

Burjeel Holdings PLC

INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

PERIOD ENDED 31 MARCH 2024 (UNAUDITED)



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**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS 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 31 March 2024, comprising of the interim condensed consolidated statement of financial position as at 31 March 2024, and the related interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three 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

07 May 2024
Abu Dhabi

Burjeel Holdings PLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the three months period ended 31 March 2024 (unaudited)

	Notes	Three months period ended 31 March	
		2024 AED	2023 AED
Revenue	4	<u>1,204,982,594</u>	<u>1,084,863,158</u>
Doctors' and other employees' salaries and emoluments		(531,385,538)	(464,904,957)
Inventories consumed		(304,123,608)	(251,760,173)
Depreciation on property and equipment	6	(55,479,377)	(58,627,722)
Amortisation of intangible assets		(1,348,693)	(872,096)
Depreciation on right-of-use assets		(29,467,359)	(25,581,511)
Provision for expected credit losses		(22,100,282)	(17,936,717)
Other expenses	5	<u>(105,000,538)</u>	<u>(113,539,717)</u>
OPERATING PROFIT FOR THE PERIOD		156,077,199	151,640,265
Finance costs		(32,874,044)	(35,139,760)
Change in fair value of financial assets carried at fair value through profit and loss		(11,796,536)	-
Share of profit from associates		<u>3,895,078</u>	<u>4,842,671</u>
PROFIT FOR THE PERIOD BEFORE TAX		115,301,697	121,343,176
Income tax	15	<u>(10,939,313)</u>	-
PROFIT FOR THE PERIOD		104,362,384	121,343,176
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>104,362,384</u>	<u>121,343,176</u>
Profit for the period and total comprehensive income for the period attributable to:			
Equity holders of the Parent Company		102,018,831	118,796,312
Non-controlling interests		<u>2,343,553</u>	<u>2,546,864</u>
		<u>104,362,384</u>	<u>121,343,176</u>
Earnings per share attributable to equity holders of the Parent Company			
- basic and diluted earnings per share (AED)	16	<u>0.02</u>	<u>0.02</u>

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

Burjeel Holdings PLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2024

		<i>(Unaudited)</i> 31 March 2024 AED	<i>(Audited)</i> 31 December 2023 AED
ASSETS			
Non-current assets			
Property and equipment	6	1,896,367,149	1,914,555,641
Intangible assets		17,904,202	18,873,594
Right-of-use assets		991,215,331	1,010,791,935
Capital work in progress		42,902,339	39,916,220
Investment in associates		23,758,753	28,663,675
Term deposits		2,552,500	2,552,500
Deferred tax asset	15	<u>320,268</u>	-
		<u>2,975,020,542</u>	<u>3,015,353,565</u>
Current assets			
Inventories		261,226,094	261,272,228
Accounts receivable and prepayments		1,828,008,459	1,634,119,073
Amounts due from related parties	8	20,384,665	23,793,148
Financial asset carried at fair value through profit and loss		24,873,028	36,862,062
Bank balances and cash	7	<u>225,787,339</u>	<u>170,004,976</u>
		<u>2,360,279,585</u>	<u>2,126,051,487</u>
TOTAL ASSETS		<u>5,335,300,127</u>	<u>5,141,405,052</u>
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>717,643,535</u>	<u>615,624,704</u>
Equity attributable to equity holders of the parent		1,611,604,170	1,509,585,339
Non-controlling interests		<u>49,815,146</u>	<u>47,471,593</u>
Total equity		<u>1,661,419,316</u>	<u>1,557,056,932</u>
Non-current liabilities			
Interest bearing loans and borrowings	9	858,526,852	782,086,391
Lease liabilities		1,046,974,074	1,062,444,262
Employees' end of service benefits		156,653,705	151,117,100
Derivative financial instrument	11	<u>21,941,086</u>	<u>30,396,005</u>
		<u>2,084,095,717</u>	<u>2,026,043,758</u>
Current liabilities			
Accounts payable and accruals		1,111,655,979	1,029,363,696
Lease liabilities		104,745,235	107,362,123
Interest bearing loans and borrowings	9	317,376,873	381,911,515
Amounts due to related parties	8	<u>56,007,007</u>	<u>39,667,028</u>
		<u>1,589,785,094</u>	<u>1,558,304,362</u>
Total liabilities		<u>3,673,880,811</u>	<u>3,584,348,120</u>
TOTAL EQUITY AND LIABILITIES		<u>5,335,300,127</u>	<u>5,141,405,052</u>

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 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months period ended 31 March 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	Total AED		
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)	-	-	-	-	102,018,831	102,018,831	2,343,553	104,362,384	
Total comprehensive income for the period (unaudited)	-	-	-	-	102,018,831	102,018,831	2,343,553	104,362,384	
Balance at 31 March 2024 (unaudited)	520,513,417	366,854,049	3,039,504	3,553,665	717,643,535	1,611,604,170	49,815,146	1,661,419,316	
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)	-	-	-	-	118,796,312	118,796,312	2,546,864	121,343,176	
Total comprehensive income for the period (unaudited)	-	-	-	-	118,796,312	118,796,312	2,546,864	121,343,176	
Balance at 31 March 2023 (unaudited)	520,513,417	366,854,049	3,039,504	3,553,665	313,482,847	1,207,443,482	31,746,792	1,239,190,274	

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

Burjeel Holdings PLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months period ended 31 March 2024

		<i>Three months period ended 31 March</i>	
		<i>2024</i>	<i>2023</i>
		<i>Unaudited</i>	<i>Unaudited</i>
<i>Notes</i>		<i>AED</i>	<i>AED</i>
OPERATING ACTIVITIES			
	Profit before tax for the period	115,301,697	121,343,176
Adjustments for:			
	Depreciation on property and equipment	6 55,479,377	58,627,722
	Amortisation of intangible assets	1,348,693	872,096
	Depreciation on right-of-use assets	29,467,359	25,581,511
	Provision for expected credit losses	22,100,282	17,936,717
	Change in fair value of financial assets carried at fair value through profit and loss	11,796,536	-
	Share of profit of investments in associates	(3,895,078)	(4,842,671)
	Provision for employees' end of service benefits	11,163,013	11,482,344
	Lease adjustment	(1,447,545)	-
	Gain on disposal of property and equipment	(54,762)	-
	Change in fair value of derivative financial instruments	11 (8,454,919)	14,172,699
	Finance costs	<u>32,874,044</u>	<u>35,139,760</u>
		265,678,697	280,313,354
Working capital adjustments:			
	Inventories	46,134	4,529,630
	Accounts receivable and prepayments	(215,989,668)	(130,753,190)
	Amounts due from related parties	3,408,483	5,174,847
	Accounts payable and accruals	71,032,702	(13,665,315)
	Amounts due to related parties	<u>16,339,979</u>	<u>2,645,401</u>
	Cash generated from operations	140,516,327	148,244,727
	Employees' end of service benefits paid	(5,626,408)	(5,068,000)
	Finance costs paid	<u>(19,414,553)</u>	<u>(22,528,163)</u>
	Net cash flows from operating activities	<u>115,475,366</u>	<u>120,648,564</u>
INVESTING ACTIVITIES			
	Purchase of property and equipment	6 (37,276,365)	(23,196,323)
	Additions to intangible assets	(379,301)	(2,214,085)
	Additions to capital work in progress	(3,000,639)	(22,500)
	Proceeds from disposal of property and equipment	54,762	-
	Proceeds from sale of financial assets carried at fair value through profit and loss	192,450	-
	Dividend income received from associates, net of investment	<u>8,800,000</u>	<u>-</u>
	Net cash flows used in investing activities	<u>(31,609,093)</u>	<u>(25,432,908)</u>
FINANCING ACTIVITIES			
	Payment of principal portion of lease liabilities	(39,989,729)	(44,299,062)
	Repayment of interest bearing loans and borrowings	9 (182,013,277)	(30,189,145)
	Proceeds from interest bearing loans and borrowings	9 <u>193,919,096</u>	<u>1,092,908</u>
	Net cash flows used in financing activities	<u>(28,083,910)</u>	<u>(73,395,299)</u>
	NET INCREASE IN CASH AND CASH EQUIVALENTS	55,782,363	21,820,357
	Cash and cash equivalents at 1 January	<u>166,177,248</u>	<u>146,736,382</u>
	CASH AND CASH EQUIVALENTS AT 31 MARCH	7 <u>221,959,611</u>	<u>168,556,739</u>

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

Burjeel Holdings PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2024 (Unaudited)

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 07 May 2024.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These 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 information and disclosures required in the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2023. In addition, results for the three months period ended 31 March 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 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 BASIS OF PREPARATION continued

2.2 Basis of consolidation

The interim condensed consolidated financial statements comprise the 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

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 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.

3 MATERIAL ACCOUNTING POLICY INFORMATION

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 period ended</i>	
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>31 March</i>	<i>31 March</i>
	<i>2024</i>	<i>2023</i>
	<i>AED</i>	<i>AED</i>
Clinic revenue	1,164,577,346	1,047,962,613
Pharmacy sales	15,723,229	15,512,722
Other operating income	<u>23,694,875</u>	<u>20,010,159</u>
Revenue from contracts with customers	1,203,995,450	1,083,485,494
Rental income	<u>987,144</u>	<u>1,377,664</u>
	<u>1,204,982,594</u>	<u>1,084,863,158</u>

Burjeel Holdings PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2024 (Unaudited)

4 REVENUE continued

4.2 Revenue from contracts with customers – timing of recognition

	<i>Three months period ended</i>	
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>31 March</i>	<i>31 March</i>
	<i>2024</i>	<i>2023</i>
	<i>AED</i>	<i>AED</i>
Outpatient – services rendered at the point in time	752,319,572	673,296,604
In patient – services rendered over the time	412,257,774	374,666,009
Pharmacy – services rendered at the point in time	15,723,229	15,512,722
Other operating income – services rendered at the point in time	<u>23,694,875</u>	<u>20,010,159</u>
	<u>1,203,995,450</u>	<u>1,083,485,494</u>

4.3 Geographical markets

	<i>Three months period ended</i>	
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>31 March</i>	<i>31 March</i>
	<i>2024</i>	<i>2023</i>
	<i>AED</i>	<i>AED</i>
United Arab Emirates	1,155,264,549	1,041,914,082
Sultanate of Oman	47,762,784	41,571,412
Kingdom of Saudi Arabia	<u>968,117</u>	<u>-</u>
	<u>1,203,995,450</u>	<u>1,083,485,494</u>

4.4 Revenue from contracts with customers by asset type

	<i>Three months period ended</i>	
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>31 March</i>	<i>31 March</i>
	<i>2024</i>	<i>2023</i>
	<i>AED</i>	<i>AED</i>
Hospitals	1,073,884,379	941,763,100
Medical centres	90,692,967	106,199,513
Pharmacies	15,723,229	15,512,722
Others	<u>23,694,875</u>	<u>20,010,159</u>
	<u>1,203,995,450</u>	<u>1,083,485,494</u>

4 REVENUE continued**4.4 Revenue from contracts with customers by asset type** 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 period. 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 period 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

	<i>Three months period ended</i>	
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>31 March</i>	<i>31 March</i>
	<i>2024</i>	<i>2023</i>
	<i>AED</i>	<i>AED</i>
Housekeeping and hospitality expenses	20,833,025	21,075,081
Advertisement and marketing expenses	18,745,305	11,179,964
Repair and maintenance costs	16,579,398	16,005,812
Utility charges	11,441,910	10,717,296
Legal and professional expenses	9,285,476	7,464,518
Transportation expenses	5,305,721	4,602,201
Directors' remuneration (note 8)	4,561,449	4,049,068
Security charges	4,030,762	3,927,631
Rent expenses	3,573,380	4,229,203
Bank charges	2,398,188	1,597,267
Printing and stationery costs	1,797,529	1,974,574
Credit card commissions	1,028,681	954,795
Change in fair value of profit rate swaps (note 11)	(8,454,919)	14,172,699
Miscellaneous expenses	<u>13,874,633</u>	<u>11,589,608</u>
	<u>105,000,538</u>	<u>113,539,717</u>

6 PROPERTY AND EQUIPMENT

The movement in property and equipment pertains to additions of AED 37,276,365 for three months period ended 31 March 2024 (three months period ended 31 March 2023: AED 23,196,323) which comprises of building and leasehold improvements of AED 8,235,160 (2023: AED 2,936,454), medical equipment of AED 15,805,645 (2023: AED 7,182,032), furniture and fixtures of AED 5,752,918 (2023: AED 2,948,312), computer and office equipment of AED 5,656,491 (2023: AED 7,409,729), motor vehicles of AED 1,826,151 (2023: AED 2,719,796).

Further, during the three months period ended 31 March 2024, no property and equipment were transferred to or from related parties (three months period ended 31 March 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 three months period ended 31 March 2024, leasehold improvements amounting to AED 14,250 were transferred from capital work in progress (three months period ended 31 March 2023: Nil).

During the three months period ended 31 March 2024, motor vehicles having net book value of nil were disposed at AED 54,762 resulting in gain on disposal by the same amount (three months period ended 31 March 2023: Nil).

The depreciation charge for the three months period ended amounted to AED 55,479,377 (three months period ended 31 March 2023: AED 58,627,722).

See note 13 for capital commitments.

7 BANK BALANCES AND CASH

	<i>31 March 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
Cash in hand	3,784,372	3,394,146
<i>Bank balances:</i>		
Current account	218,004,546	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>225,787,339</u>	<u>170,004,976</u>
	<i>31 March 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
Bank balances and cash	225,787,339	170,004,976
Less: margin deposits	<u>(3,827,728)</u>	<u>(3,827,728)</u>
Cash and cash equivalents	<u>221,959,611</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.

Burjeel Holdings PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2024 (Unaudited)

7 BANK BALANCES AND CASH continued

	<i>Three months period ended</i>	
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>31 March</i>	<i>31 March</i>
	<i>2024</i>	<i>2023</i>
	<i>AED</i>	<i>AED</i>
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
Property and equipment transferred from related parties (note 6)	-	140,924

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 condensed consolidated statement of comprehensive income are as follows:

	<i>Three months period ended</i>	
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>31 March</i>	<i>31 March</i>
	<i>2024</i>	<i>2023</i>
	<i>AED</i>	<i>AED</i>
Revenue	<u>692,853</u>	<u>1,746,764</u>
Purchases	<u>5,923,669</u>	<u>5,469,602</u>
Doctors' and other employees' salaries and benefits	<u>567,026</u>	<u>145,337</u>
Employees' end of service benefits transferred from a related party	<u>-</u>	<u>3,259,207</u>
Leave salary transferred from a related party	<u>-</u>	<u>558,591</u>
Property and equipment transferred from related parties (note 6)	<u>-</u>	<u>140,924</u>
Directors' remuneration (note 5)	<u>4,561,449</u>	<u>4,049,068</u>
Hospitality expenses	<u>6,498,885</u>	<u>5,424,609</u>
Others	<u>2,985,241</u>	<u>3,354,857</u>

Compensation of key management personnel

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

	<i>Three months period ended</i>	
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>31 March</i>	<i>31 March</i>
	<i>2024</i>	<i>2023</i>
	<i>AED</i>	<i>AED</i>
Salaries and other benefits	<u>1,317,500</u>	<u>908,000</u>
Number of key management personnel	<u>2</u>	<u>2</u>

31 March 2024 (Unaudited)

8 RELATED PARTY TRANSACTIONS AND BALANCES continued

	<i>31 March 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
Amounts due from related parties		
<i>Entities under common control</i>		
VPS Healthcare LLC	12,305,285	12,562,710
Others	<u>8,079,380</u>	<u>11,230,438</u>
	<u>20,384,665</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.

	<i>31 March 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
Amounts due to related parties		
<i>Entities under common control</i>		
Others	<u>56,007,007</u>	<u>39,667,028</u>

As at 31 March 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

	<i>31 March 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
Term loans	929,968,664	906,465,959
Short-term loan	237,750,000	250,000,000
Vehicle loans	<u>8,185,061</u>	<u>7,531,947</u>
	<u>1,175,903,725</u>	<u>1,163,997,906</u>

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

	<i>31 March 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
Non-current	858,526,852	782,086,391
Current	<u>317,376,873</u>	<u>381,911,515</u>
	<u>1,175,903,725</u>	<u>1,163,997,906</u>

9 INTEREST BEARING LOANS AND BORROWINGS continued

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

	<i>31 March 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
At 1 January	1,163,997,906	1,260,792,098
Additions during the period / year	193,919,096	5,068,096
Repayments during the period / year	<u>(182,013,277)</u>	<u>(101,862,288)</u>
	<u>1,175,903,725</u>	<u>1,163,997,906</u>

During the period, 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 (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 3% (2023: EIBOR + 1.9 to 3%)
Vehicle loans	- 3% to 10% (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 Center;
- 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 center, 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 31 March 2024 (Unaudited)

10 SEGMENTAL REPORTING continued

	Hospitals AED	Medical centre AED	Pharmacies AED	Others AED	Total segments AED	Adjustments and eliminations AED	Consolidation AED
31 March 2024							
Revenue							
Out patient revenue	698,379,628	91,994,397	-	-	790,374,025	(38,054,453)	752,319,572
In patient revenue	<u>412,257,774</u>	-	-	-	<u>412,257,774</u>	-	<u>412,257,774</u>
Total clinical revenue	<u>1,110,637,402</u>	<u>91,994,397</u>	-	-	<u>1,202,631,799</u>	<u>(38,054,453)</u>	<u>1,164,577,346</u>
Pharmacy sales	-	-	15,770,825	-	15,770,825	(47,596)	15,723,229
Others	13,873,663	1,571,005	147,087	301,360,624	316,952,379	(293,257,504)	23,694,875
Rental income	<u>987,144</u>	-	-	-	<u>987,144</u>	-	<u>987,144</u>
Total revenue	<u>1,125,498,209</u>	<u>93,565,402</u>	<u>15,917,912</u>	<u>301,360,624</u>	<u>1,536,342,147</u>	<u>(331,359,553)</u>	<u>1,204,982,594</u>
Revenue							
External customers	1,086,950,694	92,357,639	15,870,316	9,803,945	1,204,982,594	-	1,204,982,594
Intersegment	<u>38,547,515</u>	<u>1,207,763</u>	<u>47,596</u>	<u>291,556,679</u>	<u>331,359,553</u>	<u>(331,359,553)</u>	-
Total revenue	<u>1,125,498,209</u>	<u>93,565,402</u>	<u>15,917,912</u>	<u>301,360,624</u>	<u>1,536,342,147</u>	<u>(331,359,553)</u>	<u>1,204,982,594</u>
Segment profit after tax	137,142,409	12,745,305	1,721,195	(47,246,525)	104,362,384	-	104,362,384
Income tax	<u>12,270,836</u>	<u>1,487,109</u>	<u>164,922</u>	<u>(2,983,624)</u>	<u>10,939,313</u>	-	<u>10,939,313</u>
Segment profit before tax	<u>149,413,245</u>	<u>14,232,414</u>	<u>1,886,187</u>	<u>(50,230,149)</u>	<u>115,301,697</u>	-	<u>115,301,697</u>
Finance costs	<u>28,991,335</u>	<u>668,433</u>	-	<u>3,214,276</u>	<u>32,874,044</u>	-	<u>32,874,044</u>
Profit before interest, taxation (EBIT)	<u>178,404,580</u>	<u>14,900,847</u>	<u>1,886,187</u>	<u>(47,015,873)</u>	<u>148,175,741</u>	-	<u>148,175,741</u>
Depreciation	51,365,473	3,473,013	166,583	474,308	55,479,377	-	55,479,377
Amortisation	1,153,541	57,876	-	137,276	1,348,693	-	1,348,693
Depreciation of right-of-use asset	<u>25,587,662</u>	<u>3,784,324</u>	-	<u>95,373</u>	<u>29,467,359</u>	-	<u>29,467,359</u>
Profit before interest, taxation depreciation, amortisation (EBITDA)	<u>256,511,256</u>	<u>22,216,060</u>	<u>2,052,770</u>	<u>(46,308,916)</u>	<u>234,471,170</u>	-	<u>234,471,170</u>
Total assets as at 31 March 2024	<u>8,362,483,462</u>	<u>586,037,478</u>	<u>149,759,230</u>	<u>2,737,031,793</u>	<u>11,835,311,963</u>	<u>(6,500,011,836)</u>	<u>5,335,300,127</u>
Total liabilities as at 31 March 2024	<u>7,046,607,495</u>	<u>574,759,462</u>	<u>146,848,296</u>	<u>2,460,231,070</u>	<u>10,228,442,323</u>	<u>(6,554,561,512)</u>	<u>3,673,880,811</u>
Other disclosures:							
Additions to property and equipment	33,061,472	3,738,610	473,598	2,685	37,276,365	-	37,276,365
Additions to intangibles	<u>318,487</u>	<u>60,814</u>	-	-	<u>379,301</u>	-	<u>379,301</u>
Additions to capital work-in-progress	<u>124,137</u>	<u>1,362,161</u>	-	<u>1,514,341</u>	<u>3,000,639</u>	-	<u>3,000,639</u>

Burjeel Holdings PLC

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31 March 2024 (Unaudited)

10 SEGMENTAL REPORTING continued

31 March 2023

	Hospitals AED	Medical centre AED	Pharmacies AED	Others AED	Total segments AED	Adjustments and eliminations AED	Consolidation AED
Revenue							
Out patient revenue	616,239,995	107,197,144	-	-	723,437,139	(50,140,535)	673,296,604
In patient revenue	<u>374,666,009</u>	-	-	-	<u>374,666,009</u>	-	<u>374,666,009</u>
Total clinical revenue	<u>990,906,004</u>	<u>107,197,144</u>	-	-	<u>1,098,103,148</u>	<u>(50,140,535)</u>	<u>1,047,962,613</u>
Pharmacy sales	-	-	16,431,529	-	16,431,529	(918,807)	15,512,722
Others	14,647,538	889,053	2,182,595	250,878,433	268,597,619	(248,587,460)	20,010,159
Rental income	<u>1,367,803</u>	<u>9,861</u>	-	-	<u>1,377,664</u>	-	<u>1,377,664</u>
Total revenue	<u>1,006,921,345</u>	<u>108,096,058</u>	<u>18,614,124</u>	<u>250,878,433</u>	<u>1,384,509,960</u>	<u>(299,646,802)</u>	<u>1,084,863,158</u>
Revenue							
External customers	957,628,441	107,098,428	17,695,317	2,440,972	1,084,863,158	-	1,084,863,158
Intersegment	<u>49,292,904</u>	<u>997,630</u>	<u>918,807</u>	<u>248,437,461</u>	<u>799,646,802</u>	<u>(299,646,802)</u>	-
Total revenue	<u>1,006,921,345</u>	<u>108,096,058</u>	<u>18,614,124</u>	<u>250,878,433</u>	<u>1,384,509,960</u>	<u>(299,646,802)</u>	<u>1,084,863,158</u>
Segment profit after tax							
Income tax	104,779,038	21,866,395	3,860,237	(9,162,494)	121,343,176	-	121,343,176
Segment profit before tax	104,779,038	21,866,395	3,860,237	(9,162,494)	121,343,176	-	121,343,176
Finance costs	<u>34,495,335</u>	<u>640,437</u>	-	<u>3,988</u>	<u>35,139,760</u>	-	<u>35,139,760</u>
Profit before interest, taxation (EBIT)	139,274,373	22,506,832	3,860,237	(9,158,506)	156,482,936	-	156,482,936
Depreciation	53,936,897	4,070,483	182,975	437,367	58,627,722	-	58,627,722
Amortisation	664,301	76,643	-	131,152	872,096	-	872,096
Depreciation of right-of-use asset	<u>21,835,715</u>	<u>3,745,796</u>	-	-	<u>25,581,511</u>	-	<u>25,581,511</u>
Profit before interest, taxation, depreciation, amortisation (EBITDA)	215,711,286	30,399,754	4,043,212	(8,589,987)	241,564,265	-	241,564,265
Total assets as at 31 March 2023	<u>7,797,661,084</u>	<u>572,675,275</u>	<u>119,532,836</u>	<u>2,522,452,290</u>	<u>11,012,321,485</u>	<u>(6,255,051,161)</u>	<u>4,757,270,324</u>
Total liabilities as at 31 March 2023	<u>7,096,073,800</u>	<u>556,537,478</u>	<u>120,715,710</u>	<u>2,043,257,439</u>	<u>9,816,584,427</u>	<u>(6,298,504,372)</u>	<u>3,518,080,050</u>
Other disclosures:							
Additions to property and equipment	20,846,422	1,195,002	433,807	862,016	23,337,247	-	23,337,247
Additions to intangibles	1,834,811	102,178	-	277,096	2,214,085	-	2,214,085
Additions to capital work in progress	-	22,500	-	-	22,500	-	22,500

Burjeel Holdings PLC

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10 SEGMENTAL REPORTING continued

Revenue by Geographic segments:

	Emirate of Abu Dhabi AED	Emirate of Dubai & Northern Emirates AED	Sultanate of Oman AED	Kingdom of Saudi AED	Total AED
<i>For the three months period ended 31 March 2024</i>					
In patient revenue	343,839,742	56,257,511	12,160,521	-	412,257,774
Out patient revenue	675,074,033	45,326,470	31,064,859	854,210	752,319,572
Pharmacy	15,723,229	-	-	-	15,723,229
Other income	<u>17,334,759</u>	<u>1,708,805</u>	<u>4,537,404</u>	<u>113,907</u>	<u>23,694,875</u>
	1,051,971,763	103,292,786	47,762,784	968,117	1,203,995,450
Rental income	<u>973,549</u>	<u>-</u>	<u>13,595</u>	<u>-</u>	<u>987,144</u>
Total revenue	<u>1,052,945,312</u>	<u>103,292,786</u>	<u>47,776,379</u>	<u>968,117</u>	<u>1,204,982,594</u>
<i>For the three months period ended 31 March 2023</i>					
In patient revenue	321,594,071	42,147,763	10,924,175	-	374,666,009
Out patient revenue	604,742,440	41,023,609	27,530,555	-	673,296,604
Pharmacy	15,512,722	-	-	-	15,512,722
Other income	<u>14,620,699</u>	<u>2,272,778</u>	<u>3,116,682</u>	<u>-</u>	<u>20,010,159</u>
	956,469,932	85,444,150	41,571,412	-	1,083,485,494
Rental income	<u>1,356,914</u>	<u>-</u>	<u>20,750</u>	<u>-</u>	<u>1,377,664</u>
Total revenue	<u>957,826,846</u>	<u>85,444,150</u>	<u>41,592,162</u>	<u>-</u>	<u>1,084,863,158</u>

11 DERIVATIVE FINANCIAL INSTRUMENTS

The Group has entered into a profit rate swap agreement with Islamic bank in United Arab Emirates to manage its interest rate exposure. The changes in the fair value of the derivative amounting to AED 8,454,919 (gain for the three months period ended 31 March 2024 (31 March 2023: AED 14,172,699 - loss)) 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 31 March 2024 and 31 December 2023 is as follows:

	<i>31 March 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
Profit rate swap - non-current liabilities	<u>21,941,086</u>	<u>30,396,005</u>

As at 31 March 2024 and 31 December 2023, the Group has interest rate swap agreement to limit exposure to interest rate increases related to a portion of the floating rate indebtedness. As at 31 March 2024, the aggregate notional principal amount of the outstanding interest rate swap contract amounts to AED 735,947,859 (31 December 2023: AED 754,049,451). The derivative financial instrument represents the recognition of a financial liability amounting to AED 21,941,086 as at 31 March 2024 (31 December 2023: AED 30,396,005) relating to the fair value adjustment of the profit rate swap.

The fair values of the profit rate swap us 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 condensed consolidated statement of comprehensive income for respective periods.

11 DERIVATIVE FINANCIAL INSTRUMENTS continued

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 31 March 2024 and 31 December 2023.

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 March 2024 and 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 31 March 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.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2024 (Unaudited)

12 FAIR VALUES OF FINANCIAL INSTRUMENTS continued

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.

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 31 March 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 year.

Following is the information on how the fair value of the financial assets, financial liabilities are determined:

	<i>Fair value as at</i>		<i>Fair value hierarchy</i>	<i>Valuation techniques and key inputs</i>	<i>Significant unobservable input</i>	<i>Relationship of unobservable inputs to fair value</i>
	<i>31 March 2024</i>	<i>31 December 2023</i>				
	<i>AED</i>	<i>AED</i>				
<i>Financial assets</i>						
Quoted equity investments – investment in financial assets (note 22)	24,873,028	36,862,062	Level 1	Quoted bid prices in an active market.	None	Not applicable
<i>Financial liabilities</i>						
Derivative financial instruments - Profit rate swaps measured at fair value (note 25)	21,941,086	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 31 March 2024, the Group had contingent liabilities in respect of labour guarantees amounting to AED 18,903,782 (31 December 2023: AED 3,909,531) and performance guarantees amounting to AED 11,956,643 (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>31 March 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
Software	47,279,099	47,279,099
Building improvements	18,654,220	31,050,934
Medical equipment	10,204,561	16,355,018
Others	<u>8,846,964</u>	<u>3,393,828</u>
	<u>84,984,844</u>	<u>98,078,879</u>

14 SEASONALITY OF RESULTS

No significant income of seasonal nature was recorded in the interim condensed consolidated statement of comprehensive income for the three months period ended 31 March 2024 and 31 March 2023.

15 INCOME TAX

UAE Corporate Tax Law

On 9 December 2022, the UAE Ministry of Finance 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 has become effective for accounting periods beginning on or after 1 June 2023. The Cabinet of Ministers Decision No. 116 of 2022 (effective from 16 January 2023) specified the threshold of taxable income to which the 0% UAE CT rate would apply, and above which the 9% UAE CT rate would apply. It is widely considered that this would constitute 'substantive enactment' of the UAE CT Law for the purposes of IAS 12, the objective of which is to prescribe the basis for accounting for Income Taxes.

Current taxes should be measured at the amount expected to be paid to or recovered from the tax authorities by reference to tax rates and laws that have been enacted or substantively enacted, by the end of the any reporting period. Since no taxes were expected to be paid to or recovered from the tax authorities for the periods ended prior to 31 December 2023, no current tax was accounted for in the financial periods ended before 31 December 2023. Since the Group is expected to pay tax in accordance with the provision of the UAE CT Law on its operational results with effect from 1 January 2024, current taxes have been accounted for in the interim condensed consolidated financial statements for the period beginning from 1 January 2024.

Burjeel Holdings PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2024 (Unaudited)

15 INCOME TAX continued

Deferred taxes should be measured by reference to the tax rates and laws, as enacted, or substantively enacted, by the end of the reporting period, that are expected to apply in the periods in which the assets and liabilities to which the deferred tax relates are realized or settled. As the UAE CT Law was 'substantively enacted' as at 31 December 2023 for the purposes of IAS 12, the Group considered the application of IAS 12 and any requirements for the measurement and recognition of deferred taxes (if any) for the financial periods ended post 1 June 2023. Based on an assessment conducted by the Group's management, there were temporary differences identified where the deferred tax should have been accounted for.

15.1 Amount recognised in the interim condensed consolidated statement of comprehensive income

The major components of income tax expense for the period ended 31 March 2024:

	<i>31 March 2024</i> <i>AED</i>
Current income tax charge	11,259,581
Deferred income tax credit relating to origination and reversal of temporary differences	<u>(320,268)</u>
Income tax expense reported in the consolidated statement of comprehensive income	<u>10,939,313</u>

15.2 Reconciliation of accounting income

	<i>Three months</i> <i>period ended</i> <i>(Unaudited)</i> <i>31 March</i> <i>2024</i>
Profit before tax	115,301,697
Add: loss related to foreign entities	<u>3,008,049</u>
Accounting profit before tax relating to UAE entities	118,309,746
At United Arab Emirates' statutory income tax rate of 9%	10,647,877
Less: effect of standard exemption	(55,900)
Less: income not subject to tax	(1,188,369)
Add: non-deductible expenses	944,061
Less: movement of carryforward loss	(27,848)
Add: tax related to foreign entities	<u>619,492</u>
Income tax expense reported in the interim condensed consolidated statement of comprehensive income	<u>10,939,313</u>
Effective tax rate	<u>9%</u>

At 31 March 2024, there were no amounts recognised directly to equity or in other comprehensive income.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 March 2024 (Unaudited)

16 BASIC EARNINGS PER SHARE

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

Diluted earnings per share amounts are calculated by dividing the net profit 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 period ended</i>	
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>31 March</i>	<i>31 March</i>
	<i>2024</i>	<i>2023</i>
Earnings:		
Profit attributable to equity holders of the Parent (AED)	<u>102,018,831</u>	<u>118,796,312</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>
Earnings per share		
Basic and diluted earnings per share (AED)	<u>0.02</u>	<u>0.02</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 SUBSEQUENT EVENTS

On 5 April 2024, the shareholders of the Company approved distribution of interim cash dividend at the annual general meeting of the Company amounting to AED 65 million which equals to AED 0.01 per share (three months ended 31 March 2023: Nil). The dividends are not recognized as a liability as at 31 March 2024.