

Burjeel Holdings PVT. Limited

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS PERIOD ENDED 30 JUNE 2022 (UNAUDITED)



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REPORT ON REVIEW OF

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE DIRECTOR OF BURJEEL HOLDINGS PVT. LIMITED

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Burjeel Holdings PVT. Limited (the “Company”) and its subsidiaries (together referred to as the “Group”) as at 30 June 2022, comprising of the interim condensed consolidated statement of financial position as at 30 June 2022, and the related interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the three-months and 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.

Emphasis of matter

We draw your attention to note 3.2 where the judgement regarding the timing of recovery of amounts due from related parties is disclosed. Our opinion is not modified in respect of this matter.

Other matter

The interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity, interim condensed consolidated statement of cash flows and related notes for the three-months and six-months period ended 30 June 2021 were not reviewed by an auditor and are presented for comparison purposes only.

Signed by
Anthony O'Sullivan
Ernst & Young

10 August 2022
Abu Dhabi

Burjeel Holdings PVT. Limited

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the three months and six months period ended 30 June 2022 (unaudited)

	Notes	Three months ended 30 June		Six months ended 30 June	
		2022 AED	2021 AED	2022 AED	2021 AED
Revenue	4	926,382,298	795,329,295	1,898,400,890	1,550,968,129
Doctors' and other employees' salaries and emoluments		(402,889,204)	(344,805,701)	(815,491,349)	(663,632,336)
Inventories consumed		(239,352,099)	(196,004,248)	(464,902,764)	(377,001,728)
Depreciation of property and equipment	5	(62,619,650)	(70,298,065)	(128,593,561)	(140,459,978)
Amortisation of intangible assets		(1,045,527)	(1,053,805)	(2,309,231)	(2,523,754)
Depreciation of right of use assets		(26,832,823)	(26,853,589)	(53,643,361)	(53,656,970)
Rent expenses		(3,222,708)	(3,140,251)	(6,693,630)	(6,494,441)
Provision for expected credit losses		(9,998,589)	(27,036,964)	(38,029,489)	(53,050,945)
Utility charges		(9,242,902)	(10,503,856)	(20,095,791)	(20,247,514)
Other expenses		(64,791,799)	(51,744,550)	(149,087,166)	(118,372,591)
OPERATING PROFIT FOR THE PERIOD		106,386,997	63,888,266	219,554,548	115,527,872
Finance costs		(50,225,281)	(43,997,072)	(105,508,104)	(108,726,136)
Interest income from related parties		7,706,438	9,797,595	28,701,352	30,234,435
Share of profit from associates		4,392,538	4,544,350	10,137,830	9,410,121
PROFIT FOR THE PERIOD		68,260,692	34,233,139	152,885,626	46,446,292
Other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		68,260,692	34,233,139	152,885,626	46,446,292
Profit for the period and total comprehensive income for the period attributable to:					
Owner of the Company		61,139,332	33,285,668	143,306,291	44,227,705
Non-controlling interests		7,121,360	947,471	9,579,335	2,218,587
		68,260,692	34,233,139	152,885,626	46,446,292
Earnings per share attributable to the Owner of the Company: - basic and diluted earnings per share (AED) (restated)	14	0.01	0.01	0.03	0.01

The accompanying notes 1 to 14 form an integral part of these interim condensed consolidated financial statements.

Burjeel Holdings PVT. Limited

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2022

		<i>(Unaudited)</i> 30 June 2022 AED	<i>(Audited)</i> 31 December 2021 AED
ASSETS			
Non-current assets			
Property and equipment	5	2,082,195,440	2,180,920,588
Intangible assets		5,747,671	7,929,931
Right of use assets		1,084,874,419	1,138,517,781
Capital work in progress		17,870,718	16,324,776
Investment in associates		27,528,597	17,390,767
Long term deposits		<u>2,552,500</u>	<u>3,195,989</u>
		3,220,769,345	3,364,279,832
Current assets			
Inventories		239,478,639	207,308,714
Accounts receivable and prepayments		1,029,017,828	894,083,418
Amounts due from related parties	8	1,691,407,827	1,595,991,492
Bank balances and cash	6	<u>200,525,594</u>	<u>133,815,562</u>
		3,160,429,888	2,831,199,186
TOTAL ASSETS		<u>6,381,199,233</u>	<u>6,195,479,018</u>
EQUITY AND LIABILITIES			
Share capital	7(a)	550,000,000	734,000
Shareholder's account		-	532,963,590
Other reserve	7(b)	2,889,504	2,889,504
Shareholder's contribution	7(c)	3,553,665	19,684,559
Accumulated losses		<u>(49,526,349)</u>	<u>(192,832,640)</u>
Equity attributable to the Owner of the Company		506,916,820	363,439,013
Non-controlling interests		<u>22,342,696</u>	<u>17,763,361</u>
Total equity		<u>529,259,516</u>	<u>381,202,374</u>
Non-current liabilities			
Interest bearing loans and borrowings	9	2,519,526,195	2,648,798,249
Lease liabilities		1,149,833,499	1,108,599,810
Employees' end of service benefits		112,203,277	101,343,150
Derivative financial instruments	11	<u>21,275,622</u>	<u>32,463,738</u>
		3,802,838,593	3,891,204,947
Current liabilities			
Accounts payable and accruals		968,755,203	1,046,177,184
Lease liabilities		88,797,472	172,676,235
Interest bearing loans and borrowings	9	840,615,133	558,908,655
Amounts due to related parties	8	60,535,079	53,832,937
Bank overdrafts	6	<u>90,398,237</u>	<u>91,476,686</u>
		2,049,101,124	1,923,071,697
Total liabilities		<u>5,851,939,717</u>	<u>5,814,276,644</u>
TOTAL EQUITY AND LIABILITIES		<u>6,381,199,233</u>	<u>6,195,479,018</u>

Dr. Shamsheer Whyalil Parambath
Director

The accompanying notes 1 to 14 form an integral part of these interim condensed consolidated financial statements.

Burjeel Holdings PVT. Limited

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months period ended 30 June 2022 (unaudited)

	Attributable to the Owner of Parent							
	Share capital AED	Shareholder's account AED	Other reserve AED	Shareholder's contribution AED	Accumulated losses AED	Total AED	Non-controlling interest AED	Total equity AED
As at 1 January 2021 (audited)	734,000	524,784,885	2,889,504	19,234,561	(413,755,124)	133,887,826	4,429,893	138,317,719
Profit for the period (unaudited)	-	-	-	-	44,227,705	44,227,705	2,218,587	46,446,292
Total comprehensive income for the period (unaudited)	-	-	-	-	44,227,705	44,227,705	2,218,587	46,446,292
Movement in shareholder's account, net (unaudited)	-	6,674,379	-	-	-	6,674,379	-	6,674,379
As at 30 June 2021 (unaudited)	734,000	531,459,264	2,889,504	19,234,561	(369,527,419)	184,789,910	6,648,480	191,438,390
As at 1 January 2022 (audited)	734,000	532,963,590	2,889,504	19,684,559	(192,832,640)	363,439,013	17,763,361	381,202,374
Profit for the period (unaudited)	-	-	-	-	143,306,291	143,306,291	9,579,335	152,885,626
Total comprehensive income for the period (unaudited)	-	-	-	-	143,306,291	143,306,291	9,579,335	152,885,626
Dividend paid to non-controlling interest (unaudited)	-	-	-	-	-	-	(5,000,000)	(5,000,000)
Additional contribution (unaudited)	-	-	-	300,000	-	300,000	-	300,000
Movement in shareholder's account, net (unaudited)	-	(128,484)	-	-	-	(128,484)	-	(128,484)
Increase in share capital (unaudited)	549,266,000	(532,835,106)	-	(16,430,894)	-	-	-	-
Balance at 30 June 2022 (unaudited)	550,000,000	-	2,889,504	3,553,665	(49,526,349)	506,916,820	22,342,696	529,259,516

The accompanying notes 1 to 14 form an integral part of these interim condensed consolidated financial statements.

Burjeel Holdings PVT. Limited

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months period ended 30 June 2022 (unaudited)

	Notes	<i>Six-month ended 30 June</i>	
		2022 AED (Unaudited)	2021 AED (Unaudited)
OPERATING ACTIVITIES			
Profit for the period		152,885,626	46,446,292
Adjustments for:			
Depreciation on property and equipment	5	128,593,561	140,459,978
Amortisation of intangible assets		2,309,231	2,523,754
Depreciation of right of use assets		53,643,361	53,656,970
Provision for expected credit losses		38,029,489	53,050,945
Share of profit of investments in associates		(10,137,830)	(9,410,121)
Interest income from related parties	8	(28,701,352)	(30,234,435)
Provision for employees' end of service benefits		19,383,645	15,068,059
Adjustment for rent concession		(857,982)	(3,020,060)
Gain on disposal of property and equipment		(350,000)	-
Change in fair value of profit rate swaps	11	(11,188,116)	1,685,217
Finance costs		<u>105,508,104</u>	<u>108,726,136</u>
		449,117,737	378,952,735
Working capital adjustments:			
Inventories		(32,169,925)	(14,281,841)
Accounts receivable and prepayments		(172,963,899)	(247,834,137)
Amounts due from related parties		(7,212,456)	(445,281,571)
Accounts payable and accruals		(77,421,981)	15,777,624
Amounts due to related parties		<u>6,702,142</u>	<u>471,622,291</u>
Cash generated from operations		166,051,618	158,955,101
Employees' end of service benefits paid		(8,523,518)	(6,539,896)
Finance costs paid		<u>(78,199,726)</u>	<u>(79,772,475)</u>
Net cash flows from operating activities		<u>79,328,374</u>	<u>72,642,730</u>
INVESTING ACTIVITIES			
Additions to property and equipment	5	(31,509,357)	(35,866,749)
Additions to intangible assets		(126,970)	-
Additions to capital work in progress		(1,545,942)	(6,692,287)
Proceeds from disposal of property and equipment		488,019	-
Amounts due from related parties		(57,999,603)	46,406,056
Movement in long term deposits		<u>643,489</u>	<u>3,575,983</u>
Net cash flows used in investing activities		<u>(90,050,364)</u>	<u>7,423,003</u>
FINANCING ACTIVITIES			
Net movement in shareholder's account		(128,484)	6,674,379
Net movement in share contribution		300,000	-
Payment of principal portion of lease liabilities		(69,095,472)	(75,616,295)
Net movement in margin account		1,164,476	-
Dividend paid to non-controlling interest		(5,000,000)	-
Receipt of interest bearing loans and borrowings	9	304,788,974	102,526,697
Repayment of interest bearing loans and borrowings	9	<u>(152,354,550)</u>	<u>(97,386,586)</u>
Net cash flows from (used in) financing activities		<u>79,674,944</u>	<u>(63,801,805)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		68,952,954	16,263,928
Cash and cash equivalents at 1 January		<u>39,157,261</u>	<u>(56,034,676)</u>
CASH AND CASH EQUIVALENTS AT 30 JUNE	6	<u>108,110,215</u>	<u>(39,770,748)</u>

The accompanying notes 1 to 14 form an integral part of these interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

1 ACTIVITIES

Burjeel Holdings PVT. Limited (the “Company” or the “Parent”) is registered as a special purpose vehicle in Abu Dhabi Global Market (ADGM) under license number 000003466 as a Private Company Limited by Shares. The Company was incorporated on 7 January 2020 (the “inception date”). The registered address of the Company is 2427 Resco, Work 03, Sila 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 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 Company is wholly owned and controlled by VPS Healthcare Holdings PVT. LTD, an entity registered as a special purpose vehicle in Abu Dhabi Global Market (ADGM) under license number 000003462 as a Private Company Limited by Shares. The Company is ultimately owned by Dr. Shamsheer Vayalil Parambath (hereinafter referred as the “Owner, the “Director” or the Shareholder”).

The comparative financial information for the three months and six months period ended 30 June 2021 is not reviewed and are presented for comparative purpose only.

The interim condensed consolidated financial statements were authorised for issue on 10 August 2022 by the Director.

2.1 FUNDAMENTAL ACCOUNTING CONCEPT

A fundamental principle of the preparation of the interim condensed consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) is the assumption that an entity will continue in existence as a going concern, which contemplates continuity of operations and the realisation of assets and settlement of liabilities occurring in the ordinary course of business. This principle is applicable to all entities except for entities in liquidation or entities for which liquidation appears imminent. In accordance with this requirement, the Company’s management has prepared the interim condensed consolidated financial statements on a going concern basis notwithstanding the accumulated losses of AED 49,526,349 of 30 June 2022 (31 December 2021: AED 192,832,640).

During the six months period ended 30 June 2022, the Group generated net cash from operating activities of AED 79,328,374 (30 June 2021: AED 72,642,730) and the Group is expected to continue to generate positive cash flow from operating activities. The Group did not include any adjustments to the interim condensed consolidated financial statements to reflect the possible future effects that may result from this current financial position to its ability to continue as a going concern because the management believes that the financial position as of 30 June 2022 and the business plans for the future are reasonable and appropriate to address the conditions discussed above.

Management has prepared a base case budget and strategic plan covering the next three financial years which encompass estimates and applied assumptions that are critical to the outcome of the Group’s going concern assessment. These forecasts were prepared in conjunction with an assessment of the Group’s liquidity. Management has considered all available information about the future that was obtained after the reporting date, up until the date of which the financial statements are issued in their assessment of going concern. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group’s ability to continue as a going concern. The interim condensed consolidated financial statements have been prepared on the going concern basis as the management believes that the Group will continue to be in operation in the foreseeable future.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022 (Unaudited)

2.2 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 2021. In addition, results for the six months period ended 30 June 2022 are not necessarily indicative of the results for the year ending 31 December 2022.

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

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

2.3 BASIS OF PREPARATION

The Owner has entered into a Framework and Share Purchase Agreement (“FSPA”) dated 28 March 2022 for the transfer of shares (the shares), relating to the entities listed in Note 2.4 to the interim condensed consolidated financial statements (the ‘Entities’), that are beneficially owned and controlled by the Owner. As per the FSPA, the Owner has transferred the entire economic interest in the Entities to the Company and Burjeel Management PVT. Ltd (the “Intermediate Holdco”), an entity wholly owned by the Company. Thereby, the Company holds 98% of the transferred shares and the remaining 2% is held by the Intermediate Holdco.

The aforementioned transfer of shares to the Company is a common control transaction as the Entities will continue to be controlled by the Owner before and after the reorganisation. Therefore, this reorganisation is considered to be outside the scope of IFRS 3 Business Combinations. The Company has applied the pooling of interest method of accounting for the reorganisation.

The basic principle of accounting for business combinations under common control using the pooling of interest method is that the structure of ownership is discretionary, and any reorganisation thereof is without economic substance from the perspective of the controlling party. The pooling of interest method is considered to involve the combining parties being presented as if they had always been combined. To this effect, the Company accounts for the transaction from the beginning of the period in which the combination occurs (irrespective of its actual date) and restates comparatives to include all combining entities.

The concept of pooling generally is based on the premise of a continuation of the combining entities. Consistently, the pre-combination equity composition and history associated with the assets and liabilities would be carried forward upon the combination. In the interim condensed consolidated financial statements of the Group:

- the share capital of the individual entities that are combined are reflected as ‘shareholders’ contribution’;
- the shareholders’ account of the individual entities that are combined are reflected under ‘shareholders account’;
- the retained earnings or the accumulated losses of the individual entities that are combined are reflected under ‘accumulated losses’; and
- the statutory reserves of the individual entities that are combined are reflected as ‘other reserves’.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022 (Unaudited)

2.4 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 year are included in the interim condensed consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences, recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

Burjeel Holdings PVT. Limited

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

2.4 BASIS OF CONSOLIDATION continued

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.

Details of the Company's significant subsidiaries and their beneficial holdings percentage as at 30 June 2022 and 31 December 2021 are as follows:

<i>Name of subsidiaries</i>	<i>Beneficiary ownership percentage</i>	<i>Place of incorporation</i>	<i>Principal activities</i>
List of operating entities			
Burjeel Hospital LLC	100%	UAE	Health care services
Burjeel Hospital Pharmacy LLC	100%	UAE	Health care services
Burjeel Farha Hospital L.L.C	100%	UAE	Health care services
Burjeel Day Surgery Centre LLC	100%	UAE	Health care services
Burjeel Alreem Pharmacy LLC	100%	UAE	Health care services
Burjeel Medical City LLC	100%	UAE	Health care services
Burjeel Medical City Pharmacy LLC	100%	UAE	Health care services
Burjeel Medical Centre LLC	100%	UAE	Health care services
Burjeel Medical Centre Al Shamkha LLC	100%	UAE	Health care services
Burjeel Pharmacy Al Shamkha LLC	100%	UAE	Health care services
Burjeel Medical Centre Al Zeina LLC	100%	UAE	Health care services
Burjeel Home Care Services LLC	100%	UAE	Health care services
Burjeel Pharmacy Al Marina LLC	100%	UAE	Health care services
Burjeel Oasis Medical Centre LLC	100%	UAE	Health care services
Burjeel Pharmacy LLC	100%	UAE	Health care services
Burjeel Royal Hospital LLC	100%	UAE	Health care services
Burjeel Royal Pharmacy LLC	100%	UAE	Health care services
Burjeel Medical Centre Barari LLC	100%	UAE	Health care services
Burjeel Pharmacy Barari Mall LLC	100%	UAE	Health care services
Burjeel Pharmacy Al Dhafra LLC	100%	UAE	Health care services
Burjeel Hospital for Advanced Surgery LLC	100%	UAE	Health care services
Burjeel Specialty Hospital LLC	100%	UAE	Health care services
Burjeel Pharmacy Forsan Central Mall LLC	100%	UAE	Health care services
Claims Care Revenue			Provision of group services
Cycle Management Office LLC	100%	UAE	within the Group
LLH Hospital LLC	100%	UAE	Health care services
LLH Hospital Pharmacy LLC	100%	UAE	Health care services
LLH Hospital Al Musaffah LLC	100%	UAE	Health care services
LLH Hospital Pharmacy Al Musaffah LLC	100%	UAE	Health care services
LLH Medical Centre Al Musaffah LLC	100%	UAE	Health care services
LLH Medical Centre LLC	100%	UAE	Health care services
LLH Pharmacy Al Musaffah LLC	100%	UAE	Health care services
Lifecare Hospital LLC	50%	UAE	Health care services
LLH Pharmacy LLC	100%	UAE	Health care services
Lifecare International Pharmacy LLC	50%	UAE	Health care services
Lifecare Clinic LLC	50%	UAE	Health care services
Lifecare Medical Centre LLC	50%	UAE	Health care services
Lifeline Drug Store LLC	100%	UAE	Procurement
I Med IT Solutions LLC	100%	UAE	Provision of group services within the Group
Medeor 24x7 Hospital LLC	100%	UAE	Health care services
Medeor 24x7 Pharmacy LLC	100%	UAE	Health care services
Medeor International Pharmacy LLC	100%	UAE	Health care services
Medeor 24x7 Hospital LLC	100%	UAE	Health care services
Marina Health Promotion Center LLC	100%	UAE	Health care services

Burjeel Holdings PVT. Limited

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

2.4 BASIS OF CONSOLIDATION continued

<i>Name of subsidiaries</i>	<i>Beneficiary ownership percentage</i>	<i>Place of incorporation</i>	<i>Principal activities</i>
List of operating entities continued			
Tajmeel Cosmo Clinic LLC	100%	UAE	Health care services
Tajmeel Royal Clinic LLC	100%	UAE	Health care services
Tajmeel Royal Pharmacy LLC	100%	UAE	Health care services
Tajmeel Kids Park Medical Centre LLC	100%	UAE	Health care services
Tajmeel Specialized Medical Centre LLC	100%	UAE	Health care services
Tajmeel Royal Dental Clinic LLC	100%	UAE	Health care services
VPS Drug Store LLC	100%	UAE	Procurement
Unique Valet Parking	100%	UAE	Valet Parking Services
Lifeline Hospital LLC	100%	Oman	Health care services
Dynamed Healthcare Solutions Pvt Ltd	100%	India	Provision of group services within the Group
List of dormant entities*			
Burjeel Dental Laboratory LLC	100%	UAE	Teeth Manufacturing & Compensation Lab
Burjeel Cancer Institute LLC	100%	UAE	Cancer diseases surgery
Burjeel Darak Management LLC	100%	UAE	Management Office
Burjeel Quick Clinic L.L.C	100%	UAE	Health care services
Burjeel Judiciary Medical Centre LLC	100%	UAE	Health care services
Burjeel Judiciary Pharmacy LLC	100%	UAE	Health care services
Burjeel Management PVT. Limited	100%	UAE	Intermediary Holding Company
Co Lab Services LLC	100%	UAE	Medical Analysis
Co Rad Services LLC	100%	UAE	X-Ray Diagnosis
LLH Mobile Clinic LLC	100%	UAE	Mobile Medical Services
LLH Mobile Medical Unit LLC	100%	UAE	Mobile Medical Services
LLH Mammography Unit LLC	100%	UAE	X-Ray Diagnosis
LLH Clinic LLC	100%	UAE	Health care services
VPS Investments and Property	100%	UAE	Real Estate Lease & Management Services
Kypros Nicolaidis Fetal Medicine and Therapy Centre LLC	100%	UAE	Health care services
List of associates			
First IVF Fertility Centre LLC	30%	UAE	Health care services
International Knee & Joint Centre LLC	40%	UAE	Health care services

98% of the beneficial ownership of the above subsidiaries are owned by the Company and 2% is owned by the Intermediate Holdco which is a 100% subsidiary of the Company.

* These entities have not yet carried out any business or commercial operations from the date of their incorporation until the reporting date.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022 (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 the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2021, except for the adoption of the following new standards and amendments effective as of 1 January 2022. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2022, but do not have an impact on the interim condensed consolidated financial statements of the Group.

- Amendments to IAS 37 - Onerous Contracts – Costs of Fulfilling a Contract
- Amendments to IFRS 3 - Reference to the Conceptual Framework
- Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use
- IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter
- IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities
- IAS 41 Agriculture - Taxation in fair value measurements

These amendments had no impact on the interim condensed consolidated financial statements of the Group.

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 2021.

Recoverability of amounts due from related parties

Management believes that the amounts due from related parties are fully recoverable and no provision for credit loss is to be recognised against these balances as the Owner intends to settle the gross amounts due from balance of related parties as at 30 June 2022 amounting to AED 1,687,442,729 (31 December 2021: AED 1,595,991,492) from the proceeds of a future initial public offering. Management expects to realise these due from related parties within twelve months after the reporting date.

Burjeel Holdings PVT. Limited

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

4 REVENUE

4.1 Types of revenue

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2022 Unaudited) AED</i>	<i>2021 (Unaudited) AED</i>	<i>2022 Unaudited) AED</i>	<i>2021 (Unaudited) AED</i>
Clinic revenue	898,149,914	770,444,512	1,844,994,866	1,505,819,996
Pharmacy sales	17,866,146	13,198,492	34,100,425	26,109,579
Other income	9,628,404	<u>11,095,490</u>	16,368,150	<u>17,438,554</u>
Revenue from contracts with customers	925,644,464	794,738,494	1,895,463,441	1,549,368,129
Rental income	737,834	<u>590,801</u>	2,937,449	<u>1,600,000</u>
	926,382,298	<u>795,329,295</u>	1,898,400,890	<u>1,550,968,129</u>

4.2 Revenue from contracts with customers – timing of recognition

Out patient – services rendered at the point in time	559,852,750	526,796,691	1,213,817,844	1,031,161,629
In patient – services rendered over time	338,297,164	243,647,821	631,177,022	474,658,367
Pharmacy – services rendered at the point in time	17,866,146	13,198,492	34,100,425	26,109,579
Other operating income – services rendered at the point in time	9,628,404	<u>11,095,490</u>	16,368,150	<u>17,438,554</u>
	925,644,464	<u>794,738,494</u>	1,895,463,441	<u>1,549,368,129</u>

4.3 Revenue from contracts with customers by geographical markets

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2022 Unaudited) AED</i>	<i>2021 (Unaudited) AED</i>	<i>2022 Unaudited) AED</i>	<i>2021 (Unaudited) AED</i>
United Arab Emirates	884,442,744	746,621,999	1,807,506,296	1,455,197,420
Sultanate of Oman	41,201,720	<u>48,116,495</u>	87,957,145	<u>94,170,709</u>
	925,644,464	<u>794,738,494</u>	1,895,463,441	<u>1,549,368,129</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>2022 Unaudited) AED</i>	<i>2021 (Unaudited) AED</i>	<i>2022 Unaudited) AED</i>	<i>2021 (Unaudited) AED</i>
Hospitals	814,905,173	685,208,069	1,675,960,228	1,355,752,492
Medical centres	83,244,741	85,236,443	169,034,638	150,067,504
Pharmacies	17,866,146	13,198,492	34,100,425	26,109,579
Others	9,628,404	<u>11,095,490</u>	16,368,150	<u>17,438,554</u>
	925,644,464	<u>794,738,494</u>	1,895,463,441	<u>1,549,368,129</u>

Burjeel Holdings PVT. Limited

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

4 REVENUE continued

Performance obligations

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

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

Rental income

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

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

5 PROPERTY AND EQUIPMENT

The movement in property and equipment pertains to additions of AED 31,509,357 for the six months period ended 30 June 2022 (six months period ended 30 June 2021: AED 35,866,749) which comprises of building and leasehold improvements of AED 5,300,927, medical equipments of AED 12,020,332, furniture and fixtures of AED 1,789,480, computer and office equipments of AED 9,771,358 and motor vehicles of AED 2,627,260.

During the six months period ended 30 June 2022, medical equipments and motor vehicles having net book value of AED 138,019 were disposed (30 June 2021: Nil) and motor vehicles having net book value of AED 1,502,924 were transferred to a related party (30 June 2021: Nil). The depreciation charge for the three months and six months period ended amounted to AED 62,619,650 and AED 128,593,561, respectively (three months and six months period ended 30 June 2021: AED 70,298,065 and AED 140,459,978, respectively).

6 BANK BALANCES AND CASH

	<i>30 June 2022 AED (Unaudited)</i>	<i>31 December 2021 AED (Audited)</i>
Cash in hand	2,341,042	4,042,586
<i>Bank balances:</i>		
Margin deposits	2,017,142	3,181,618
Fixed deposits	11,449,719	2,151,136
Cash at bank	<u>184,717,691</u>	<u>124,440,222</u>
Bank balances and cash	200,525,594	133,815,562
Less: bank overdrafts	(90,398,237)	(91,476,683)
Less: margin deposits	<u>(2,017,142)</u>	<u>(3,181,618)</u>
Cash and cash equivalents	<u>108,110,215</u>	<u>39,157,261</u>

Burjeel Holdings PVT. Limited

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2022 (Unaudited)

6 BANK BALANCES AND CASH continued

Margin deposits are cash guarantees paid to various banks to secure overdraft facilities. 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.

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

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

	<i>Six-month ended 30 June</i>	
	<i>2022</i>	<i>2021</i>
	<i>AED</i>	<i>AED</i>
<i>Notes</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Significant non-cash transactions		
Transfer of property and equipment to a related party (note 8)	1,502,924	-
Transfer from shareholder's account to share capital (note 7(a))	549,266,000	-

7 (a) SHARE CAPITAL

	<i>30 June</i>	<i>31 December</i>
	<i>2022</i>	<i>2021</i>
	<i>AED</i>	<i>AED</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Authorised, issued and fully paid		
30 June 2022: 5,500,000,000 shares of AED 0.10 each (US\$ 0.027)	<u>550,000,000</u>	<u>-</u>
31 December 2021: 100 shares of AED 7,340 each	<u>-</u>	<u>734,000</u>

During the period, the Company increased its share capital by AED 549,266,000 by transferring AED 532,835,106 and AED 16,430,894 from the shareholder's account and shareholder's contribution respectively. The legal formalities with Abu Dhabi Global Market were completed on 14 June 2022 and Abu Dhabi Global Market issued a registration license with an amount of authorised share capital US\$ 149,863,760 (AED 550,000,000).

7 (b) SHAREHOLDER'S ACCOUNT

Shareholder's account represents net amount invested by the Owner in the Group Entities. The Shareholder's account balance is unsecured, interest free, and has no fixed repayment terms. Any repayment of this amount is at the sole discretion of the Company and Group Entities.

7 (c) SHAREHOLDER'S CONTRIBUTION

Shareholder's contribution included as part of total equity represents Owner's interest in the share capital of entities listed in Note 2.4 to the interim condensed consolidated financial statements which are transferred to the Group.

Burjeel Holdings PVT. Limited

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

8 RELATED PARTY TRANSACTIONS AND BALANCES

These represent transactions with related parties, i.e. Owner 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 ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</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>7,669,723</u>	<u>4,903,909</u>	<u>11,999,099</u>	<u>10,220,085</u>
Interest income from related parties	<u>7,706,438</u>	<u>9,797,595</u>	<u>28,701,352</u>	<u>30,234,435</u>
Purchases	<u>4,454,345</u>	<u>3,619,818</u>	<u>7,037,498</u>	<u>5,786,903</u>
Doctors' and other employees' salaries and benefits	<u>1,444,978</u>	<u>764,554</u>	<u>3,311,873</u>	<u>1,491,943</u>
Corporate charges*	<u>15,143,544</u>	<u>7,462,897</u>	<u>28,108,880</u>	<u>15,000,000</u>
Others	<u>9,007,337</u>	<u>8,394,871</u>	<u>17,597,377</u>	<u>13,882,382</u>

As at 30 June 2022 and 31 December 2021, various group entities and the Owner have provided corporate and personal guarantees to the banks for loans and other facilities obtained by the subsidiaries.

* Corporate charges include a recharge of costs by VPS Healthcare. These reflect certain functions provided VPS Healthcare mainly HR support, IT support, finance operations support of AED 21.9 million, and other general overheads such as allocation of office rent, marketing expenses and other costs of AED 6.2 million. These costs are recharged on an actuals basis. Subsequent to the period end these functions have been transferred to the Group and will be direct costs of the Group in future periods.

Property and equipment were transferred to VPS Healthcare LLC at net book value of AED 1,502,924 (30 June 2021: Nil).

Compensation of key management personnel

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

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</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, end of service and other benefits	<u>9,298,846</u>	<u>5,805,243</u>	<u>14,487,758</u>	<u>11,364,472</u>
Number of key management personnel	<u>38</u>	<u>37</u>	<u>38</u>	<u>37</u>

Burjeel Holdings PVT. Limited

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

8 RELATED PARTY TRANSACTIONS AND BALANCES continued

	<i>30 June 2022 AED (Unaudited)</i>	<i>31 December 2021 AED (Audited)</i>
Amounts due from related parties		
VPS Healthcare LLC*	1,590,850,103	1,504,149,148
Other related parties	<u>96,592,626</u>	<u>91,842,344</u>
	1,687,442,729	1,595,991,492
Dr. Shamsheer Vayalil Parambath (transaction costs)	<u>3,965,098</u>	<u>-</u>
Total	<u>1,691,407,827</u>	<u>1,595,991,492</u>

During the period ended 30 June 2022, the Group transferred AED 87 million to VPS Healthcare LLC and net interest charged was AED 28 million which was offset by the corporate charges of AED 28 million.

The Owner intends to settle the gross amounts due from balance of related parties as at 30 June 2022 amounting to AED 1,687,442,729 (31 December 2021: AED 1,595,991,492) from the proceeds of future initial public offerings. Management expects to realise these due from related parties within twelve months after the reporting date. Therefore, these balances are classified as current.

The total transaction costs incurred by the Company for the purpose of the proposed initial public offering is AED 8.8 million. An amount of AED 4.9 million has been expensed by the Company and the remaining cost of AED 3.9 million has been charged to Dr. Shamsheer Vayalil Parambath, the shareholder. These transactions costs will be allocated in the future between the shareholder and the Company based on the proportion of the number of newly issued shares compared to the total number of shares sold through the offering (secondary offering).

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

* - This balances carry an interest rate of 6% per annum for the period ended 30 June 2022 and 30 June 2021.

	<i>30 June 2022 AED (Unaudited)</i>	<i>31 December 2021 AED (Audited)</i>
Amounts due to related parties		
Other related parties	<u>60,535,079</u>	<u>53,832,937</u>

Burjeel Holdings PVT. Limited

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

9 INTEREST BEARING LOANS AND BORROWINGS

	<i>30 June 2022 AED (Unaudited)</i>	<i>31 December 2021 AED (Audited)</i>
Term loans	2,782,522,846	2,888,426,321
Ijara loan	130,764,758	137,724,585
Short-term loans	365,519,855	97,000,000
Bill discounting	68,016,197	75,755,938
Loan for bank guarantees	2,299,099	2,299,099
Vehicle loans	3,129,631	1,681,490
Rent loans	<u>7,888,942</u>	<u>4,819,471</u>
At the end of the period / year	<u>3,360,141,328</u>	<u>3,207,706,904</u>

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

	<i>30 June 2022 AED (Unaudited)</i>	<i>31 December 2021 AED (Audited)</i>
Non-current	2,519,526,195	2,648,798,249
Current	<u>840,615,133</u>	<u>558,908,655</u>
	<u>3,360,141,328</u>	<u>3,207,706,904</u>

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

	<i>30 June 2022 AED (Unaudited)</i>	<i>31 December 2021 AED (Audited)</i>
At 1 January	3,207,706,904	3,326,724,343
Additions during the period / year	304,788,974	151,181,258
Repayments during the period / year	<u>(152,354,550)</u>	<u>(270,198,697)</u>
At the end of the period / year	<u>3,360,141,328</u>	<u>3,207,706,904</u>

Interest rates

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

- Commercial loans – EIBOR + 3% to 7%
- Ijara loans – EIBOR + 3% to 5%
- Bills discounted – EIBOR + 2% to 6%
- Rent loans – EIBOR + 3% to 5%
- Vehicle loans – 3% to 10%

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022 (Unaudited)

9 INTEREST BEARING LOANS AND BORROWINGS continued

In 2017, Medeor International Hospital in Al Ain, United Arab Emirates entered into an agreement with a bank to finance the capital expenditure of the new hospital. The repayment of loan is over the period of 5 years in 20 installments on quarterly basis. The first repayment started in 2018. As of 30 June 2022 and 31 December 2021, Medeor International Hospital was not in compliance with two of the seven financial covenants. Even though, the bank did not declare an event of default under the loan agreement and the facility was renewed without any penalty in subsequent years, but these breaches constituted events of default and could have resulted in the lender requiring immediate repayment of loans. Accordingly, as of 30 June 2022 and 31 December 2021, the Group has classified the loans and borrowings of AED 15,283,349 and AED 43,701,896, respectively as a current liability.

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. Also, the Group's financing (including finance costs, finance income and other income) and income taxes are managed on a Group basis and are not allocated to operating segments.

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

Burjeel Holdings PVT. Limited

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

10 SEGMENTAL REPORTING continued

As at and for the six months period 30 June 2022

	Hospitals AED	Medical centre AED	Pharmacies AED	Others AED	Total segments AED	Adjustments and eliminations AED	Consolidation AED
Revenue							
Out patient revenue	1,108,384,848	183,519,340	-	-	1,291,904,188	(78,086,344)	1,213,817,844
In patient revenue	<u>631,177,022</u>	-	-	-	<u>631,177,022</u>	-	<u>631,177,022</u>
Total clinical revenue	1,739,561,870	183,519,340	-	-	1,923,081,210	(78,086,344)	1,844,994,866
Pharmacy sales	-	-	34,188,511	-	34,188,511	(88,086)	34,100,425
Others	12,048,961	479,051	-	381,981,427	394,509,439	(378,141,289)	16,368,150
Rental income	<u>3,139,230</u>	-	-	<u>98,219</u>	<u>3,237,449</u>	<u>(300,000)</u>	<u>2,937,449</u>
Total revenue	<u>1,754,750,061</u>	<u>183,998,391</u>	<u>34,188,511</u>	<u>382,079,646</u>	<u>2,355,016,609</u>	<u>(456,615,719)</u>	<u>1,898,400,890</u>
External customers Intersegment	1,678,397,042	181,965,066	34,100,425	3,938,357	1,898,400,890	(456,615,719)	1,898,400,890
	<u>76,353,019</u>	<u>2,033,325</u>	<u>88,086</u>	<u>378,141,289</u>	<u>456,615,719</u>	-	-
Total revenue	<u>1,754,750,061</u>	<u>183,998,391</u>	<u>34,188,511</u>	<u>382,079,646</u>	<u>2,355,016,609</u>	<u>(456,615,719)</u>	<u>1,898,400,890</u>
Segment profit	106,975,240	25,724,359	2,624,274	17,561,753	152,885,626	-	152,885,626
Finance costs	103,754,191	1,482,588	-	271,325	105,508,104	-	105,508,104
Finance income	<u>(28,701,352)</u>	-	-	-	<u>(28,701,352)</u>	-	<u>(28,701,352)</u>
Profit before interest, taxation (EBIT)	182,028,079	27,206,947	2,624,274	17,833,078	229,692,378	-	229,692,378
Depreciation and amortisation	<u>163,742,402</u>	<u>19,446,161</u>	<u>372,125</u>	<u>985,465</u>	<u>184,546,153</u>	-	<u>184,546,153</u>
Profit before interest, taxation, depreciation, amortisation (EBITDA)	<u>345,770,481</u>	<u>46,653,108</u>	<u>2,996,399</u>	<u>18,818,543</u>	<u>414,238,531</u>	-	<u>414,238,531</u>
Total assets as at 30 June 2022	<u>8,388,874,711</u>	<u>493,737,222</u>	<u>106,980,414</u>	<u>490,175,236</u>	<u>9,479,767,583</u>	<u>(3,098,568,350)</u>	<u>6,381,199,233</u>
Total liabilities as at 30 June 2022	<u>7,942,089,054</u>	<u>547,595,311</u>	<u>112,574,474</u>	<u>347,501,080</u>	<u>8,949,759,919</u>	<u>(3,097,820,202)</u>	<u>5,851,939,717</u>
Other disclosures:							
Additions to property and equipment	26,185,829	2,384,826	590,437	2,348,265	31,509,357	-	31,509,357
Additions to intangibles	126,970	-	-	-	126,970	-	126,970
Additions to capital work in progress	1,518,692	27,250	-	-	1,545,942	-	1,545,942

Burjeel Holdings PVT. Limited

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2022 (Unaudited)

10 SEGMENTAL REPORTING continued

For the six months period 30 June 2021 and as at 31 December 2021:

	Hospitals AED	Medical centre AED	Pharmacies AED	Others AED	Total segments AED	Adjustments and eliminations AED	Consolidation AED
Revenue							
Out patient revenue	899,308,416	165,200,071	-	-	1,064,508,487	(33,346,858)	1,031,161,629
In patient revenue	474,658,367	-	-	-	474,658,367	-	474,658,367
Total clinical revenue	1,373,966,783	165,200,071	-	-	1,539,166,854	(33,346,858)	1,505,819,996
Pharmacy sales	-	-	26,277,205	-	26,277,205	(167,626)	26,109,579
Others	12,644,963	2,581,275	-	234,044,918	249,271,156	(231,832,602)	17,438,554
Rental income	1,900,000	-	-	-	1,900,000	(300,000)	1,600,000
Total revenue	1,388,511,746	167,781,346	26,277,205	234,044,918	1,816,615,215	(265,647,086)	1,550,968,129
External customers	1,356,966,415	165,679,819	26,109,579	2,212,316	1,550,968,129	-	1,550,968,129
Intersegment	31,545,331	2,101,527	167,626	231,832,602	265,647,086	(265,647,086)	-
Total revenue	1,388,511,746	167,781,346	26,277,205	234,044,918	1,816,615,215	(265,647,086)	1,550,968,129
Segment profit	11,539,134	21,145,090	2,506,820	11,255,248	46,446,292	-	46,446,292
Finance costs	106,198,531	2,036,487	-	491,118	108,726,136	-	108,726,136
Finance income	(30,234,435)	-	-	-	(30,234,435)	-	(30,234,435)
Profit before interest, taxation (EBIT)	87,503,230	23,181,577	2,506,820	11,746,366	124,937,993	-	124,937,993
Depreciation and amortisation	173,427,037	22,021,817	285,994	905,854	196,640,702	-	196,640,702
Profit before interest, taxation, depreciation, amortisation (EBITDA)	260,930,267	45,203,394	2,792,814	12,652,220	321,578,695	-	321,578,695
Total assets as at 31 December 2021	8,108,779,203	476,820,023	94,418,429	382,859,000	9,062,876,655	(2,867,397,637)	6,195,479,018
Total liabilities as at 31 December 2021	7,742,130,436	555,236,920	102,651,078	272,886,378	8,672,904,812	(2,858,628,168)	5,814,276,644
<i>Other disclosures:</i>							
Additions to property and equipment	33,007,237	1,711,907	559,935	587,670	35,866,749	-	35,866,749
Additions to capital work in progress	6,692,287	-	-	-	6,692,287	-	6,692,287

Burjeel Holdings PVT. Limited

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

10 SEGMENTAL REPORTING continued

For the three months period 30 June 2022

	Hospitals AED	Medical centre AED	Pharmacies AED	Others AED	Total segments AED	Adjustments and eliminations AED	Consolidation AED
Revenue							
Out patient revenue	495,670,104	97,362,639	-	-	593,032,743	(33,179,993)	559,852,750
In patient revenue	<u>338,297,164</u>	-	-	-	<u>338,297,164</u>	-	<u>338,297,164</u>
Total clinical revenue	833,967,268	97,362,639	-	-	931,329,907	(33,179,993)	898,149,914
Pharmacy sales	-	-	17,954,232	-	17,954,232	(88,086)	17,866,146
Others	5,739,970	338,941	-	217,287,103	223,366,014	(213,737,610)	9,628,404
Rental income	<u>939,615</u>	-	-	<u>98,219</u>	<u>1,037,834</u>	<u>(300,000)</u>	<u>737,834</u>
Total revenue	840,646,853	97,701,580	17,954,232	217,385,322	1,173,687,987	(247,305,689)	926,382,298
External customers Intersegment	808,168,836	96,699,604	17,866,146	3,647,712	926,382,298	(247,305,689)	926,382,298
	<u>32,478,017</u>	<u>1,001,976</u>	<u>88,086</u>	<u>213,737,610</u>	<u>247,305,689</u>	<u>(247,305,689)</u>	<u>-</u>
Total revenue	840,646,853	97,701,580	17,954,232	217,385,322	1,173,687,987	(247,305,689)	926,382,298
Segment profit							
Finance costs	46,133,556	15,658,117	1,742,923	4,726,096	68,260,692	-	68,260,692
Finance income	<u>(7,706,438)</u>	<u>422,987</u>	-	<u>176,572</u>	<u>50,225,281</u>	-	<u>50,225,281</u>
Profit before interest, taxation (EBIT)	88,052,840	16,081,104	1,742,923	4,902,668	110,779,535	-	110,779,535
Depreciation and amortisation	<u>80,426,522</u>	<u>9,385,808</u>	<u>186,772</u>	<u>498,898</u>	<u>90,498,000</u>	-	<u>90,498,000</u>
Profit before interest, taxation, depreciation, amortisation (EBITDA)	<u>168,479,362</u>	<u>25,466,912</u>	<u>1,929,695</u>	<u>5,401,566</u>	<u>201,277,535</u>	-	<u>201,277,535</u>

Burjeel Holdings PVT. Limited

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

10 SEGMENTAL REPORTING continued

For the three months period 30 June 2021:

	Hospitals AED	Medical centre AED	Pharmacies AED	Others AED	Total segments AED	Adjustments and eliminations AED	Consolidation AED
Revenue							
Out patient revenue	451,469,490	84,595,784	-	-	536,065,274	(9,268,583)	526,796,691
In patient revenue	243,647,821	-	-	-	243,647,821	-	243,647,821
Total clinical revenue	695,117,311	84,595,784	-	-	779,713,095	(9,268,583)	770,444,512
Pharmacy sales	-	-	13,245,241	-	13,245,241	(46,749)	13,198,492
Others	8,521,178	1,277,952	-	124,001,433	133,800,563	(122,705,073)	11,095,490
Rental income	890,801	-	-	-	890,801	(300,000)	590,801
Total revenue	704,529,290	85,873,736	13,245,241	124,001,433	927,649,700	(132,320,405)	795,329,295
External customers Intersegment	695,598,000	85,236,443	13,198,493	1,296,359	795,329,295	-	795,329,295
	8,931,290	637,293	46,748	122,705,074	132,320,405	(132,320,405)	-
Total revenue	704,529,290	85,873,736	13,245,241	124,001,433	927,649,700	(132,320,405)	795,329,295
Segment profit	17,278,631	11,522,100	579,545	4,852,863	34,233,139	-	34,233,139
Finance costs	43,038,560	787,355	-	171,157	43,997,072	-	43,997,072
Finance income	(9,797,595)	-	-	-	(9,797,595)	-	(9,797,595)
Profit before interest taxation (EBIT)	50,519,596	12,309,455	579,545	5,024,020	68,432,616	-	68,432,616
Depreciation and amortisation	86,744,923	10,813,176	169,515	477,845	98,205,459	-	98,205,459
Profit before interest, taxation, depreciation, amortisation (EBITDA)	137,264,519	23,122,631	749,060	5,501,865	166,638,075	-	166,638,075

Burjeel Holdings PVT. Limited

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (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>Total AED</i>
For the six months period ended 30 June 2022				
Out patient revenue	1,077,686,656	75,945,920	60,185,268	1,213,817,844
In patient revenue	531,709,548	75,236,248	24,231,226	631,177,022
Pharmacy	34,100,425	-	-	34,100,425
Other income	<u>11,777,578</u>	<u>1,049,921</u>	<u>3,540,651</u>	<u>16,368,150</u>
	1,655,274,207	152,232,089	87,957,145	1,895,463,441
Rental income	<u>2,679,949</u>	<u>257,500</u>	<u>-</u>	<u>2,937,449</u>
Total revenue	<u>1,657,954,156</u>	<u>152,489,589</u>	<u>87,957,145</u>	<u>1,898,400,890</u>
For the six months period ended 30 June 2021				
Out patient revenue	887,982,924	79,424,998	63,753,707	1,031,161,629
In patient revenue	369,514,591	78,119,050	27,024,726	474,658,367
Pharmacy	26,109,579	-	-	26,109,579
Other income	<u>13,112,625</u>	<u>933,653</u>	<u>3,392,276</u>	<u>17,438,554</u>
	1,296,719,719	158,477,701	94,170,709	1,549,368,129
Rental income	<u>1,600,000</u>	<u>-</u>	<u>-</u>	<u>1,600,000</u>
Total revenue	<u>1,298,319,719</u>	<u>158,477,701</u>	<u>94,170,709</u>	<u>1,550,968,129</u>
For the three months period ended 30 June 2022				
Out patient revenue	289,264,093	37,061,673	11,971,398	338,297,164
In patient revenue	501,080,562	33,082,517	25,689,671	559,852,750
Pharmacy	17,866,146	-	-	17,866,146
Other income	<u>5,555,641</u>	<u>532,112</u>	<u>3,540,651</u>	<u>9,628,404</u>
	813,766,442	70,676,302	41,201,720	925,644,464
Rental income	<u>609,084</u>	<u>128,750</u>	<u>-</u>	<u>737,834</u>
Total revenue	<u>814,375,526</u>	<u>70,805,052</u>	<u>41,201,720</u>	<u>926,382,298</u>
For the three months period ended 30 June 2021				
Out patient revenue	187,545,880	40,670,822	15,431,119	243,647,821
In patient revenue	459,802,329	37,666,470	29,327,892	526,796,691
Pharmacy	13,198,492	-	-	13,198,492
Other income	<u>7,113,760</u>	<u>624,246</u>	<u>3,357,484</u>	<u>11,095,490</u>
	667,660,461	78,961,538	48,116,495	794,738,494
Rental income	<u>590,801</u>	<u>-</u>	<u>-</u>	<u>590,801</u>
Total revenue	<u>668,251,262</u>	<u>78,961,538</u>	<u>48,116,495</u>	<u>795,329,295</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022 (Unaudited)

11 DERIVATIVE FINANCIAL INSTRUMENTS

The Group has entered into a profit rate swap agreements to manage its interest rate exposure. The changes in the fair value of the derivatives amounting to AED 11,188,116 (profit) for the six months period ended 30 June 2022 (30 June 2021: AED 1,685,217 – loss) are included as a component of other expenses in the interim condensed consolidated statement of comprehensive income.

The fair values of the Group’s derivative financial instruments as at 30 June 2022 and 31 December 2021 are as follows:

	<i>30 June 2022 AED (Unaudited)</i>	<i>31 December 2021 AED (Audited)</i>
Profit rate swaps – non-current liabilities	<u>21,275,622</u>	<u>32,463,738</u>

As at 30 June 2022 and 31 December 2021, the Group has various interest rate swap agreements to limit exposure to interest rate increases related to a portion of the floating rate indebtedness. As at 30 June 2022, the aggregate notional principal amounts of the outstanding interest rate swap contracts amount to AED 927,169,991 (31 December 2021: AED 927,169,991). The derivative financial instruments represent the recognition of a financial liability amounting to AED 21,275,622 as at 30 June 2022 (31 December 2021: AED 32,463,738) relating to the fair value adjustment of the profit rate swaps.

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

The following table analyses within the fair value hierarchy the Group’s financial instruments measured at fair value at 30 June 2022 and 31 December 2021:

	<i>Level 1 AED</i>	<i>Level 2 AED</i>	<i>Level 3 AED</i>
Derivative financial instruments – Profit rate swaps measured at fair value:			
30 June 2022	-	21,275,622	-
31 December 2021	-	32,463,738	-

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

Level 1: Level 1 inputs are unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. The Group uses Level 1 inputs for investments in publicly traded unrestricted securities for which the Group does not have a controlling interest. The Group does not measure the fair value of the financial instruments using Level 1 inputs as of 30 June 2022 and 31 December 2021.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022 (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 30 June 2022 and 31 December 2021.

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

During the period ended 31 June 2022 and year ended 31 December 2021, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

12 CONTINGENCIES AND COMMITMENTS

Contingencies

At 30 June 2022, the Group had contingent liabilities in respect of labour guarantees amounting to AED 2,628,866 (31 December 2021: AED 3,820,200) and performance guarantees amounting to AED 9,923,419 (31 December 2021: AED 7,799,476) arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

Capital commitments

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

	<i>30 June 2022 AED (Unaudited)</i>	<i>31 December 2021 AED (Audited)</i>
Building improvements	2,613,318	2,204,829
Medical equipment	5,978,634	2,952,734
Others	<u>2,081,679</u>	<u>1,153,667</u>
	<u>10,673,631</u>	<u>6,311,230</u>

13 SEASONALITY OF RESULTS

No significant income of seasonal nature was recorded in the interim condensed consolidated statement of comprehensive income for the three months and six months period ended 30 June 2022 and 30 June 2021.

Burjeel Holdings PVT. Limited

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

14 BASIC AND DILUTED EARNINGS PER SHARE

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

Diluted earnings per share amounts are calculated by dividing the profit for the period attributable to the Owner of the Company 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</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</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>
Earnings:				
Profit attributable to Owner of the Company (AED)	<u>61,139,332</u>	<u>33,285,668</u>	<u>143,306,291</u>	<u>44,227,705</u>
Number of shares				
Weighted -average number of ordinary shares for basic and diluted earnings per share (restated*)	<u>5,500,000,000</u>	<u>5,500,000,000</u>	<u>5,500,000,000</u>	<u>5,500,000,000</u>
Earnings per share				
Basic and diluted earnings (loss) per share (AED) (restated)	<u>0.01</u>	<u>0.01</u>	<u>0.03</u>	<u>0.01</u>

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