024 which is done at the end of the financial year.

**OFFTEC HOLDING GROUP****(Public Shareholding Company)****Notes to the interim condensed consolidated financial statements (unaudited)****For the three months ended 31 March 2024****2.2 Changes in accounting policies and disclosures****(A) New and amended standards and interpretations adopted by the Group in the financial year beginning in early January 2024:****Amendments and new standards****Effective date**

<b>Classification of Liabilities as Current or Non-current – Amendments to IAS 1 Non-current Liabilities with Covenants – Amendments to IAS 1 -</b> These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	1 January 2024
<b>Lease Liability in a Sale and Leaseback – Amendments to IFRS 16:</b> These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	1 January 2024
<b>Supplier finance arrangements – Amendments to IAS 7 and IFRS 7:</b> These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	1 January 2024
<b>Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28 -</b> The IASB has made limited scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. They confirm that the accounting treatment depends on whether the nonmonetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations).	-

The application of the above standards did not have any significant impact on the interim condensed consolidated financial statements.

**(B) New and amended standards and interpretations issued but are not yet effective and not early adopted:**

The Group did not apply the following new standards, amendments and interpretations which have been issued but are not yet effective to date:

<p><b>Amendments to IAS 21 – Lack of Exchangeability</b></p> <p>An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.</p>	<p>Annual periods beginning on or after 1 January 2025 (early adoption is available)</p>
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Management is still in the process of evaluating the impact of these new amendments on the interim condensed consolidated financial statements, and it believes that there will be no material impact on the interim condensed consolidated financial statements when they are applied.

There are no other relevant IFRS Accounting Standards, amendments to the published standards, or IFRS Interpretation Committee's interpretations that have been issued but did not come into effect for the first time for the Company's financial year that began on 1 January 2024 and was expected to have significant effect on the Company's interim condensed consolidated financial statements.

### **2.3 Basis of consolidation of financial statements**

The Group's consolidated financial statements include the financial statements of the Company and the subsidiaries controlled by the Group. Control is achieved when the Group has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The investee is controlled only when the following is achieved:

- The Group's control over the investee (existing rights that grant the Group the ability to direct the related activities of the investee).
- The Group or its rights are exposed to the variable returns arising from its involvement with the investee.
- Ability to exercise control over the investee and influence its returns.

When the Group has less than majority of the voting rights or the similar in the investee, the Group takes all relevant facts and circumstances into account to determine whether it has control over the investee, including:

- Contractual arrangements with the other holders of voting rights in the investee.
- Rights arising from other contractual arrangements.
- Current and potential voting rights of the Group.

The Group reassesses whether it controls the investee if circumstances or facts indicate a change in one or more of the three control elements.

**OFFTEC HOLDING GROUP****(Public Shareholding Company)****Notes to the interim condensed consolidated financial statements (unaudited)****For the three months ended 31 March 2024**

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Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests even if this results in a deficit in the balance of the non-controlling interests. If necessary, the financial statements of subsidiaries are adjusted to confirm their accounting policies with the Group's accounting policies. Assets, liabilities, equity, income, expenses, and transaction gains and losses are eliminated between the Group and its subsidiaries.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

**Changes in equity**

The Group considers transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the non-controlling and controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve in the Group owners' equity.

When the Group ceases consolidation or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the Company is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in the statement of other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in the statement of other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced while retaining joint control or effective influence, the shares from the amounts previously recognised in the statement of other comprehensive income are reclassified to profit or loss as appropriate.

**OFFTEC HOLDING GROUP****(Public Shareholding Company)****Notes to the interim condensed consolidated financial statements (unaudited)****For the three months ended 31 March 2024**

The consolidated financial statements comprise the following subsidiaries:

<u>Name of the Company</u>	<u>Legal status of the Company</u>	<u>Country of incorporation</u>	<u>Paid-up capital</u>	<u>Percentage of equity</u> %
Jordan Scientific Library Company	Limited liability company	Jordan	650,000	100
Al Wasla Finance Company	Private shareholding company	Jordan	500,000	100
OFFTEC International Investment Company	Limited liability company	Jordan	30,000	100
Trust International Company for Marketing and E-commerce	Limited liability company	Jordan	250,000	100
OFFTEC Company for Office and Banking Systems	Limited liability company	Jordan	400,000	100
Cherry Pot Electronic Trading Company	Limited liability company	Jordan	250,000	100
World Axis Trading Company*	Limited liability company	Jordan	100,000	100
OFFTEC Commercial Investment and Electronic Devices Trading Co. Ltd.**	Limited liability company	Iraq	14,771	60
OFFTEC Iraq Investment Company	Limited liability company	Jordan	5,000	60
Space Technology General Trading Company	Limited liability company	Iraq	978	60
Palestine Office Technology Company – OFFTEC	Private Shareholding Company	Palestine	91,530	100
OFFTEC Engineering Services Company ***	Limited liability company	Sudan	640	100
E-Points FZ-LLC	Free zone limited liability	UAE	9,660	100
Khartoum Company for Systems and Technology Co.*****	Limited liability company	Sudan	1,850	100
<b>Companies under liquidation:</b>				
E-Points Egyptian Company for Loyalty and Rewards.	Limited liability company	Egypt	7,610	95

**(3) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of the interim condensed consolidated financial statements and the application of accounting policies require the Group's management to make estimates and judgments that affect the amounts of financial assets and liabilities, and to disclose contingent liabilities. Also, these estimates and judgments affect revenues, expenses and provisions, and in particular, the Group's management must issue important judgments and judgments to estimate the amounts and timing of future cash flows. The aforementioned estimates are necessarily based on multiple assumptions and factors with varying degrees of estimation and uncertainty, and the actual results may differ from the estimates as a result of changes resulting from the conditions and circumstances of those estimates in the future.

In order to prepare these interim condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the main sources of uncertainty estimates were the same judgments and sources applied in the Group's audited consolidated financial statements for the year ended 31 December 2023.

**OFFTEC HOLDING GROUP**  
**(Public Shareholding Company)**  
**Notes to the interim condensed consolidated financial statements (unaudited)**  
**For the three months ended 31 March 2024**

**(4) PROPERTY AND EQUIPMENT**

	Leasehold improvements JD	Furniture, fixture and decoration JD	Computers and accessories JD	Machinery, office equipment and electrical devices JD	Vehicles JD	Total JD
<b>2024</b>						
<b>Cost</b>						
1 January	92,452	764,855	859,678	3,336,738	451,270	5,504,993
Additions	243	10,252	7,599	15,453	-	33,547
<b>31 March</b>	<u>92,695</u>	<u>775,107</u>	<u>867,277</u>	<u>3,352,191</u>	<u>451,270</u>	<u>5,538,540</u>
<b>Accumulated depreciation</b>						
1 January	74,870	560,300	581,031	2,666,559	419,813	4,302,573
Depreciation expense	2,256	16,673	21,155	74,468	3,561	118,113
<b>31 March</b>	<u>77,126</u>	<u>576,973</u>	<u>602,186</u>	<u>2,741,027</u>	<u>423,374</u>	<u>4,420,686</u>
<b>Net carrying value at</b>						
<b>31 March</b>	<u>15,569</u>	<u>198,134</u>	<u>265,091</u>	<u>611,164</u>	<u>27,896</u>	<u>1,117,854</u>

\* The value of the fully depreciated property and equipment that is still used in the Group's operations amounted to JD 3,428,383 as at 31 March 2024 (31 December 2023: JD 3,378,865).

**OFFTEC HOLDING GROUP****(Public Shareholding Company)****Notes to the interim condensed consolidated financial statements (unaudited)****For the three months ended 31 March 2024**

	Leasehold improvements	Furniture, fixture and decoration	Computers and accessories	Machinery, office equipment and electrical devices	Vehicles	Total
	JD	JD	JD	JD	JD	JD
<b>2023</b>						
<b>Cost</b>						
1 January	90,685	666,244	614,731	2,828,057	447,799	4,647,516
Additions	1,767	99,411	256,259	515,417	13,471	886,325
Disposals	-	(800)	(11,312)	(6,736)	(10,000)	(28,848)
<b>31 December</b>	<u>92,452</u>	<u>764,855</u>	<u>859,678</u>	<u>3,336,738</u>	<u>451,270</u>	<u>5,504,993</u>
<b>Accumulated</b>						
1 January	65,094	479,505	539,549	2,399,101	413,052	3,896,301
Depreciation expense	9,776	80,795	41,482	269,321	14,594	415,968
Related to disposals	-	-	-	(1,863)	(7,833)	(9,696)
<b>31 December</b>	<u>74,870</u>	<u>560,300</u>	<u>581,031</u>	<u>2,666,559</u>	<u>419,813</u>	<u>4,302,573</u>
<b>Net carrying value at</b>						
<b>31 December</b>	<u>17,582</u>	<u>204,555</u>	<u>278,647</u>	<u>670,179</u>	<u>31,457</u>	<u>1,202,420</u>

**OFFTEC HOLDING GROUP**  
**(Public Shareholding Company)**  
**Notes to the interim condensed consolidated financial statements (unaudited)**  
**For the three months ended 31 March 2024**

**(5) INTANGIBLE ASSETS**

This item represents the goodwill balance which is the value paid that exceeds the fair value of the acquired net assets of the subsidiaries.

	31 March 2024	31 December 2023
	JD (Unaudited)	JD (Audited)
Goodwill	6,792,258	6,792,258

The largest part of the goodwill totalling JD 6,592,258 resulted in the year 2007 from the allocation of the purchase price resulting from the acquisition of Jordan Scientific Library Company for Alwasleh for Finance Company and Palestine Office Technology Company-OFFTEC that has been accounted for in accordance with the principle of reverse acquisition as described in Note (10).

The Group's management tested its goodwill for impairment according to the cash generating units. This test did not result in any impairment of goodwill as at the date of preparing the interim condensed consolidated financial statements.

**(6) INVESTMENT PROPERTIES**

This item balance represents an investment in plot No. 744 with an area of 3,024 square meters in the Basin of Bela'as 16, Na'ur district. The Group's management has evaluated the investment in this plot on 10 January 2024 by independent valuers, and it was found that the average market value of the plot is estimated at JD 1,210,000. The Group's management did not re-evaluate the investment as of 31 March 2024, as it does not expect a material change.

**(7) NET INVESTMENT IN FINANCE CONTRACTS AT AMORTISED COST**

	31 March 2024	31 December 2023
	JD (Unaudited)	JD (Audited)
Total investment in long-term finance contracts (over one year)	2,714,718	1,326,923
Total investment in short-term finance contracts	17,231,954	19,187,949
<b>Total</b>	19,946,672	20,514,872
Deferred revenues	(3,590,838)	(3,835,020)
<b>Total before expected credit loss</b>	16,355,834	16,679,852
Provision for expected credit losses for investment in finance contracts	(4,145,838)	(3,325,270)
<b>Current value of the minimum finance contracts</b>	12,209,996	13,354,582
Less: net investment in long-term finance contracts	(2,381,942)	(1,093,493)
Net investment in finance contracts that are due within a year	9,828,054	12,261,089



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The movement in the provision for credit losses for investment in finance contracts during the period / year is as follows:

	31 March 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Balance as at 1 January	3,325,270	2,425,233
Provision for expected credit losses	820,568	1,465,543
Write offs	-	(565,506)
Balance as at the end of the period / year	<u>4,145,838</u>	<u>3,325,270</u>

**(8) TRADE RECEIVABLES**

	31 March 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Trade receivables	7,723,649	8,587,208
Cheques under collection	192,610	205,290
	<u>7,916,259</u>	<u>8,792,498</u>
Provision for expected credit losses	<u>(1,454,124)</u>	<u>(1,388,441)</u>
	<u>6,462,135</u>	<u>7,404,057</u>

The movement in the expected credit loss provision for receivables during the period / year is as follows:

	31 March 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Balance as at 1 January	1,388,441	1,165,460
Provision for expected credit losses for the period / year	65,683	245,382
Write offs	-	(22,401)
Balance as at the end of the period / year	<u>1,454,124</u>	<u>1,388,441</u>

**(9) CASH AND CASH EQUIVALENTS**

	31 March 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Cash at banks	2,646,927	2,901,015
Cash on hand	196,776	133,172
	<u>2,843,703</u>	<u>3,034,187</u>

The Group has calculated an expected credit loss provision on bank balances and has not recorded it as the expected credit loss is not material.

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**(10) REVERSE ACQUISITION RESERVE**

As required by IFRS 3, the equity structure of the Group's consolidated financial statements (number and type of equity interests issued) should reflect the equity structure of Offtec Holding (listed in Amman Stock Exchange). Therefore, the difference between the equity of the Company and the net assets of the Jordan Scientific Library Company was recognized as a separate reserve in equity (reverse acquisition reserve amounting to JD 18,627,185) instead of deduction from the paid-up capital, in order to comply with the legal requirements for capital in the Hashemite Kingdom of Jordan.

**(11) SHAREHOLDERS' EQUITY****Authorized, subscribed and paid-up capital**

The authorized, subscribed, and paid-up capital of the Group is JD 34,850,000, divided into 34,850,000 shares, each with a nominal value of 1 JD.

Shareholders that have significant influence over the Group were as follows:

	Number of shares	Percentage of ownership %
Marwan Saeed	8,485,627	24.349
Basem Saeed	5,029,901	14.433
Rima Tanous	3,522,987	10.109
Dina Saeed	3,086,316	8.856
Samir Saeed	2,510,246	7.203
Mona Saeed	2,510,246	7.203
Hanada Saeed	1,937,660	5.560

**Statutory reserve**

According to the Jordanian Companies Law and the Company's by-laws, the Company should transfer 10% of its annual net profit to the statutory reserve, and continue to do so each year provided that the total transferred amounts to the reserve do not exceed 25% of the Company's capital. For the purposes of this law, net profits represent profits before the income tax and fees provision. This reserve is not distributable to shareholders. No statutory reserve is deducted during the period ended 31 March 2024, as the deduction is made at the end of the year.

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**(12) OTHER CREDIT BALANCES**

	31 March 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Advance payments received from customers	4,813,199	3,920,977
Accrued expenses	1,847,482	1,809,519
Employees' payables	409,848	535,775
Various provisions	327,569	327,569
Deferred revenues	360,610	306,413
Shareholders' deposits	244,140	258,896
Others	60,749	43,614
	<u>8,063,597</u>	<u>7,202,763</u>

**(13) SEGMENT REPORTING**

The business sector represents a Group of assets and operations that jointly provide products or services subject to risks and returns that are different from those related to other business sectors and that are measured according to the reports that are used by the CEO and primary decision maker at the Group.

A geographical segment is associated with the provision of products or services in a particular economic environment that is subject to risks and rewards different from those related to segments operating in economic environments.

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The details of the sectoral classification of the Group's operating segments are as follows:

For the three months ended 31 March 2024 (Unaudited)						
	Revenue from finance contracts	Revenue from sale of office and bank equipment, services and accessories	Revenue from sale of software, IT services and accessories	Revenue from sale of lighting devices, services and accessories	Total	Eliminations and adjustments
	JD	JD	JD	JD	JD	JD
Total revenue	1,519,917	3,805,602	4,191,614	150,820	9,667,953	(2,267,315)
Less: cost of sales	(594,795)	(3,124,198)	(3,407,870)	(107,576)	(7,234,439)	2,267,315
Segment profit	925,122	681,404	783,744	43,244	2,433,514	-
Depreciation of property and equipment	27,625	42,517	46,831	1,140	118,113	-
For the three months ended 31 March 2024 (Unaudited)						
	Revenue from finance contracts	Revenue from sale of office and bank equipment, services and accessories	Revenue from sale of software, IT services and accessories	Revenue from sale of lighting devices, services and accessories	Total	Eliminations and adjustments
	JD	JD	JD	JD	JD	JD
Capital expenditure:						
Property and equipment	13,742	9,425	10,380	-	33,547	-
Total assets	14,108,350	12,969,415	14,284,939	360,355	41,723,059	-
Total liabilities	13,443,304	6,202,458	6,831,590	218,655	26,696,007	-

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	For the three months ended 31 March 2023 (Unaudited)					
	Revenue from finance contracts	Revenue from sale of office and bank equipment, services and accessories	Revenue from sale of software, IT services and accessories	Revenue from sale of lighting devices, services and accessories	Total	Eliminations and adjustments
	JD	JD	JD	JD	JD	JD
Total revenue	1,622,198	3,613,548	3,755,953	113,174	9,104,873	(1,618,528)
Less: cost of sales	(163,400)	(3,043,733)	(3,136,642)	(85,224)	(6,428,999)	1,618,528
Sectors profit	1,458,798	569,815	619,311	27,950	2,675,874	-
Depreciation of property and equipment	26,385	31,221	32,451	1,326	91,383	-

	31 December 2023					
	Revenue from finance contracts	Revenue from sale of office and bank equipment, services and accessories	Revenue from sale of software, IT services and accessories	Revenue from sale of lighting devices, services and accessories	Total	Eliminations and adjustments
	JD	JD	JD	JD	JD	JD
Capital expenditure: Property and equipment	291,765	268,992	325,262	306	886,325	-
Total assets	15,295,464	12,112,699	14,646,546	265,946	42,320,655	-
Total liabilities	14,118,946	5,779,867	6,988,957	122,367	27,010,137	-

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**Distribution of revenues by geographical areas**

The table below shows the distribution of the Group's revenues by geographical regions as at 31 March 2024 and 2023:

	For the three months ended 31 March 2024			For the three months ended 31 March 2023		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	5,156,435	2,244,203	7,400,638	4,356,427	3,129,918	7,486,345

**(14) CONTINGENT LIABILITIES**

The Group has at the date of the interim condensed consolidated statement of financial position, contingent liabilities represented in unutilized credit ceiling balances granted to clients and bank guarantees represented in bid entry guarantees, advances to customers, good implementation and maintenance, arising from the Company's ordinary course of business and which are not expected to result in material obligations and consist of the following:

	31 March 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Bank guarantees	6,484,063	7,755,923
Letters of credit	54,604	166,664
Non-utilised ceilings*	4,830,636	5,170,255

\* This item represents the unused credit ceiling balances granted to clients by Al Wasla for Finance Company.

**Legal cases:**

The lawsuits raised against the Group amounted to JD 44,710. The Group's management provided for JD 24,710 against these cases as the management and its legal consultant believe that the provision booked is sufficient to meet any future obligation.

**(15) Basic and diluted earnings per share from (loss) profit for the period**

	For the three months ended 31 March	
	2024	2023
	JD	JD
	(Unaudited)	(Unaudited)
<b><u>Earnings per share from the (loss) profit for the period</u></b>		
Earnings per share from (loss) profit for the period	(289,595)	292,984
Weighted average of the number of shares	34,850,000	34,850,000
	Fils / JD	Fils / JD
Basic and diluted earnings per share	(0.008)	0.008

The basic earnings per share from the (loss) profit for the period equals to the diluted share, as the Group did not issue any diluted financial instruments that effect the basic earnings per share.

**(16) INCOME AND SALES TAX**

**a. Income tax**

The movement on the income tax provision was as follows:

	31 March 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Balance as at 1 January	766,387	568,654
Income tax expense for the period / year*	176,284	908,406
Income tax paid	(189,168)	(710,673)
Balance as at the end of the period / year	<u>753,503</u>	<u>766,387</u>

The income tax expense shown in the interim condensed consolidated statement of income represents the following:

	31 March 2024	31 March 2023
	JD	JD
	(Unaudited)	(Unaudited)
Income tax expense for the period*	176,284	191,498
Income tax expense for prior years	-	22,286
Deferred tax assets	<u>(3,089)</u>	<u>(8,034)</u>
	<u>173,195</u>	<u>205,750</u>

\* The accrued income tax on the Group's business results for the period ended 31 March 2024 was calculated according to the taxable income, after making an adjustment to the accounting profit in respect of non-taxable expenses and non-taxable revenues, taking into consideration the different tax rates according to the Company's activity and the country in which it is registered, as the calculated tax rates ranged between 11% - 28%. The management and its tax consultant believe that the booked provisions are sufficient to meet any future tax obligation as at 31 March 2024 and 31 December 2023.

**World Axis Trading Company** obtained a final clearance from the Income and Sales Tax Department until 31 December 2022.

**Cherry Pot Company for Electronic Commerce Company** obtained a final clearance from the Income and Sales Tax Department until 31 December 2022, except for the year 2020. As for the years 2020 the income tax return was submitted and the Income and Sales Tax Department has not reviewed the records to date.

**Jordan Scientific Library Company** obtained a final clearance from the Income and Sales Tax Department until 31 December 2020. As for the years 2021 and 2022, the income tax returns were submitted and the Income and Sales Tax Department has not reviewed the records to date.

**OFFTEC Holding Group Company** obtained a final clearance from the Income and Sales Tax Department until 31 December 2022.

The **OFFTEC Company for Office and Banking Systems** obtained a final clearance from the Income and Sales Tax Department until 31 December 2019, the Income and Sales Tax Department reviewed the company's records and estimated an amount of JD 44,802. The decision was objected to, and the file is now pending before the Tax Court of First Instance. In the opinion of the management and the company's tax advisor, the department is incorrect in its assessment. As for the years 2021 and 2022, income tax returns have been submitted, and the Income and Sales Tax Department has not reviewed the company's records until the date of preparing these financial statements.

**Al Wasla Finance Company** obtained a final clearance from the Income and Sales Tax Department until 31 December 2020. As for the years 2021 and 2022, the income tax return was submitted and the Income and Sales Tax Department has not reviewed the records to date.

**OFFTEC International Investment Company** obtained a final clearance from the Income and Sales Tax Department until 31 December 2022.

**Trust International for Marketing and E-commerce Company** obtained a final clearance from the Income and Sales Tax Department until 31 December 2022, except for the year 2021. As for the years 2021, the income tax return was submitted and the Income and Sales Tax Department has not reviewed the records to date.

**Palestine Company for Office Technology - OFFTEC** obtained a final clearance from the Income and Sales Tax Department until 31 December 2021. As for the year 2022, the income tax return was submitted and the Income and Sales Tax Department has not reviewed the records to date.

**OFFTEC Commercial Investment and Electronic Devices Trading Co. Ltd.** obtained a final clearance from the Income and Sales Tax Department until 31 December 2022.

**OFFTEC Iraq for Investment Company** obtained a final clearance from the Income and Sales Tax Department until 31 December 2022, except for the year 2018. As for the years 2018, the income tax return was submitted and the Income and Sales Tax Department has not reviewed the records to date.

**Space Technology General Trading Company** obtained a final clearance from the Income and Sales Tax Department until 31 December 2022.

**OFFTEC Engineering Services Company** obtained a final clearance from the Income and Sales Tax Department until 31 December 2021.

#### **b. Sales Tax**

Sales tax returns for **Offtec Holding Group's - Dubai branch** were accepted until 31 December 2019. Regarding subsequent years, sales tax returns were filed as required by law and on time. However, the tax department has not reviewed the company's records as of the date of preparation of these financial statements.

Sales tax returns for **World Axis Trading Company** were audited until 31 October 2022.

Sales tax returns for **Cherry pot E-commerce Trading Company** were accepted until 31 December 2019, but they have lapsed due to exceeding the legal period for retaining records and documents according to Article 38 of the Sales Tax Law. Regarding subsequent years, sales tax returns were filed as required by law and on time. However, the tax department has not reviewed the company's records as of the date of preparation of these financial statements.

Sales tax returns for **Jordan Educational company** were accepted until 31 December 2019. Regarding subsequent years, sales tax returns were filed as required by law and on time. However, the tax department has not reviewed the company's records as of the date of preparation of these financial statements.

Sales tax returns for **Offtec for Office and Banking Systems Company** were audited until October 31, 2021. Regarding the year 2022, sales tax returns were filed as required by law and on time. However, the tax department has not reviewed the company's records as of the date of preparation of these financial statements.



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Sales tax returns for **Wasla for Finance Company** were accepted until 31 December 2019. Regarding subsequent years, sales tax returns were filed as required by law and on time. However, the tax department has not reviewed the company's records as of the date of preparation of these financial statements.

Sales tax returns for **International Trust for Marketing and E-commerce** were accepted until 31 December 2019. Regarding subsequent years, sales tax returns were filed as required by law and on time. However, the tax department has not reviewed the company's records as of the date of preparation of these financial statements.

Sales tax returns for **Palestine Office Technology - Offtec** were audited until 31 October 2021. Regarding the year 2022, sales tax returns were filed as required by law and on time. However, the tax department has not reviewed the company's records as of the date of preparation of these financial statements.

Sales tax returns for **Offtec Commercial Investment and Electronic Devices Trading Limited** were audited until 31 October 2022.

**(17) RELATED PARTIES TRANSACTIONS**

Parties are generally considered to be related if the parties are under joint control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each potential related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties comprise directors and senior executive management of the Company and other entities that are controlled by them or over which they exercise significant influence, whether directly or indirectly.

Transactions with related parties represent transactions carried out with the executive management of the Group. Prices and terms regarding these transactions are adopted by the Group's Board.

The following are the salaries and benefits of senior executive management:

	31 March 2024 JD	31 March 2023 JD
Salaries and bonuses	45,242	58,600

- During the period ended 31 March 2024, OFFTEC for Commercial Investment and Trading of Electronic Devices Co. Ltd. (Iraq) distributed dividends amounting to JD 70,900 (31 March 2023: JD 70,900) The non-controlling share amounted to 40%, amounting to JD 28,360 (31 March 2023: JD 28,360) and it was fully paid.