

Medicare Group Q.P.S.C.

**INTERIM CONDENSED
FINANCIAL STATEMENTS**

**FOR THE NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2023**


Medicare Group Q.P.S.C.

INTERIM STATEMENT OF FINANCIAL POSITION

At 30 September 2023

| | | <i>30 September 2023 (Unaudited) QR</i> | <i>31 December 2022 (Audited) QR</i> |
|--|--------------|---|--|
| | <i>Notes</i> | | |
| ASSETS | | | |
| Non-current assets | | | |
| Property and equipment | 4 | 1,047,211,257 | 1,032,712,543 |
| Investment properties | | 26,233,810 | 26,233,810 |
| Right-of-use assets | | 35,829,927 | 37,592,055 |
| Investments at fair value through other comprehensive income | | 66,821,220 | 69,730,395 |
| | | <u>1,176,096,214</u> | <u>1,166,268,803</u> |
| Current assets | | | |
| Inventories | | 30,763,226 | 30,586,104 |
| Accounts receivable and prepayments | 5 | 126,011,875 | 118,063,533 |
| Cash and bank balances | 6 | 15,253,157 | 42,150,235 |
| | | <u>172,028,258</u> | <u>190,799,872</u> |
| Total assets | | <u>1,348,124,472</u> | <u>1,357,068,675</u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | | 281,441,000 | 281,441,000 |
| Legal reserve | | 116,010,669 | 116,010,669 |
| Fair value reserve | | 15,456,276 | 18,365,451 |
| Revaluation reserve | | 546,413,693 | 549,025,726 |
| Retained earnings | | 54,478,997 | 75,356,136 |
| Total equity | | <u>1,013,800,635</u> | <u>1,040,198,982</u> |
| Non-current liabilities | | | |
| Bank facilities | | 69,973,667 | 54,396,528 |
| Lease liabilities | | 39,818,491 | 40,692,837 |
| Employees' end of service benefits | | 79,732,366 | 77,292,252 |
| | | <u>189,524,524</u> | <u>172,381,617</u> |
| Current liabilities | | | |
| Accounts payable and accruals | | 116,716,153 | 118,503,116 |
| Bank facilities | | 26,106,978 | 24,043,006 |
| Lease liabilities | | 1,976,182 | 1,941,954 |
| | | <u>144,799,313</u> | <u>144,488,076</u> |
| Total liabilities | | <u>334,323,837</u> | <u>316,869,693</u> |
| Total equity and liabilities | | <u>1,348,124,472</u> | <u>1,357,068,675</u> |

These interim condensed financial statements of the Company for the nine months ended 30 September 2023 were authorized for issue in accordance with resolution of the Board of Directors on 23 October 2023.


Abdul-Basit Ahmed Al-Shaibei
Vice Chairman & Managing Director


Khalid Mollammed Al-Emadi
Chief Executive Officer

The attached notes 1 to 8 form part of these interim condensed financial statements.

Medicare Group Q.P.S.C.

INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine-month period ended 30 September 2023

| | Notes | <i>For the nine-month period ended 30 September</i> | |
|---|-------|---|--------------------------|
| | | 2023 | 2022 |
| | | <i>(Unaudited)</i> QR | <i>(Unaudited)</i> QR |
| Operating income | | 356,294,646 | 359,663,229 |
| Operating costs | 7 | (226,484,834) | (224,200,049) |
| Gross profit | | 129,809,812 | 135,463,180 |
| Income from deposits with Islamic Banks | | 459,239 | 288,759 |
| Other income | | 5,523,791 | 5,825,074 |
| General and administrative expenses | 8 | (69,852,957) | (69,897,042) |
| Depreciation of property and equipment | | (12,510,253) | (11,974,324) |
| Amortisation of right-of-use assets | | (1,762,128) | (2,030,633) |
| Finance costs | | (1,278,413) | (1,634,629) |
| Net profit for the period | | 50,389,091 | 56,040,385 |
| <i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i> | | | |
| Net (loss) / gain from investments at fair value through other comprehensive income | | (2,909,175) | 13,960,212 |
| Other comprehensive (loss) / income for the period | | (2,909,175) | 13,960,212 |
| Total comprehensive income for the period | | 47,479,916 | 70,000,597 |
| Basic and diluted earnings per share (expressed in Qatari Riyals per share) | | 0.18 | 0.20 |

The attached notes 1 to 8 form part of these interim condensed financial statements.

Medicare Group Q.P.S.C.

INTERIM STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended 30 September 2023

| | Share capital QR | Legal reserve QR | Fair value reserve QR | Revaluation reserve QR | Retained earnings QR | Total equity QR |
|---|------------------------|------------------------|-----------------------------|------------------------------|----------------------------|-----------------------|
| Balance at 1 January 2022 | 281,441,000 | 108,094,188 | 14,944,967 | 552,508,436 | 72,964,472 | 1,029,953,063 |
| Net profit for the period | - | - | - | - | 56,040,385 | 56,040,385 |
| Other comprehensive income | - | - | 13,960,212 | - | - | 13,960,212 |
| Total comprehensive income | - | - | 13,960,212 | - | 56,040,385 | 70,000,597 |
| Dividends | - | - | - | - | (70,360,250) | (70,360,250) |
| Transfer of depreciation of revalued assets | - | - | - | (2,612,033) | 2,612,033 | - |
| Balance at 30 September 2022 (Unaudited) | 281,441,000 | 108,094,188 | 28,905,179 | 549,896,403 | 61,256,640 | 1,029,593,410 |
| Balance at 1 January 2023 | 281,441,000 | 116,010,669 | 18,365,451 | 549,025,726 | 75,356,136 | 1,040,198,982 |
| Net profit for the period | - | - | - | - | 50,389,091 | 50,389,091 |
| Other comprehensive loss | - | - | (2,909,175) | - | - | (2,909,175) |
| Total comprehensive income | - | - | (2,909,175) | - | 50,389,091 | 47,479,916 |
| Dividends | - | - | - | - | (73,878,263) | (73,878,263) |
| Transfer of depreciation of revalued assets | - | - | - | (2,612,033) | 2,612,033 | - |
| Balance at 30 September 2023 (Unaudited) | 281,441,000 | 116,010,669 | 15,456,276 | 546,413,693 | 54,478,997 | 1,013,800,635 |

The attached notes 1 to 8 form part of these interim condensed financial statements.

Medicare Group Q.P.S.C.

INTERIM STATEMENT OF CASH FLOWS

For the nine-month period ended 30 September 2023

| | | <i>For the nine-month period ended 30 September</i> | |
|-----------------------------|---|---|---------------------|
| | | 2023 | 2022 |
| | | <i>(Unaudited)</i> | <i>(Unaudited)</i> |
| Notes | | <i>QR</i> | <i>QR</i> |
| OPERATING ACTIVITIES | | | |
| | Net profit for the period | 50,389,091 | 56,040,385 |
| | <i>Adjustments for:</i> | | |
| | Depreciation of property and equipment | 19,357,302 | 19,010,756 |
| | Amortisation of right-of-use assets | 1,762,128 | 2,030,633 |
| | Provision for obsolete and slow - moving inventories | - | 596,273 |
| | Provision for employees' end of service benefits | 6,758,320 | 6,873,015 |
| | Finance costs | 1,278,413 | 1,634,629 |
| | Gain on sale of property and equipment | - | (26,927) |
| | Income from deposit with Islamic banks | (459,239) | (288,759) |
| | Dividend income | (2,704,852) | (2,558,783) |
| | Operating profit before working capital changes | 76,381,163 | 83,311,222 |
| | <i>Working capital changes:</i> | | |
| | Inventories | (177,122) | (689,962) |
| | Accounts receivable and prepayments | (3,349,737) | (15,565,037) |
| | Accounts payable and accruals | (1,033,235) | (3,980,553) |
| | Cash generated from operations | 71,821,069 | 63,075,670 |
| | Employees' end of service benefits paid | (4,318,206) | (4,295,966) |
| | Contribution paid to the social and sports fund | (1,979,120) | (1,976,528) |
| | Finance costs paid | (18,531) | (1,410) |
| | Net cash flows from operating activities | 65,505,212 | 56,801,766 |
| INVESTING ACTIVITIES | | | |
| | Additions to property and equipment | (33,856,016) | (30,382,485) |
| | Advance payments towards capital projects | (4,598,605) | (18,775,720) |
| | Proceeds from sale of property and equipment | - | 26,927 |
| | Income received from deposit with Islamic banks | 459,239 | 288,759 |
| | Dividend income received | 2,704,852 | 2,558,783 |
| | Net cash flows used in investing activities | (35,290,530) | (46,283,736) |
| FINANCING ACTIVITIES | | | |
| | Cash dividends paid | (72,652,871) | (68,205,684) |
| | Additional bank facilities obtained during the period | 44,936,779 | 45,000,000 |
| | Payment of lease liabilities | (2,100,000) | (2,550,000) |
| | Repayment of bank facilities | (27,295,668) | (19,986,821) |
| | Net cash flows used in financing activities | (57,111,760) | (45,742,505) |
| | NET DECREASE IN CASH AND CASH EQUIVALENTS | (26,897,078) | (35,224,475) |
| | Cash and cash equivalents at the beginning of the period | 42,150,235 | 52,247,073 |
| | CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 15,253,157 | 17,022,598 |

The attached notes 1 to 8 form part of these interim condensed financial statements.

Medicare Group Q.P.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 September 2023

1 REPORTING ENTITY

Medicare Group Q.P.S.C. (formerly known as “Al Ahli Specialized Hospital Company Q.S.C.”) is a Qatari Public Shareholding Company incorporated on 30 December 1996 under the Commercial Registration number 18895. The Company’s main activity is the operation of a specialized hospital and promoting medical services in the State of Qatar. The Company’s registered office address is at Ahmed Bin Ali Street, Wadi Al Sail, Doha, State of Qatar, P.O. Box 6401. The Company is listed on the Qatar Stock Exchange.

The Company provides medical services through Al Ahli Hospital located in Wadi Al Sail. The Company also operates a medical clinic center in Al Wakrah which has commenced its operations during February 2019.

The interim condensed financial statements of the Company for the nine months ended 30 September 2023 were authorized for issue in accordance with a resolution of the Board of Directors on 23 October 2023.

2 BASIS OF PREPARATION

The interim condensed financial statements of the Company are prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting. The financial statements are presented in Qatari Riyals (“QR”), which is the Company’s functional and presentation currency. The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2022. In addition, results for the nine month period ended 30 September 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

3 USES OF JUDGEMENTS AND ESTIMATES

In preparing these interim condensed financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those described in the annual financial statements as at and for the year ended 31 December 2022.

4 PROPERTY AND EQUIPMENTS

| | <i>30 September 2023 (Unaudited) QR</i> | <i>31 December 2022 (Audited) QR</i> |
|--|---|--|
| Net book value at 1 January | 1,032,712,543 | 1,013,292,628 |
| Additions | 33,856,016 | 45,247,907 |
| Depreciation charge for the period/year | (19,357,302) | (25,827,992) |
| Disposal | - | (279,291) |
| Accumulated depreciation related to disposal | - | 279,291 |
| Net book value at end of the period/year | <u>1,047,211,257</u> | <u>1,032,712,543</u> |

Medicare Group Q.P.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 September 2023

5 ACCOUNTS RECEIVABLE AND PREPAYMENTS

| | <i>30 September 2023 (Unaudited) QR</i> | <i>31 December 2022 (Audited) QR</i> |
|---|---|--|
| Trade receivables | 148,091,845 | 147,084,649 |
| Advances to suppliers | 35,662,860 | 31,645,555 |
| Staff receivables | 9,924,003 | 8,618,322 |
| Prepaid expenses | 5,855,330 | 3,386,993 |
| Refundable deposits | 1,717,701 | 1,714,000 |
| Others | 1,195,575 | 2,049,453 |
| | <u>202,447,314</u> | <u>194,498,972</u> |
| Provision for expected credit losses on trade receivables | <u>(76,435,439)</u> | <u>(76,435,439)</u> |
| | <u>126,011,875</u> | <u>118,063,533</u> |

6 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following:

| | <i>30 September 2023 (Unaudited) QR</i> | <i>31 December 2022 (Audited) QR</i> |
|------------------------------------|---|--|
| Cash in hand | 513,242 | 283,984 |
| Cash at bank - current accounts | 14,739,915 | 21,866,251 |
| Cash at bank - short-term deposits | - | 20,000,000 |
| | <u>15,253,157</u> | <u>42,150,235</u> |

7 OPERATING COSTS

| | <i>For the nine-month period ended 30 September</i> | |
|---------------------------------------|---|------------------------------------|
| | <i>2023 (Unaudited) QR</i> | <i>2022 (Unaudited) QR</i> |
| Staff costs | 122,738,777 | 122,425,763 |
| Medication and surgical costs | 64,393,369 | 63,824,269 |
| Doctors' charges | 26,114,081 | 24,228,590 |
| Depreciation of medical equipment | 6,847,049 | 7,036,432 |
| Utilities | 2,902,685 | 2,626,048 |
| Food costs | 2,428,195 | 2,534,388 |
| Fuel costs | 1,060,678 | 924,173 |
| Provision for slow moving inventories | - | 600,386 |
| | <u>226,484,834</u> | <u>224,200,049</u> |

Medicare Group Q.P.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 September 2023

8 GENERAL AND ADMINISTRATIVE EXPENSES

| | <i>For the nine-month period ended 30 September</i> | |
|----------------------------------|---|------------------------------------|
| | <i>2023 (Unaudited) QR</i> | <i>2022 (Unaudited) QR</i> |
| Staff costs | 40,667,865 | 43,097,593 |
| Maintenance and repairs | 6,970,000 | 6,079,084 |
| Outsourced staff costs | 4,285,466 | 4,248,340 |
| IT development | 3,120,618 | 2,655,645 |
| Security and cleaning | 2,908,966 | 2,651,205 |
| Insurance | 2,668,943 | 2,521,657 |
| Board of Directors' remuneration | 1,765,075 | 2,021,907 |
| Telephone and fax | 1,758,627 | 1,905,729 |
| Legal and professional fees | 1,555,471 | 1,103,532 |
| Advertisement and promotions | 1,216,580 | 981,195 |
| Bank charges | 774,245 | 801,525 |
| Printing and stationery | 480,689 | 466,667 |
| Government expenses | 460,682 | 502,036 |
| Others | 1,219,730 | 860,927 |
| | 69,852,957 | 69,897,042 |