Burjeel Holdings PLC

INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

SIX MONTHS PERIOD ENDED 30 JUNE 2023 (UNAUDITED)

Building a better working world

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE DIRECTORS OF

BURJEEL HOLDINGS PLC

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Burjeel Holdings PLC (the "Company") and its subsidiaries (together referred to as the "Group") as at 30 June 2023, comprising of the interim condensed consolidated statement of financial position as at 30 June 2023, and the related interim condensed consolidated statement of comprehensive income for three-months and six-months period then ended, the related interim condensed consolidated statements changes in equity and cash flows for six-months period then ended and explanatory notes. Management is responsible for the preparation and fair 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 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.

Signed by
Anthony O' Sullivan
Partner
Ernst & Young
Registration No 687

03 August 2023
Abu Dhabi

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months period ended 30 June 2023 (unaudited)

	Notes	*Three months ended 30 June*		*Six months ended 30 June*	
		2023	*2022*	***2023***	*2022*
		AED	*AED*	***AED***	*AED*
Revenue	4	**1,076,966,697**	926,382,298	**2,161,829,855**	1,898,400,890
Doctors' and other employees' salaries and emoluments		**(497,973,721)**	(402,889,204)	**(966,927,746)**	(815,491,349)
Inventories consumed		**(265,234,842)**	(234,098,474)	**(516,995,015)**	(453,087,287)
Depreciation of property and equipment	6	**(57,953,341)**	(62,619,650)	**(116,581,063)**	(128,593,561)
Amortisation of intangible assets		**(856,800)**	(1,045,527)	**(1,728,896)**	(2,309,231)
Depreciation of right-of-use assets		**(27,805,379)**	(26,832,823)	**(53,386,890)**	(53,643,361)
Provision for expected credit losses		**(17,712,083)**	(9,998,589)	**(35,648,800)**	(38,029,489)
Other expenses	5	**(79,132,307)**	(82,511,034)	**(188,622,956)**	(187,692,064)
OPERATING PROFIT FOR THE PERIOD		**130,298,224**	106,386,997	**281,938,489**	219,554,548
Finance costs		**(35,420,756)**	(50,225,281)	**(70,560,516)**	(105,508,104)
Interest income from related parties		**-**	7,706,438	**-**	28,701,352
Share of profit from associates		**8,493,290**	4,392,538	**13,335,961**	10,137,830
PROFIT FOR THE PERIOD		**103,370,758**	68,260,692	**224,713,934**	152,885,626
Other comprehensive income		**-**	-	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**103,370,758**	68,260,692	**224,713,934**	152,885,626
Profit for the period and total comprehensive income for the period attributable to:					
Equity holders of the Parent Company		**94,888,318**	61,139,332	**213,684,630**	143,306,291
Non-controlling interests		**8,482,440**	7,121,360	**11,029,304**	9,579,335
		103,370,758	68,260,692	**224,713,934**	152,885,626
Earnings per share attributable to the Equity holders of the Parent Company :					
- basic and diluted earnings per share (AED) (restated)	14	**0.02**	0.01	**0.04**	0.03

The accompanying notes 1 to 15 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2023

	Notes	*(Unaudited) 30 June 2023 AED*	*(Audited) 31 December 2022 AED*
ASSETS			
Non-current assets			
Property and equipment	6	**1,938,551,542**	2,001,503,707
Intangible assets		**8,610,687**	7,278,837
Right-of-use assets		**1,001,835,817**	1,018,557,484
Capital work in progress		**23,339,341**	23,281,616
Investment in associates		**29,808,526**	29,072,565
Term deposits		**2,552,500**	2,552,500
		3,004,698,413	3,082,246,709
Current assets			
Inventories		**245,266,133**	239,850,836
Accounts receivable and prepayments		**1,392,742,088**	1,189,537,105
Amounts due from related parties	8	**23,198,605**	23,538,218
Bank balances and cash	7	**216,940,741**	149,962,481
		1,878,147,567	1,602,888,640
TOTAL ASSETS		**4,882,845,980**	4,685,135,349
EQUITY AND LIABILITIES			
Equity			
Share capital		**520,513,417**	520,513,417
Share premium		**366,854,049**	366,854,049
Other reserve		**3,039,504**	3,039,504
Shareholder's contribution		**3,553,665**	3,553,665
Retained earnings		**408,371,165**	194,686,535
Equity attributable to equity holders of the parent		**1,302,331,800**	1,088,647,170
Non-controlling interests		**40,229,232**	29,199,928
Total equity		**1,342,561,032**	1,117,847,098
Non-current liabilities			
Interest bearing loans and borrowings	9	**841,915,990**	903,820,385
Lease liabilities		**1,045,120,555**	1,077,976,668
Employees' end of service benefits		**138,440,754**	121,447,629
Derivative financial instrument	11	**30,000,612**	28,374,631
		2,055,477,911	2,131,619,313
Current liabilities			
Accounts payable and accruals		**979,190,833**	945,477,127
Lease liabilities		**101,551,728**	97,632,216
Interest bearing loans and borrowings	9	**369,569,202**	356,971,713
Amounts due to related parties	8	**34,495,274**	35,587,882
		1,484,807,037	1,435,668,938
Total liabilities		**3,540,284,948**	3,567,288,251
TOTAL EQUITY AND LIABILITIES		**4,882,845,980**	4,685,135,349

Mr. Muhammed Shihabuddin
Chief Financial Officer

Mr. John Sunil
Chief Executive Officer

The accompanying notes 1 to 15 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months period ended 30 June 2023 (unaudited)

	Attributable to the equity holders of Parent								
	Share capital AED	*Shareholder's account AED*	*Share premium AED*	*Other reserve AED*	*Shareholder's contribution AED*	*Accumulated losses/ Retained earnings AED*	*Total AED*	*Non - controlling interest AED*	*Total equity AED*
As at 1 January 2022 (audited)	734,000	532,963,590	-	2,889,504	19,684,559	(192,832,640)	363,439,013	17,763,361	381,202,374
Profit for the period (unaudited)	-	-	-	-	-	143,306,291	143,306,291	9,579,335	152,885,626
Total comprehensive income for the period (unaudited)	-	-	-	-	-	143,306,291	143,306,291	9,579,335	152,885,626
Dividend paid to non-controlling interest (unaudited)	-	-	-	-	-	-	-	(5,000,000)	(5,000,000)
Additional contribution (unaudited)	-	-	-	-	300,000	-	300,000	-	300,000
Movement in shareholder's account, net (unaudited)	-	(128,484)	-	-	-	-	(128,484)	-	(128,484)
Increase in share capital (unaudited)	549,266,000	(532,835,106)	-	-	(16,430,894)	-	-	-	-
Balance at 30 June 2022 (unaudited)	550,000,000	-	-	2,889,504	3,553,665	(49,526,349)	506,916,820	22,342,696	529,259,516
As at 1 January 2023 (audited)	520,513,417	-	366,854,049	3,039,504	3,553,665	194,686,535	1,088,647,170	29,199,928	1,117,847,098
Profit for the period (unaudited)	-	-	-	-	-	213,684,630	213,684,630	11,029,304	224,713,934
Total comprehensive income for the period (unaudited)	-	-	-	-	-	213,684,630	213,684,630	11,029,304	224,713,934
Balance at 30 June 2023 (unaudited)	**520,513,417**	-	**366,854,049**	**3,039,504**	**3,553,665**	**408,371,165**	**1,302,331,800**	**40,229,232**	**1,342,561,032**

The accompanying notes 1 to 15 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months period ended 30 June 2023 (unaudited)

	Notes	Six-month ended 30 June 2023 AED (Unaudited)	2022 AED (Unaudited)
OPERATING ACTIVITIES			
Profit for the period		**224,713,934**	152,885,626
Adjustments for:			
Depreciation on property and equipment	6	**116,581,063**	128,593,561
Amortisation of intangible assets		**1,728,896**	2,309,231
Depreciation of right-of-use assets		**53,386,890**	53,643,361
Provision for expected credit losses		**35,648,800**	38,029,489
Share of profit from associates		**(13,335,961)**	(10,137,830)
Interest income from related parties	8	**-**	(28,701,352)
Provision for employees' end of service benefits		**23,818,333**	19,383,645
Lease adjustment		**(4,485,727)**	(857,982)
Gain on disposal of property and equipment		**-**	(350,000)
Change in fair value of profit rate swap	11	**1,625,981**	(11,188,116)
Finance costs		**70,560,516**	105,508,104
		510,242,725	449,117,737
Working capital adjustments:			
Inventories		**(5,415,297)**	(32,169,925)
Accounts receivable and prepayments		**(238,853,783)**	(172,963,899)
Amounts due from related parties		**3,598,820**	(7,212,456)
Accounts payable and accruals		**33,713,706**	(77,421,981)
Amounts due to related parties		**(1,233,532)**	6,702,142
Cash generated from operations		**302,052,639**	166,051,618
Employees' end of service benefits paid		**(10,084,415)**	(8,523,518)
Finance costs paid		**(45,387,653)**	(78,199,726)
Net cash flows from operating activities		**246,580,571**	79,328,374
INVESTING ACTIVITIES			
Additions to property and equipment	6	**(53,487,974)**	(31,509,357)
Additions to intangible assets		**(3,060,746)**	(126,970)
Additions to capital work in progress		**(57,725)**	(1,545,942)
Proceeds from disposal of property and equipment		**-**	488,019
Amounts due from related parties		**-**	(57,999,603)
Dividend income received from associates		**12,600,000**	-
Movement in long term deposits		**-**	643,489
Net cash flows used in investing activities		**(44,006,445)**	(90,050,364)
FINANCING ACTIVITIES			
Net movement in shareholder's account		**-**	(128,484)
Net movement in share contribution		**-**	300,000
Payment of principal portion of lease liabilities		**(86,288,960)**	(69,095,472)
Net movement in margin account		**(601,629)**	1,164,476
Dividend paid to non-controlling interest		**-**	(5,000,000)
Receipt of interest bearing loans and borrowings	9	**1,121,634**	304,788,974
Repayment of interest bearing loans and borrowings	9	**(50,428,540)**	(152,354,550)
Net cash flows (used in) from financing activities		**(136,197,495)**	79,674,944
NET INCREASE IN CASH AND CASH EQUIVALENTS		**66,376,631**	68,952,954
Cash and cash equivalents at 1 January		**146,736,382**	39,157,261
CASH AND CASH EQUIVALENTS AT 30 JUNE	7	**213,113,013**	108,110,215

The accompanying notes 1 to 15 form an integral part of these interim condensed consolidated financial statements.

1 ACTIVITIES

Burjeel Holdings PLC (the "Company" or the "Parent") is registered in Abu Dhabi Global Market (ADGM) under license number 000003466 as a Public Company Limited by Shares. The Company was incorporated on 7 January 2020 (the "inception date"). The registered address of the Company is 402-DO2, 15th Floor, Al Sarab Tower, Abu Dhabi Global Market Square, Maryah Island, Abu Dhabi, United Arab Emirates. The Company and its subsidiaries are collectively referred to as the Group (the "Group").

The principal activity of the Company is to act as a holding company (Proprietary Investment Company) for the entities within the Group. The principal activities of the subsidiaries are to provide multi-speciality hospitals, medical, surgical and dental services and sale of pharmaceutical goods and medical equipment.

The shareholding of the Company is as follows:

VPS Healthcare Holdings PVT. Ltd	70.0%
Quant Lase Lab LLC	14.4%
SYA Holdings PVT. Ltd.	5.0%
Publicly traded	10.6%

The interim condensed consolidated financial statements were approved by the Director and authorised for issue on 03 August 2023.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB").

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2022. In addition, results for the six months period ended 30 June 2023 are not necessarily indicative of the results for the year ending 31 December 2023.

These interim condensed consolidated financial statements have been prepared on the historical cost basis, except for derivative financial instruments which are carried at fair value.

The interim condensed consolidated financial statements are presented in United Arab Emirates Dirhams (AED), which is the functional currency of the Company and the presentational currency of the Group.

2.4 Basis of consolidation

The interim condensed consolidated financial statements comprise the interim financial statements of the Company and its subsidiaries. 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
- The ability to use its power over the investee to affect its returns

2 BASIS OF PREPARATION continued

2.4 Basis of consolidation continued

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and 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(s) 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. 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, income and expenses of a subsidiary acquired or disposed of during the year are included in the interim condensed consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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.

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 interest;
- 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; and
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2022, except for the adoption of the following new standards effective as of 1 January 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- IFRS 17 Insurance Contracts
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimates - Amendments to IAS 8
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
- International Tax Reform – Pillar Two Model Rules - Amendments to IAS 12

These amendments did not have a material impact on the interim consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

3.2 Significant accounting estimates and judgements

The preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standards requires management to make judgment, estimates and assumptions that affect the application of accounting policies and reported amounts of financial assets and liabilities and the disclosure of contingent liabilities. These judgments, estimates and assumptions also affect the revenue, expenses and provisions as well as fair value changes. Actual results may differ from these estimates.

These judgments, estimates and assumptions may affect the reported amounts in subsequent financial years. Estimates and judgments are currently evaluated and are based on historical experience and other factors.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual consolidated financial statements as at and for the year ended 31 December 2022.

3.3 UAE Corporate Tax ("UAE CT")

On 9 December 2022, the UAE Ministry of Finance (MoF) released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime is effective from 1 June 2023 and accordingly, it has an income tax related impact on the financial statements for accounting periods beginning on or after 1 June 2023.

Decision No. 116 of 2022 (published in December 2022 and considered to be effective from 16 January 2023) specifies the taxable income not exceeding AED 375,000 would be subject to the 0% UAE CT rate, and taxable income exceeding AED 375,000 would be subject to the 9% UAE CT rate. With the publication of this Decision, the UAE CT Law is considered to be substantially enacted for the purposes of accounting for Income Taxes.

The UAE CT Law shall apply to the Group with effect from 1 January 2024. The MoF continue to issue supplemental Decisions of the Cabinet of Ministers of the UAE (Decisions) to further clarify certain aspects of the UAE CT Law. Such Decisions, and other interpretive guidance of the UAE Federal Tax Authority, are required to fully evaluate the impact of the UAE CT Law on the Group.

Since the provisions of UAE CT law will apply to Tax Periods commencing on or after 1 June 2023, the related current taxes shall be accounted for in the financial statements for the period beginning 1 January 2024. However, the related deferred tax accounting impact has been considered for the interim financial period ended 30 June 2023. Following assessment of the potential impact of the UAE CT Law on the interim statement of financial position, we do not consider there to be material temporary differences on which deferred taxes should be accounted. Accordingly, for period ended 30 June 2023, management expects that the deferred tax impacts are not expected to be significant.

4 REVENUE

4.1 Types of revenue

	Three months ended 30 June		*Six months ended 30 June*	
	2023 Unaudited) AED	*2022 (Unaudited) AED*	***2023 Unaudited) AED***	*2022 (Unaudited) AED*
Clinic revenue	**1,036,306,701**	890,567,115	**2,084,269,314**	1,837,412,067
Pharmacy sales	**15,446,004**	17,866,146	**30,958,726**	34,100,425
Other operating income	**23,055,171**	17,211,203	**43,065,330**	23,950,949
Revenue from contracts with customers	**1,074,807,876**	925,644,464	**2,158,293,370**	1,895,463,441
Rental income	**2,158,821**	737,834	**3,536,485**	2,937,449
	1,076,966,697	926,382,298	**2,161,829,855**	1,898,400,890

4.2 Revenue from contracts with customers – timing of recognition

Out patient – services rendered at a point in time	**665,575,858**	559,852,750	**1,338,872,462**	1,213,817,844
In patient – services rendered over time	**370,730,843**	330,714,365	**745,396,852**	623,594,223
Pharmacy – services rendered at a point in time	**15,446,004**	17,866,146	**30,958,726**	34,100,425
Other operating income – services rendered at a point in time	**23,055,171**	17,211,203	**43,065,330**	23,950,949
	1,074,807,876	925,644,464	**2,158,293,370**	1,895,463,441

4.3 Revenue from contracts with customers by geographical markets

	Three months ended 30 June		*Six months ended 30 June*	
	2023 Unaudited) AED	*2022 (Unaudited) AED*	***2023 Unaudited) AED***	*2022 (Unaudited) AED*
United Arab Emirates	**1,033,189,171**	884,442,744	**2,075,103,253**	1,807,506,296
Kingdom of Saudi Arabia*	**-**	-	**-**	-
Sultanate of Oman	**41,618,705**	41,201,720	**83,190,117**	87,957,145
	1,074,807,876	925,644,464	**2,158,293,370**	1,895,463,441

* - During the period, the Group incorporated a subsidiary in the Kingdom of Saudi Arabia. The subsidiary is yet to begin its operations.

4.4 Revenue from contracts with customers by asset type

	Three months ended 30 June		*Six months ended 30 June*	
	2023 Unaudited) AED	*2022 (Unaudited) AED*	***2023 Unaudited) AED***	*2022 (Unaudited) AED*
Hospitals	**937,429,403**	807,322,374	**1,879,192,503**	1,668,377,429
Medical centres	**98,877,298**	83,244,741	**205,076,811**	169,034,638
Pharmacies	**15,446,004**	17,866,146	**30,958,726**	34,100,425
Others	**23,055,171**	17,211,203	**43,065,330**	23,950,949
	1,074,807,876	925,644,464	**2,158,293,370**	1,895,463,441

4 REVENUE continued

Performance obligations
The performance obligation is satisfied based on the nature of medical services or upon delivery of the medical goods or supplies in case of pharmacy items. Certain contracts for the sale of pharmacy items provide customers with a right of return. However, the sales returns are negligible as compared to the gross revenue for the sale of pharmacy items. Based on the analysis of the historical data and experience, sales return is estimated to be less than 0.05% of the total sales made during a financial year. Considering that the sales returns of the Group are not significant, the Group has not recorded a refund liability and a right of return asset for anticipated sales returns as of the reporting dates.

In the Middle East, the normal business process associated with transactions with insurers includes a number of claims disallowed which is not paid by the insurer. These rejected claims could be for various technical or medical reasons. Accordingly, the healthcare entities within the Group expect an amount of consideration that is less than what was originally invoiced. These rejections constitute variable consideration under IFRS 15. Variable consideration is recognised as revenue to the extent that it is highly probable that a reversal of revenue will not occur. Under IFRS 15, these rejected claims are recognised as part of revenue (decreasing the revenue recognised).

Rental income
The rental income received from external parties during the year from the letting of excess or unused spaces in the hospitals and medical centres. Rental income is based on individual lease agreements with a committed lease term of 1 year or less. Therefore, these are categorised as short-term leases.

There are no unsatisfied performance obligations as of the reporting dates; therefore, there are no transaction prices that are required to be allocated over the remaining or unsatisfied performance obligations.

5 OTHER EXPENSES

	Three months ended 30 June		***Six months ended 30 June***	
	2023 Unaudited) AED	*2022 (Unaudited) AED*	***2023 Unaudited) AED***	*2022 (Unaudited) AED*
Advertisement and marketing expenses	**10,126,301**	7,460,836	**21,306,265**	21,445,336
Repair and maintenance costs	**15,376,464**	10,848,461	**31,382,276**	27,703,633
Housekeeping and hospitality expenses	**14,892,008**	10,929,348	**35,967,089**	28,239,063
Security charges	**3,784,953**	3,971,106	**7,712,584**	7,981,963
Legal and professional expenses	**6,769,947**	3,091,736	**14,234,465**	9,887,418
Transportation expenses	**4,316,609**	3,064,279	**8,918,810**	7,439,967
Printing and stationery costs	**1,791,580**	1,954,686	**3,766,154**	3,571,467
Bank charges	**2,116,897**	2,378,358	**3,714,164**	4,731,015
(Gain) loss on profit rate swap	**(12,546,718)**	(8,309,163)	**1,625,981**	(11,188,116)
Utility charges	**11,425,849**	9,242,902	**22,143,145**	20,095,791
Rent expenses	**4,219,726**	3,222,708	**8,448,929**	6,693,630
Credit card commission expenses	**1,281,157**	2,666,965	**2,235,952**	3,854,269
Corporate charges (note 8)	**-**	15,143,549	**-**	28,108,881
Miscellaneous and other expenses	**15,577,534**	16,845,263	**27,167,142**	29,127,747
	79,132,307	82,511,034	**188,622,956**	187,692,064

Miscellaneous and other expenses of AED 27,167,142 includes an expense of AED 4,719,689 relating to a claim from a subcontractor which was recognised following Cessation Court judgement.

6 PROPERTY AND EQUIPMENT

The movement in property and equipment pertains to additions of AED 53,487,974 for the six months period ended 30 June 2023 (six months period ended 30 June 2022: AED 31,509,357) which comprises of building and leasehold improvements of AED 10,899,201 (2022: AED 5,300,927), medical equipment of AED 22,959,921 (2022: AED 12,020,332), furniture and fixtures of AED 4,268,050 (2022: AED 1,789,480), computer and office equipment of AED 10,349,585 (2022: AED 9,771,358) and motor vehicles of AED 5,011,217 (2022: AED 2,627,260).

Further, during the six months period ended 30 June 2023, property and equipment amounting to AED 140,924 (six months period ended 30 June 2022: AED Nil) were transferred from Response Plus Holding PJSC, a related party at amount equal to net book value (note 8).

During the six months period ended 30 June 2023, no property and equipment were disposed or transferred (six months period ended 30 June 2022 property and equipment having net book value of AED 138,019 were disposed and property and equipment having net book value of AED 1,502,924 were transferred to a related party. The transfer to related party were made at consideration equal to net book value resulting in no gain or loss) (note 8).

The depreciation charge for the three months and six months period ended amounted to AED 57,953,341 and AED 116,581,063, respectively (three months and six months period ended 30 June 2022: AED 62,619,650 and AED 128,593,561, respectively).

See note 12 for capital commitments.

7 BANK BALANCES AND CASH

	30 June 2023 AED (Unaudited)	*31 December 2022 AED (Audited)*
Cash in hand	**3,111,002**	1,630,957
Bank balances:		
Cash at bank	**209,835,886**	144,940,291
Fixed deposits	**166,125**	165,134
Margin deposits	**3,827,728**	3,226,099
Bank balances and cash	**216,940,741**	149,962,481

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at 31 December:

	30 June 2023 AED (Unaudited)	*31 December 2022 AED (Audited)*
Bank balances and cash	**216,940,741**	149,962,481
Less: margin deposits	**(3,827,728)**	(3,226,099)
Cash and cash equivalents	**213,113,013**	146,736,382

Margin deposits are cash guarantees paid to various banks. These deposits are not liquid and are not readily convertible to cash as they are subordinated to the respective facilities. Therefore, these deposits are excluded from cash and cash equivalents.

7 BANK BALANCES AND CASH continued

Fixed deposits and margin deposits are kept with local commercial bank in the United Arab Emirates, Oman and India and carry interest at prevailing market rates. Fixed deposits have a deposits have an 'original maturity' of less than 3 months.

The expected credit loss on bank balances is estimated to be immaterial as the Group only deals with reputable banks with good ratings.

	30 June 2023 AED (Unaudited)	*30 June 2022 AED (Unaudited)*
Significant non-cash transactions		
Employees' end of service benefits transferred from a related party (note 8)	**3,259,207**	-
Leave salary transferred from a related party (note 8)	**558,591**	-

8 RELATED PARTY TRANSACTIONS AND BALANCES

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

Transactions with related parties included in the interim condensed consolidated statement of comprehensive income and interim condensed consolidated statement of financial position are as follows:

	Three months ended 30 June		***Six months ended 30 June***	
	2023 Unaudited) AED	*2022 (Unaudited) AED*	***2023 Unaudited) AED***	*2022 (Unaudited) AED*
Revenue	**1,505,477**	7,669,723	**3,252,241**	11,999,099
Interest income from related parties	**-**	7,706,438	**-**	28,701,352
Purchases	**5,316,509**	4,454,345	**10,786,111**	7,037,498
Doctors' and other employees' salaries and benefits	**1,158,694**	1,444,978	**1,304,031**	3,311,873
Corporate charges (note 5)	**-**	15,143,549	**-**	28,108,881
Directors' remuneration*	**9,635,506**	-	**13,684,574**	-
Others	**9,901,618**	9,007,337	**18,681,084**	17,597,377
Employees' end of service benefits transferred from a related party (note 7)	**-**	-	**3,259,207**	-
Leave salary transferred from a related party (note 7)	**-**	-	**558,591**	-
Property and equipment transferred from / (to) related parties (note 6)	**-**	-	**140,924**	(1,502,924)

8 RELATED PARTY TRANSACTIONS AND BALANCES continued

* The directors' remuneration includes an expense of AED 4,049,068 relating to year ended 31 December 2022 which has been recorded during six months period ended 30 June 2023 as the approval from the Board and HR Committee were obtained during the period. The remuneration was approved by shareholders in annual general meeting held on 19 April 2023.

Compensation of key management personnel
The remuneration of the members of key management during the period was as follows:

	Three months ended 30 June		***Six months ended 30 June***	
	2023 Unaudited) AED	*2022 (Unaudited) AED*	***2023 Unaudited) AED***	*2022 (Unaudited) AED*
Salaries and other benefits	**1,229,000**	674,500	**2,137,000**	1,355,000
Number of key management personnel	**2**	2	**2**	2

	30 June 2023 AED (Unaudited)	*31 December 2022 AED (Audited)*
Amounts due from related parties		
Entities under common control		
VPS Healthcare LLC	**12,633,304**	9,334,733
Others	**10,565,301**	14,203,485
	23,198,605	23,538,218

Outstanding balances at the period end arise in the normal course of business, financing to and from related parties and due to receipt and payment transactions. The Entities have not recorded any impairment of amounts due from related parties. This assessment is undertaken each reporting date through examining the financial position of the related party and the market in which the related party operates.

	30 June 2023 AED (Unaudited)	*31 December 2022 AED (Audited)*
Amounts due to related parties		
Others	**34,495,274**	35,587,882

As at 30 June 2023 and 31 December 2022, various group entities and Dr Shamsheer Vayalil, a shareholder have provided corporate and personal guarantees to the banks for loans and other facilities obtained by the subsidiaries.

9 INTEREST BEARING LOANS AND BORROWINGS

	30 June 2023 AED (Unaudited)	*31 December 2022 AED (Audited)*
Term loans	**957,129,569**	1,006,959,849
Short-term loans	**250,000,000**	250,000,000
Vehicle loans	**4,355,623**	3,832,249
	1,211,485,192	1,260,792,098

Current and non-current portion of interest-bearing loans and borrowings can be analysed as follows:

	30 June 2023 AED (Unaudited)	*31 December 2022 AED (Audited)*
Non-current	**841,915,990**	903,820,385
Current	**369,569,202**	356,971,713
	1,211,485,192	1,260,792,098

Movement in the interest bearing loans and borrowings during the period / year is as follows:

	30 June 2023 AED (Unaudited)	*31 December 2022 AED (Audited)*
At 1 January	**1,260,792,098**	3,207,706,901
Additions during the period / year	**1,121,634**	300,964,527
Repayments during the period / year	**(50,428,540)**	(2,247,879,330)
At the end of the period / year	**1,211,485,192**	1,260,792,098

Interest rates
Interest rates on these loans and borrowings are at EIBOR plus a fixed margin. The range is as follows:

Commercial loans	- EIBOR + 1.9% to 3% (2022: EIBOR + 3%)
Vehicle loans	- 3% to 10% (2022: 3% to 10%)

10 SEGMENTAL REPORTING

For management purposes, the Group is organised into business units or segments based on its products and services and has four reportable segments as follows:

- Hospitals;
- Medical Centre;
- Pharmacies; and
- Others

10 SEGMENTAL REPORTING continued

Hospital includes entities that provide inpatient, day-care services and Outpatient services to patients to diagnosis the disease and offer medical and surgical treatment as part of in-patient services.

Medical Centre includes entities which offer only outpatient services to patients which includes medical consultation, lab and radiology diagnostic treatment (if required), will refer the patient to hospitals for Inpatient and day care services, if needed.

Pharmacies includes all the retail pharmacies which are outside the premises of the hospitals and medical centres. Pharmacies act as retail stores and selling pharmaceutical and cosmetic products.

Other represents business units that support the hospitals, medical centre and pharmacies to manage the supply chain, valet parking and claim submission etc.

No operating segments have been aggregated to form the above reportable operating segments.

The Chief Executive Officer of the Group is the Chief Operating Decision Maker (CODM) and monitors the operating results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the interim condensed consolidated financial statements. Also, the Group's financing (including finance costs, finance income and other income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Segment performance is evaluated based on profit or loss including EBIT and EBITDA and is measured consistently with profit or loss in the interim condensed consolidated financial statements.

10 SEGMENTAL REPORTING continued

As at and for the six months period 30 June 2023

	Hospitals AED	*Medical centre AED*	*Pharmacies AED*	*Others AED*	*Total segments AED*	*Adjustments and eliminations AED*	*Consolidation AED*
Revenue							
Out patient revenue	1,221,761,530	207,273,369	-	-	1,429,034,899	(90,162,437)	1,338,872,462
In patient revenue	745,396,852	-	-	-	745,396,852	-	745,396,852
Total clinical revenue	1,967,158,382	207,273,369	-	-	2,174,431,751	(90,162,437)	2,084,269,314
Pharmacy sales	-	-	31,986,834	-	31,986,834	(1,028,108)	30,958,726
Others	35,028,453	1,859,990	2,347,678	491,647,014	530,883,135	(487,817,805)	43,065,330
Rental income	3,518,499	17,986	-	-	3,536,485	-	3,536,485
Total revenue	2,005,705,334	209,151,345	34,334,512	491,647,014	2,740,838,205	(579,008,350)	2,161,829,855
External customers	1,917,439,457	206,954,785	33,306,404	4,129,209	2,161,829,855	-	2,161,829,855
Intersegment	88,265,877	2,196,560	1,028,108	487,517,805	579,008,350	(579,008,350)	-
Total revenue	**2,005,705,334**	**209,151,345**	**34,334,512**	**491,647,014**	**2,740,838,205**	**(579,008,350)**	**2,161,829,855**
Segment profit	203,547,601	41,281,233	4,188,788	(24,303,688)	224,713,934	-	224,713,934
Finance costs	69,356,382	1,195,668	-	8,466	70,560,516	-	70,560,516
Profit before interest, taxation (EBIT)	272,903,983	42,476,901	4,188,788	(24,295,222)	295,274,450	-	295,274,450
Depreciation and amortisation	154,568,623	15,598,355	359,072	1,170,799	171,696,849	-	171,696,849
Profit before interest, taxation, depreciation, amortisation (EBITDA)	**427,472,606**	**58,075,256**	**4,547,860**	**(23,124,423)**	**466,971,299**	-	**466,971,299**
Total assets as at 30 June 2023	7,865,410,466	597,149,694	118,782,969	2,550,009,815	11,131,352,944	(6,248,506,964)	4,882,845,980
Total liabilities as at 30 June 2023	7,063,898,501	561,597,049	119,637,368	2,095,605,501	9,840,738,419	(6,300,453,471)	3,540,284,948
Other disclosures as at 30 June 2023:							
Additions to property and equipment	48,745,967	3,013,988	486,203	1,241,816	53,487,974	-	53,487,974
Additions to intangibles	2,607,820	175,830	-	277,096	3,060,746	-	3,060,746
Additions to capital work in progress	-	57,725	-	-	57,725	-	57,725

10 SEGMENTAL REPORTING continued

For the six months period 30 June 2022 and as at 31 December 2022:

	Hospitals AED	*Medical centre AED*	*Pharmacies AED*	*Others AED*	*Total segments AED*	*Adjustments and eliminations AED*	*Consolidation AED*
Revenue							
Out patient revenue	1,108,384,848	183,519,340	-	-	1,291,904,188	(78,086,344)	1,213,817,844
In patient revenue	623,594,223	-	-	-	623,594,223	-	623,594,223
Total clinical revenue	1,731,979,071	183,519,340	-	-	1,915,498,411	(78,086,344)	1,837,412,067
Pharmacy sales	-	-	34,188,511	-	34,188,511	(88,086)	34,100,425
Others	19,631,760	479,051	-	381,981,427	402,092,238	(378,141,289)	23,950,949
Rental income	3,139,230	-	-	98,219	3,237,449	(300,000)	2,937,449
Total revenue	1,754,750,061	183,998,391	34,188,511	382,079,646	2,355,016,609	(456,615,719)	1,898,400,890
External customers	1,678,397,042	181,965,066	34,100,425	3,938,357	1,898,400,890		1,898,400,890
Intersegment	76,353,019	2,033,325	88,086	378,141,289	456,615,719	(456,615,719)	-
Total revenue	1,754,750,061	183,998,391	34,188,511	382,079,646	2,355,016,609	(456,615,719)	1,898,400,890
Segment profit	106,975,240	25,724,359	2,624,274	17,561,753	152,885,626	-	152,885,626
Finance costs	103,754,191	1,482,588	-	271,325	105,508,104	-	105,508,104
Finance income	(28,701,352)	-	-	-	(28,701,352)	-	(28,701,352)
Profit before interest, taxation (EBIT)	182,028,079	27,206,947	2,624,274	17,833,078	229,692,378	-	229,692,378
Depreciation and amortisation	163,742,402	19,446,161	372,125	985,465	184,546,153	-	184,546,153
Profit before interest, taxation, depreciation, amortisation (EBITDA)	345,770,481	46,653,108	2,996,399	18,818,543	414,238,531	-	414,238,531
Total assets as at 31 December 2022	7,715,105,176	539,866,298	112,194,472	2,460,825,938	10,827,991,884	(6,142,856,535)	4,685,135,349
Total liabilities as at 31 December 2022	7,118,332,118	546,114,292	116,746,941	1,967,561,981	9,748,755,332	(6,181,467,081)	3,567,288,251
Other disclosures as at 31 December 2022:							
Additions to property and equipment	26,185,829	2,384,826	590,437	2,348,265	31,509,357	-	31,509,357
Additions to intangibles	126,970	-	-	-	126,970	-	126,970
Additions to capital work in progress	1,518,692	27,250	-	-	1,545,942	-	1,545,942

10 SEGMENTAL REPORTING continued

For the three months period 30 June 2023

	Hospitals *AED*	*Medical centre* *AED*	*Pharmacies* *AED*	*Others* *AED*	*Total segments* *AED*	*Adjustments and eliminations* *AED*	*Consolidation* *AED*
Revenue							
Out patient revenue	605,521,535	100,076,225	-	-	705,597,760	(40,021,902)	665,575,858
In patient revenue	370,730,843	-	-	-	370,730,843	-	370,730,843
Total clinical revenue	976,252,378	100,076,225	-	-	1,076,328,603	(40,021,902)	1,036,306,701
Pharmacy sales	-	-	15,555,305	-	15,555,305	(109,301)	15,446,004
Others	20,380,915	970,937	165,083	240,768,581	262,285,516	(239,230,345)	23,055,171
Rental income	2,150,696	8,125	-	-	2,158,821	-	2,158,821
Total revenue	998,783,989	101,055,287	15,720,388	240,768,581	1,356,328,245	(279,361,548)	1,076,966,697
External customers	959,811,016	99,856,357	15,611,087	1,688,237	1,076,966,697	-	1,076,966,697
Intersegment	38,972,973	1,198,930	109,301	239,080,344	279,361,548	(279,361,548)	-
Total revenue	**998,783,989**	**101,055,287**	**15,720,388**	**240,768,581**	**1,356,328,245**	**(279,361,548)**	**1,076,966,697**
Segment profit	98,768,564	19,414,838	328,551	(15,141,195)	103,370,758	-	103,370,758
Finance costs	34,861,046	555,231	-	4,479	35,420,756	-	35,420,756
Profit before interest, taxation (EBIT)	133,629,610	19,970,069	328,551	(15,136,716)	138,791,514	-	138,791,514
Depreciation and amortisation	78,131,710	7,705,433	176,097	602,280	86,615,520	-	86,615,520
Profit before interest, taxation, depreciation, amortisation (EBITDA)	**211,761,320**	**27,675,502**	**504,648**	**(14,534,436)**	**225,407,034**	-	**225,407,034**

10 SEGMENTAL REPORTING continued

For the three months period 30 June 2022:

	Hospitals *AED*	*Medical centre* *AED*	*Pharmacies* *AED*	*Others* *AED*	*Total segments* *AED*	*Adjustments and eliminations* *AED*	*Consolidation* *AED*
Revenue							
Out patient revenue	495,670,104	97,362,639	-	-	593,032,743	(33,179,993)	559,852,750
In patient revenue	330,714,365	-	-	-	330,714,365	-	330,714,365
Total clinical revenue	826,384,469	97,362,639	-	-	923,747,108	(33,179,993)	890,567,115
Pharmacy sales	-	-	17,954,232	-	17,954,232	(88,086)	17,866,146
Others	13,322,769	338,941	-	217,287,103	230,948,813	(213,737,610)	17,211,203
Rental income	939,615	-	-	98,219	1,037,834	(300,000)	737,834
Total revenue	840,646,853	97,701,580	17,954,232	217,385,322	1,173,687,987	(247,305,689)	926,382,298
External customers	808,168,836	96,699,604	17,866,146	3,647,712	926,382,298		926,382,298
Intersegment	32,478,017	1,001,976	88,086	213,737,610	247,305,689	(247,305,689)	-
Total revenue	840,646,853	97,701,580	17,954,232	217,385,322	1,173,687,987	(247,305,689)	926,382,298
Segment profit	46,133,556	15,658,117	1,742,923	4,726,096	68,260,692	-	68,260,692
Finance costs	49,625,722	422,987	-	176,572	50,225,281	-	50,225,281
Finance income	(7,706,438)	-	-	-	(7,706,438)	-	(7,706,438)
Profit before interest, taxation (EBIT)	88,052,840	16,081,104	1,742,923	4,902,668	110,779,535	-	110,779,535
Depreciation and amortisation	80,426,522	9,385,808	186,772	498,898	90,498,000	-	90,498,000
Profit before interest, taxation, depreciation, amortisation (EBITDA)	168,479,362	25,466,912	1,929,695	5,401,566	201,277,535	-	201,277,535

10 SEGMENTAL REPORTING continued

Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column.

Revenue by Geographic segments:

	Emirate of Abu Dhabi AED	*Northern Emirates AED*	*Sultanate of Oman AED*	*Total AED*
For the six months period ended 30 June 2023				
Out patient revenue	1,200,759,749	82,266,613	55,846,100	1,338,872,462
In patient revenue	639,930,132	84,261,228	21,205,492	745,396,852
Pharmacy	30,958,726	-	-	30,958,726
Other income	33,241,449	3,685,356	6,138,525	43,065,330
	1,904,890,056	170,213,197	83,190,117	2,158,293,370
Rental income	3,480,676	-	55,809	3,536,485
Total revenue	**1,908,370,732**	**170,213,197**	**83,245,926**	**2,161,829,855**
For the six months period ended 30 June 2022				
Out patient revenue	1,077,686,656	75,945,920	60,185,268	1,213,817,844
In patient revenue	524,126,749	75,236,248	24,231,226	623,594,223
Pharmacy	34,100,425	-	-	34,100,425
Other income	19,360,377	1,049,921	3,540,651	23,950,949
	1,655,274,207	152,232,089	87,957,145	1,895,463,441
Rental income	2,679,949	257,500	-	2,937,449
Total revenue	1,657,954,156	152,489,589	87,957,145	1,898,400,890
For the three months period ended 30 June 2023				
Out patient revenue	596,017,309	41,243,004	28,315,545	665,575,858
In patient revenue	318,336,061	42,113,465	10,281,317	370,730,843
Pharmacy	15,446,004	-	-	15,446,004
Other income	18,620,750	1,412,578	3,021,843	23,055,171
	948,420,124	84,769,047	41,618,705	1,074,807,876
Rental income	2,123,762	-	35,059	2,158,821
Total revenue	**950,543,886**	**84,769,047**	**41,653,764**	**1,076,966,697**
For the three months period ended 30 June 2022				
Out patient revenue	501,080,562	33,082,517	25,689,671	559,852,750
In patient revenue	281,681,294	37,061,673	11,971,398	330,714,365
Pharmacy	17,866,146	-	-	17,866,146
Other income	13,138,440	532,112	3,540,651	17,211,203
	813,766,442	70,676,302	41,201,720	925,644,464
Rental income	609,084	128,750	-	737,834
Total revenue	814,375,526	70,805,052	41,201,720	926,382,298

11 DERIVATIVE FINANCIAL INSTRUMENT

The Group has entered into a profit rate swap agreement with Islamic bank in United Arab Emirates to manage its interest rate exposure. The change in the fair value of the derivative amounting to AED 1,625,981 (loss) for the six months period ended 30 June 2023 (30 June 2022: AED 11,188,116 (profit)) is included as a component of other expenses in the interim condensed consolidated statement of comprehensive income.

The fair value of the Group's derivative financial instrument as at 30 June 2023 and 31 December 2022 are is follows:

	30 June 2023 AED (Unaudited)	*31 December 2022 AED (Audited)*
Profit rate swaps – non-current liabilities	**30,000,612**	28,374,631

As at 30 June 2023 and 31 December 2022, the Group has an interest rate swap agreement to limit exposure to interest rate increases related to a portion of the floating rate indebtedness. As at 30 June 2023, the aggregate notional principal amount of the outstanding interest rate swap contract amounts to AED 786,549,455 (31 December 2022: AED 491,429,670). The derivative financial instrument represent the recognition of a financial liability amounting to AED 30,000,612 as at 30 June 2023 (31 December 2022: AED 28,374,631) relating to the fair value adjustment of the profit rate swap.

The fair values of the profit rate swap are estimated using quotes from external sources or the counterparty to the instruments. In valuing unquoted instruments, valuation techniques, including discounted cash flow models and option pricing models, are used as appropriate. The loss on the interest rate swap is recognised in the interim condensed consolidated statement of comprehensive income for respective periods.

The following table analyses within the fair value hierarchy the Group's financial instrument measured at fair value at 30 June 2023 and 31 December 2022:

	Level 1 AED	*Level 2 AED*	*Level 3 AED*
Derivative financial instrument – Profit rate swap measured at fair value:			
30 June 2023	**-**	**30,000,612**	**-**
31 December 2022	-	28,374,631	-

The levels of fair value inputs used to measure the investments are characterised in accordance with the fair value hierarchy established by IFRS 7. The management uses its judgment and consider factors specific to the investment in determining the significance of an input to a fair value measurement. The three levels of the fair value hierarchy and investments that fall into each of the levels are described below:

Level 1: Level 1 inputs are unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. The Group uses Level 1 inputs for investments in publicly traded unrestricted securities for which the Group does not have a controlling interest. The Group does not measure the fair value of the financial instruments using Level 1 inputs as of 30 June 2023 and 31 December 2022.

11 DERIVATIVE FINANCIAL INSTRUMENTS continued

Level 2: Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The Group measures the fair value of financial instruments using this category.

Level 3: Level 3 inputs are unobservable and cannot be corroborated by observable market data. The Group does not measure the fair value of the financial instruments using Level 3 inputs as of 30 June 2023 and 31 December 2022.

Due to the uncertainty inherent in the valuation process, such estimates of fair value may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material. Additionally, changes in the market environment and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these instruments to be different than the valuations currently assigned.

During the period ended 31 June 2023 and year ended 31 December 2022, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

12 CONTINGENCIES AND COMMITMENTS

Contingencies
At 30 June 2023, the Group had contingent liabilities in respect of labour guarantees amounting to AED 1,622,432 (31 December 2022: AED 1,622,432) and performance guarantees amounting to AED 11,653,423 (31 December 2022: AED 9,453,423) arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

Capital commitments
Capital expenditure contracted but not yet incurred at the end of the period / year as follows:

	30 June 2023 AED (Unaudited)	*31 December 2022 AED (Audited)*
Building improvements	**4,213,716**	9,127,550
Medical equipment	**14,800,470**	6,399,924
Others	**2,403,545**	727,023
	21,417,731	16,254,497

13 SEASONALITY OF RESULTS

No significant income of seasonal nature was recorded in the interim condensed consolidated statement of comprehensive income for the three months and six months period ended 30 June 2023 and 30 June 2022.

14 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the period attributed to the Equity holders of the Parent by the weighted average number of shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit for the period attributable to the Equity holders of the Parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The information necessary to calculate basic and diluted earnings per share is as follows:

	Three months ended 30 June		***Six months ended 30 June***	
	2023 (Unaudited) AED	*2022 (Unaudited) AED*	***2023 (Unaudited) AED***	*2022 (Unaudited) AED*
Earnings:				
Profit attributable to Equity holders of the Parent (AED)	**94,888,318**	61,139,332	**213,684,630**	143,306,291
Number of shares				
Weighted -average number of ordinary shares for basic and diluted earnings per share (restated*)	**5,205,134,170**	5,004,736,510	**5,205,134,170**	5,004,736,510
Earnings per share				
Basic and diluted earnings per share (AED) (restated*)	**0.02**	0.01	**0.04**	0.03

* The weighted average number of shares includes the impact of bonus shares issued, split of shares and reduction of share capital during the period. During the period, there is no dilution in the weighted average number of shares.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these interim condensed consolidated financial statements.

15 COMPARATIVE INFORMATION

The Group has changed presentation of comparative information in interim condensed consolidated statement of comprehensive income to conform to the current period presentation. This reclassification did not have any impact on the previously reported profit or equity of the Group.

The reclassifications are summarised as follows:

	Six months ended 30 June 2022		
	(Unaudited) AED As previously reported	*(Unaudited) AED As reclassified now*	*(Unaudited) AED Reclassification*
Interim condensed consolidated statement of comprehensive income:			
Inventories consumed	464,902,764	453,087,287	(11,815,477)
Other expenses	175,876,587	187,692,064	11,815,477

15 COMPARATIVE INFORMATION continued

	Three months ended 30 June 2022		
	(Unaudited) AED As previously reported	*(Unaudited) AED As reclassified now*	*(Unaudited) AED Reclassification*
Interim condensed consolidated statement of comprehensive income:			
Inventories consumed	239,352,099	234,098,474	(5,253,625)
Other expenses	77,257,409	82,511,034	5,253,625