

Burjeel Holdings PLC

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS PERIOD ENDED 30 JUNE 2024 (UNAUDITED)



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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 2024, comprising of the interim consolidated statement of financial position as at 30 June 2024, and the related interim 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.

For Ernst & Young Middle East (ADGM Branch)

Anthony O' Sullivan

7 August 2024
Abu Dhabi, United Arab Emirates

Burjeel Holdings PLC

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months period ended 30 June 2024 (unaudited)

	Notes	Three months ended 30 June		Six months ended 30 June	
		2024 AED	2023 AED	2024 AED	2023 AED
Revenue	4	<u>1,181,600,905</u>	<u>1,076,966,697</u>	<u>2,386,583,499</u>	<u>2,161,829,855</u>
Doctors' and other employees' salaries and emoluments		(527,933,304)	(488,338,215)	(1,059,318,842)	(953,243,172)
Inventories consumed		(300,643,426)	(265,234,842)	(604,767,034)	(516,995,015)
Depreciation on property and equipment	6	(53,169,886)	(57,953,341)	(108,649,263)	(116,581,063)
Amortisation of intangible assets		(1,304,643)	(856,800)	(2,653,336)	(1,728,896)
Depreciation on right-of-use assets		(29,596,682)	(27,805,379)	(59,064,041)	(53,386,890)
Provision for expected credit losses		(23,800,168)	(17,712,083)	(45,900,450)	(35,648,800)
Other expenses	5	<u>(142,298,078)</u>	<u>(88,767,813)</u>	<u>(247,298,616)</u>	<u>(202,307,530)</u>
OPERATING PROFIT FOR THE PERIOD		102,854,718	130,298,224	258,931,917	281,938,489
Finance costs		(36,202,573)	(35,420,756)	(69,076,617)	(70,560,516)
Change in fair value of financial assets carried at fair value through profit and loss		1,826,082	-	(9,970,454)	-
Share of profit from associates		<u>3,221,340</u>	<u>8,493,290</u>	<u>7,116,418</u>	<u>13,335,961</u>
PROFIT BEFORE TAX FOR THE PERIOD		71,699,567	103,370,758	187,001,264	224,713,934
Income tax	15	<u>(7,184,237)</u>	<u>-</u>	<u>(18,123,550)</u>	<u>-</u>
PROFIT FOR THE PERIOD		<u>64,515,330</u>	<u>103,370,758</u>	<u>168,877,714</u>	<u>224,713,934</u>
Other comprehensive income		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>64,515,330</u>	<u>103,370,758</u>	<u>168,877,714</u>	<u>224,713,934</u>
Profit for the period and total comprehensive income for the period attributable to:					
Equity holders of the Parent Company		61,565,818	94,888,318	163,584,648	213,684,630
Non-controlling interests		<u>2,949,512</u>	<u>8,482,440</u>	<u>5,293,066</u>	<u>11,029,304</u>
		<u>64,515,330</u>	<u>103,370,758</u>	<u>168,877,714</u>	<u>224,713,934</u>
Earnings per share attributable to the equity holders of the Parent Company - basic and diluted earnings per share (AED)	16	<u>0.01</u>	<u>0.02</u>	<u>0.03</u>	<u>0.04</u>

The accompanying notes 1 to 17 form an integral part of these interim condensed consolidated financial statements.

Burjeel Holdings PLC

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

		(Unaudited) 30 June 2024 AED	(Audited) 31 December 2023 AED
	Notes		
ASSETS			
Non-current assets			
Property and equipment	6	1,881,487,966	1,914,555,641
Intangible assets		17,116,864	18,873,594
Right-of-use assets		976,356,976	1,010,791,935
Capital work in progress		57,875,139	39,916,220
Investment in associates		20,980,093	28,663,675
Deferred tax	15	3,898,964	-
Term deposits		<u>2,552,500</u>	<u>2,552,500</u>
		2,960,268,502	3,015,353,565
Current assets			
Inventories		286,508,289	261,272,228
Accounts receivable and prepayments		1,934,777,342	1,634,119,073
Amounts due from related parties	8	21,108,239	23,793,148
Financial asset carried at fair value through profit and loss	12	-	36,862,062
Bank balances and cash	7	<u>164,814,052</u>	<u>170,004,976</u>
		2,407,207,922	2,126,051,487
TOTAL ASSETS		5,367,476,424	5,141,405,052
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		<u>714,145,175</u>	<u>615,624,704</u>
Equity attributable to equity holders of the parent		1,608,105,810	1,509,585,339
Non-controlling interests		<u>42,764,659</u>	<u>47,471,593</u>
Total equity		1,650,870,469	1,557,056,932
Non-current liabilities			
Interest bearing loans and borrowings	9	838,185,754	782,086,391
Lease liabilities		1,036,052,506	1,062,444,262
Employees' end of service benefits		164,234,775	151,117,100
Derivative financial instrument	11	-	30,396,005
		2,038,473,035	2,026,043,758
Current liabilities			
Accounts payable and accruals		1,183,932,910	1,029,363,696
Lease liabilities		112,959,048	107,362,123
Interest bearing loans and borrowings	9	329,889,207	381,911,515
Amounts due to related parties	8	<u>51,351,755</u>	<u>39,667,028</u>
		1,678,132,920	1,558,304,362
Total liabilities		3,716,605,955	3,584,348,120
TOTAL EQUITY AND LIABILITIES		5,367,476,424	5,141,405,052

Mr. John Sunil
Chief Executive Officer

Mr. Muhammed Shihabuddin
Chief Financial Officer

The accompanying notes 1 to 17 form an integral part of these interim condensed consolidated financial statements.

Burjeel Holdings PLC

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months period ended 30 June 2024 (unaudited)

	Attributable to the equity holders of Parent							Non - controlling interest AED	Total equity AED
	Share capital AED	Share premium AED	Other reserve AED	Shareholder's contribution AED	Retained earnings AED	Total AED			
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	
As at 1 January 2024 (audited)	520,513,417	366,854,049	3,039,504	3,553,665	615,624,704	1,509,585,339	47,471,593	1,557,056,932	
Profit for the period (unaudited)	-	-	-	-	163,584,648	163,584,648	5,293,066	168,877,714	
Total comprehensive income for the period (unaudited)	-	-	-	-	163,584,648	163,584,648	5,293,066	168,877,714	
Dividend paid to non-controlling interest (note 17)	-	-	-	-	-	-	(10,000,000)	(10,000,000)	
Dividend paid (note 17)	-	-	-	-	(65,064,177)	(65,064,177)	-	(65,064,177)	
Balance at 30 June 2024 (unaudited)	520,513,417	366,854,049	3,039,504	3,553,665	714,145,175	1,608,105,810	42,764,659	1,650,870,469	

The accompanying notes 1 to 17 form an integral part of these interim condensed consolidated financial statements.

Burjeel Holdings PLC

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months period ended 30 June 2024 (unaudited)

		<i>Six-month ended 30 June</i>	
		<i>2024</i>	<i>2023</i>
		<i>AED</i>	<i>AED</i>
	<i>Notes</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
OPERATING ACTIVITIES			
Profit before tax for the period		187,001,264	224,713,934
Adjustments for:			
Depreciation on property and equipment	6	108,649,263	116,581,063
Amortisation of intangible assets		2,653,336	1,728,896
Depreciation on right-of-use assets		59,064,041	53,386,890
Provision for expected credit losses		45,900,450	35,648,800
Change in fair value of financial assets			
carried at fair value through profit and loss		9,970,454	-
Share of profit from investment in associates		(7,116,418)	(13,335,961)
Provision for employees' end of service benefits		24,028,702	23,818,333
Lease adjustment		46,369	(4,485,727)
Gain on disposal of property and equipment	6	(13,405)	-
Change in fair value of derivative financial instrument	11	(12,075,467)	1,625,981
Finance costs		<u>69,076,617</u>	<u>70,560,516</u>
		487,185,206	510,242,725
Working capital adjustments:			
Inventories		(25,236,061)	(5,415,297)
Accounts receivable and prepayments		(344,557,111)	(238,853,783)
Amounts due from related parties		2,684,909	3,598,820
Accounts payable and accruals		132,546,700	33,713,706
Amounts due to related parties		<u>11,684,727</u>	<u>(1,233,532)</u>
Cash generated from operations		264,308,370	302,052,639
Employees' end of service benefits paid		(10,911,027)	(10,084,415)
Finance costs paid		<u>(41,863,863)</u>	<u>(45,387,653)</u>
Net cash flows from operating activities		<u>211,533,480</u>	<u>246,580,571</u>
INVESTING ACTIVITIES			
Purchase of property and equipment	6	(75,402,495)	(53,487,974)
Additions to intangible assets		(860,273)	(3,060,746)
Additions to capital work in progress		(18,215,699)	(57,725)
Proceeds from disposal of property and equipment	6	54,762	-
Proceeds from sale of financial assets carried at			
fair value through profit and loss		23,500,000	-
Dividend income received from associates, net of investment		<u>14,800,000</u>	<u>12,600,000</u>
Net cash flows used in investing activities		<u>(56,123,705)</u>	<u>(44,006,445)</u>
FINANCING ACTIVITIES			
Payment of lease liabilities		(71,293,039)	(86,288,960)
Net movement in margin account		-	(601,629)
Dividend paid	17	(65,064,177)	-
Dividend paid to non-controlling interest	17	(10,000,000)	-
Settlement of derivative financial instrument	11	(18,320,538)	-
Proceeds from interest bearing loans and borrowings	9	194,212,288	1,121,634
Repayment of interest bearing loans and borrowings	9	<u>(190,135,233)</u>	<u>(50,428,540)</u>
Net cash flows used in financing activities		<u>(160,600,699)</u>	<u>(136,197,495)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(5,190,924)	66,376,631
Cash and cash equivalents at 1 January		<u>166,177,248</u>	<u>146,736,382</u>
CASH AND CASH EQUIVALENTS AT 30 JUNE	7	<u>160,986,324</u>	<u>213,113,013</u>
Significant non-cash transaction excluded from the interim consolidated statement of cash flows is as follows:			
Transfer from prepaid to right-of-use assets		<u>1,390,000</u>	<u>-</u>

The accompanying notes 1 to 17 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 Board of Directors and authorised for issue on 7 August 2024.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting.

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 2023. In addition, results for the six months period ended 30 June 2024 are not necessarily indicative of the results for the year ending 31 December 2024.

During the period, the Group has reclassified certain comparative amounts to conform to the presentation as in the current period.

These interim condensed consolidated financial statements have been prepared on the historical cost basis, except for derivative financial instrument and financial assets carried at fair value through profit and loss which are stated 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.

2.2 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; and
- The ability to use its power over the investee to affect its returns.

2 BASIS OF PREPARATION continued

2.2 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; and
- 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 period 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2024 (Unaudited)

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 consistent with those applied by the Group in the preparation of the consolidated financial statements as at and for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial statements of the Group:

- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to IAS 1: Classification of liabilities as Current or Non-current

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

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 2023.

4 REVENUE

4.1 Types of revenue

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
Clinic revenue	1,139,092,289	1,036,306,701	2,303,669,635	2,084,269,314
Pharmacy sales	14,846,402	15,446,004	30,569,631	30,958,726
Other operating income	26,137,339	23,055,171	49,832,214	43,065,330
Revenue from contracts with customers	1,180,076,030	1,074,807,876	2,384,071,480	2,158,293,370
Rental income	1,524,875	2,158,821	2,512,019	3,536,485
	<u>1,181,600,905</u>	<u>1,076,966,697</u>	<u>2,386,583,499</u>	<u>2,161,829,855</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2024 (Unaudited)

4 REVENUE continued

4.2 Revenue from contracts with customers – timing of recognition

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2024 (Unaudited) AED</i>	<i>2023 (Unaudited) AED</i>	<i>2024 (Unaudited) AED</i>	<i>2023 (Unaudited) AED</i>
Out patient – services rendered at a point in time	723,944,839	665,575,858	1,476,264,411	1,338,872,462
In patient – services rendered over time	415,147,450	370,730,843	827,405,224	745,396,852
Pharmacy – services rendered at a point in time	14,846,402	15,446,004	30,569,631	30,958,726
Other operating income – services rendered at a point in time	9,036,789	1,477,712	17,107,754	5,754,959
Other operating income – services rendered over time	<u>17,100,550</u>	<u>21,577,459</u>	<u>32,724,460</u>	<u>37,310,371</u>
	<u>1,180,076,030</u>	<u>1,074,807,876</u>	<u>2,384,071,480</u>	<u>2,158,293,370</u>

4.3 Geographical markets

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2024 (Unaudited) AED</i>	<i>2023 (Unaudited) AED</i>	<i>2024 (Unaudited) AED</i>	<i>2023 (Unaudited) AED</i>
United Arab Emirates	1,131,137,443	1,033,189,171	2,286,401,992	2,075,103,253
Sultanate of Oman	48,272,361	41,618,705	96,035,145	83,190,117
Kingdom of Saudi Arabia	<u>666,226</u>	<u>-</u>	<u>1,634,343</u>	<u>-</u>
	<u>1,180,076,030</u>	<u>1,074,807,876</u>	<u>2,384,071,480</u>	<u>2,158,293,370</u>

4.4 Revenue from contracts with customers by asset type

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2024 (Unaudited) AED</i>	<i>2023 (Unaudited) AED</i>	<i>2024 (Unaudited) AED</i>	<i>2023 (Unaudited) AED</i>
Hospitals	1,052,003,477	937,429,403	2,125,887,856	1,879,192,503
Medical centres	87,088,812	98,877,298	177,781,779	205,076,811
Pharmacies	14,846,402	15,446,004	30,569,631	30,958,726
Others	<u>26,137,339</u>	<u>23,055,171</u>	<u>49,832,214</u>	<u>43,065,330</u>
	<u>1,180,076,030</u>	<u>1,074,807,876</u>	<u>2,384,071,480</u>	<u>2,158,293,370</u>

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 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).

Burjeel Holdings PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2024 (Unaudited)

4 REVENUE continued

Performance obligations continued

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	
	2024 (Unaudited) AED	2023 (Unaudited) AED	2024 (Unaudited) AED	2023 (Unaudited) AED
Directors' remuneration* (note 8)	31,582,187	9,635,506	36,143,636	13,684,574
Advertisement and marketing expenses	22,044,165	10,126,301	40,789,470	21,306,265
Repair and maintenance costs	20,535,155	15,376,464	37,114,553	31,382,276
Housekeeping and hospitality expenses	18,080,271	14,892,008	38,913,296	35,967,089
Utility charges	14,289,373	11,425,849	25,731,283	22,143,145
Legal and professional expenses	7,966,152	6,769,947	17,251,628	14,234,465
Transportation expenses	5,342,735	4,316,609	10,648,456	8,918,810
Security charges	4,322,483	3,784,953	8,353,245	7,712,584
Rent expenses	3,451,725	4,219,726	7,025,105	8,448,929
Bank charges	2,337,236	2,116,897	4,735,424	3,714,164
Printing and stationery expenses	2,031,884	1,791,580	3,829,413	3,766,154
Credit card commission expenses	1,050,877	1,281,157	2,079,558	2,235,952
(Gain) loss on profit derivative financial instruments	(3,620,548)	(12,546,718)	(12,075,467)	1,625,981
Miscellaneous expenses	12,884,383	15,577,534	26,759,016	27,167,142
	142,298,078	88,767,813	247,298,616	202,307,530

* Includes bonus amounting to AED 27,020,738 (equivalent to 5% of the profit for the year ended 31 December 2023), approved by shareholders of the Company in the Annual General Meeting held on 5 April 2024.

6 PROPERTY AND EQUIPMENT

The movement in property and equipment pertains to additions of AED 75,402,495 for the six months period ended 30 June 2024 (six months period ended 30 June 2023: AED 53,487,974) which comprises of building and leasehold improvements of AED 15,580,232 (2023: AED 10,899,201), medical equipment of AED 33,008,466 (2023: AED 22,959,921), furniture and fixtures of AED 7,783,066 (2023: AED 4,268,050), computer and office equipment of AED 12,404,526 (2023: AED 10,349,585) and motor vehicles of AED 6,626,204 (2023: AED 5,011,217).

Further, during the six months period ended 30 June 2024, no property and equipment were transferred to or from related parties (six months period ended 30 June 2023: property and equipment amounting to AED 140,924 were transferred from Response Plus Holding PJSC, a related party at amount equal to net book value) (note 8).

Further, during the six months period ended 30 June 2024, leasehold improvements amounting to AED 220,447 were transferred from capital work in progress (six months period ended 30 June 2024: Nil).

Burjeel Holdings PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2024 (Unaudited)

6 PROPERTY AND EQUIPMENT continued

During the six months period ended 30 June 2024, motor vehicles having net book value of nil and furniture and fixtures having net book value of AED 41,354 were disposed at AED 54,762 resulting in gain of AED 13,405 on disposal (six months period ended 30 June 2023: Nil).

The depreciation charge for the three months and six months period ended amounted to AED 53,169,886 and AED 108,649,263 respectively (three months and six months period ended 30 June 2023: AED 57,953,341 and AED 116,581,063, respectively).

See note 13 for capital commitments.

7 BANK BALANCES AND CASH

	<i>30 June 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
Cash in hand	5,145,018	3,394,146
<i>Bank balances:</i>		
Current account	155,670,613	162,612,409
Fixed deposits	170,693	170,693
Margin deposits	<u>3,827,728</u>	<u>3,827,728</u>
Bank balances and cash	<u>164,814,052</u>	<u>170,004,976</u>
	<i>30 June 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
Bank balances and cash	164,814,052	170,004,976
Less: margin deposits	<u>(3,827,728)</u>	<u>(3,827,728)</u>
Cash and cash equivalents	<u>160,986,324</u>	<u>166,177,248</u>

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.

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

	<i>30 June 2024 AED (Unaudited)</i>	<i>30 June 2023 AED (Unaudited)</i>
<i>Significant non-cash transactions</i>		
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
Property and equipment transferred from a related party (note 8)	-	140,924

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2024 (Unaudited)

8 RELATED PARTY TRANSACTIONS AND BALANCES

These represent transactions with related parties, i.e., shareholders and senior management of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of all transactions are approved by the management of the Group.

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

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
Revenue	<u>453,883</u>	<u>1,505,477</u>	<u>1,146,736</u>	<u>3,252,241</u>
Purchases	<u>6,234,483</u>	<u>5,316,509</u>	<u>12,158,152</u>	<u>10,786,111</u>
Doctors' and other employees' salaries and benefits	<u>535,485</u>	<u>1,158,694</u>	<u>1,102,511</u>	<u>1,304,031</u>
Directors' remuneration (note 5)	<u>31,582,187</u>	<u>9,635,506</u>	<u>36,143,636</u>	<u>13,684,574</u>
Hospitality expenses	<u>8,275,579</u>	<u>5,521,941</u>	<u>14,774,464</u>	<u>10,946,549</u>
Others	<u>2,829,604</u>	<u>4,379,677</u>	<u>5,814,845</u>	<u>7,734,535</u>
Employees' end of service benefits transferred from a related party (note 7)	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,259,207</u>
Leave salary transferred from a related party (note 7)	<u>-</u>	<u>-</u>	<u>-</u>	<u>558,591</u>
Property and equipment transferred from a related party (note 6)	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,924</u>

Compensation of key management personnel

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

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
Salaries and other benefits	<u>1,317,500</u>	<u>1,229,000</u>	<u>7,385,000</u>	<u>2,137,000</u>
Number of key management personnel	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

8 RELATED PARTY TRANSACTIONS AND BALANCES continued

	30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Amounts due from related parties		
<i>Entities under common control</i>		
VPS Healthcare LLC	12,305,285	12,562,710
Others	<u>8,802,954</u>	<u>11,230,438</u>
	<u>21,108,239</u>	<u>23,793,148</u>

Outstanding balances at the period end arise in the normal course of business 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 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Amounts due to related parties		
<i>Entities under common control</i>		
Others	<u>51,351,755</u>	<u>39,667,028</u>

As at 30 June 2024 and 31 December 2023, various group entities have provided corporate guarantees to the banks for loans and other facilities obtained by the subsidiaries and by the Company except with one bank where various group entities have provided corporate guarantees and a personal guarantee from Dr Shamsheer Vayalil.

9 INTEREST BEARING LOANS AND BORROWINGS

	30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Term loans	912,761,858	906,465,959
Short-term loan	247,750,000	250,000,000
Vehicle loans	<u>7,563,103</u>	<u>7,531,947</u>
	<u>1,168,074,961</u>	<u>1,163,997,906</u>

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

	30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Non-current	838,185,754	782,086,391
Current	<u>329,889,207</u>	<u>381,911,515</u>
	<u>1,168,074,961</u>	<u>1,163,997,906</u>

Burjeel Holdings PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2024 (Unaudited)

9 INTEREST BEARING LOANS AND BORROWINGS continued

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

	30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
At 1 January	1,163,997,906	1,260,792,098
Additions during the period / year	194,212,288	5,068,096
Repayments during the period / year	<u>(190,135,233)</u>	<u>(101,862,288)</u>
At the end of period / year	<u>1,168,074,961</u>	<u>1,163,997,906</u>

During the period ended 30 June 2024, the Company entered into an agreement with a commercial bank in Abu Dhabi to repay the existing loans and acquire new investments. The facility is secured by irrevocable corporate guarantees of specific subsidiaries. The facility is further secured by pledge over collection accounts, mortgage over plant and equipment and assignment of insurance and credit card receivables of specific subsidiaries (except Burjeel Hospital LLC).

Interest rates

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

Commercial loans	- EIBOR + 1.65% to 1.9% (2023: EIBOR + 1.9% to 3%)
Vehicle loans	- 3% to 9.51% (2023: 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

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.

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.

Burjeel Holdings PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2024 (Unaudited)

10 SEGMENTAL REPORTING continued

As at and for the six months period 30 June 2024

	Hospitals AED	Medical centre AED	Pharmacies AED	Others AED	Total segments AED	Adjustments and eliminations AED	Consolidation AED
Revenue							
Out patient revenue	1,379,210,632	180,179,229	-	-	1,559,389,861	(83,125,450)	1,476,264,411
In patient revenue	827,405,224	-	-	-	827,405,224	-	827,405,224
Total clinical revenue	2,206,615,856	180,179,229	-	-	2,386,795,085	(83,125,450)	2,303,669,635
Pharmacy sales			30,897,170		30,897,170	(327,539)	30,569,631
Others	23,621,706	2,919,315	435,892	620,979,592	647,956,505	(598,124,291)	49,832,214
Rental income	2,492,633	19,386	-	-	2,512,019	-	2,512,019
Total revenue	2,232,730,195	183,117,930	31,333,062	620,979,592	3,068,160,779	(681,577,280)	2,386,583,499
Revenue							
External customers	2,148,638,316	180,720,480	31,005,523	26,219,180	2,386,583,499	-	2,386,583,499
Intersegment	84,091,879	2,397,450	327,539	594,760,412	681,577,280	(681,577,280)	-
Total revenue	2,232,730,195	183,117,930	31,333,062	620,979,592	3,068,160,779	(681,577,280)	2,386,583,499
Segment profit after tax							
Income tax	244,739,328	21,921,107	2,019,494	(99,802,215)	168,877,714	-	168,877,714
	23,773,949	2,715,940	196,362	(8,562,701)	18,123,550	-	18,123,550
Segment profit before tax	268,513,277	24,637,047	2,215,856	(108,364,916)	187,001,264	-	187,001,264
Finance costs	61,168,557	766,358	-	7,141,702	69,076,617	-	69,076,617
Profit before interest, taxation (EBIT)	329,681,834	25,403,405	2,215,856	(101,223,214)	256,077,881	-	256,077,881
Depreciation and amortisation	154,679,657	13,658,626	322,961	1,705,396	170,366,640	-	170,366,640
Profit before interest, taxation, depreciation, amortisation (EBITDA)	484,361,491	39,062,031	2,538,817	(99,517,818)	426,444,521	-	426,444,521
Total assets as at 30 June 2024	8,381,005,277	584,278,042	163,469,230	2,724,969,397	11,853,721,946	(6,486,245,522)	5,367,476,424
Total liabilities as at 30 June 2024	7,090,697,336	575,913,231	160,255,997	2,396,965,006	10,223,831,570	(6,507,225,615)	3,716,605,955
Other disclosures:							
Additions to property and equipment	67,618,823	6,433,064	213,395	1,137,213	75,402,495	-	75,402,495
Additions to intangibles	467,091	393,182	-	-	860,273	-	860,273
Additions to capital work in progress	13,347,333	502,461	-	4,365,905	18,215,699	-	18,215,699

Burjeel Holdings PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2024 (Unaudited)

10 SEGMENTAL REPORTING continued

For the six months period 30 June 2023 and as at 31 December 2023:

	Hospitals AED	Medical centre AED	Pharmacies AED	Others AED	Total segments AED	Adjustments and eliminations AED	Consolidation AED
Revenue							
Out patient revenue	2,574,458,850	439,009,482	-	-	3,013,468,332	(176,568,690)	2,836,899,642
In patient revenue	1,564,818,316	-	-	-	1,564,818,316	-	1,564,818,316
Total clinical revenue	4,139,277,166	439,009,482	-	-	4,578,286,648	(176,568,690)	4,401,717,958
Pharmacy sales	-	-	60,963,412	-	60,963,412	(1,197,746)	59,765,666
Others	52,689,462	5,599,513	520,808	1,071,791,955	1,130,601,738	(1,065,830,815)	64,770,923
Rental income	8,710,845	42,241	-	-	8,753,086	-	8,753,086
Total revenue	4,200,677,473	444,651,236	61,484,220	1,071,791,955	5,778,604,884	(1,243,597,251)	4,535,007,633
Revenue							
External customer	4,026,302,403	440,237,616	60,286,474	8,181,140	4,535,007,633	-	4,535,007,633
Intersegment	174,375,070	4,413,620	1,197,746	1,063,610,815	1,243,597,251	(1,243,597,251)	-
Total revenue	4,200,677,473	444,651,236	61,484,220	1,071,791,955	5,778,604,884	(1,243,597,251)	4,535,007,633
Segment profit	497,333,688	94,098,570	6,236,926	(57,254,415)	540,414,769	-	540,414,769
Finance costs	138,064,515	3,230,851	-	25,192	141,320,558	-	141,320,558
Profit (loss) before interest, taxation (EBIT)	635,398,203	97,329,421	6,236,926	(57,229,223)	681,735,327	-	681,735,327
Depreciation and amortisation	313,073,930	35,294,314	710,386	2,577,384	351,656,014	-	351,656,014
Profit (loss) before interest, taxation, depreciation, amortisation (EBITDA)							
Total assets as at 31 December 2023	948,472,133	132,623,735	6,947,312	(54,651,839)	1,033,391,341	-	1,033,391,341
Total liabilities as at 31 December 2023	8,113,413,285	705,216,586	132,893,164	2,554,299,800	11,505,822,835	(6,364,417,783)	5,141,405,052
	7,024,115,250	616,748,356	131,699,426	2,226,857,476	9,999,420,508	(6,415,072,388)	3,584,348,120
Other disclosures:							
Additions to property and equipment	103,991,640	29,106,227	733,151	10,577,674	144,408,692	-	144,408,692
Additions to capital work in progress	1,575,765	287,517	-	14,807,655	16,670,937	-	16,670,937
Additions to intangible assets	15,551,656	830,344	-	322,195	16,704,195	-	16,704,195
Property and equipment transferred to a related party (net book value)	381,304	-	-	-	381,304	-	381,304

Burjeel Holdings PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2024 (Unaudited)

10 SEGMENTAL REPORTING continued

For the three months period 30 June 2024

	Hospitals AED	Medical centre AED	Pharmacies AED	Others AED	Total segments AED	Adjustments and eliminations AED	Consolidation AED
Revenue							
Out patient revenue	680,831,004	88,184,832	-	-	769,015,836	(45,070,997)	723,944,839
In patient revenue	<u>415,147,450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>415,147,450</u>	<u>-</u>	<u>415,147,450</u>
Total clinical revenue	1,095,978,454	88,184,832	-	-	1,184,163,286	(45,070,997)	1,139,092,289
Pharmacy sales	-	-	15,126,345	-	15,126,345	(279,943)	14,846,402
Others	9,748,043	1,348,310	288,805	319,618,968	331,004,126	(304,866,787)	26,137,339
Rental income	<u>1,505,489</u>	<u>19,386</u>	<u>-</u>	<u>-</u>	<u>1,524,875</u>	<u>-</u>	<u>1,524,875</u>
Total revenue	<u>1,107,231,986</u>	<u>89,552,528</u>	<u>15,415,150</u>	<u>319,618,968</u>	<u>1,531,818,632</u>	<u>(350,217,727)</u>	<u>1,181,600,905</u>
Revenue							
External customers	1,061,687,622	88,362,841	15,135,207	16,415,235	1,181,600,905	-	1,181,600,905
Intersegment	<u>45,544,364</u>	<u>1,189,687</u>	<u>279,943</u>	<u>303,203,733</u>	<u>350,217,727</u>	<u>(350,217,727)</u>	<u>-</u>
Total revenue	<u>1,117,231,986</u>	<u>89,552,528</u>	<u>15,415,150</u>	<u>309,618,968</u>	<u>1,531,818,632</u>	<u>(350,217,727)</u>	<u>1,181,600,905</u>
Segment profit after tax							
Income tax	107,596,919	9,175,802	298,299	(52,555,690)	64,515,330	-	64,515,330
	<u>11,503,113</u>	<u>1,228,831</u>	<u>31,370</u>	<u>(5,579,077)</u>	<u>7,184,237</u>	<u>-</u>	<u>7,184,237</u>
Segment profit before tax							
Finance costs	119,100,032	10,404,633	329,669	(58,134,767)	71,699,567	-	71,699,567
	<u>32,177,222</u>	<u>97,925</u>	<u>-</u>	<u>3,927,426</u>	<u>36,202,573</u>	<u>-</u>	<u>36,202,573</u>
Profit before interest, taxation (EBIT)	151,277,254	10,502,558	329,669	(54,207,341)	107,902,140	-	107,902,140
Depreciation and amortisation	<u>76,572,981</u>	<u>6,343,413</u>	<u>156,378</u>	<u>998,439</u>	<u>84,071,211</u>	<u>-</u>	<u>84,071,211</u>
Profit before interest, taxation, depreciation, amortisation (EBITDA)	<u>227,850,235</u>	<u>16,845,971</u>	<u>486,047</u>	<u>(53,208,902)</u>	<u>191,973,351</u>	<u>-</u>	<u>191,973,351</u>

Burjeel Holdings PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2024 (Unaudited)

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	<u>370,730,843</u>	-	-	-	<u>370,730,843</u>	-	<u>370,730,843</u>
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	<u>2,150,696</u>	<u>8,125</u>	-	-	<u>2,158,821</u>	-	<u>2,158,821</u>
Total revenue	<u>998,783,989</u>	<u>101,055,287</u>	<u>15,720,388</u>	<u>240,768,581</u>	<u>1,356,328,245</u>	<u>(279,361,548)</u>	<u>1,076,966,697</u>
Revenue							
External customers	959,811,016	99,856,357	15,611,087	1,688,237	1,076,966,697	-	1,076,966,697
Intersegment	<u>38,972,973</u>	<u>1,198,930</u>	<u>109,301</u>	<u>239,080,344</u>	<u>279,361,548</u>	<u>(279,361,548)</u>	-
Total revenue	<u>998,783,989</u>	<u>101,055,287</u>	<u>15,720,388</u>	<u>240,768,581</u>	<u>1,356,328,245</u>	<u>(279,361,548)</u>	<u>1,076,966,697</u>
Segment profit							
Finance costs	98,768,564	19,414,838	328,551	(15,141,195)	103,370,758	-	103,370,758
	<u>34,861,046</u>	<u>555,231</u>	-	<u>4,479</u>	<u>35,420,756</u>	-	<u>35,420,756</u>
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	<u>78,131,710</u>	<u>7,705,433</u>	<u>176,097</u>	<u>602,280</u>	<u>86,615,520</u>	-	<u>86,615,520</u>
Profit before interest, taxation, depreciation, amortisation (EBITDA)	<u>211,761,320</u>	<u>27,675,502</u>	<u>504,648</u>	<u>(14,534,436)</u>	<u>225,407,034</u>	-	<u>225,407,034</u>

Burjeel Holdings PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2024 (Unaudited)

10 SEGMENTAL REPORTING continued

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

Revenue by Geographic segments:

	<i>Emirate of Abu Dhabi AED</i>	<i>Northern Emirates AED</i>	<i>Sultanate of Oman AED</i>	<i>Saudi AED</i>	<i>Total AED</i>
For the six months period ended 30 June 2024					
Out patient revenue	1,315,669,152	93,215,828	65,932,573	1,446,858	1,476,264,411
In patient revenue	689,024,316	115,195,473	23,185,435	-	827,405,224
Pharmacy	30,569,631	-	-	-	30,569,631
Other income	<u>39,676,096</u>	<u>3,051,496</u>	<u>6,917,137</u>	<u>187,485</u>	<u>49,832,214</u>
	<u>2,074,939,195</u>	<u>211,462,797</u>	<u>96,035,145</u>	<u>1,634,343</u>	<u>2,384,071,480</u>
Rental income	<u>2,463,365</u>	-	<u>48,654</u>	-	<u>2,512,019</u>
Total revenue	<u>2,077,402,560</u>	<u>211,462,797</u>	<u>96,083,799</u>	<u>1,634,343</u>	<u>2,386,583,499</u>
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	<u>33,241,449</u>	<u>3,685,356</u>	<u>6,138,525</u>	-	<u>43,065,330</u>
	<u>1,904,890,056</u>	<u>170,213,197</u>	<u>83,190,117</u>	-	<u>2,158,293,370</u>
Rental income	<u>3,480,676</u>	-	<u>55,809</u>	-	<u>3,536,485</u>
Total revenue	<u>1,908,370,732</u>	<u>170,213,197</u>	<u>83,245,926</u>	-	<u>2,161,829,855</u>
For the three months period ended 30 June 2024					
Out patient revenue	640,595,119	47,889,358	34,867,714	592,648	723,944,839
In patient revenue	345,184,574	58,937,962	11,024,914	-	415,147,450
Pharmacy	14,846,402	-	-	-	14,846,402
Other income	<u>22,341,337</u>	<u>1,342,691</u>	<u>2,379,733</u>	<u>73,578</u>	<u>26,137,339</u>
	<u>1,022,967,432</u>	<u>108,170,011</u>	<u>48,272,361</u>	<u>666,226</u>	<u>1,180,076,030</u>
Rental income	<u>1,489,816</u>	-	<u>35,059</u>	-	<u>1,524,875</u>
Total revenue	<u>1,024,457,248</u>	<u>108,170,011</u>	<u>48,307,420</u>	<u>666,226</u>	<u>1,181,600,905</u>
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	<u>18,620,750</u>	<u>1,412,578</u>	<u>3,021,843</u>	-	<u>23,055,171</u>
	<u>948,420,124</u>	<u>84,769,047</u>	<u>41,618,705</u>	-	<u>1,074,807,876</u>
Rental income	<u>2,123,762</u>	-	<u>35,059</u>	-	<u>2,158,821</u>
Total revenue	<u>950,543,886</u>	<u>84,769,047</u>	<u>41,653,764</u>	-	<u>1,076,966,697</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2024 (Unaudited)

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 12,075,467 for the six months period ended 30 June 2024 (30 June 2023: AED 1,625,981 (loss)) is included as a component of other expenses in the interim consolidated statement of comprehensive income.

The fair value of the Group's derivative financial instrument as at 30 June 2024 and 31 December 2023 are as follows:

	<i>30 June 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
Profit rate swaps – non-current liabilities	<u>-</u>	<u>30,396,005</u>
Movement in the derivative financial instrument during the period / year is as follows:		
	<i>30 June 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
At 1 January	30,396,005	28,374,631
Change in fair value (note 5)	(12,075,467)	2,021,374
Settlement during the period / year	<u>(18,320,538)</u>	<u>-</u>
	<u>-</u>	<u>30,396,005</u>

As at 30 June 2024, the Group has settled interest rate swap which was used to limit exposure to interest rate increases related to a portion of the floating rate indebtedness. As at 30 June 2024, the aggregate notional principal amount of the outstanding interest rate swap contract amounts to AED Nil (31 December 2023: AED 754,049,451). The derivative financial instrument represented the recognition of a financial liability amounting to AED 30,396,005 as at 31 December 2023 relating to the fair value adjustment of the profit rate swap.

The fair value of the profit rate swap is 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 gain / loss on the interest rate swap is recognised in the interim consolidated statement of comprehensive income for respective periods.

The levels of fair value inputs used to measure the financial instruments are characterised in accordance with the fair value hierarchy established by IFRS 7. The management uses its judgment and consider factors specific to the financial instruments 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 31 December 2023.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2024 (Unaudited)

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 31 December 2023.

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 30 June 2024, 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 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the interim condensed consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2024 (Unaudited)

12 FAIR VALUES OF FINANCIAL INSTRUMENTS continued

There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements during the period ended 30 June 2024.

For assets and liabilities that are recognised in the interim condensed consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

	<i>Fair value as at</i>					
	<i>30 June</i>	<i>31 December</i>		<i>Valuation</i>	<i>Significant</i>	<i>Relationship of</i>
	<i>2024</i>	<i>2023</i>	<i>Fair</i>	<i>techniques and</i>	<i>unobservable</i>	<i>unobservable inputs</i>
	<i>AED</i>	<i>AED</i>	<i>value</i>	<i>key inputs</i>	<i>input</i>	<i>to fair value</i>
			<i>hierarchy</i>			
Financial assets						
Quoted equity investments	-	36,862,062	Level 1	Quoted bid prices in	None	Not applicable
- investment in financial assets				an active market.		
Financial liabilities						
Derivative financial instruments - Profit rate swaps measured at fair value (note 11)	-	30,396,005	Level 2	Significant observable inputs	None	Not applicable

The management assessed that the fair values of all other financial assets and financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

13 CONTINGENCIES AND COMMITMENTS

Contingencies

At 30 June 2024, the Group had contingent liabilities in respect of labour guarantees amounting to AED 18,954,782 (31 December 2023: AED 3,909,531) and performance guarantees amounting to AED 12,318,186 (31 December 2023: AED 11,584,099) arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

The Group is involved in various legal proceedings and claims arising in the ordinary course of business. While the outcome of these matters cannot be predicted with certainty, management does not believe that these matters will have a material adverse effect on the Group's interim condensed consolidated financial statements if concluded unfavorably.

Capital commitments

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

	<i>30 June</i>	<i>31 December</i>
	<i>2024</i>	<i>2023</i>
	<i>AED</i>	<i>AED</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Software	45,702,599	47,279,099
Building improvements	29,868,935	31,050,934
Medical equipment	10,792,971	16,355,018
Others	7,932,033	3,393,828
	<u>94,296,538</u>	<u>98,078,879</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2024 (Unaudited)

14 SEASONALITY OF RESULTS

No significant income of seasonal nature was recorded in the interim consolidated statement of comprehensive income for the three months and six months period ended 30 June 2024 and 30 June 2023.

15 INCOME TAX

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim consolidated statement of comprehensive income are:

15.1 Amount recognised in the interim consolidated statement of comprehensive income

The major components of income tax expense for the period ended 30 June 2024:

	<i>Three months ended 30 June 2024 AED (Unaudited)</i>	<i>Six months ended 30 June 2024 AED (Unaudited)</i>
Current income tax charge	10,762,933	22,022,514
Deferred income tax credit relating to origination and reversal of temporary differences	<u>(3,578,696)</u>	<u>(3,898,964)</u>
Income tax expense reported in the interim consolidated statement of comprehensive income	<u>(7,184,237)</u>	<u>(18,123,550)</u>

15.2 Reconciliation of accounting income

	<i>Three months ended 30 June 2024 AED (Unaudited)</i>	<i>Six months ended 30 June 2024 AED (Unaudited)</i>
Profit before tax	71,753,825	187,055,522
Add: loss related to foreign entities	12,966,108	15,974,157
Add: dividend income not considered above	<u>6,000,000</u>	<u>14,800,000</u>
Accounting profit before tax relating to UAE entities	90,719,933	217,829,679
At United Arab Emirates' statutory income tax rate of 9%	8,164,794	19,604,671
Add / less: effect of standard exemption	15,120	(40,780)
Less: income not subject to tax	(844,745)	(2,033,114)
Less: non-deductible expenses	(152,061)	-
Less: movement of carryforward loss	-	(27,848)
Add: tax related to foreign entities	<u>1,129</u>	<u>620,621</u>
Income tax expense reported in the interim condensed consolidated statement of comprehensive income	<u>7,184,237</u>	<u>18,123,550</u>
Effective tax rate	<u>9%</u>	<u>9%</u>

At 30 June 2024, there were no amounts recognised directly to equity or in other comprehensive income.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2024 (Unaudited)

16 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:

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2024 (Unaudited) AED</i>	<i>2023 (Unaudited) AED</i>	<i>2024 (Unaudited) AED</i>	<i>2023 (Unaudited) AED</i>
Earnings:				
Profit attributable to Equity holders of the Parent (AED)	<u>61,565,818</u>	<u>94,888,318</u>	<u>163,584,648</u>	<u>213,684,630</u>
Number of shares				
Weighted -average number of ordinary shares for basic and diluted earnings per share	<u>5,205,134,170</u>	<u>5,205,134,170</u>	<u>5,205,134,170</u>	<u>5,205,134,170</u>
Earnings per share				
Basic and diluted earnings per share (AED)	<u>0.01</u>	<u>0.02</u>	<u>0.03</u>	<u>0.04</u>

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.

17 DIVIDEND

	<i>Six months ended 30 June</i>	
	<i>2024 (Unaudited) AED</i>	<i>2023 (Unaudited) AED</i>
Dividends on ordinary shares declared and paid		
Final dividend for 2023: AED 0.01 per share (2022: nil)	<u>65,064,177</u>	<u>-</u>

One of the Group's subsidiaries, Lifecare Hospital LLC, issued cash dividends during the six months ended 30 June 2024 (six months ended 30 June 2023: Nil). The amount paid / received within the Group was eliminated on consolidation and the amounts paid to non-controlling interests were AED 10,000,000 (six months ended 30 June 2023: Nil).