

**NUTRI DAR**

**PUBLIC SHAREHOLDING COMPANY**

**INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**

**30 JUNE 2023**

**REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS  
TO THE BOARD OF DIRECTORS OF NUTRI DAR COMPANY  
PUBLIC SHAREHOLDING COMPANY  
AMMAN - JORDAN**

**Introduction**

We have reviewed the accompanying interim condensed financial statements of Nutri Dar Company - Public Shareholding Company (the "Company") as at 30 June 2023 comprising of the interim condensed statement of financial position as at 30 June 2023 and the related interim condensed statement of comprehensive income, interim condensed statement of changes in equity and interim condensed statement of cash flows for the six-month period then ended and explanatory notes. Board of Directors is responsible for the preparation and presentation of these interim condensed financial statements in accordance with "IAS 34" ("Interim Financial Reporting"). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

**Scope of review**

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

**Conclusion**

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

**Other Matter**

The financial statements for the year ended 31 December 2022 and the interim condensed financial statements for the period ended 30 June 2022, respectively, were audited and reviewed by another auditor who issued an unqualified opinion and unqualified conclusion on 30 March 2023 and 28 July 2022, respectively.

Amman – Jordan  
30 July 2023

**ERNST & YOUNG**  
Amman - Jordan

**NUTRI DAR COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**  
**As At 30 JUNE 2023**

	<u>Notes</u>	30 June 2023 JD (Unaudited)	31 December 2022 JD (Audited)
<b><u>ASSETS</u></b>			
<b>Non-current Assets –</b>			
Property, plant and equipment	4	2,609,263	2,706,974
Projects in progress	5	37,419	-
Deferred tax assets	9	532,571	560,921
		<u>3,179,253</u>	<u>3,267,895</u>
<b>Current Assets -</b>			
Inventories		2,419,611	1,447,466
Other current assets		4,018,877	2,881,644
Trade receivables		4,159,743	3,453,383
Cash on hand and at banks	6	1,396,110	1,504,164
		<u>11,994,341</u>	<u>9,286,657</u>
<b>Total Assets</b>		<u>15,173,594</u>	<u>12,554,552</u>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Equity for shareholders -</b>			
Paid-in capital	8	11,615,912	11,615,912
Statutory reserve		682,430	682,430
Voluntary reserve		1,002	1,002
Accumulated losses		(5,187,580)	(5,300,981)
<b>Net Equity</b>		<u>7,111,764</u>	<u>6,998,363</u>
<b>Liabilities</b>			
<b>Current liabilities -</b>			
Bank Overdraft	6	137,524	-
Short-term revolving loans	7	3,152,984	2,054,040
Trade payables		3,991,360	2,960,979
Other current liabilities		779,962	541,170
<b>Total Liabilities</b>		<u>8,061,830</u>	<u>5,556,189</u>
<b>Total Equity and Liabilities</b>		<u>15,173,594</u>	<u>12,554,552</u>

The attached notes from 1 to 13 form part of these interim condensed financial statements

**NUTRI DAR COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2023 (UNAUDITED)**

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2023	2022	2023	2022
		JD	JD	JD	JD
Sales	10	3,320,078	2,832,023	6,355,933	4,904,266
Cost of sales	10	(2,738,138)	(2,275,357)	(5,059,053)	(3,937,108)
<b>Gross profit</b>	10	581,940	556,666	1,296,880	967,158
Selling and distribution expenses		(251,887)	(247,388)	(516,423)	(444,738)
Administrative expenses		(192,760)	(184,757)	(393,197)	(375,466)
Research and development expenses		(13,339)	(19,376)	(42,558)	(32,006)
Foreign currency exchange losses		(22,543)	(2,476)	(99,388)	(26,959)
Other income		6,378	4,944	8,032	9,702
<b>Net operating profit before tax and finance cost</b>		107,789	107,613	253,346	97,691
Finance cost		(63,797)	(38,748)	(111,595)	(74,393)
<b>Profit for the period before income tax</b>		43,992	68,865	141,751	23,298
Income tax expense for the period	9	(8,800)	-	(28,350)	-
<b>Profit for the period</b>		35,192	68,865	113,401	23,298
Add: Other comprehensive income items		-	-	-	-
<b>Total comprehensive income for the period</b>		35,192	68,865	113,401	23,298
		Fils/JD	Fils/JD	Fils/JD	Fils/JD
<b>Basic and diluted earnings per share attributable to the Company's shareholders</b>	11	0/003	0/006	0/010	0/002

The attached notes from 1 to 13 form part of these interim condensed financial statements

**NUTRI DAR COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNAUDITED)**

	Paid-in capital	Statutory reserve	Voluntary reserve	Accumulated losses	Total
	JD	JD	JD	JD	JD
<b>For the six months ended 30 June 2023 -</b>					
Balance as at 1 January 2023	11,615,912	682,430	1,002	(5,300,981)	6,998,363
Total comprehensive income for the period	-	-	-	113,401	113,401
<b>Balance as at 30 June 2023</b>	<u>11,615,912</u>	<u>682,430</u>	<u>1,002</u>	<u>(5,187,580)</u>	<u>7,111,764</u>
<b>For the six months ended 30 June 2022 -</b>					
Balance as at 1 January 2022	11,615,912	624,116	1,002	(5,714,798)	6,526,232
Total comprehensive income for the period	-	-	-	23,298	23,298
<b>Balance as at 30 June 2022</b>	<u>11,615,912</u>	<u>624,116</u>	<u>1,002</u>	<u>(5,691,500)</u>	<u>6,549,530</u>

The attached notes from 1 to 13 form part of these interim condensed financial statements

**NUTRI DAR COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNAUDITED)**

	Notes	For the six months ended 30 June	
		2023	2022
		JD	JD
<b><u>OPERATING ACTIVITIES</u></b>			
Profit for the period before tax		141,751	23,298
<b>Adjustments for:</b>			
Depreciation		119,313	121,387
Finance costs		111,595	74,393
Recoveries from slow moving provision		(8,493)	(28,705)
<b>Working capital changes:</b>			
Inventories		(963,652)	(223,629)
Trade receivables		(706,360)	226,294
Other current assets		(1,137,233)	209,580
Trade payables		1,030,381	297,433
Other current liabilities		238,792	24,227
<b>Net cash flows (used in) from operating activities</b>		<b>(1,173,906)</b>	<b>724,278</b>
<b><u>INVESTING ACTIVITIES</u></b>			
Purchase of property, plant and equipment	4	(21,602)	(12,009)
Projects in progress		(37,419)	-
<b>Net cash flows used in investing activities</b>		<b>(59,021)</b>	<b>(12,009)</b>
<b><u>FINANCING ACTIVITIES</u></b>			
Proceeds from short-term revolving loans		4,311,745	3,553,998
Repayment of short-term revolving loans		(3,212,801)	(4,157,784)
Bank interest payments		(111,595)	(74,393)
<b>Net cash flows from (used in) financing activities</b>		<b>987,349</b>	<b>(678,179)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>			
		(245,578)	34,090
Cash and cash equivalents at the beginning of the period		1,504,164	24,650
<b>Cash and cash equivalents at the end of the period</b>	6	<b>1,258,586</b>	<b>58,740</b>

The attached notes from 1 to 13 form part of these interim condensed financial statements

**(1) GENERAL**

Nutri Dar Company (the “Company”) was established as a public shareholding company on 29 September 1994. The Company’s paid in capital is JD 11,615,912 divided into 11,615,912 shares at par value of JD 1 each.

The Company’s main activities are producing food and infant milk and importing all its required raw materials. In addition to manufacturing, marketing, and selling food supplements and drug cosmetics, retail and wholesale of infant food supplies.

The interim condensed financial statements were approved by the Board of Directors on 27 July 2023.

**(2) BASIS OF PREPARATION AND ACCOUNTING POLICIES**

The interim condensed financial statements as at 30 June 2023 are prepared in accordance with International Accounting Standard No. (34), (“Interim Financial Reporting”).

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

The interim condensed financial statements are presented in Jordanian Dinars (JD), which represents the Company’s functional currency.

The interim condensed financial statements do not contain all information and disclosures required for the financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Company’s annual report as of 31 December 2022. Furthermore, the results of the six months period ended 30 June 2023 do not necessarily reflect the expected of the results that may be expected for the financial year ending 31 December 2023.

### **(3) CHANGES IN ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023.

#### **IFRS 17 Insurance Contracts**

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach),
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 has been applied retrospectively on 1 January 2023. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

This standard is not applicable to the Company.

#### **Definition of Accounting Estimates - Amendments to IAS 8**

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective from 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

These amendments had no material impact on the interim condensed financial statements of the Company.



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

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

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

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

These amendments had no material impact on the interim condensed financial statements of the Company.

**Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2**

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments are effective from 1 January 2023. and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

These amendments had no material impact on the interim condensed financial statements of the Company.

**Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12**

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The amendments are effective from 1 January 2023. and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

These amendments had no material impact on the interim condensed financial statements of the Company.

**NUTRI DAR COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2023 (UNAUDITED)**

**(4) PROPERTY, PLANT AND EQUIPMENT**

During the six months period ended 30 June 2023, the Company purchased property and equipment at a cost of JD 21,602 (30 June 2022: JD 12,009)

**(5) PROJECTS IN PROGRESS**

This item mainly represents the cost of the construction of a new chiller and a new air filtering unit. The cost to complete the projects in progress is estimated at JD 112,581 as at 30 June 2023 and the Company's management expects the project to be completed by the end of 2023.

**(6) CASH ON HAND AND AT BANKS**

	30 June 2023 JD (Unaudited)	31 December 2022 JD (Audited)
Cash on hand	7,200	7,200
Cash at banks	1,388,910	1,496,964
	<u>1,396,110</u>	<u>1,504,164</u>

For the purpose of the interim condensed statement of cash flows, cash and cash equivalents comprise the following:

	For the six months period ended 30 June 2023	
	30 June 2023 JD (Unaudited)	30 June 2022 JD (Unaudited)
Cash bank balances	1,396,110	410,412
Less: bank overdraft *	(137,524)	(351,672)
	<u>1,258,586</u>	<u>58,740</u>

\* Due to bank represents the utilized amount of the credit facility represented by an overdraft ceiling from Arab bank amounting to USD 750,000 (JD 531,750) at an annual interest rate of 4.25%.

**NUTRI DAR COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2023 (UNAUDITED)**

**(7) SHORT-TERM REVOLVING LOANS**

The details of this item is as below:

	Interest Rate	Currency	Limit	30 June 2023	31 December 2022
			JD	JD	JD
Arab Bank	SOFR six months + 2%	USD	1,063,500	578,873	208,033
ABC Bank	SOFR six months + 2.625%	USD	3,013,250	2,574,111	1,846,007
			<u>4,076,750</u>	<u>3,152,984</u>	<u>2,054,040</u>

**(8) EQUITY**

**Paid in capital -**

The Company's authorized share capital is 11,615,912 shares at a par value of JD 1 per share. The Company's paid-in capital as of 30 June 2023 is JD 11,615,912 divided into 11,615,912 shares at a par value of JD 1 each.

**Statutory reserve -**

As required by the Jordanian Corporate Law, 10% of the profit for the year before income tax and is transferred to statutory reserve until it reaches 25% of the paid in capital. This reserve is not distributable to the shareholders.

**Voluntary reserve -**

The amount accumulated in this reserve represents the transfers from net income before income tax at a maximum of 20%. This reserve is available for distribution to the shareholders.

**(9) INCOME TAX**

Income tax has been calculated for the period ended 30 June 2023 and for the period ended 30 June 2022 in accordance with the Income Tax Law No. (34) of 2014 and its amendments. The Company is subject to 19% income tax rate in addition to 1% national contribution tax.

The Company reached a final settlement with the Income and Sales Tax Department till the year 2017. The Company submitted its tax returns for the years 2018 to 2022 within the legal period but it has not been reviewed by the Income and Sales Tax Department up to the date of these interim condensed financial statements.

**NUTRI DAR COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2023 (UNAUDITED)**

The movement on income tax provision is as follows:

	30 June 2023 JD (Unaudited)	31 December 2022 JD (Audited)
Balance at 1 January	-	-
Income tax expenses for the period/year	28,350	111,007
Less: Released from deferred tax assets	(28,350)	(111,007)
	-	-

The movement on deferred tax assets is as follows:

	30 June 2023 JD (Unaudited)	31 December 2022 JD (Audited)
Balance as at 1 January	560,921	671,928
Less: Released during the period/year	(28,350)	(111,007)
	532,571	560,921

**(10) SEGMENTAL INFORMATION**

The following table summarizes business segment information based on geographical areas for the Company's sales.

	Levant and Iraq JD	Gulf And Yemen JD	Africa JD	Total JD
<b>For the six months ended 30 June 2023 (Unaudited)</b>				
Revenues from contracts with customers	5,596,000	284,025	475,908	6,355,933
Cost of sales	(4,305,930)	(314,955)	(438,168)	(5,059,053)
Gross Profit (loss)	1,290,070	(30,930)	37,740	1,296,880
<b>For the six months ended 30 June 2022 (Unaudited)</b>				
Revenues from contracts with customers	4,153,755	91,588	658,923	4,904,266
Cost of sales	(3,179,131)	(196,274)	(561,703)	(3,937,108)
Gross Profit (loss)	974,624	(104,686)	97,220	967,158

**NUTRI DAR COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2023 (UNAUDITED)**

**(11) EARNINGS PER SHARE**

	For the first six months ended 30 June 2023	
	2023	2022
	JD	JD
	(Unaudited)	(Unaudited)
Profit for the period (JD)	113,401	23,298
Weighted average number of shares (share)	11,615,912	11,615,912
Basic and diluted earnings per share for the period (JD/Fils)	0/010	0/002

**(12) RELATED PARTY BALANCES AND TRANSACTIONS**

Related parties represent major shareholders, directors and key management personnel of the Company, and entities controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

Balances of related parties included in the interim condensed statement of financial position are as follows:

	30 June 2023	31 December 2022
	JD	JD
	(Unaudited)	(Audited)
<b>Due from related parties:</b>		
Dar Al Dawa – Algeria (Sister Company)	2,980,512	2,980,512
Less: expected credit losses	(2,980,512)	(2,980,512)
	-	-

Compensation of key management personnel of the Company is as follows:

	For the six months ended 30 June	
	2023	2022
	JD	JD
	(Unaudited)	(Unaudited)
Salaries and other benefits	83,414	64,842

**NUTRI DAR COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2023 (UNAUDITED)**

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**(13) CONTINGENT LIABILITIES**

On the date of the interim condensed financial statements, the Company has the following contingent liabilities:

	30 June 2023	31 December 2022
	JD	JD
	(Unaudited)	(Audited)
Letters of guarantee	44,651	40,792