

**DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY**

**PUBLIC SHAREHOLDING COMPANY**

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

**30 SEPTEMBER 2024**

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
TO THE BOARD OF DIRECTORS OF DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY  
PUBLIC SHAREHOLDING COMPANY  
AMMAN - JORDAN**

## **Introduction**

We have reviewed the accompanying interim condensed consolidated financial statements of Dar Al Dawa Development and Investment Company (the "Company") and its subsidiaries (the "Group") which comprise of the interim condensed consolidated statement of financial position as at 30 September 2024 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine months then ended and its explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34). 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 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 the 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.

Amman – Jordan  
31 October 2024

**ERNST & YOUNG**  
Amman - Jordan

**DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2024**

	Notes	30 September 2024 JD (Unaudited)	31 December 2023 JD (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS -</b>			
Property, plant and equipment	3	30,223,184	30,517,106
Projects in progress		688,695	650,815
Intangible assets		3,976,244	3,849,419
Investment in an associate		1,963,602	1,850,088
Right of use assets		495,268	217,541
Financial assets at fair value through other comprehensive income		4,279	4,222
Deferred tax assets		1,784,944	2,152,038
		<u>39,136,216</u>	<u>39,241,229</u>
<b>CURRENT ASSETS -</b>			
Inventories		24,068,972	19,549,450
Trade receivables and other current assets		38,527,027	32,934,350
Amounts due from related parties	5	2,415,865	2,777,421
Restricted bank balances		2,023,601	2,013,105
Cash on hand and at banks	6	15,292,172	12,643,075
		<u>82,327,637</u>	<u>69,917,401</u>
Assets held for sale		95,057	95,057
		<u>82,422,694</u>	<u>70,012,458</u>
<b>Total Assets</b>		<u><u>121,558,910</u></u>	<u><u>109,253,687</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY -</b>			
<b>PARENT COMPANY'S SHAREHOLDERS' EQUITY -</b>			
Paid-in capital	4	35,000,000	35,000,000
Statutory reserve		10,000,000	10,000,000
Voluntary reserve		1,992,003	1,992,003
Special reserve		1,268,624	1,268,624
Other reserves		204,195	204,195
Foreign currency translation differences		(7,676,956)	(7,662,908)
Fair value reserve		(257,865)	(257,865)
Retained earnings		7,665,519	5,266,709
		<u>48,195,520</u>	<u>45,810,758</u>
Non-controlling interest		543,736	436,559
<b>Net equity</b>		<u><u>48,739,256</u></u>	<u><u>46,247,317</u></u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES -</b>			
Bank loans	7	-	79,260
Lease Liabilities – long term		131,319	89,923
End of service indemnity provision		555,070	494,912
		<u>686,389</u>	<u>664,095</u>
<b>CURRENT LIABILITIES -</b>			
Due to banks	6	22,525,324	16,017,495
Revolving loans	8	25,965,022	20,507,681
Bank loans instalments maturing within a year	7	2,312,762	2,320,860
Trade payables and other current liabilities		17,083,102	18,761,530
Other provisions		3,507,237	4,296,215
Lease liabilities		397,252	85,034
Income tax provision	9	336,408	347,302
		<u>72,127,107</u>	<u>62,336,117</u>
Liabilities directly related to assets held for sale		6,158	6,158
		<u>72,133,265</u>	<u>62,342,275</u>
<b>TOTAL LIABILITIES</b>		<u><u>72,819,654</u></u>	<u><u>63,006,370</u></u>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<u><u>121,558,910</u></u>	<u><u>109,253,687</u></u>

The attached notes from 1 to 14 form part of these interim condensed consolidated financial statements

**DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME**  
**FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)**

	Notes	For the three months ended 30 September		For the nine months ended 30 September	
		2024	2023	2024	2023
		JD	JD	JD	JD
Revenue from contracts with customers	10	21,644,052	21,249,778	58,598,274	55,525,349
Cost of sales	10	(12,968,967)	(12,995,478)	(34,401,889)	(33,685,769)
<b>Gross profit</b>		<b>8,675,085</b>	<b>8,254,300</b>	<b>24,196,385</b>	<b>21,839,580</b>
Selling and marketing expenses		(3,757,513)	(4,045,401)	(12,566,764)	(11,046,836)
Administrative expenses		(1,773,789)	(1,278,739)	(4,586,747)	(3,700,931)
Research and development expenses		(443,181)	(365,216)	(993,600)	(932,982)
Provision for expected credit losses		(105,168)	(18,957)	(241,381)	(146,433)
Other expenses, net		(256,885)	(87,798)	(662,502)	(318,628)
<b>Profit from operations</b>		<b>2,338,549</b>	<b>2,458,189</b>	<b>5,145,391</b>	<b>5,693,770</b>
Group's share of results from an associate		30,175	(2,667)	113,514	(12,810)
Employee's termination compensation expenses		(14,209)	(170,562)	(65,020)	(736,898)
Finance costs		(1,044,324)	(1,228,606)	(2,897,926)	(2,872,156)
Interest income		200,368	176,983	567,685	475,644
<b>Profit for the period before income tax</b>		<b>1,510,559</b>	<b>1,233,337</b>	<b>2,863,644</b>	<b>2,547,550</b>
Income tax for the period	9	(220,606)	(263,291)	(367,094)	(373,615)
<b>Profit for the period</b>		<b>1,289,953</b>	<b>970,046</b>	<b>2,496,550</b>	<b>2,173,935</b>
<b>Profit for the period attributable to:</b>					
Equity holders of the Parent		1,232,279	980,802	2,398,810	2,210,778
Non-controlling interests		57,674	(10,756)	97,740	(36,843)
		<b>1,289,953</b>	<b>970,046</b>	<b>2,496,550</b>	<b>2,173,935</b>
		<u>JD/Fils</u>	<u>JD/Fils</u>	<u>JD/Fils</u>	<u>JD/Fils</u>
<b>Basic and diluted earnings per share from the profit for the period attributable to the Equity holders of the Parent</b>	13	<b>0/035</b>	<b>0/028</b>	<b>0/069</b>	<b>0/063</b>

The attached notes from 1 to 14 form part of these interim condensed consolidated financial statements

**DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)**

	For the three months ended 30 September		For the nine months ended 30 September	
	2024	2023	2024	2023
	JD	JD	JD	JD
Profit for the period	1,289,953	970,046	2,496,550	2,173,935
<b>Add: Other comprehensive income items to be reclassified to income statement in subsequent periods</b>				
Foreign currency translation differences	26,022	(769,301)	(4,611)	(382,399)
<b>Total comprehensive income for the period</b>	<u>1,315,975</u>	<u>200,745</u>	<u>2,491,939</u>	<u>1,791,536</u>
<b>Attributable to:</b>				
Equity holders of the Parent	1,256,755	212,202	2,384,762	1,806,139
Non-controlling interest	59,220	(11,457)	107,177	(14,603)
	<u>1,315,975</u>	<u>200,745</u>	<u>2,491,939</u>	<u>1,791,536</u>

The attached notes from 1 to 14 form part of these interim condensed consolidated financial statements

**DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)**

	Attributable to equity holders of the Parent										
	Paid-in capital	Statutory reserve	Voluntary reserve	Special reserve	Other reserves	Foreign currency	Fair value reserve	Retained earnings	Total	Non- controlling interest	Net equity
						translation differences					
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>30 September 2024 -</b>											
<b>Balance as at 1 January</b>	35,000,000	10,000,000	1,992,003	1,268,624	204,195	(7,662,908)	(257,865)	5,266,709	45,810,758	436,559	46,247,317
Profit for the period	-	-	-	-	-	-	-	2,398,810	2,398,810	97,740	2,496,550
Other comprehensive income items after tax	-	-	-	-	-	(14,048)	-	-	(14,048)	9,437	(4,611)
Total comprehensive income for the period	-	-	-	-	-	(14,048)	-	2,398,810	2,384,762	107,177	2,491,939
<b>Balance as at 30 September 2024</b>	<u>35,000,000</u>	<u>10,000,000</u>	<u>1,992,003</u>	<u>1,268,624</u>	<u>204,195</u>	<u>(7,676,956)</u>	<u>(257,865)</u>	<u>7,665,519</u>	<u>48,195,520</u>	<u>543,736</u>	<u>48,739,256</u>
<b>30 September 2023 -</b>											
<b>Balance as at 1 January</b>	35,000,000	10,000,000	1,992,003	1,268,624	246,696	(8,982,905)	(257,865)	3,855,320	43,121,873	478,191	43,600,064
Profit for the period	-	-	-	-	-	-	-	2,210,778	2,210,778	(36,843)	2,173,935
Other comprehensive income items after tax	-	-	-	-	-	(404,639)	-	-	(404,639)	22,240	(382,399)
Total comprehensive income for the period	-	-	-	-	-	(404,639)	-	2,210,778	1,806,139	(14,603)	1,791,536
Dividends distribution (note 4)	-	-	-	-	-	-	-	(1,750,000)	(1,750,000)	-	(1,750,000)
<b>Balance as at 30 September 2023</b>	<u>35,000,000</u>	<u>10,000,000</u>	<u>1,992,003</u>	<u>1,268,624</u>	<u>246,696</u>	<u>(9,387,544)</u>	<u>(257,865)</u>	<u>4,316,098</u>	<u>43,178,012</u>	<u>463,588</u>	<u>43,641,600</u>

The attached notes from 1 to 14 form part of these interim condensed consolidated financial statements

**DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)**

		For the nine months ended 30 September	
	Notes	2024	2023
		JD	JD
<b>OPERATING ACTIVITIES</b>			
Profit for the period before income tax		2,863,644	2,547,550
<b>Adjustments for -</b>			
Depreciation		2,715,476	2,566,143
Provision for expected credit losses		241,381	146,433
Group's share of results from an associate		(113,514)	12,810
End of service indemnity provision		126,025	136,982
Provision for (recovered from) expired and near expiry goods		144,903	(409,770)
Interest income		(567,685)	(475,644)
Gain on disposal of property, plant and equipment		-	(89,507)
Finance cost		2,897,926	2,872,156
<b>Working capital changes -</b>			
Inventories		(4,664,425)	(4,382,511)
Trade receivables and other current assets		(5,834,058)	131,101
Accounts payable and other current liabilities		(1,678,428)	(2,262,093)
Other provisions		(788,978)	(1,044,719)
Related parties		361,556	611,550
End of service indemnity provision paid		(65,867)	(58,259)
Income tax paid	9	(10,894)	(152,979)
<b>Net cash flows (used in) from operating activities</b>		<b>(4,372,938)</b>	<b>149,243</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	3	(2,275,564)	(1,430,687)
Projects in progress		(95,632)	(69,193)
Restricted bank balances		(10,496)	(5,646)
Interest income		567,685	475,644
Dividends received from an associate		-	50,462
Proceeds from sale of property, plant and equipment		-	71,441
<b>Net cash flows used in investing activities</b>		<b>(1,814,007)</b>	<b>(907,979)</b>
<b>FINANCING ACTIVITIES</b>			
Loans paid		(3,396,877)	(2,004,817)
Loans proceeds		3,309,519	-
Finance cost paid		(2,897,926)	(2,872,156)
Dividends paid	4	-	(1,750,000)
Revolving loans		5,457,341	5,530,167
Paid from lease liabilities		(135,460)	(97,500)
<b>Net cash flows from (used in) financing activities</b>		<b>2,336,597</b>	<b>(1,194,306)</b>
<b>Net decrease in cash and cash equivalents</b>			
Effect of exchange rate changes on cash and cash equivalent		(3,850,348)	(1,953,042)
Cash and cash equivalents at the beginning of the period		(8,384)	(37,955)
		(3,279,363)	(1,995,630)
<b>Cash and cash equivalents at the end of the period</b>	6	<b>(7,138,095)</b>	<b>(3,986,627)</b>

The attached notes from 1 to 14 form part of these interim condensed consolidated financial statements

**(1) GENERAL INFORMATION**

Dar Al Dawa Development and Investment Public Shareholding Company (The “Company”) was established on 17 August 1975 with a paid-in capital of JD 500,000. The Company’s Paid-in capital has increased over the years to reach JD 35,000,000 divided into 35,000,000 shares at a par value of JD 1 per share.

The main objectives of the Company are to manufacture pharmaceutical, chemical and related products and to import medicines. The main objectives of the subsidiaries are the marketing and distributing of Dar Al Dawa products, manufacturing some specialized pharmaceutical products and carrying out investment activities.

The Company’s headquarter is located in Na’ur, Amman – the Hashemite Kingdom of Jordan.

These interim condensed consolidated financial statements were approved by the Company’s Board of Directors on 28 October 2024.

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

**(2-1) BASIS OF PREPARATION**

The interim condensed consolidated financial statements as at 30 September 2024 have been prepared in accordance with International Accounting Standard 34 (Interim Financial Reporting).

The interim condensed consolidated financial statements are presented in Jordanian Dinar, which is the functional currency of the Company and the presentation currency of the Group.

The interim condensed consolidated financial statements were prepared under the historical cost basis except for financial assets at fair value through other comprehensive income which are presented at fair value at the date of the interim condensed consolidated financial statements.

The interim condensed consolidated financial statements do not contain all information and disclosures that are required for the annual financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group’s annual report as at 31 December 2023. Furthermore, the results of operations for the nine months period ended 30 September 2024 do not necessarily reflect the expected results of the operations for the year ending 31 December 2024.



## **(2-2) Changes In Accounting Policies**

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standard effective as at 1 January 2024 as shown below:

### **Amendments to IFRS 16: Lease Liability in a Sale and Leaseback**

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.

The amendments had no material impact on the Group's interim condensed consolidated financial statements.

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

In January 2020 and October 2022, 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.

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no material impact on the Group's interim condensed consolidated financial statements.

### **Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7**

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules makes it clear that an entity is not required to make disclosures at any interim periods in the first year of application of the amendments, therefore the amendments had no material impact on the Group's interim condensed consolidated financial statements.

**DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2024 (UNAUDITED)**

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**(2-3) Basis of consolidation**

The interim condensed consolidated financial statements include the financial statements of the Company and its subsidiaries under its control, and control is achieved when the Company is exposed to the variable returns resulting from its investment in the subsidiaries or has rights in such returns, and is able to influence such returns through its authority over the subsidiaries, and transactions, balances, revenues and expenses between the Company and the subsidiaries are excluded. The subsidiaries included in the interim condensed consolidated financial statements are as follows:

Company Name	Main activity	Country of establishment	Percentage of ownership 2024	Percentage of ownership 2023
Dar Al Dawa – Algeria	Marketing	Algeria	100%	100%
Dar Al Dawa - Tunis	Marketing	Tunis	100%	100%
Dar Al Dawa Pharma – Romania	Marketing	Romania	100%	100%
	Financial			
Aldar investment for consulting	investments	Jordan	100%	100%
Nutridar – Public Shareholding Company	Industrial	Jordan	90.4%	90.4%
	Financial			
Al Nahda for Financial Investments*	investments	Jordan	40.2%	40.2%
Aldar Jordan for Investments and its subsidiary	Investments	Jordan	100%	100%
Medi Pharma International company – Algeria	Industrial	Algeria	85%	85%
Dar Al Dawa Regional Headquarters Company**	Regional Headquarters	Saudi Arabia	100%	-

\* Al-Nahda Company is under liquidation.

\*\* Dar Al-Dawa Regional Headquarters Company was established in the Kingdom of Saudi Arabia during 2024 as a Limited Liability Company.

Control is achieved when a Group has rights in variable returns resulting from its association with the investee Group and has the ability to influence these returns through its ability to control the investee Group. The investee Group is controlled only when the following is achieved:

- The Group's control over the investee Group (existing rights that give the Group the ability to direct the relevant activities of the investee company).
- Display of the Group or its rights in the variable returns resulting from its association with the investee Group.
- The ability to exercise control over the investee Group and influence its returns.

Where the Group owns less than a majority of voting rights or similar rights in the investee Company, the Group shall take into account all relevant facts and circumstances to determine whether it has control over the investee Company, including:

- Contractual arrangements with other voting rights holders in the investee Company.
- Rights resulting from other contractual arrangements.
- Current voting rights and possible voting rights of the Group.

The Group reassesses whether it controls the investee company and if there are circumstances or facts indicating a change in one or more of the three elements of control.

The financial statements of the subsidiary shall be consolidated from the date of exercising control until such control ceases. The income and expenses of subsidiaries are consolidated in the consolidated interim condensed comprehensive income statement from the date of the Group's control of the subsidiaries until such control ceases.

Profit and loss and every other item of comprehensive income is charged to the shareholders' equity in the parent company and the rights of non-controlling parties, even if this results in a deficit in the equity balance of the non-controlling parties. If necessary, the financial statements of subsidiaries are amended to align their accounting policies with the Group's accounting policies. Assets, liabilities, equity, income, expenses, profits and losses relating to transactions between the Group and its subsidiaries are excluded.

The effect of a change in ownership in the subsidiary that does not result in a loss of control is recorded. When you lose control of the affiliate, the group will:

- Derecognition of assets (including goodwill) and liabilities of the subsidiary
- Derecognition of the rights of non-controlling parties
- Derecognition of foreign currency translation reserves
- Recognition of the fair value of the amounts received
- Recognition of the fair value of the investment held in the subsidiary
- Recognition of profits or losses resulting from the loss of control
- Reclassification of the company's share previously recorded in other comprehensive income items to profit and loss

### **(3) PROPERTY, PLANT AND EQUIPMENT**

The Group purchased property, plant and equipment during the nine-months period ended 30 September 2024 with a cost of JD 2,275,564 (30 September 2023: JD 1,430,687).

**(4) SHAREHOLDER'S EQUITY**

**Paid in Capital**

The Company's authorized and subscribed capital is JD 35,000,000 with a nominal value of JD 1 per share as at 30 September 2024.

**Statutory reserve**

The accumulated amounts of JD 10,000,000 as of 30 September 2024 represent the amounts transferred from the annual net profit before income tax by 10% during the years in accordance with the Companies Law, and it is not distributable to shareholders. The Group may stop transferring amounts to the statutory reserve when the reserve balance reaches 25% of the authorized capital, but it is permissible, with the approval of the Company's general assembly, to continue deducting this annual percentage until this reserve reaches the equivalent of the Company's authorized capital.

**Voluntary reserve**

The accumulated amounts in this account represent the amounts transferred from the annual net profit before income tax by no more than 20% during the years and is distributable to shareholders.

**Special reserve**

The accumulated amounts in this account represent the amounts transferred from the annual net profit before income tax by no more than 5% during the years, and it is distributable to shareholders, the special reserve is to be used for the purposes determined by the Board of Directors.

**Other reserves**

The accumulated amounts of JD 204,195 in this account represent actuarial gains resulting from the revaluation of defined benefit plans through comprehensive income.

**Foreign currency exchange differences**

The accumulated amounts in this account represent of JD 7,676,956 the foreign currency differences resulting from the translation of the financial statements of foreign subsidiaries.

**Dividends distribution**

In its ordinary meeting held on 27 April 2023, the General Assembly approved the distribution of cash dividends to shareholders at the rate of 5% of the nominal value of the share for the profits of 2022 in the amount of JD 1,750,000.

**DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2024 (UNAUDITED)**

**(5) RELATED PARTIES BALANCES AND TRANSACTIONS**

Related parties represent major shareholders, associate, board of directors and companies of which they are principal shareholders. Policies and terms of these transactions are approved by the Group's management.

Below is a summary of related parties included in the interim condensed consolidated statement of financial position are as follows:

	30 September 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
<b>Amounts due from related parties:</b>		
Zakaria Hawash (Partner in Medi Pharma International)	1,879,005	1,879,005
Al Mufeed Trading – United Arab Emirates (Company owned by a board member)	335,309	721,468
Dar Al Dawa Veterinary Industries Limited Liability Company (Associate)	134,601	176,948
Al – Arabiyya Consulting (Company owned by a board member)	66,950	-
	<u>2,415,865</u>	<u>2,777,421</u>

	30 September 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
<b>Advance payments from customers:</b>		
Dara Group for Health (Company owned by a shareholder with significant influence)	<u>1,121,495</u>	<u>4,971,370</u>

Transactions with related parties included in the interim condensed consolidated statement of income are as follow:

	For the nine months ended 30 September	
	2024	2023
	JD	JD
	(Unaudited)	(Unaudited)
Sales to agents - Dara Group for Health (Company owned by a shareholder with significant influence)	<u>11,636,108</u>	<u>7,248,657</u>
Sales to agents - Al Mufeed Trading (Company owned by a board member)	<u>4,804,148</u>	<u>3,626,328</u>

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The following is a summary of the benefits (salaries, bonuses and other benefits) of the Group's senior executive management:

	For the nine months ended 30 September	
	2024	2023
	JD	JD
	(Unaudited)	(Unaudited)
Salaries and other benefits	1,123,194	1,100,597

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

Cash on hand and at banks shown in the interim condensed consolidated statement of financial position represent the following:

	30 September 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Cash on hand	110,707	124,927
Bank balances	2,340,098	237,880
Short-term deposits*	12,841,367	12,280,268
	15,292,172	12,643,075

\* This item represents deposits with Arab Bank and Arab Banking Corporation Bank, with an average interest rate of 6.3% - 6.5% per annum in 2024 (31 December 2023: 6% - 6.5%) and matures within a month to three months.

Cash and cash equivalents for the purpose of preparing the interim condensed consolidated statement of cash flows was as follows:

	30 September 2024	30 September 2023
	JD	JD
	(Unaudited)	(Unaudited)
Cash on hand and at banks	15,292,172	14,368,856
Due to banks*	(22,525,324)	(18,450,540)
Cash on hand and at banks – subsidiary under liquidation	95,057	95,057
	(7,138,095)	(3,986,627)

\* Due to banks represent the facilities granted to the Group's companies by several banks and in different currencies (Jordanian dinar, Algerian dinar, US dollar and Euro). The total ceilings granted as at 30 September 2024 were equivalent to JD 20,066,026 with an average interest rate that ranges between 5.75% – 8.5% per annum (31 December 2023: a ceiling of JD 21,181,086 with an average interest rate that ranges between 5.75% to 8.5%).

\*\* Restricted bank balances amounting to JD 2,023,601 represents the cash deposited as a collateral in exchange for increasing the ceiling of the overdraft facilities account for Dar Al Dawa - Algeria with the Housing Bank for Trade and Finance – Algeria.

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**(7) Bank Loans**

		30 September 2024 (Unaudited)		
	Company name	Currency	Short-term	Long-term
			JD	JD
Societe Generale Bank **	Medi Pharma International	Algerian Dinar	107,106	-
Housing Bank	Dar Al Dawa - Jordan	US Dollar	45,854	-
Arab Bank (3)	Dar Al Dawa - Jordan	Jordanian Dinar	2,159,802	-
			<u>2,312,762</u>	<u>-</u>
				<u>2,312,762</u>
		31 December 2023 (Audited)		
	Company name	Currency	Short-term	Long-term
			JD	JD
Societe Generale Bank **	Medi Pharma International	Algerian Dinar	552,177	79,260
Arab Bank (1)	Dar Al Dawa - Jordan	US Dollar	653,698	-
Arab Bank (2)	Dar Al Dawa - Jordan	Jordanian Dinar	1,114,985	-
			<u>2,320,860</u>	<u>79,260</u>
				<u>2,400,120</u>

\* Interest rates on bank loans ranges from 3.5% - 8.35% (31 December 2023: between 3.5% - 8.4%) depending on the loan's currency.

\*\* The Company mortgaged the 9.8-dunum land of Medi Pharma International plant in Algeria to Societe Generale Bank.

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**(8) Revolving Loans**

			30 September 2024 (Unaudited)		31 December 2023 (Audited)	
	Company name	Currency	Ceiling	Utilized Balance	Ceiling	Utilized Balance
			JD	JD	JD	JD
Arab Banking Corporation	Dar Al Dawa – Jordan	US Dollar	3,261,400	2,544,909	3,261,400	2,533,966
Housing Bank	Dar Al Dawa – Jordan	US Dollar	7,799,000	7,715,013	5,672,000	5,471,353
Arab Bank	Dar Al Dawa – Jordan	US Dollar	9,926,000	9,890,956	9,926,000	7,778,441
Arab Jordan Investment Bank	Dar Al Dawa – Jordan	US Dollar	2,836,000	2,828,001	2,836,000	1,468,339
Arab Bank	Nutridar	US Dollar	-	-	1,063,500	-
Arab Banking Corporation	Nutridar	US Dollar	3,013,250	2,986,143	3,013,250	3,255,582
			<u>26,835,650</u>	<u>25,965,022</u>	<u>25,772,150</u>	<u>20,507,681</u>

\* Interest rates on revolving loans range between 7.3% - 7.7% (31 December 2023: 7.3% - 7.5%).



**(9) Income tax provision**

The Company calculated the income tax for the results of operations for the periods ended 30 September 2024 and 2023 in accordance with income tax law No. (34) of 2014 and its amendments.

**Dar Al Dawa Development & Investment Company - Parent Company**

The Company submitted its tax declaration for the years 2021, 2022 and 2023. The Income and Sales Tax Department did not review the Company's records up until the date of preparing these interim condensed consolidated financial statements.

The Company obtained a final clearance from the Income and Sales Tax Department until 2020 except for 2017 where the Income and Sales Tax Department reviewed the Company's records for the year 2017, the Company did not accept the approved amount of accumulated losses by the Income and Sales Tax Department in the amount of JD 960,547 where the Company's management requests the approval of the amount of JD 2,565,426, therefore the Company has registered a lawsuit for objection with the Tax Court of First Instance. The objection case decision was not issued by the Tax Court of first Instance until the date of preparing these interim condensed consolidated financial statements.

**Nutridar Public Shareholding Company**

The Company submitted its tax declaration for the years 2018 until 2023, and the Income and Sales Tax Department did not review the Company's records until the date of preparing the interim condensed consolidated financial statements.

The Company obtained a final clearance from the Income and Sales Tax Department until 2017.

**Al Dar Jordan Investment Company**

The Company submitted its tax declaration for the years 2019 until 2023, and the Income and Sales Tax Department did not review the Company's records until the date of preparing the interim condensed consolidated financial statements.

The Company obtained a final clearance from the Income and Sales Tax Department until 2018.

**Dar al Dawa – Romania**

The Company submitted its tax declarations for the years 2022 and 2023, and the Tax Authority in Romania did not review the Company's records until the date of preparing the interim condensed consolidated financial statements.

The Company obtained a final clearance from the Tax Authority until 2021.

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**Dar al Dawa - Algeria**

The Company submitted its tax declaration for the years 2017 until 2023, and the Directorate General of Taxes did not review the Company's records until the date of preparing the interim condensed consolidated financial statements.

During 2017, the Directorate General of Taxes reviewed the Company's records for the years from 2011 to 2014 and issued its report thereon, which included a claim to pay amounts in excess of the amounts paid for these years by an amount of JD 462,957, the Company paid an amount of JD 462,957 for the years from 2011 to 2014. During the years from 2017 to 2023, the Company recorded an additional provision of JD 603,632 to cover the potential risks for the years from 2015 up to 2023.

In the opinion of the Company's management and legal counsel, the provision taken is sufficient to meet the liabilities that may arise from such claims.

The movement on the income tax provision was as follows:

	30 September 2024	31 December 2023
	JD (Unaudited)	JD (Audited)
Balance as at the beginning of the period / year	347,302	500,281
Income tax due from previous years	-	21,226
Income tax paid	(10,894)	(174,205)
Balance as at the end of the period / year	<u>336,408</u>	<u>347,302</u>

The income tax for the period shown in the interim condensed consolidated statement of income consists of the following:

	30 September 2024	30 September 2023
	JD (Unaudited)	JD (Unaudited)
Income tax for the period	-	384,023
Released from (added to) deferred tax assets	367,094	(10,408)
	<u>367,094</u>	<u>373,615</u>

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**(10) SEGMENT REPORTING OF SALES**

The Group is organized for administrative purposes so that the sectors are measured according to the reports that are used by the General Manager and the main decision maker of the Group through the geographical distribution of sales and the geographical distribution of assets and liabilities.

The distribution of sales, cost of sales, gross profit and types of goods sold by geographical areas is as follows:

**For the nine months ended 30 September 2024 (Unaudited):**

	Levant and Iraq	Arabian Gulf and Yemen	Africa	Europe and Asia	Total
	JD	JD	JD	JD	JD
Net sales	30,189,727	17,182,933	11,212,852	12,762	58,598,274
Cost of sales	(18,115,033)	(9,387,916)	(6,893,057)	(5,883)	(34,401,889)
Gross profit	12,074,694	7,795,017	4,319,795	6,879	24,196,385

	Medicine	Food & infant formula	Eliminations	Total
	JD	JD	JD	JD
Net sales	58,466,772	10,661,887	(10,530,385)	58,598,274
Cost of sales	(33,454,359)	(8,417,516)	7,469,986	(34,401,889)
Gross profit	25,012,413	2,244,371	(3,060,399)	24,196,385

	Jordan	Algeria	Total
	JD	JD	JD
<b>Other information:</b>			
Finance cost	(2,161,785)	(736,141)	(2,897,926)
Depreciation	(2,256,593)	(458,883)	(2,715,476)
Provision for expected credit losses	(241,381)	-	(241,381)
Group's share of results from an associate	113,514	-	113,514
Interest income	567,685	-	567,685

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**For the nine months ended 30 September 2023 (Unaudited):**

	Levant and Iraq	Arabian Gulf and Yemen	Africa	Europe and Asia	Total
	JD	JD	JD	JD	JD
Net sales	26,945,359	18,381,401	9,968,364	230,225	55,525,349
Cost of sales	(16,216,034)	(10,584,674)	(6,705,946)	(179,115)	(33,685,769)
Gross profit	<u>10,729,325</u>	<u>7,796,727</u>	<u>3,262,418</u>	<u>51,110</u>	<u>21,839,580</u>

	Medicine	Food & infant formula	Eliminations	Total
	JD	JD	JD	JD
Net sales	40,148,862	9,868,618	5,507,869	55,525,349
Cost of sales	(23,461,872)	(7,910,619)	(2,313,278)	(33,685,769)
Gross profit	<u>16,686,990</u>	<u>1,957,999</u>	<u>3,194,591</u>	<u>21,839,580</u>

	Jordan	Algeria	Total
	JD	JD	JD
<b>Other information:</b>			
Finance cost	(2,253,156)	(619,000)	(2,872,156)
Depreciation	(2,156,368)	(409,775)	(2,566,143)
Provision for expected credit losses	(136,936)	(9,497)	(146,433)
Group's share of results from an associate	(12,810)	-	(12,810)
Interest income	475,644	-	475,644

The distribution of assets and liabilities by geographical regions is as follows:

**As at 30 September 2024 (Unaudited)**

	Jordan	Algeria	Tunisia	Romania	Eliminations	Total
	JD	JD	JD	JD	JD	JD
Total assets	120,630,879	46,484,983	22,264	573,052	(46,152,268)	121,558,910
Total liabilities	72,754,292	26,089,649	1,744	3,554	(26,029,585)	72,819,654

**As at 31 December 2023 (Audited)**

	Jordan	Algeria	Tunisia	Romania	Eliminations	Total
	JD	JD	JD	JD	JD	JD
Total assets	111,525,832	34,502,198	22,264	573,054	(37,369,661)	109,253,687
Total liabilities	47,079,348	23,892,600	1,744	3,555	(7,970,877)	63,006,370

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**(11) CONTINGENT LIABILITIES**

At the date of the interim condensed consolidated financial statements, the Group had contingent contractual obligations as follows:

	30 September 2024	31 December 2023
<b>Contingent Liabilities:</b>	JD (Unaudited)	JD (Audited)
Letters of credit	913,419	309,479
Bank guarantees	16,439,634	14,257,699
Bills of collection	2,365,405	1,598,704
Government guaranteed loans	761,352	1,116,338

**(12) LAWSUITS HELD AGAINST THE GROUP**

There are lawsuits filed against the Group in the amount of JD 5,680,737 as of 30 September 2024 (31 December 2023: JD 5,665,989) within the normal activity of the Group, and in the opinion of the management and its legal advisor, the Group will not have material obligations against these lawsuits.

**(13) BASIC AND DILUTED EARNINGS PER SHARE FROM THE PROFIT FOR THE PERIOD**

	30 September 2024	30 September 2023
	JD (Unaudited)	JD (Unaudited)
Profit for the period attributable to equity holders of the parent (JD)	2,398,810	2,210,778
Weighted average number of shares during the period (Share)	35,000,000	35,000,000
	JD/Fils	JD/Fils
<b>Basic and diluted earnings per share from the profit for the period</b>	<b>0/069</b>	<b>0/063</b>

**(14) DISCONTINUED OPERATIONS**

The Company's management decided during the period ended 30 June 2024 to cancel the decision to sell the Company's entire shares in Nutridar Public Shareholding Company. The management's decision was approved by the Board of Directors in its meeting held on 25 July 2024.