

الخذاء

إشارتنا : 236/1
التاريخ : 2020.06.30

السادة هيئة الأوراق المالية
السادة بورصة عمان



الموضوع: التقرير ربع السنوي كما هي في 2020/03/31

مرفق طيه نسخة من البيانات المالية ربع السنوية لشركة دار
الغذاء كما هي بتاريخ 2020/03/31 .

وتفضلوا بقبول فائق الاحترام...

المدير العام
م. حيدر الزبيدي



Revision No.7

NUTRIDAR COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

31 MARCH 2020

**NUTRIDAR COMPANY
(PUBLIC SHAREHOLDING COMPANY)**

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

31 MARCH 2020

	<u>PAGE</u>
REPORT ON THE REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	1
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	2
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	3
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	4
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	5
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	6- 15



**REPORT ON THE REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE CHAIRMAN AND MEMBERS OF THE BOARD OF DIRECTORS OF NUTRIDAR COMPANY
(PUBLIC SHAREHOLDING COMPANY)**

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Nutridar Company - Public Shareholding Company (the "Company") and its subsidiary (together the "Group") as at 31 March 2020, and the related interim condensed consolidated statement of comprehensive income for the three month periods then ended, and the interim condensed consolidated statements of changes in equity and cash flows for the three month periods then ended and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Auditing Standard IAS 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 International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the independent Auditor of the Entity". A review of interim financial statements 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 consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 (Interim Financial Reporting).

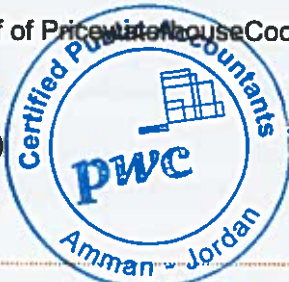
Other matter

As stated in Note (2-1) to these interim condensed consolidated financial statements, the accumulated losses amounted to 53.3% of its paid capital as at 31 March 2020, which is not in line with the provisions of Article (168) of the Companies Law No. 22 of 1997 and its subsequent amendments.

For and on behalf of PricewaterhouseCoopers "Jordan" L.L.C.


Hazem Sababa
License No. (802)

Amman - Jordan
28 June 2020



NUTRIDAR COMPANY
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As At 31 March 2020

	Notes	31 March 2020 JD (Unaudited)	31 December 2019 JD (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	3,248,153	3,312,945
Deferred tax assets		674,719	674,719
		<u>3,922,872</u>	<u>3,987,664</u>
CURRENT ASSETS			
Inventory		2,165,819	2,318,119
Trade receivables		3,463,979	3,588,896
Due from related parties	9	5,916	-
Other debit balances		2,323,828	2,148,440
Cash on hand and at banks	4	284,970	580,631
		<u>8,244,512</u>	<u>8,636,086</u>
TOTAL ASSETS		<u>12,167,384</u>	<u>12,623,750</u>
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Paid-in capital	5	11,615,912	11,615,912
Statutory reserve		589,826	589,826
Voluntary reserve		1,002	1,002
Accumulated losses		(6,196,445)	(6,020,625)
		<u>6,010,295</u>	<u>6,186,115</u>
Non-controlling Interests		6,989	6,989
Net Equity		<u>6,017,284</u>	<u>6,193,104</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term loans	6	<u>336,400</u>	<u>403,650</u>
CURRENT LIABILITIES			
Short-term loans	6	2,788,628	2,930,473
Due to banks		485,135	512,484
Trade payables		1,953,401	2,245,018
Other credit balances		586,536	330,078
Due to related parties	9	-	8,943
		<u>5,813,700</u>	<u>6,026,996</u>
TOTAL LIABILITIES		<u>6,150,100</u>	<u>6,430,646</u>
TOTAL EQUITY AND LIABILITIES		<u>12,167,384</u>	<u>12,623,750</u>

The attached notes from 1 to 10 are an integral part of these Interim condensed consolidated financial statements

NUTRIDAR COMPANY
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2020

	Note	For the three-month period ended	
		31 March	
		2020	2019
		JD	JD
		(Unaudited)	(Unaudited)
Net sales		2,288,300	3,291,239
Cost of sales		(1,679,416)	(2,336,036)
Gross profit	8	608,884	955,203
Selling and distribution expenses		(501,528)	(676,689)
Administrative expenses		(205,906)	(216,649)
Research and development expenses		(16,754)	(22,514)
Foreign currency (losses) gains		(12,967)	9,394
Other income		595	2,938
Impairment losses on financial assets		-	(15,000)
(Loss) profit from operations		(127,676)	33,745
Finance costs		(48,144)	(68,925)
Loss for the period		(175,820)	(32,242)
Other comprehensive income items		-	-
Total comprehensive loss for the period		(175,820)	(32,242)
Attributable to:			
Equity holders of the Parent Company		(175,820)	(32,242)
Non-controlling interests		-	-
		(175,820)	(32,242)
		Fils/JD	Fils/JD
Basic and diluted earnings per share attributable to equity holders of the parent Company		(0/015)	(0/003)

The attached notes from 1 to 10 are an integral part of these Interim condensed consolidated financial statements

NUTRIDAR COMPANY
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2020

	Attributable to Equity Holders of the Parent Company					
	Paid-in capital	Statutory reserve	Voluntary reserve	Accumulated losses	Net shareholders Equity	Non-controlling interests
	JD	JD	JD	JD	JD	JD
For the three months ended 31 March 2020 (Unaudited)						
Balance at 1 January 2020	11,615,912	589,826	1,002	(6,020,625)	6,186,115	6,989
Total comprehensive loss for the period	-	-	-	(175,820)	(175,820)	-
Balance at 31 March 2020	<u>11,615,912</u>	<u>589,826</u>	<u>1,002</u>	<u>(6,196,445)</u>	<u>6,010,295</u>	<u>6,989</u>
For the three months ended 31 March 2019 (Unaudited)						
Balance at 1 January 2019	11,615,912	587,368	1,002	(6,039,778)	6,164,504	6,989
Total comprehensive loss for the period	-	-	-	(32,242)	(32,242)	-
Balance at 31 March 2019	<u>11,615,912</u>	<u>587,368</u>	<u>1,002</u>	<u>(6,072,020)</u>	<u>6,132,262</u>	<u>6,989</u>
					<u>(32,242)</u>	<u>6,171,493</u>
						<u>6,139,251</u>

The attached notes 1 to 10 form part of these Interim condensed consolidated financial statements

NUTRIDAR COMPANY
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2020

	Notes	For the three months ended 31 March	
		2020	2019
		JD (Unaudited)	JD (Unaudited)
Operating activities			
Loss for the period		(175,820)	(32,242)
Adjustments for:			
Depreciation		69,918	76,598
Finance costs		48,144	68,925
Loss on sale of property, plant and equipment		1,019	-
Impairment losses on financial assets		-	15,000
Changes in working capital:			
Inventory		152,300	492,637
Trade receivables		124,917	(167,896)
Other debit balances		(175,388)	233,739
Trade payables		(291,617)	(93,950)
Other credit balances		256,458	111,449
Due from related parties		(5,916)	-
Due to related parties		(8,943)	-
Net cash flows (used in) generated from operating activities		<u>(4,928)</u>	<u>704,260</u>
Investing activities			
Purchase of property, plant and equipment	3	(14,249)	(31,387)
Proceeds from sale of property, plant and equipment		8,104	-
Project in progress		-	(24,741)
Net cash flows used in investing activities		<u>(6,145)</u>	<u>(56,128)</u>
Financing activities			
Repayment of loans		(209,095)	(457,175)
Interest paid		(48,144)	(68,925)
Net cash used in financing activities		<u>(257,239)</u>	<u>(526,100)</u>
Net change in cash and cash equivalents		(268,312)	122,032
Cash and cash equivalents at 1 January		68,147	(24,164)
Cash and cash equivalents at 31 March 2020	4	<u>(200,165)</u>	<u>97,868</u>

The attached notes 1 to 10 form part of these Interim Condensed consolidated Financial Statements

NUTRIDAR COMPANY
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 MARCH 2020 (UNAUDITED)

(1) GENERAL INFORMATION

Nutridar 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 per share. The company's share are listed in Amman Stock Exchange.

The Company's main activities are to produce baby food and milk and to import the necessary raw materials, manufacturing, sale and marketing of food supplements, pharmaceuticals, retail and wholesale in baby food and supplies.

Trading of the Company's listed shares in Amman stock exchange has been suspended as of 31 March 2020 according to prime minister's decision regarding the approval on placement of the Board of Commissioners of the Securities Commission to suspend trading on Amman Stock Exchange on Tuesday (17 March 2020) in order to protect Jordanian traders and companies from the significant negative impacts Witnessed by the global financial markets, due to the repercussions of the emerging Corona virus. Trading and resumption of work has been resumed on the Amman Stock Exchange as of 10 May 2020 and with the recommendation of the Securities Commission in conjunction with the opening of all economic and productive sectors in Jordan.

The main objectives of the Subsidiary is marketing and distributing children's food and milk.

The registered address of the company is P.O Box 9695 Amman 11191, The Hashemite Kingdom of Jordan.

The interim condensed consolidated financial statements for the three-month period ended 31 March 2020 includes Nutridar Company and its subsidiary (Nutridar –Russia) (Herein after referred to as the "Group").

The Company's shares are listed an Amman Stock Exchange.

The interim condensed consolidated financial statements were approved by the Board of Directors on 28 June 2020.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial statements as at 31 March 2020 are prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

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

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

NUTRIDAR COMPANY
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 MARCH 2020 (UNAUDITED)

The accumulated losses of the Company reached to 53.3% of its share capital. Management believes that it is appropriate to prepare the interim condensed consolidated financial statements in accordance with the going concern basis of accounting based on the Company's future business plan, which expects to achieve future profits. The Group was also able to settle its loans as they came due and obtained new loans to assist in financing the operations.

The interim condensed consolidated financial statements do not contain all information and disclosures required for the consolidated financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the group's annual financial statements as of 31 December 2019. In addition, the results of the three-month period ended 31 March 2020 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2020.

2.2 Changes in Accounting Policies

2.2.1 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2020:

- **Amendments to IFRS 3** - This amendment revises the definition of a business. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations.
- **Amendments to IAS 1 and IAS 8** - These amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IFRSs: i) use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting; ii) clarify the explanation of the definition of material; and iii) incorporate some of the guidance in IAS 1 about immaterial information.
- **Amendments to IFRS 9, IAS 39 and IFRS 7** – Interest rate benchmark reform - These amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR based contracts, the reliefs will affect companies in all industries.

Amendments to Conceptual framework – The IASB has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. Key changes include:

- increasing the prominence of stewardship in the objective of financial reporting
- reinstating prudence as a component of neutrality
- defining a reporting entity, which may be a legal entity, or a portion of an entity
- revising the definitions of an asset and a liability
- removing the probability threshold for recognition and adding guidance on derecognition
- adding guidance on different measurement basis, and
- stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

(a) **New and revised IFRS issued but not yet effective and not early adopted**

The Group has not yet applied the following new standards, amendments and interpretations that have been issued but are not yet effective:

New standards, amendments and interpretations

• **IFRS 17, 'Insurance contracts'** - On 18 May 2017, the IASB finished its long-standing project to develop an accounting standard on insurance contracts and published IFRS 17, 'Insurance Contracts'. IFRS 17 replaces IFRS 4, which currently permits a wide variety of practices. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

**Effective for
annual periods
beginning on or
after**

1 January 2023

The standard applies to annual periods beginning on or after 1 January 2023, with earlier application permitted if IFRS 15, 'Revenue from contracts with customers' and IFRS 9, 'Financial instruments' are also applied.

IFRS 17 requires a current measurement model, where estimates are remeasured in each reporting period. The measurement is based on the building blocks of discounted, probability-weighted cash flows, a risk adjustment and a contractual service margin ("CSM") representing the unearned profit of the contract. A simplified premium allocation approach is permitted for the liability for the remaining coverage if it provides a measurement that is not materially different from the general model or if the coverage period is one year or less. However, claims incurred will need to be measured based on the building blocks of discounted, risk-adjusted, probability weighted cash flows.

Amendments to IAS 1, 'Presentation of financial statements' on classification of liabilities - These narrow-scope amendments to IAS 1, '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 (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

1 January 2022

There are no other relevant applicable new standards and amendments to published standards or IFRIC interpretations that have been issued but are not effective for the first time for the Company's financial year beginning on 1 January 2020 that would be expected to have a material impact on the financial statements of the Group.

NUTRIDAR COMPANY
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 MARCH 2020 (UNAUDITED)

2.3 Basis of consolidation

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

The interim condensed consolidated financial statements comprise the financial statements of Nutridar Company (the "Company") and its subsidiary (together the "Group") as set out below:

*	Subsidiary	Nature of business	Paid in capital	Percentage of Ownership
			JD	
Nutridar	Nutridar- Russia*	Marketing	23,296	70%

* The subsidiary was established during 2010 and has no operations during the past years.

Control is achieved when the Group is exposed, or 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.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

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 the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

NUTRIDAR COMPANY
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 MARCH 2020 (UNAUDITED)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss.

Shareholders with significant impact on the group

	<u>No. of Shares</u>	<u>Percentage of ownership</u>
Dar Al Dawa for development and Investments PSC	<u>10,503,246</u>	<u>90.4%</u>

(3) PROPERTY, PLANT AND EQUIPMENT

During the three months ended 31 March 2020, the Group has acquired property, plant, and equipment with a cost of JD 14,249 (31 December 2019: JD 531,705).

In addition, depreciation expense for the three months ended 31 March 2020 amounted 69,918 JD (31 March 2019: JD 67,598).

(4) CASH ON HAND AND AT BANKS

	<u>31 March 2020</u>	<u>31 December 2019</u>
	<u>JD</u>	<u>JD</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Cash on hand	7,197	7,197
Cash at banks	<u>277,773</u>	<u>573,434</u>
	<u>284,970</u>	<u>580,631</u>

The Group has calculated the impact of IFRS 9 on bank balances and no adjustments were recorded as the amount was not material to the interim condensed consolidated financial statements.

NUTRIDAR COMPANY
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 MARCH 2020 (UNAUDITED)

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

	31 March 2020 JD (unaudited)	31 March 2019 JD (unaudited)
Cash on hand and at banks	284,970	543,700
Less: Overdraft *	(485,135)	(445,832)
	<u>(200,165)</u>	<u>97,868</u>

- * Overdraft account represents the utilized amount of the credit facility represented by an overdraft ceiling from local bank amounted to USD 750,000 (JD 531,750) at an annual interest rate of 4.25% (2019: 4.25%).

(5) SHAREHOLDERS' EQUITY

The Company's authorized share capital is 12,000,000 shares at a par value of JD 1 per share. The Group's paid-in capital as of 31 March 2020 is JD 11,615,912 divided into 11,615,912 shares at a par value of JD 1 per share.

STATUTORY RESERVE

According to the Jordanian Companies Law and the Company's by-laws, the Company should deduct 10% of its annual net profit to transfer to the statutory reserve, and continue do so each year provided that the total deducted amounts for the reserve do not exceed the Company's capital. This reserve is not available for distribution to the shareholders.

VOLUNTARY RESERVE

This item represents transfers from profit before tax not exceeding 20%. This reserve is available for distribution to the shareholders.

(6) LOANS

(A) LONG-TERM LOANS

	31 March 2020 JD (Unaudited)	31 December 2019 JD (Audited)
Long-term loans	336,400	403,650
Current portion of long-term loans	<u>279,650</u>	<u>283,200</u>
	<u>616,050</u>	<u>686,850</u>

NUTRIDAR COMPANY
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 MARCH 2020 (UNAUDITED)

On 30 August 2018, the Company signed a loan agreement with a local bank to finance the project of building a warehouse for finished goods, with total amount of JD 400,000 bearing an interest rate of 7.75%. The loan is payable over 36 equal consecutive monthly instalments. The first instalment was due on 28 February 2019.

On 17 June 2019, the Company signed a loan agreement with a local bank with total amount of 421,450 JD bearing an interest of 3.75%. The loan will be payable over 34 consecutive monthly instalments. The First instalment was due on 17 December 2019.

(B) SHORT-TERM REVOLVING LOANS

During 2019, the Group renewed its revolving loan contracts with local banks in order to finance its external purchases and external LC's. The table summarizes these renewable loans with their credit limits:

	Rate	Currency	31 March 2020		31 December 2019
			Ceiling JD	Utilised amount JD	Utilised amount JD
Arab Bank	6 months LIBOR +2% margin	USD	886,250	150,000	556,565
	LIBOR for one month+2.625%				
ABC Bank	margin	USD	354,500	263,171	264,784
ABC Bank	8.75%	JD	500,000	112	-
	LIBOR for one month +2.625%				
ABC Bank	margin	USD	2,658,750	2,095,695	1,825,924
			<u>5,099,500</u>	<u>2,508,978</u>	<u>2,647,273</u>

(7) INCOME TAX

No income tax provision was calculated for the nine months ended 31 March 2020 due to the excess of deductible expenses over taxable income in accordance with the Income Tax Law No. (38) of 2018 and its subsequent amendments.

The income tax return for the years of 2017 and 2018 has been submitted. And has not been reviewed by the income and sales tax department up to the date of preparation of the interim condensed consolidated financial statements.

The Company obtained a final clearance from Income Tax Department up to 2016.

NUTRIDAR COMPANY
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 MARCH 2020 (UNAUDITED)

(8) SEGMENT INFORMATION

The Group is organized for management purposes so that the segments are measured according to the reports used by the Group's chief executive and chief decision maker through geographical distribution of sales.

Sales, sales cost and gross profit by geographic regions are distributed as follows:

For the three-month period ended 31 March 2020 (Unaudited)

	Levant and Iraq JD	Gulf and Yemen JD	Africa JD	Total JD
Net Sales	1,986,680	265,592	36,028	2,288,300
Cost of Sales	(1,439,226)	(204,160)	(36,030)	(1,679,416)
Gross profit	547,454	61,432	(2)	608,884

For the three-month period ended 31 March 2019 (Unaudited)

	Levant and Iraq JD	Gulf and Yemen JD	Africa JD	Total JD
Net Sales	2,327,586	550,715	412,938	3,291,239
Cost of Sales	(1,628,648)	(383,974)	(323,414)	(2,336,036)
Gross profit	699,016	166,741	89,524	955,203

(9) RELATED PARTY BALANCES AND TRANSACTIONS

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

Balances of related parties included in the interim condensed consolidated financial statements are as follows:

	31 March 2020 JD (Unaudited)	31 December 2019 JD (Audited)
Due from related parties:		
Dar Al Dawa for Development and Investment - Jordan (Parent company)	5,916	-
Dar Al Dawa - Algeria (Sister company)	2,980,512	2,980,512
Provision for credit losses	(2,980,512)	(2,980,512)
	-	-

NUTRIDAR COMPANY
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 MARCH 2020 (UNAUDITED)

Due to related parties:

	31 March 2020 JD (Unaudited)	31 December 2019 JD (Audited)
Dar Al Dawa for Development and Investment - Jordan (Parent company)	-	8,943

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

	For the three months ended 31 March	
	2020 JD (Unaudited)	2019 JD (Unaudited)
Salaries and other benefits	41,313	39,368

(10) CONTINGENCIES

Letters of guarantee

As of the interim condensed consolidated financial statements date, the Group has the following contingent liabilities:

	31 March 2020 JD (Unaudited)	31 December 2019 JD (Audited)
Letters of guarantee	14,595	14,595

(11) COVID-19 EFFECT ON THE COMPANY'S BUSINESS

The existence of novel coronavirus (COVID-19) was confirmed in early 2020, Which was classified as a pandemic by the World Health Organisation (WHO) in March 2020. Causing disruptions to businesses and economic activity. And this has led to uncertainty of the negative effects on the macro economy that lead to Disturbances in business and economic activity. Financial and monetary authorities, both domestic and international, have announced various financial and incentive measures around the world to counter potential negative impacts.

Business continuity planning

The Group closely monitors the situation and takes the correct procedures to ensure the safety and security of the group's employees and customer service without interruption. Work arrangements were selected in line with government instructions. Business continuity plans were also selected and put into practice. The Group's management collects and analyzes the best possible information to assess these potential risks in order to establish appropriate response and to reduce as much as possible these risks and ensure the group's ability to continue. Some of these procedures includes permanent reserve stock of raw materials sufficient for the production process for coming months and management of the Group's liquidity.

Liquidity management

The management has putted some of necessary procedures to ensure the availability of the liquidity for the operations without any interruption, such as reschedules some loan installments according to a decision by the central bank as one of the measures announced by the government to manage the crisis in addition to balancing payments to suppliers against cash receipts. The company also took advantage of the untapped portion of the bank facilities by obtaining new loans.

Effect on the impairment of financial assets

The Group showed the potential impact of the Covid-19 outbreak on inputs and assumptions for measuring expected credit losses according to available information. Overall, Covid-19's position remains variable and rapidly evolving at this point, making it difficult to influence this in the Group's estimate of reliable credit losses. The Group has considered the potential effects of the current economic fluctuations when determining the present amounts for the Group's financial and non-financial assets, and it represents management's best assessment of the observable information. However, the markets remain volatile and the amounts are still sensitive to market volatility.