
burjeel
holdings
Burjeel Holdings Annual Report
2023
World-class
healthcare
for the Gulf

About the report

Report structure

This annual report offers a comprehensive account of Burjeel Holding's performance, operations and strategy throughout the reporting period which ended 31 December 2023. The report presents a full review of the Company's activities over the year, report on its highly satisfactory results and records its progress on meeting its ambitious growth targets. Additionally, the report discloses on Burjeel Holding's sustainability-related performance and activities while also providing information on the Company's corporate governance.

This annual report is available online in HTML as well as in print and PDF versions. All financial information in this annual report is reported in million of AED, unless otherwise stated. As a result, small rounding differences may occur.

Report boundary

GRI 2-1, GRI 2-2

The financial reporting boundary in this report is Burjeel Holdings, referred to as 'the Company', and its subsidiaries, which, together with the Company, are collectively referred to as the 'Group'. The reporting focuses on events which may substantially affect the Company's ability to create value over the short-, medium- and long-term, and which may have a significant probability of occurrence. Additionally, this report consolidates data of the Group's direct subsidiaries listed in the IFRS statements as of 31 December 2023.

`We´, `Burjeel´, `Burjeel Holdings´, `the Group´, `the Company´ or similar expressions are used in this report synonyms for Burjeel Holdings PLC and its subsidiaries.

Reporting period

GRI 2-3, GRI 2-4

This report covers the 12-month period from 1 January to 31 December 2023 (the review period). The Company's most recent annual report covered the 12-month period that ended 31 December 2022. There are no restatements of information from previous reports and no significant changes from previous reporting periods.

Compliance

GRI 2-23

Burjeel Holdings complies with all applicable laws, regulations and standards, and relevant guidelines in its disclosure. Additional details can be found in the Governance Report section (page 162-163) and in the Financial Statements and the Consolidated Notes to those Statements.

The consolidated environmental, social and governance (ESG) data has been prepared in accordance with the following standards, principles and guidelines:

- **ADX** – ESG Disclosure Guidance
- **GRI** – GRI Sustainability Reporting Standards
- **SASB** – Sustainability Accounting Standards Board

→ The GRI, SASB, and ADX indexes can be found on pages 270–281.

Assurance

GRI 2–5

The financial statements in this annual report have undergone external assurance by Ernst & Young; information on this can be found in the Independent Auditor's Report. Currently, the report's sustainability information has not yet undergone external assurance.

Recognizing its significance, we are actively working to include this assurance in future reporting cycles.

Approval

GRI 2-14

The Board of Directors of Burjeel Holdings hereby approves the Annual Report for the fiscal year ending 2023. We commend the management team for their contributions and affirm the report's accuracy and compliance with regulatory standards.

Approved by the Board of Directors on 6 March 2024

Feedback and suggestions

GRI 2-3

Feedback from our internal and external stakeholders helps and supports us to improve our practices and performance further. Please contact:

Burjeel Holdings
Investor Relations Team
→ ir@burjeelholdings.com

Disclaimer

Certain information set forth in this report contains 'forward-looking information', including 'future-oriented financial information' and 'financial outlook', under applicable securities laws (collectively referred to herein as forward-looking statements). Such statements are preceded or followed by or contain words such as `believes´, `expects´, `anticipates´ or similar expressions. Such forward-looking statements are provided to allow potential investors the opportunity to understand the management's beliefs and opinions regarding the future so that they may use such beliefs and opinions as one factor in evaluating an investment. Although forward-looking statements in this report are based upon what management of the Company believes are reasonable assumptions, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

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01

Group Overview

Our well-invested and integrated healthcare system balances patients' expectations across the entire socioeconomic spectrum and the needs of leading health insurance providers.



Investment case

→ see page 32

Convincing investment case shown through our integrated healthcare system and significant asset utilization potential.



Geographical presence

Making world-class healthcare available locally in the Gulf, with assets in the United Arab Emirates, Oman as well as the KSA.

→ see page 14



Our growth story

→ see page 40

Our journey to becoming a leading provider of world-class healthcare in the Gulf.

Burjeel Holdings today

GRI 2–6

Founded by Dr. Shamsheer Vayalil in Abu Dhabi in 2007, Burjeel Holdings is one of the leading private providers of world-class healthcare services in the UAE and Oman, with a growing specialized healthcare segment in Saudi Arabia.

By introducing a brand model adapted for multiple segments, Burjeel Holdings has developed an integrated healthcare ecosystem across primary, secondary, tertiary, and quaternary medical care services. It ensures the delivery of complex care to patients across all socioeconomic groups.

Purpose statement

Through a unique physician-led culture that is focused on clinical outcomes, Burjeel Holdings has nurtured significant expertise in delivering highly complex treatments, personalized medicines, and cutting-edge clinical research. These attributes leave the Group well-positioned to become the leading voice on health systems by bringing advanced healthcare benefits and strategic value in the Gulf region and MENA.



Diversified brand portfolio to serve the whole community

Our mission

Burjeel Holdings will deliver exemplary medical care by combining state-of-the-art technology and highly skilled medical experts to provide care with the human touch. It does so through merging world-class standards of healthcare with a deep understanding of local cultures.

Our vision

Burjeel Holdings looks forward to being the most trusted and respected healthcare service provider in the Middle East by treating every human life in our hands with utmost care and raising healthcare standards.





Significant scale and market presence

6m
Patient footfall

>30%
Revenue from super-specialty care[1]

19%
In-patient private market share in the UAE

1,556
Number of doctors

1,708
Bed capacity

68
Medical assets incl. 16 hospitals

Strong financial performance



AED 540m
Net profit
+52% YoY

AED 1 bn
EBITDA
+18% YoY

AED 4.5bn
Revenue
+16% YoY

Latest sustainability achievements

Burjeel Medical City has been honored with the Emerald Muashir Award in the 'Large Hospitals Category for Sustainability' during COP28

In recognition of the Group's commitment to creating an inclusive work environment, Burjeel has been certified as a 'Great Place To Work' based on a survey conducted by a leading management consultancy.

Burjeel Holdings has been honored with Zenith Global Health Award for Innovation in Healthcare

Burjeel Holdings recognized as Middle East's leader in Healthcare Excellence by Khaleej Times, the leading English Daily in the UAE

Mr. John Sunil, our CEO, has been named as a top Healthcare Visionary by Arabian Business Magazine.



Focus on ESG evolution

Healthy Planet

Carbon neutral and zero waste by 2040

Healthy Community

87%
Patient satisfaction score[4]

Healthy System

92%
Employee satisfaction score

Healthy Governance

70%
Independent Directors

Accredited, world-class healthcare

13 hospitals with JCI[2] accreditations

8 labs with ISO 15189:2012 certification

Accredited Burjeel's laboratory[3]

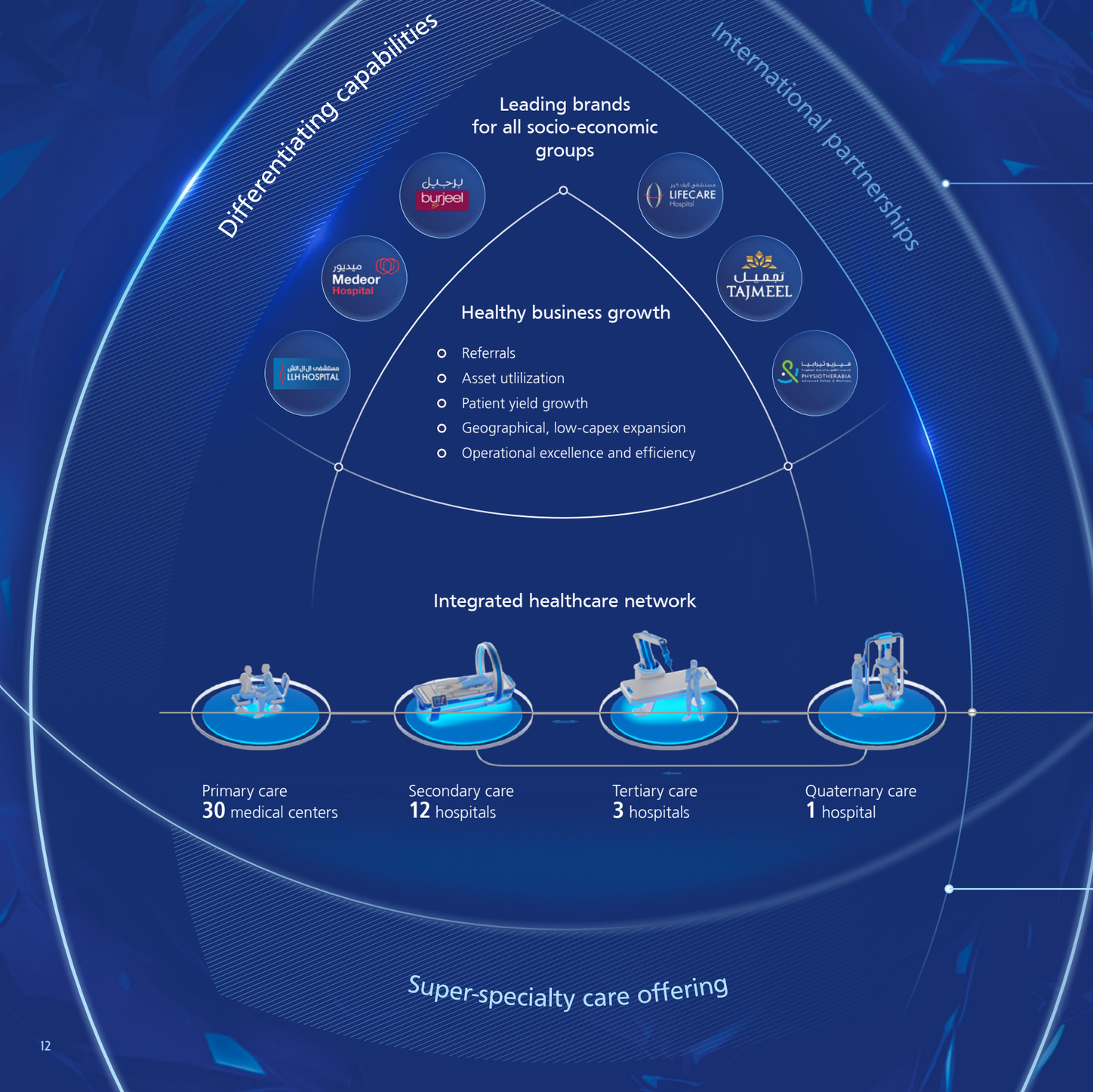
Burjeel has the first ESMO[5] – accredited hospital in the UAE

Burjeel has the first Novalis[6] – certified hospital in the GCC

1 Oncology & Transplants, Orthopedics & Spine, Advanced Women Care, Pediatrics, Neuroscience, Cardiac Sciences.
2 Joint Commission International (JCI) is the world's largest healthcare accreditor.
3 The College of American Pathologists (CAP) is the world's leading organization of board-certified pathologists.
4 The Abu Dhabi Department of Health assessment for in-patient experience survey across Burjeel hospitals (weighted score).
5 The European Society for Medical Oncology (ESMO) is the leading professional organization for medical oncology.
6 Novalis Certified is an independent certification program for stereotactic radiosurgery and stereotactic body radiotherapy based on international standards and publications of the top radiation oncology institutions.

Business model

GRI 2–6



Differentiating capabilities

- Level I & II Trauma Center
- Level III Tertiary NICU
- Physio & Rehab Care
- Intraoperative MRI
- Da Vinci Xi robotic system
- Nuclear Medicine
- Pediatric Intensive Care Unit
- Pediatric Surgery
- Echmo-Pediatric and Adult
- Department of Thalassemia
- Centralized Lab
- Advanced Center for Research
- Digital Health & Oracle Health EMR
- Ambulatory Services
- ESMO & Novalis Certified Accreditations

International partnerships

- Advanced Gynecology Institute to Offer Complex Care Solutions for Women
- Renowned Limb Lengthening Expert Dr. Dror Paley Opens First Clinic in Middle East
- Center of Excellence for Endometriosis (Renowned France's IFEM Endo)
- Advanced Molecular Genetics and Immune Profile Testing Laboratory
- First-of-its-kind Fetal Medicine & Therapy Center in the UAE
- Dr. Najjar Advanced Neuroscience Institute (Partnership with Northwell Health)

Centralized back-up functions

- Procurement
- Warehouse
- Diagnostics & Radiology
- Claims Management
- OR function
- Shared Employee Pool

Super-specialty care offering

- Bone Marrow Transplant
- Oncology
- Organ Transplant
- Orthopedics and Spine
- Advanced Woman Care
- Fetal Medicine
- Pediatrics
- Neuroscience

Geographical presence

GRI 2-1, GRI 203-1

Burjeel Holdings operates across the Emirate of Abu Dhabi, Dubai and the Northern Emirates of the UAE, the Sultanate of Oman and the Kingdom of Saudi Arabia. Across these regions, the Group provides complex and highly-specialized healthcare services for all socio-demographics.



Type of facilities

- Hospital
- Medical centers
- Physiotherapy and wellness centers



Total assets[1]: **68**

- **16** Hospitals
- **30** Medical centers
- **15** Retail pharmacies
- **7** Other

+62 More facilities by 2027

→ Find out more on pg. 80

[1] Note: Revenue contribution based on FY 2023. Number of facilities as of 31 December 2023.

16 Hospitals

Our hospital segment consists of various secondary, tertiary, and quaternary care facilities, which collectively provide a super-specialized care offering for the Gulf region. The Group's hospitals form the backbone of its synergistic 'hub and spoke' network which allows the Group to act as a 'one-stop shop' solution for patients, maximize market share and grow its brand recognition.

Burjeel Medical City, Abu Dhabi
Launched in the first quarter of 2020, BMC is a dedicated quaternary facility, focused on super-specialty care including transplants, fetal medicine, oncology, post-acute rehab as well as long-term and palliative care. Located in Mohamed Bin Zayed City, BMC is the largest private medical healthcare facility in the UAE. BMC contains a gross floor area of 1.2 million square feet, a 400-bed capacity, of which 340 are in-patient beds. It is a focal point for the wider healthcare network ecosystem at the Group.

BMC has been designed to offer over 60 acute medical services, including hematology, oncology, bone marrow transplantation, multi-organ transplantation (heart, liver, lung, and kidney transplants), neurology, neuro-oncology, neurosurgery, and radiosurgery. Burjeel Medical City acts as Burjeel's hub for its complex care services in the UAE and beyond.



Burjeel Hospital, Abu Dhabi
Established in 2012, Burjeel Hospital is located in the highly populated Al Danah district. It offers a comprehensive portfolio of services, including core medical, paramedical and support services, at a purpose-built facility spread across 77,140 square meters. The hospital primarily caters to premium clientele in Abu Dhabi, focusing on Thiqa patients.

Burjeel Day Surgery Center, Abu Dhabi
Established in 2017, Burjeel Day Surgery Center is located on Al Reem Island in Abu Dhabi. It is one of the largest Day Surgery Centers in the UAE, set up to work in close coordination with Burjeel Hospital, Abu Dhabi, to shift all day surgery cases and free up capacity for core treatments at Burjeel Hospital Abu Dhabi.

Medeor 24x7 Hospital, Abu Dhabi
Established in 2015, Medeor 24x7 Hospital, Abu Dhabi, is centrally located in downtown Abu Dhabi. It is a multi-specialty family hospital comprising 14 floors and covering over 12,000 square meters. The hospital focuses on core specialties such as mother care, pediatrics, cardiology, surgery and acute care.

Burjeel Royal Hospital, Al Ain
Established in 2018, Burjeel Royal Hospital is located in Al Ain. It offers comprehensive care across multiple specialties, including general surgery, pediatrics, obstetrics & gynecology, urology, pulmonology, ophthalmology, dermatology, ENT, radiology and dental, and is recognized for a multitude of advanced clinical programs. To expand its reach in the local community, the hospital enters into collaborations with local medical centers and contracts with community-based doctors.

Burjeel Hospital for Advanced Surgery, Dubai
Established in 2013, Burjeel Hospital for Advanced Surgery in Dubai is a leading orthopedic hospital offering a variety of surgical procedures. The Group believes that Burjeel Hospital for Advanced Surgery was one of the earliest adopters in the UAE of robotic technology to perform advanced surgical procedures to treat various diseases and that the hospital is now the sole advanced microsurgery and orthopedic center in the UAE.

Burjeel Specialty Hospital, Sharjah
Established in 2019, Burjeel Specialty Hospital is located in Sharjah and is spread over 16,700 square meters. The hospital caters to a growing population of expatriates in Sharjah and offers cutting-edge healthcare in a luxurious setting, with many medical services and procedures available, including cardiac surgery, maternity and neonatal care, physiotherapy, oncology and non-oncology hematology, minimally invasive and laparoscopic colorectal & gastrointestinal surgery.

Burjeel Farha Hospital, Al Ain
Established in 2016 under the name of Medeor 24x7 International Hospital, Al Ain, and located in the Asharej district of Al Ain, the hospital was rebranded as Burjeel Farha Hospital on 28 February 2022. It is a multi-specialty family hospital with diagnostic, therapeutic and intensive care facilities. The hospital's key specialties are mother and childcare, dental, obstetrics & gynecology, pediatrics and cardiology.

Medeor 24x7 Hospital, Dubai
Established in 2015, Medeor 24x 7 Hospital, Dubai, is located in Mainland Dubai. It is a multi-specialty family hospital offering services in mother and childcare, congenital malformation surgeries of the brain and spine, cardiology, pulmonology, urology, dialysis and critical care, gastroenterology and advanced laparoscopic and gynecological surgeries, amongst others.

LLH Hospital, Abu Dhabi
Established in 2007, LLH Hospital, Abu Dhabi, is a modern 40-bed facility located in downtown Abu Dhabi city that is spread across over 9,700 square meters. It is a multi-specialty hospital focusing on mother and childcare, gastroenterology and cardiology services.

LLH Hospital, Abu Dhabi (Musaffah)
Established in 2008, LLH Hospital, Musaffah, was the first hospital to be opened in the Musaffah district of Abu Dhabi. It is a multi-specialty hospital focusing on super-specialty services covering neurosurgery, cardiology, urology, orthopedics, mother and childcare and pulmonology.

Lifecare Hospital, Musaffah - Abu Dhabi
Established in 2014, Lifecare Hospital, Musaffah, is a 143-bed tertiary care hospital catering to the industrial population in the Musaffah area of Abu Dhabi. This hospital is recognized as the Trauma Unit of the industrial segment. The hospital is equipped with out-patient and in-patient wards, an ICU, a fully equipped operation theatre, an endoscopy unit, an isolation unit and a cath lab.

Lifecare Hospital, Baniyas – Al Raha, Abu Dhabi
Established in 2012, Lifecare Hospital, Baniyas (Al Raha) is a 50-bed facility located in Al Raha Village, within the Baniyas area of Abu Dhabi. It serves the industrial and blue-collar population of Baniyas, Mafraq and the Western region of Abu Dhabi. The hospital provides services in several medical specialties, with a core focus on cardiology, pulmonology, general surgery, orthopedics and urology.

Burjeel Hospital, Muscat
Established in 2016, BH Muscat is located in Al Khuwair, Muscat, Oman. The hospital offers diagnostic, curative and preventative healthcare services in over 30 clinical specialties. Burjeel Hospital Muscat is the only private hospital with an oncology department in Oman. The hospital has an advanced chemotherapy program and is in the process of expanding its surgical oncology program. BH Muscat was one of the first private facilities to accept orthopedic trauma cases from government hospitals. The Group plans to launch a facility with a pediatric wing that will drive patient volumes.

Lifeline Hospital, Sohar
Established in 2010, LLH Sohar was the first hospital near the Sohar Industrial Freezone in Oman. It serves the industrial and corporate companies of North Bathinah and residents of Falaj, Al Qabil, Liwa, Buraimi and Shinas. LLH Sohar was the first hospital in Oman to set up a public-private partnership.

Lifeline Hospital, Salalah
Established in 2011, LLH Salalah is located in Salalah, a tourist destination in Southern Oman. The hospital has a maternity wing and offers all other general specialties and super-specialties of cardiology and urology. It also runs one of the top five industrial clinics in Salalah. During the COVID-19 pandemic, LLH Salalah conducted the Salalah International Airport COVID-19 testing.

30 Medical centers

The Group's medical centers include polyclinics and specialty medical centers providing primary healthcare, cosmetic, orthopedic specialty, and homecare services. These serve as an integral part of the Group's synergistic 'hub and spoke' feeder network by routing patients needing more intensive services to the Group's hospitals and daycare surgery center (hubs).

PhysioTherabia Centers, KSA
In 2023, the Group opened the first four premier facilities of the PhysioTherabia network of advanced physiotherapy, rehabilitation, and wellness centers in Riyadh, in partnership with MENA's largest chain of fitness centers, Leejam Sports Company.

The new centers provide a comprehensive range of specialized services, including musculoskeletal rehabilitation, neurological rehabilitation with robotics, pediatric rehabilitation, sports injury rehabilitation, spinal and back rehabilitation, and hyperbaric oxygen therapy (HBOT).

The newly-opened facilities are the first of 60 advanced centers to be established across the Kingdom of Saudi Arabia, marking an important milestone in Burjeel's international expansion strategy.



Advanced Day Surgery Center in Abu Dhabi's Al Shahama
Burjeel Medical Center – Deerfields Mall has enhanced its offering to include a One-Day Surgery Unit to provide excellent quality of care and support the growing demand in the region. Through this change, Burjeel Holdings has shown the market that Day Surgery Advanced care units can effectively manage the expectation of both customers as well as insurance companies.

Burjeel Medical Center, Al Shamkha, Abu Dhabi
Burjeel Medical Center, Al Shamkha, Abu Dhabi, is one of the best-equipped medical facilities in Abu Dhabi, staffed by experienced physicians and technicians trained to diagnose and treat a wide range of illnesses and conditions. All clinical staff members are well versed in modern diagnostic and treatment methods. Our doctors are western-trained and board-certified. Our mission is to provide compassionate care and impeccable service while utilizing the most advanced technology available.

Tajmeel Specialized Medical Center
Tajmeel is a premier cosmetology, dermatology, and plastic surgery brand of Burjeel Holdings that offers a wide range of treatments to our clients with the highest quality service in an atmosphere that promotes relaxation and comfort. We strive to exceed your expectations so you can feel confident in knowing that you will receive only the best care available.

International Knee & Joint Center ('IKJC')
IKJC was established in 2013 as a partnership between the Group, Dr. Charles Henry Brown Jr. and Jamal Yassin Faroukh, and became a Center of Excellence specialising in the diagnosis and treatment of patients with knee and joint injuries and disorders. Located in Abu Dhabi, IKJC provides a complete spectrum of services in orthopedic healthcare. IKJC's physiotherapy facility has a complete line of cardiovascular cross-training equipment as well as a full line of Cybex's most technically advanced strengthening machines.

IVF Business
First IVF Fertility Center was established in 2020 under the name of Burjeel IVF Center and is located in Abu Dhabi. It is a specialists' center focused on providing IVF services and treatments, including IVFICSI, IUI, genetic testing, family balancing, and fertility preservation.

Burjeel Homecare Services
Burjeel Homecare Services provides patients with individualized high quality medical, nursing and rehabilitation care in the privacy of their homes. It is one of the largest home care providers in Abu Dhabi, covering all areas of Abu Dhabi, Al Ain, Al Dhafra and its suburbs. It offers a wide range of services, including home dialysis, medical care, rehabilitation and nursing care for post-acute and chronic illnesses, physiotherapy and occupational therapy, post-operative care, post-hospital discharge care, wound care and pain management, senior/elderly care, diabetes management, as well as ambulance services for patients. Burjeel Homecare Services has been advanced with the latest technology to enhance its offering to that of hospital and ICU-standard care at home. This approach demonstrates the Group's mission to adopt the most advanced technologies to ease healthcare constraints without compromising on the quality of service.

New medical centers in Abu Dhabi

In the UAE, three new medical centers opened since the beginning of 2023: Lifecare Medical Center Tasneem (Abu Dhabi), LLH Medical Center Gayathi (Abu Dhabi), and Dubai Satellite Clinic (Al Quoz).

15 Pharmacies

In addition to the Group's hospitals and medical centers, the Group operates its own chain of 15 walk-in retail pharmacies across Abu Dhabi, Al Ain and Fujairah, serving non-patient customers.

The Group believes its pharmacies offer one of the broadest selections of pharmaceutical products in the UAE, supplying approximately 3,000 pharmaceutical products registered for sale in the UAE. The Group also believes its pharmacies offer a high degree of customer convenience, given their proximity to the Group's medical facilities.

The Group's pharmacies stock pharmaceutical products from various multinational companies, such as Pfizer, Boehringer, GSK, MSD, AstraZeneca, Servier, Sandoz, Novartis, Sanofi and Takeda, and from leading distributors, such as City Pharmacy Modern Pharmaceutical Company, Gulf Drug, Alphamed, Pharma Trade and Ahmed Al Khalil Albaker. In addition to prescription drugs, the Group's pharmacies maintain a selection of over-the-counter, non-prescriptive medications such as analgesics, cough and cold products, vitamins, herbal products and beauty, health and personal care products.



44
Research studies

Alongside the Group's medical facilities, Burjeel's Department of Research & Health Innovation has continued to expand rapidly in 2023. This has been achieved by enhancing the Group's research capability in both academic and sponsored research as well as international collaborations. This year, Burjeel conducted 44 research studies, bringing nine novel therapeutic drugs in new indications to the region through clinical trials.

Research projects with key international collaborators:

THALASSAEMIA INTERNATIONAL FEDERATION
Ente Ospedaliero Ospedali Galliera Genova — Ospedale di rilievo nazionale e di alta specializzazione
UNIVERSITY OF TORONTO
UNIVERSITÀ DEGLI STUDI DI MILANO
Cornell University
AMERICAN UNIVERSITY OF BEIRUT
Associazione PieraCutino
HELLENIC REPUBLIC National and Kapodistrian University of Athens EST. 1837

Clinical trials

As part of Burjeel strategic vision of caring populations with rare diseases, the Group launched the Center for Research on Rare Blood Disorders.

Burjeel is one of the leading research hubs in the UAE, recently awarded for the activity of its research committee by the Abu Dhabi DoH.

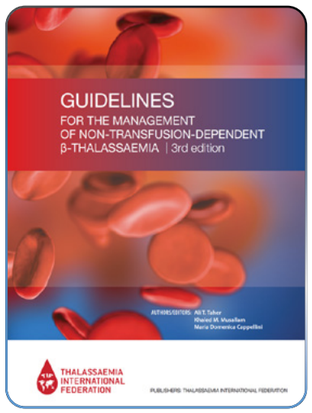
The 'NADER' project, launched in 2023, seeks to address the needs of patients with various rare diseases across the UAE.

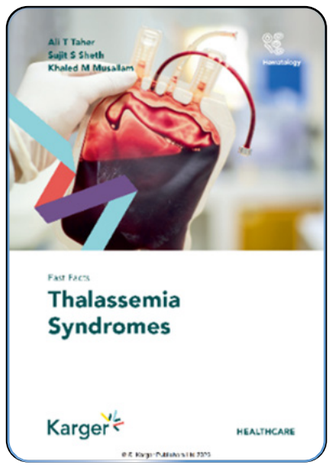
Burjeel recently became a member of the WIN Consortium and launched two global clinical trials to transform the way thalassemia is being treated.

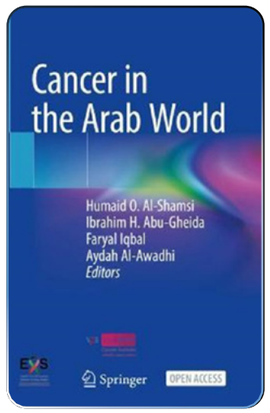
bridgebio
TII Technology Innovation Institute
ONCO HELIX LAB
WIN Worldwide Innovative Networking in personalized cancer medicine
دائرة الصحة DEPARTMENT OF HEALTH
ENERGIZE

144
Publications

The Groups' research strategy is underpinned by offering patients the best in care and therefore seeks to offer as many patients as possible the opportunity to participate in high quality research. As part of this strategy, Burjeel's academic publication record has also substantially grown with 114 publications across the Group cited in PubMed (National Library of Medicine, NIH, USA).







Others

The Company's 'Others' segment comprises seven assets, namely Co-Lab (Central Diagnostics Services), Burjeel Drug Store, Lifeline Drug Store, Unique Valet Parking, Claim Care Revenue Cycle Management, Dynamed and iMed Solutions, which support the Group's core healthcare operations. By centralizing the core back-end function, Burjeel is able to optimize its operational efficiency which ultimately leads to an improved bottom line.

Co-Lab:
Co-Lab (Central Diagnostics Services) is proudly hosted within the Burjeel Medical City, a cornerstone of Burjeel Holdings across the UAE. This purpose-built lab, led by expert medical faculty, boasts a comprehensive test menu of over 1,000 investigations. We utilize total lab automation and integrated solutions, ensuring accuracy and efficiency in patient diagnostics.

Collaboration with OncoHelix:
In 2023, Burjeel Holdings announced that it has partnered with OncoHelix Inc. (Canada) to establish a cutting-edge laboratory in Abu Dhabi to provide advanced molecular genetics, cellular, and immunological profile testing to patients in the UAE. Through this exclusive agreement, Burjeel Holdings and OncoHelix Inc. strive to bring personalized medicine to clinics and hospitals in the UAE.

Lifeline Drug Store:
Lifeline Drug Store is a well-established distribution company having business activities in MENA and Asian countries with corporate office in Abu Dhabi, UAE. Having started its operations in 2008, LDS has established itself as a reliable and trusted partner for several multinational companies across the globe.

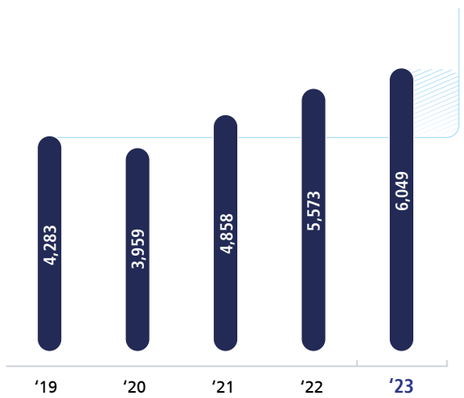
Key highlights



Operating performance

Patient footfall

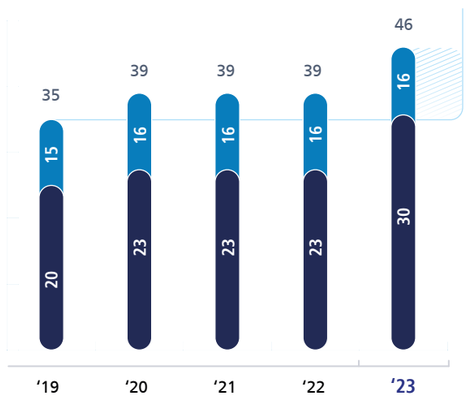
+41%
2019-2023



● Total patients, k

Healthcare assets[1]

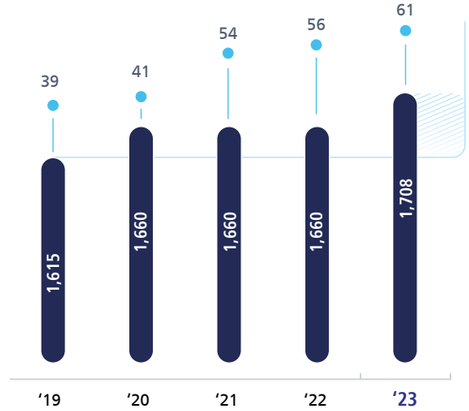
+31%
2019-2023



● Medical centers ● Hospitals

Bed capacity

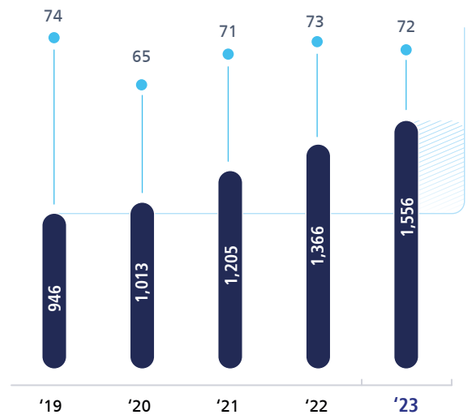
+93
2019-2023



● Total beds ● Bed occupancy, %

Physicians capacity

+610
2019-2023



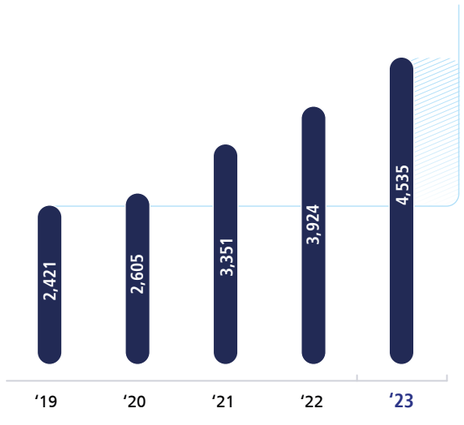
● Total doctors ● Out-patient utilization, %



Financial performance

Revenue

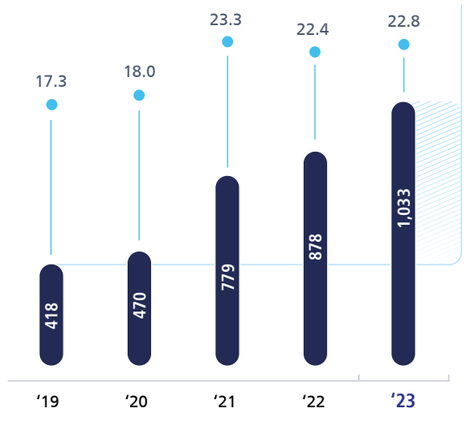
+87%
2019-2023



● Total revenue, AED m

EBITDA

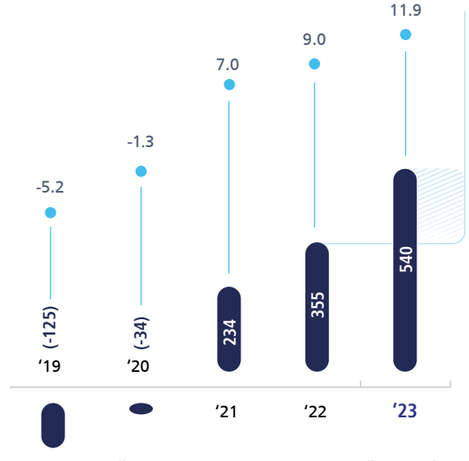
+147%
2019-2023



● EBITDA, AED m ● EBITDA margin, %

Net profit

+52%
2022-2023



● Net profit, AED m ● Net profit margin, %

Net debt[1]

(71%)
2019-2023



● Net debt, AED m ● Leverage

[1] Includes only hospitals and medical centers.

[1] Leverage represents Net debt/Pre IFRS 16 EBITDA calculated as EBITDA less Annual Lease Rental Payments and Net debt is calculated as Bank debt less Cash and Bank balance.

Message from the Chairman



Dr. Shamsheer Vayalil
Founder and Non-Executive Chairman of Burjeel Holdings

Dear Stakeholders,

"The UAE and KSA and more broadly the GCC, have become highly dynamic and innovative environments with increasing momentum, post-pandemic. This applies to every aspect of the economy, and particularly to the rapid advances in healthcare. The UAE's long-term vision, together with the plans set out by the KSA and the GCC, signify the aspiration and energy to create a better world. There continue to be challenges, but the public and private sectors continue to work together to reduce infant mortality, improve the quality of life, and increase longevity."

Burjeel is playing an increasing role in these improvements by providing world class healthcare for the Gulf.

Our leading practice, diagnostics and research provide complex care for the whole community. The Group has a leading integrated healthcare network, a fully focused team of internationally recognized, leading-edge doctors, surgeons, nurses, and other specialists, and prudent, centralized management.

Burjeel's recent investment in state-of-the-art Da Vinci robotic surgical system and Novalis-accreditation for its radiation oncology practice are just two examples of our progress in innovation. And our partnership agreement with Oracle is another leap forward in our digital healthcare capabilities. Moreover, Burjeel life-science research ran at a fast pace, one of many ground-breaking initiatives being the start of clinical trials of a new drug, Mitapivat, offering new hope for thalassemia patients across the world.

During the year, we continued to form and nurture enduring partnerships with the world's leading institutions, research organizations, and medical practitioners. These partnerships are vital in accelerating the development of complex healthcare in such fields as oncology, transplants, genetics, fetal medicines, neuroscience, sports medicines and advanced rehab. We cared for more than six million patients and achieved high patient satisfaction scores across our facilities.

Our researchers, doctors, specialists, nurses and administrative teams are fundamental to our continued growth and success.

This is why Burjeel is investing in attracting, motivating and retaining our people. The capabilities of our research attract the best minds in the sector and we are becoming a destination for an increasing number of professionals from the US and Europe. Our training, development and benefits program continues to be a factor in making Burjeel an attractive and rewarding place to work.

The Group has unlocked significant value creation by entering the high-potential KSA market, with the recent launch of our PhysioTherabia network.

One of the pillars of our strategy is to maximize the accessibility of high-quality healthcare services across the region. To that end, we are immensely proud to be part of KSA's ambitious Vision 2030 by providing specialized healthcare services and patient outcomes in the Kingdom.

We celebrated the first anniversary of our successful IPO in October 2023, and I would like to thank our shareholders once again for being part of our growth journey.

Our investors have benefited from the Group's strong revenue growth and robust profit generation, with total shareholder return exceeding 55% since the IPO.

One of our key priorities has been to strengthen and formalize our public market-orientated corporate governance. At the time of the IPO, we created a Board of acknowledged experts, of whom 70% are Independent Non-Executive Directors, and in 2023 we established a Business Development and Sustainability Committee to ensure that we integrate sustainability across our business.

Burjeel has invested in an innovative system and is set to grow going forward, advancing healthcare across the region with world-class experts, practitioners and technology. Our specialized healthcare segment in the KSA market is strategically pivotal and I expect considerable growth in that country. We will grow our position as the most trusted and respected healthcare service provider in the MENA region and continue delivering exemplary innovation and research, which will help us fully leverage high-yield O&M capabilities.

I am fully confident that our geographic expansion strategy and focus on complex and super-specialty care, supported by our growing referral network, will yield improved asset utilization and lead to revenue and margin growth, providing greater appeal to investors.

On behalf of the Board of Directors, I would like to thank our shareholders, partners, and employees for their invaluable contributions to a highly successful year. I have no doubt that our unwavering dedication to the utmost healthcare standards will benefit all our stakeholders.

Statement from the CEO

Dear Shareholders, Patients, Partners and Employees

"2023 has been another remarkable year of progress for Burjeel Holdings. We formed ground-breaking partnerships to develop our world-class practice and ventured into the high-growth market of Saudi Arabia. Our robust top-line and bottom-line growth, as well as our impressive operational performance, demonstrated the success of our strategy."



Mr. John Sunil
Chief Executive Officer

The UAE and KSA continued to experience favorable macro tailwinds, with strong predicted mid-term GDP growth, rapid population growth and increasing demand for added healthcare capacity. Regional expansion of the non-oil-based economy boosted demand and this, combined with limited supply within a regulated environment, contributed to our strong performance.

In this context, Burjeel experienced considerable demand for its differentiated specialty healthcare offering. Furthermore, with a substantial in-patient private market share of 19% in the UAE, Burjeel has consolidated its position in the Emirates' healthcare system, particularly in areas of highly complex healthcare.

Our expert team has played a crucial role in conducting life-saving surgeries, while we continued to invest in advanced technology and attracting skilled doctors to provide a seamless patient journey and drive clinical efficiency.

With our state-of-the-art infrastructure consisting of several high-growth assets and an expansive referral network, Burjeel remains in a unique position to deliver on its value-creation strategy of increasing patient yield and utilization while unlocking strategic expansion opportunities.

High shareholder return

Since our IPO in October 2022, our team has delivered all commitments and gained support from a diverse base of local and international investors, contributing to a 55% share performance growth.

Burjeel has an investor proposition on the UAE equity market that combines robust revenue growth and strong cash generation capabilities. This enabled us to meet our dividend policy guidance, paying a debut dividend of AED 95 million.

Robust performance

Burjeel Holdings delivered revenue of AED 4.5 billion, up 16% on the previous year, and EBITDA of AED 1.0 billion, up 18%. Our flagship facility, Burjeel Medical City (BMC), continues to be a top contributor, registering an impressive 37% revenue increase, driven by substantial growth in in-patient and out-patient footfall.

Our network served more than 6 million patients in 2023, reflecting the trust patients have in its healthcare system and its ability to add new services to increase patient footfall.

The Group's total patient footfall saw substantial increases of 9%, primarily due to our investment in super-specialties and ability to drive cross-group referral. Bed occupancy reached 61% during 2023, reflecting both impressive improvement in utilization as well as the significant untapped capacity across Burjeel's 16 hospitals.

Burjeel's financial position remains solid and stable, thanks to our disciplined capital approach and ability to generate significant operating cash flow. As at the end of the year, we had reduced our net debt to EBITDA (Pre-IFRS 16) ratio to 1.1x, which provides adequate financial flexibility to pursue further growth opportunities.

Enhancing world-class super-specialty care for our patients.

Burjeel Holdings has continued to rapidly expand its partnerships with world-class specialists. BMC opened the Paley Middle East Clinic, specializing in orthopedic care for musculoskeletal conditions and complex procedures. We also began our affiliation with Northwell Health, the largest healthcare provider in New York State, to launch a highly advanced Neuroscience Institute in Abu Dhabi. Furthermore, we launched the Advanced Gynecology Institute at the BMC, in collaboration with the Franco-European Multidisciplinary Institute of Endometriosis Academy (IFEM Endo). Lastly, we formed a partnership with Digipharm, a UK-based healthcare solutions innovator, demonstrating the Group's commitment to enhancing its research and development capability and its use of technology to greatly enhance patient care.

Burjeel also announced Project NADER, in collaboration with BridgeBio and MENA Organization for Rare Diseases, to revolutionize early diagnosis and treatment for rare diseases in the UAE and the region. As a part of this strategic partnership, we plan to establish a cutting-edge laboratory in Abu Dhabi to provide advanced molecular genetics, cellular, and immunological profile testing to patients in the UAE, doing so alongside Canada-based OncoHelix Inc.

Our medical milestones.

Burjeel also achieved significant medical milestones over the past year, while extending international assistance to those in need. Burjeel's team treated two Syrian children who were found trapped under rubble in Syria following the earthquake in February, delivering lifesaving treatment. The Group is also working with partners in Egypt to offer emergency and complex medical support to severely injured children transferred from Gaza.

Our doctors at BMC's Kypros Nicolaides Fetal Medicine and Therapy Center performed a groundbreaking in-utero surgery to treat spina bifida in the unborn child of a Colombian couple, underscoring the network's popularity among international patients seeking complex care. Burjeel's dedication to excellence extended to reshaping

the skulls of two one-year-old girls with skull deformities. The Group commenced a comprehensive kidney transplant program (live and deceased donor) to expand treatment options and offer hope to patients in need of life-saving treatment. And BMC's doctors successfully completed more than 100 bone marrow transplants, including the first pediatric bone marrow transplant in the UAE.

Burjeel also participated in ground-breaking thalassemia clinical trials, with the supervision and support of the Department of Health, in Abu Dhabi.

Investing in state-of-the-art technology.

Technology is at the core of Burjeel's patient-facing and back-office strategy. We are implementing Oracle's state-of-the-art Electronic Medical Record (EMR) technology to deliver transformative clinical, commercial, and operational efficiencies across Burjeel's healthcare facilities. EMR will enable improved digital outreach, process automation and the better use of patient insights to drive excellent outcomes.

We also announced a new strategic partnership with e& enterprise, which is bringing advanced technology into the healthcare sector and transforming how we deliver care to our patients. By integrating sophisticated telehealth and remote patient monitoring systems, we are set to enhance patient access, improve care quality, and streamline healthcare delivery.

Our vision is to establish a patient-centric, technology-enabled healthcare model that sets new industry standards and meet the needs of our society and environment

Another technological advance was the new Da Vinci Xi robotic system at BMC, allowing surgeons to perform intricate, minimally invasive procedures with exceptional precision. The Group will continue to invest further in such technology over the coming years to drive efficiency and improve patient experience.

Ongoing expansion in the UAE and Saudi Arabia.

We are continuing our expansion in the UAE, with a particular focus on our medical center network. In 2023, we opened two medical centers in Abu Dhabi and one in Dubai, as well as a Burjeel Aesthetic & Smart Clinic, as part of our O&M contract with ADNOC.

To improve access to healthcare services and meet the UAE community's evolving needs, Burjeel Holdings launched an Advanced Day Surgery Center in the Shahama area in Abu Dhabi. Equipped with the latest medical technologies and operated by a team of experts, the center ensures that each patient receives the highest standard of care. In 2024, we plan to open two Day Surgery Centers in Al Ain and Al Dhafra regions, creating uplifted referral opportunity for our hospitals.

As a testament to our excellent Operations and Maintenance (O&M) capabilities, the Group secured a contract to operate and manage ADNOC's 122-bed Al Dhannah Hospital in the Al Dhafra Region of Abu Dhabi. By assuming responsibility of the Al Dhafra region's largest healthcare facility, the Group works to elevate the quality of healthcare services for ADNOC employees, their families, and the local community. Alongside this commitment, Burjeel is working closely with the UAE government to manage several other international O&M projects, aligning with the strategic initiatives of the UAE. These projects include hospitals in Yemen, Somalia, and Chad.

In line with our strategic expansion pillar, we commenced operations in KSA in the fourth quarter, through our low-capex partnership with Tadawul-listed Leejam Sports Company. The PhysioTherabia joint venture is a unique gym-based model for high-quality physiotherapy, rehabilitation, and wellness services, utilizing Leejam's existing locations and leveraging its loyal member base. We expect to open 60 PhysioTherabia centers by 2025 and to generate up to AED 600 million in revenue in the medium-term.

Given the rapidly growing and currently unmet demand for a wide range of specialized healthcare services, we are going to launch first two Burjeel Specialized Day Surgery Centers in Riyadh by 2025, as part of the Group's regional expansion in KSA. The Specialized Day Surgery Center model is one of Burjeel's established specialisms and these new centers will be instrumental in providing patients in KSA with our premium super-specialty healthcare offering and world-renowned expertise.

Our ESG commitment

GRI 2-22

In light of our commitment to sustainability, we are glad to demonstrate our new sustainability strategy, based on the ESG principles of 'Healthy Planet, Healthy Community, Healthy Governance and Healthy System', four pillars that are entirely complementary.

We regard our ESG performance as being integral to our mission, to provide the highest quality of healthcare for communities in the GCC: environmentally, we are aiming for carbon neutrality, the sustainable use and re-use of water; socially, our healthcare network cares for the whole social-economic spectrum, and we are delivering medical humanitarian aid, and improving disease prevention and treatment, in the MENA region. We have an ethical business culture, strict patient data protection policies, extensive workforce safety and well-being programs, and we are succeeding in developing a diverse and inclusive work culture.

Positive outlook.

Burjeel is very well positioned to continue its growth trajectory, given the quality of the healthcare we provide in the region. We will remain consistent with our strategy, to increase our asset utilization, patient yield and operational efficiencies, extend our brands across the Gulf and MENA region, as well as drive future performance and deliver value for our stakeholders.

Thanks to all our stakeholders.

I would like to thank our new shareholders for showing their confidence in us, as well as our Management Team, leaders, researchers, doctors and staff for their professionalism and commitment, and for their outstanding contribution to the Group's performance in 2023. I would also like to thank my colleagues on the Board for their collaboration and support as we implemented our strategy and delivered a performance that exceeded expectations.



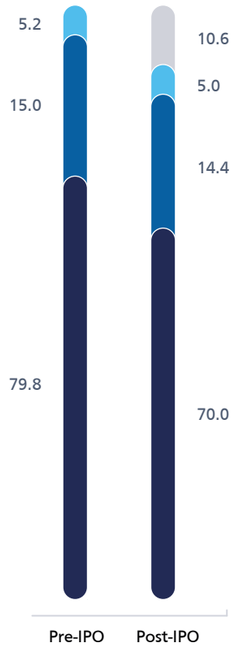
First anniversary of listing on ADX

Burjeel's successful IPO

In October 2022, Burjeel Holdings completed the IPO on Abu Dhabi Securities Exchange (ADX), raising gross proceeds of over AED 1.1 billion for the offering of 10.6% of the Company's total issued share capital. Following strong interest from local retail and professional investors, total gross demand for the offering amounted to over AED 32.0 billion, implying an oversubscription level of 29 times in aggregate. Based on the final offer price of AED 2.00 per share, Burjeel Holdings' market capitalization at listing was AED 10.4 billion.

As a result of the IPO proceeds (including pre-IPO investment[1]), the Group has succeeded in deleveraging its balance sheet, with AED 2.2 billion in IPO proceeds injected back into the Company, reducing the debt to AED 1.3 billion (x1.5 Net debt/EBITDA) at 31 December 2022. This left the Group in a strong position to seek fresh investment opportunities to accelerate growth and deliver value to its shareholders.

Shareholder structure Pre- and Post-IPO



- VPS Healthcare Holdings
- Quant Lase Lab (IHC)
- SYA Holdings
- Free float (ADX)

10.6%
Free float (ADX)

29times
Oversubscribed

AED 1.1bn
Raised in IPO

Share price	High	Low	Closing	TSR[2]
AED	3.55	2.00	3.11	56.5%

Burjeel share price performance since IPO



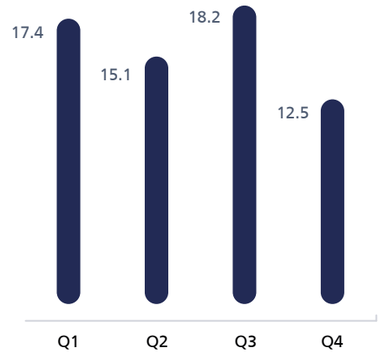
[1] In September 2022, International Holding Company (IHC), a diversified Abu Dhabi-based conglomerate, acquired a 15% stake in the Group to help catalyze Burjeel Holdings' market position through greater diversification of its investments right across the healthcare sector locally and regionally.
[2] Total shareholder return based on IPO price and closing share price as of 31 December 2023, as well as dividend yield.

Delivered strong total shareholder return since IPO

Following the IPO, Burjeel succeeded in generating substantial value for its shareholders. In 2023, the Group delivered on all commitments, which included strong financial performance and the payment of its debut dividends. Additionally, Burjeel Holdings incorporated a best-in-class corporate governance framework and provided exceptional transparency and investor relations care.

Influenced by this positive outcome, the 2023 year-end closing price increased by 55.5% from the IPO price of 2.00 AED to AED 3.11, with a market capitalization of AED 16.2 billion. The average daily trading volumes of shares (ADTV) achieved AED 16 million in 2023. During the year, Burjeel welcomed many new prominent local and international institutional investors to its shareholder base, which proved its strong investment case.

Average daily trading volumes of Burjeel shares, AED m





Dr. Shamsheer Vayalil,
Founder and Chairman of Burjeel Holdings

"As we look back at our achievements since our IPO on ADX, we do so with a sense of accomplishment. Each achievement is a step towards our goal of fostering a healthier and brighter future for all our stakeholders, including our new shareholders. The challenges we face actually further our determination to innovate, grow, and provide world-class healthcare to the Gulf community. Our achievements today are a testament to the collective dedication of our team, and we are looking forward to delivering in the future for all."



John Sunil,
Chief Executive Officer of Burjeel Holdings

"We are delighted with the stock market's positive response to our investment case and welcome all our new investors. As we further enhance our existing offering, we remain committed to exploring opportunities across the Gulf. We are determined to maintain our momentum and we will continue to invest in cutting-edge medical capability and the delivery of compassionate care."

Investment highlights

Burjeel Holdings' investment case leverages long-term drivers of shareholder value growth.



1 **Established leader in large, growing and resilient addressable market**

- $ 85bn — Addressable market
- 19% — In-patient private market share in the UAE

2 **Well-invested multi-brand network serving all socio-economic groups**

- 68 — Medical assets
- AED 4.4bn — Investments spent from inception

3 **World-class super-specialty care proposition to provide patient yield growth**

- >30% — Revenue from super-specialty care
- Only ESMO & Novalis — accredited center in the GCC

4 **High-growth asset mix with significant utilization runway**

- 75% — High-Mid growth asset mix
- 61% — Bed occupancy rate

5 **Expanding geographically through high-return and low-CAPEX opportunities**

- $ 58bn — Saudi Arabia market size
- >AED 1.0bn — Mid-term revenue upside

6 **Accelerating digitalization to drive operational and medical excellence**

- AED 125m — Oracle Health investments
- 12% — Share of digital appointments

7 **Cash-generative business model designed to delivering consistent shareholder returns**

- 40-70% — Dividend payout ratio
- 52% — FCF conversion

8 **Seasoned leadership team working to best ESG practice**

- 190+ — Total years of experience
- 70% — Independent Directors

Year-in-review

In 2023, we continued implementing our growth strategy, advancing in complex healthcare opportunities, paying debut dividends, and expanding our operations into KSA.

First Anniversary of Listing on the ADX

Successful IPO

On 10 October 2023, Burjeel Holdings celebrated the first anniversary since its successful IPO and listing on ADX that raised gross proceeds of AED 1.1 billion with an oversubscription level of 29 times.

Strong TSR

Since its IPO in October 2022, Burjeel has delivered a total shareholder return of 56.5%, enabled by the Group's consistent and continued implementation of its growth strategy.

Debut dividends

In line with the Dividend policy, the Group paid ~AED 95 million or ~AED 0.02 per ordinary share as its debut interim dividend (42% of net profit for the first half of 2023).



Expanding complex healthcare services

Da Vinci Xi Robotic Surgery Unit

BMC introduced the state-of-the-art Da Vinci Xi robotic system equipped with immersive 3D high-definition visualization technology that allows surgeons to perform extremely precise operations.

Genetics

Burjeel Holdings partnered with OncoHelix Inc. to establish a cutting-edge laboratory in Abu Dhabi to provide advanced molecular genetics, cellular, and immunological profile testing.

Burjeel Holdings and BridgeBio Pharma, Inc. signed a preliminary agreement to work together on the project 'NADER' (Needs Assessment and Therapeutics Development for Rare Diseases)[1].

Gynecology

Burjeel Holdings has joined hands with the Franco-European Multidisciplinary Institute of Endometriosis Academy (IFEM Endo) to start the IFEM Endo Middle East Clinic for endometriosis.

Neuroscience

Burjeel Holdings partnered with Northwell Health to launch the Neuroscience Institute in Abu Dhabi and provide state-of-the-art care for adult and pediatric patients with neurological disorders.

Orthopedics

Burjeel Holdings in collaboration with renowned orthopedic surgeon Dr. Dror Paley launched the Paley Middle East Clinic for world-class specialized orthopedic care.

Palliative care

Burjeel Holdings and St. Christopher's Hospice signed a Memorandum of Understanding to develop a compassionate community in the UAE, with a hospice at the focal point for the initiative.

Transplantology

Since its launch in 2022, the BMC's bone marrow transplant center has performed over 100 bone marrow transplants, including for children suffering from various blood disorders.

[1] 'Nader' meaning 'rare' in Arabic.

BMC doctors performed rare surgery on unborn child with spinal defect

Surgeons from Burjeel Medical City's Kypros Nicolaides Fetal Medicine and Therapy Center have operated on an unborn child from Colombia with a spina bifida six months into the pregnancy. Spina bifida is a birth defect that occurs when bones forming the spine do not develop leading to the spinal cord being left exposed to the amniotic fluid resulting in a permanent disability after birth.

The parents of a child with spina bifida were referred to the Abu Dhabi center after doctors in Colombia told them their only other option was terminating the pregnancy. In the operation, known as in-utero fetal surgery, a small incision was made on the uterus and the back of the baby was exposed to allow the neurosurgeon to close the spina bifida defect. The amniotic fluid was then instilled back into the cavity and the uterus was closed back up. The baby stayed in the womb for the remainder of the pregnancy and was delivered by cesarean section at 37 weeks' gestation.

→ Go to Super-specialty care offering for details



Multi-pronged expansion strategy

Entering high potential KSA market

In October 2023, Burjeel Holdings opened four advanced physiotherapy, rehabilitation, and wellness centers in Riyadh in a partnership with Leejam Sports Company, the largest operator of fitness centers in the MENA region.

These facilities are the first of 60 advanced centers to be established across the Kingdom as part of Burjeel's international expansion strategy.

The PhysioTherabia centers will provide personalized physical therapy, rehabilitation, and sports performance programs, emphasizing proactive health rather than reactive care.

Expanding Specialized Healthcare Offering in KSA

Burjeel intends to launch first two Burjeel Specialized Day Surgery Centers in Riyadh by 2025 as part of the Group's regional expansion strategy to meet the increasing demand of the country's rising resident population and tourists. The centers will provide minimally invasive procedures and encompass Oncology, Advanced Gynecology, Orthopedics and Neurology.

Leveraging solid O&M opportunities

The Group secured a contract to operate and manage ADNOC's 122-bed Al Dhannah Hospital, to elevate the quality of healthcare for ADNOC employees, their families, and the local community. Additionally, the Group is managing projects in Yemen, Somali, Chad, and other locations with the close support of the UAE government.

Enhancing UAE healthcare infrastructure

In 2023, the Group opened three medical centers: Lifecare Medical center Tasneem, LLH Medical Center Gayathi and Dubai Satellite Clinic (Al Quoz), and added 48 specialized in-demand beds to the network.

The Group launched an Advanced Day Surgery Center in the Shahama area, specifically designed to offer a rapid and comprehensive treatment experience.

Investing into cutting-edge technologies



Roche Diagnostics Middle East FZCO and Burjeel Holdings combined their expertise and technical support for precise diagnosis and personalized treatment pathways. Also, Burjeel Holdings formed a partnership with Digipharm to enhance its research and development capability for patient care.

The Group which one spend AED 125 million for the service contract of Oracle's Electronic Medical Record (EMR) technology, to establish the omnichannel and integrated EMR platform.

A research submissions from BMC was awarded a Healthcare Research and Innovation Grant by the Department of Health – Abu Dhabi (DoH). Also, DoH signed a MoU with Burjeel Holdings to leverage AI solutions to enhance patient and healthcare outcomes specific to emergency departments.

Burjeel now has a strategic partnership with e& enterprise and is launching a three-year, pioneering, cloud-based telemedicine project to provide patients with remote consultations. This will give patient better access and the efficient delivery of quality care.

→ Go to Digital and operational efficiency for details

Gaining international recognition

GRI 2-28



Dr. Shamsheer Vayalil, our Founder and Chairman, was listed as one of the top 10 among the Middle East's top 100 healthcare leaders by Forbes Middle East.

Burjeel Holdings was awarded the title of 'Middle East's Leader in Healthcare Excellence' during the i3 Summit's 'Recognitions' by Khaleej Times.

Burjeel Medical City was selected for membership in the Worldwide Innovative Networking in Personalized Cancer Medicine (WIN) Consortium, being the first member from the UAE and GCC.

Burjeel Holdings is registering its brands under the Madrid protocol, to secure trademark rights in 132 countries around the world, in cooperation with the Emirates Intellectual Property Association (EIPA).

WIN
Worldwide Innovative Networking in personalized cancer medicine

Entering into partnerships nationwide

GRI 2-6



The General Command of Abu Dhabi Police signed a MoU with Burjeel Holdings to cooperate in the areas of medicine, scientific research, and training.

Abu Dhabi Pension Fund partnered with Burjeel Holdings to offer support and high-level medical care to the retirees registered with the fund.

Several UAE ministries and Burjeel Holdings signed MoUs on the provision of specialized healthcare services for their employees and families.

Burjeel, in cooperation with ACTVET, unveiled a program for training and employing graduates from the Fatima College of Health Sciences, an important initiative to support Emiratization and promote Emirate talents.

An MoU was signed between the Supreme Council for Motherhood, Hemmah, and the Group, to provide healthcare services for Hemmah members and their children.

DEWA, the digital arm of Dubai Electricity and Water Authority, signed a MoU with Burjeel Holdings to facilitate access to healthcare services for its workforce.

Burjeel Holdings signed a MoU with the Citizens Affairs Office of the Ajman government, to provide special discounts to 'Testahl' card holders.

The Emirates Health Services (EHS) and Burjeel Hospital for Advanced Surgery will bolster the delivery of health services within government schools.

Al Jazira Sports Club and Burjeel Holdings signed a partnership agreement that extends to 2026, to offer comprehensive services and expertise to the members of the sports club.

Progressing to our sustainability goals



At COP28 in Dubai, BMC was honored with the Emerald Muashir Award in the 'Large Hospitals Category for Sustainability' as a recognition of our sustainable practices in the healthcare industry.

At COP28, the Burjeel Holdings-Oxford Saïd Climate Change Challenge announced the winners of its global competition for students aged 15-18 from 43 countries aimed to address challenges relating to the climate change.

1,100 employees from the health sector took part in the Burjeel Games 2023 with the support of the Abu Dhabi Sports Council (ADSC).

Burjeel Holdings offered medical services at the first edition of the UAE Tour Women cycling event.

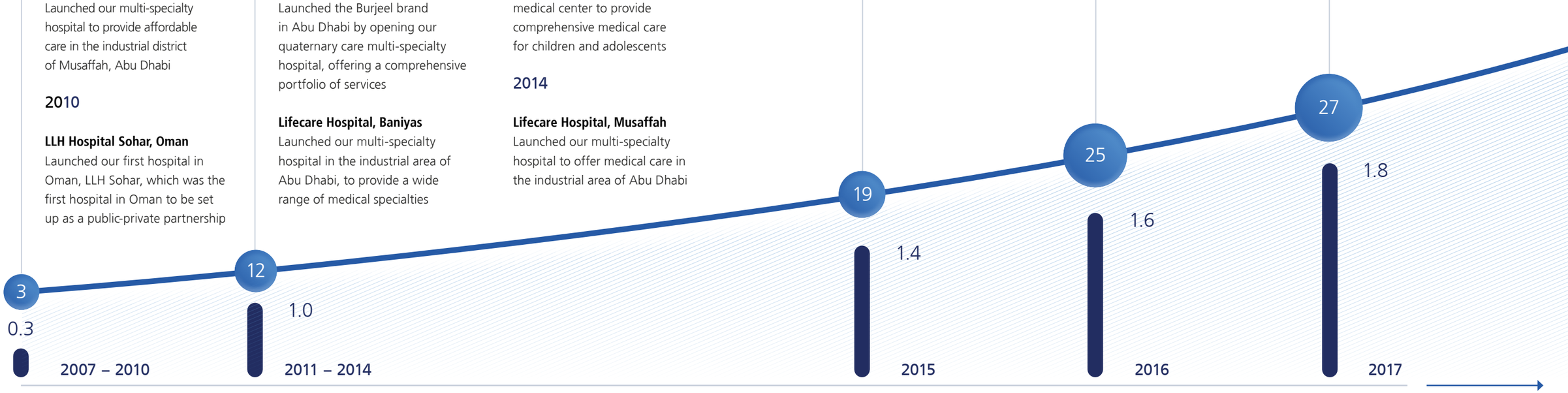
Burjeel Holdings took part in a collaboration to offer emergency and complex medical support to severely injured children transferred from Gaza.

A mobile screening unit by Burjeel Holdings offered complimentary screenings and educational sessions during the World Breast Cancer Awareness Month as a part of 'Pink Burjeel' campaign.

Our growth story

Since its foundation in 2007, Burjeel Holdings swiftly emerged as a prominent authority in healthcare, solidifying its position as a premium world-class private healthcare provider in the MENA region. With an ambitious growth plan, the Company is set to further expand its healthcare services across the region.

- Total number of hospitals and medical centers
- Revenue, AED bn[1]



2007

LLH Hospital, Abu Dhabi
Launched our first multi-specialty hospital providing affordable care in Abu Dhabi, focusing on mother and childcare, gastroenterology, and cardiology services

2008

LLH Hospital, Musaffah
Launched our multi-specialty hospital to provide affordable care in the industrial district of Musaffah, Abu Dhabi

2010

LLH Hospital Sohar, Oman
Launched our first hospital in Oman, LLH Sohar, which was the first hospital in Oman to be set up as a public-private partnership

2011

LLH Hospital Salalah, Oman
Launched our second hospital in Oman, LLH Salalah, which provides a full suite of specialist care services and includes one of the top five industrial clinics in Salalah

2012

Burjeel Hospital, Abu Dhabi
Launched the Burjeel brand in Abu Dhabi by opening our quaternary care multi-specialty hospital, offering a comprehensive portfolio of services

Lifecare Hospital, Baniyas
Launched our multi-specialty hospital in the industrial area of Abu Dhabi, to provide a wide range of medical specialties

2013

Burjeel Hospital for Advanced Surgery, Dubai
Launched our advanced microsurgery and orthopedic center, providing access to advanced care in the UAE

Tajmeel Kids Park Medical Center, Abu Dhabi
Launched our premier medical center to provide comprehensive medical care for children and adolescents

2014

Lifecare Hospital, Musaffah
Launched our multi-specialty hospital to offer medical care in the industrial area of Abu Dhabi

2015

Medeor Hospital, Abu Dhabi & Dubai
Launched the Medeor brand, opening two multi-specialty hospitals offering affordable, quality healthcare in Dubai and Abu Dhabi

2016

Tajmeel Specialized Medical Center, Abu Dhabi
Launched our premier medical center offering dermatology, dental and pediatric services

2017

Burjeel Day Surgery Center, Abu Dhabi
Launched our Day Surgery Center, designed to help patients get back to full health quickly and comfortably

[1] Revenue figures from 2019-2023 inclusively are based on the Burjeel Group consolidated financial statements, while those prior to 2019 come from the management accounts.

- Total number of hospitals and medical centers
- Revenue, AED bn[1]



2018

Burjeel Royal Hospital, Al Ain
Launched our premium, state-of-the-art healthcare facility providing the most advanced medical care



2019

Burjeel Specialty Hospital, Sharjah
Launched our multi-specialty hospital to provide the highest level of care and comfort to the people of the Sharjah region



2020

Burjeel Medical City, Abu Dhabi
Launched our world-class quaternary care hospital, providing extensive medical services in a deluxe environment



2021

Digital platform
Introduced the digital platform



2022

Kypros Nicolaides Fetal Medicine & Therapy Center
Launched the first comprehensive fetal medicine center in the region for diagnosing and treating fetal disorders

First bone marrow & organ transplants
Burjeel Medical City successfully performed the first bone marrow and kidney transplants

Burjeel Holdings IPO
Shares listed on the Abu Dhabi Securities Exchange (ADX) on 10 October 2022

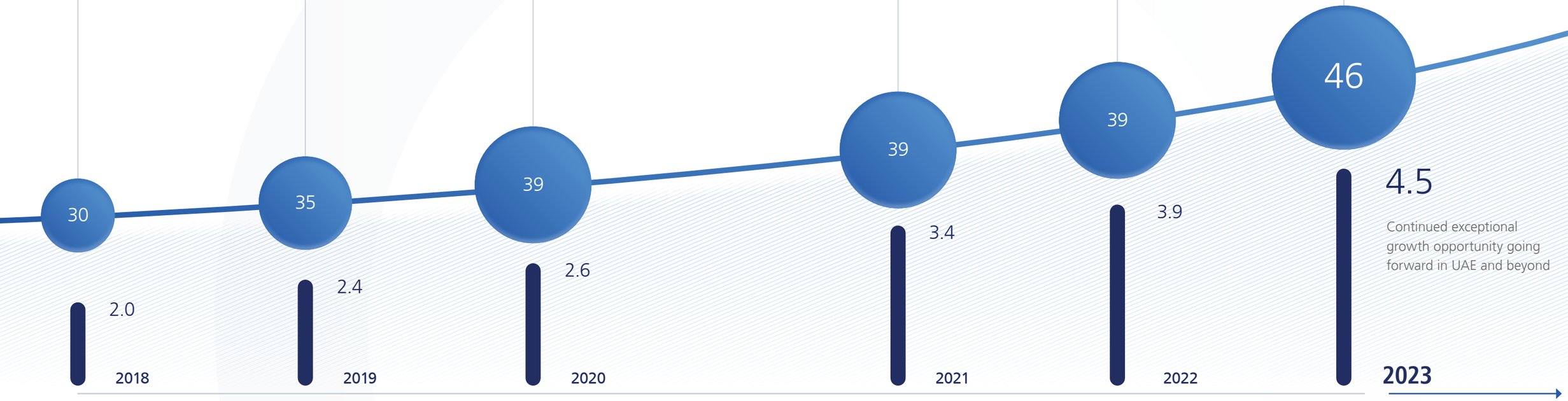


2023

Paley Middle East Clinic
The Paley Middle East Clinic launched within the Burjeel Medical City, providing world-class specialized orthopedic care

First Dividend Payments
Paid out debut interim dividend of AED 95 million for H1 2023

KSA Market Entering
First four premier PhysioTherabia centers opened in Riyadh



Continued exceptional growth opportunity going forward in UAE and beyond

[1] Revenue figures from 2019-2023 inclusively are based on the Burjeel Group consolidated financial statements, while those prior to 2019 come from the management accounts.

02

Strategic Report

Our world-leading standards of healthcare services are adapted to the local cultures, using the most advanced skills and technology to benefit communities across the Gulf region.



World-class talents

→ see page 70

Enhancing the expertise and capabilities of our medical staff through consistent training, research endeavors and internationally renowned partnerships.



Super-specialty care offering

Providing world-class healthcare through highly specialized, advanced technologies and innovation.

→ see page 62



Multi-pronged expansion

→ see page 80

Expanding geographically through low-CAPEX and high-demand healthcare products in the KSA and high-return public partnerships across MENA.

Market overview

GRI 2-6

Strong economic growth

The United Arab Emirates (UAE), with its innovative approach to boosting economic growth and diversification, maintains its status as one of the most competitive and highly advanced economies in the world. Major economic development indicators demonstrate the stability of the UAE's financial ecosystem and the resilience of the national economy.

Following an impressive GDP growth rate of 7.9% in 2022, and despite the geopolitical challenges that the global economy faces, the UAE economy is expected to maintain its upward trajectory in 2023 and is poised for stronger growth, recovery, and prosperity in 2024, driven by robust domestic demand, particularly in the tourism and healthcare, real estate, construction, transportation, and manufacturing sectors.

At annual meetings held on 22 November 2022, the UAE's government launched a 10-year framework of its new economic plan, 'We the UAE 2031'. All government entities and institutions, and the private sector, are expected to follow this plan.

'We the UAE 2031' vision aims to:

- Double the country's gross domestic product (GDP) from AED 1.49 trillion to AED 3 trillion;
- Generate AED 800 billion in non-oil exports;
- Raise the contribution of the tourism sector to the GDP to AED 450 billion;
- Raise the value of the UAE's foreign trade to AED 4 trillion;
- Rank the UAE as:

FIRST GLOBALLY in developing proactive legislations for new economic sectors

TOP 10 country globally in the 'Human Development Index'

TOP 10 country globally in quality of healthcare

TOP 10 cities globally for quality of life for Emirati cities

TOP 10 country in attracting global talent

FIRST in the 'safety' index

TOP 10 country in the 'Global Food Security Index'

TOP 3 country in the 'Global Cyber security Index'

AED **3** tn

Target GDP
UAE Vision 2031

Burjeel's leading position in large and growing addressable markets

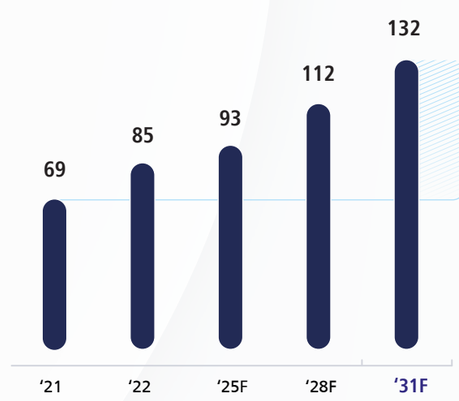
Burjeel's healthcare network operates in the UAE, Oman and KSA healthcare markets, within an addressable market worth $85 billion in 2022 and which is expected to reach a value of $132 billion by 2031. The market is driven by expected economic growth, favorable demographic trends, notably a growing and ageing population, a high prevalence of non-communicable diseases, and an increasing demand for specialized and complex care. These trends align well with Burjeel's growth strategy.

FY 2022

UAE & Oman & KSA market size[1]

Total healthcare expenditure (USD bn)

1.9×



$104bn
GCC market size[2]

$85bn
UAE & Oman & KSA market size[1]

$27bn
UAE & Oman market size[1]

$1.1bn
Burjeel Holdings revenue

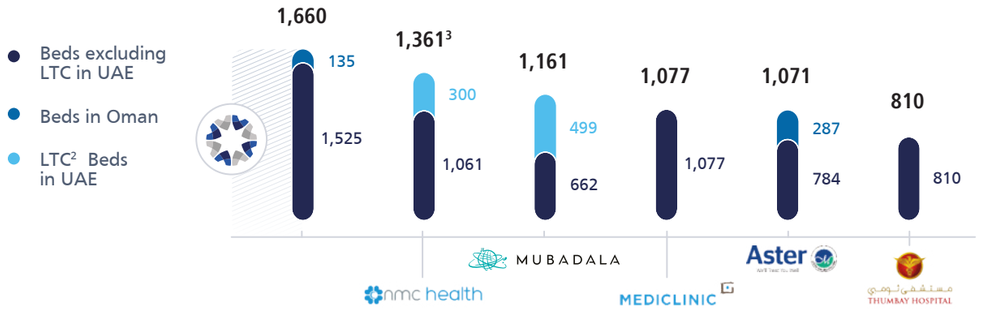
19%
Burjeel Holdings inpatient private market share in the UAE (FY 2022)

1 Based on Company data and JLL Healthcare research and analysis.
2 Based on Alpen Capital GCC Healthcare Industry Report, March 2023.

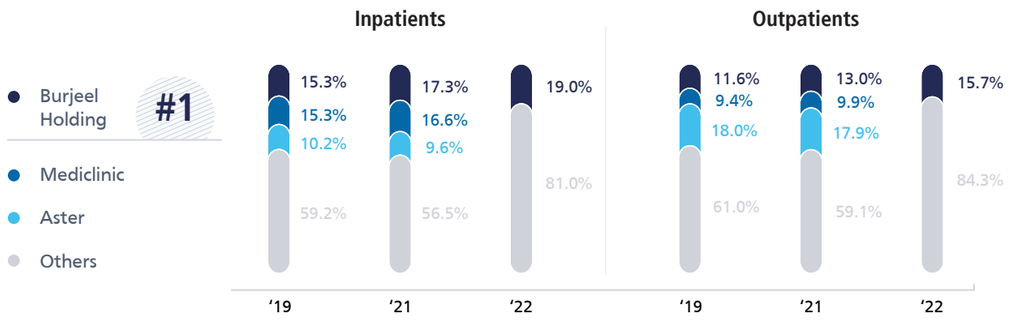
Burjeel Holdings is one of the largest private healthcare providers in the UAE in terms of numbers of inpatients and total bed capacity. The Group's investment in an integrated set of specialized and complex care services, provided by leading practitioners, combined with state-of-the-art facilities, resulted in a 19% share of the private inpatient market in the UAE in 2022.

The large expat community, as well as medical tourism, contributed to growing demand. Historically, patients traveled to Europe and the USA for treatment, but given that Burjeel provides world-class treatment in the Gulf, the community is able to use local services. In fact, Dubai and Abu Dhabi now attract the most medical tourists in the region, and rank among the top ten most popular medical tourism destinations in the world. Burjeel has considerable growth potential, given that it has just 1% of the total GCC market, worth $104 billion.

Number of beds by key players[1]



Estimated private market share (UAE)[4]



Burjeel has a unique suite of branded healthcare services and facilities catering to the whole community, including high-income Emiratis and local expats, of varying incomes, who are mandatorily covered by medical insurance. Burjeel's full-service model and close relationships with insurers align funding with treatment in an efficient and timely manner and give the Group a favorable negotiating position. Burjeel's integrated healthcare network serves the whole community with a full spectrum of brands and specialist services and has considerable organic growth potential, given the current low levels of bed occupancy, with a significantly higher level of profitability.

1 Based on Company data, public sources and JLL research and analysis, as of December 2022. Does not include the recently formed ADQ backed Pure Health healthcare platform.
2 LTC – Long-term care.
3 Excluding O&M beds of Sheikh Khalifa hospital.
4 Based on Company data, Industry report from IPO Prospectus and JLL Healthcare research and analysis.

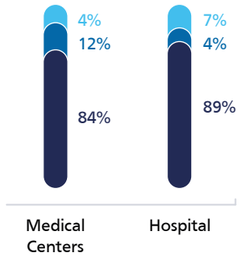
Leading Brand Portfolio Serving Entire Socioeconomic Spectrum

Brands	burjeel	Medeor Hospital	LLH HOSPITAL	LIFECARE Hospital
Assets[1]	**8** Hospitals[2] **8** Medical centers **1** Homecare services center	**2** Hospitals	**4** Hospitals **6** Medical centers	**2** Hospitals **4** Medical centers
Target population[3]	**High income population** **42%** Emirati patients	**Middle class expat population** **97%** Expat	**Mid-to low-income population** **100%** Expat	**Industrial workers** **100%** Expat
Revenue contribution[4,5]	72%	9%	11%	6%
Normalized EBITDA margin	25%-29%	25%-29%	25%-29%	25%-29%
Key UAE competitors	Cleveland Clinic	nmc health MEDICLINIC	Aster	Aster
Bed occupancy	59%	69%	60%	66%

1 As at 31 December 2023.
2 Includes Medeor Al Ain which is rebranded to Burjeel Farha in 2022.
3 Excluding retail pharmacies.
4 Post-intersegmental eliminations.
5 The remaining 2% of revenue contribution comes from Tajmeel assets, Retail Pharmacies and the Group's Other segment.

Diverse brand portfolio and network creates favorable negotiating position with insurance payers[1]

Insurance payers are the largest revenue contributor



Diversified insurance payer portfolio[2]



Healthcare trends in the Gulf

The growing economy and population of the Gulf region are spurring demand for specialist healthcare services across the region to address the high incidence of non-communicable diseases, with cardiovascular diseases (such as heart attacks and stroke), chronic respiratory diseases (such as chronic obstructive pulmonary disease and asthma) and diabetes being the main causes of death. Moreover, increasing life expectancy is leading to further demand for healthcare services, creating pressure on the current healthcare infrastructure, with hospital bed density in countries of the GCC as well as key countries of Africa falling short of global benchmarks.

1 Under-penetration of healthcare expenditure vs developed countries

Healthcare expenditure as % of GDP[4]

4-5% UAE, Oman, KSA

12% UK

19% USA

2 Favorable demographic trends

+1.9% CAGR '22-27E **of GCC population**[5]

+31.9% CAGR '22-27E of GCC **people aged over 50**[5]

3 High prevalence of non-communicable diseases

25% Prevalence of diabetes in adults of the total GCC population[5]

34% Prevalence of obesity in adults within the total GCC population[5]

79% NCD-related mortality rate of the total GCC deaths[5]

4 Increasing demand for specialized and complex care

→ **Specialized tertiary care services** in the private sector are a key area of growth

→ High demand for **preventive wellness and care**

5 Roll out of mandatory health insurance coverage

→ **Implementation of mandatory health insurance schemes** leading to an increase in % of insured population/greater service utilization

6 Growth in medical tourism

+17% CAGR '21-25E of **UAE Medical Tourism**[5]

TOP UAE recognized as **one of the best** medical tourism destinations

7 Telemedicine/digitalization of services

→ Operators expected to further **invest in digital technology/data solutions** after witnessing its value during the pandemic

→ **EMR / EHR** widely acted in GCC as a centralized system for digitization and distribution of medical records

8 Private operators gaining share from public sector

→ **Initiatives to boost private sector** participation (e.g. PPP initiatives/ liberalization of foreign investment policies)

→ The Saudi Government aims to **increase private sector contribution** from 40% to 65% by 2030

1 All numbers are based on FY 2023.
2 Includes only medical centers and hospitals.
3 Includes Daman Enhanced and Basic products which are administered by Daman. Out of 37% Daman, 54% is Basic.
4 JLL Healthcare research and analysis.
5 Based on Alpen Capital GCC Healthcare Industry Report, March 2023.

Growing trend in organ transplants

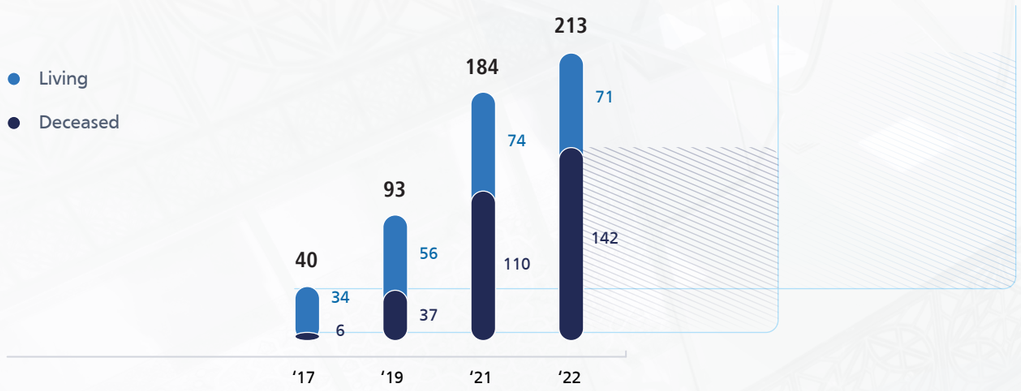
The UAE started allowing transplants from deceased donors in 2017 and the government has been promoting domestic transplants as part of its agenda to improve quality of life. In 2022, there were 213 transplants, of kidney (70%), liver (27%), lung (3%) and pancreas (0.5%). A nationwide donor registry and transplant list will aid further in the growth of transplants in the UAE. BMC is the leading multi-organ transplant center in the country and one of the most respected in the region.

Organ transplant

Total number of organ transplants performed in the UAE

+88% CAGR 17-22

+16% CAGR 17-22



Source: Based on public sources and JLL Healthcare research and analysis.

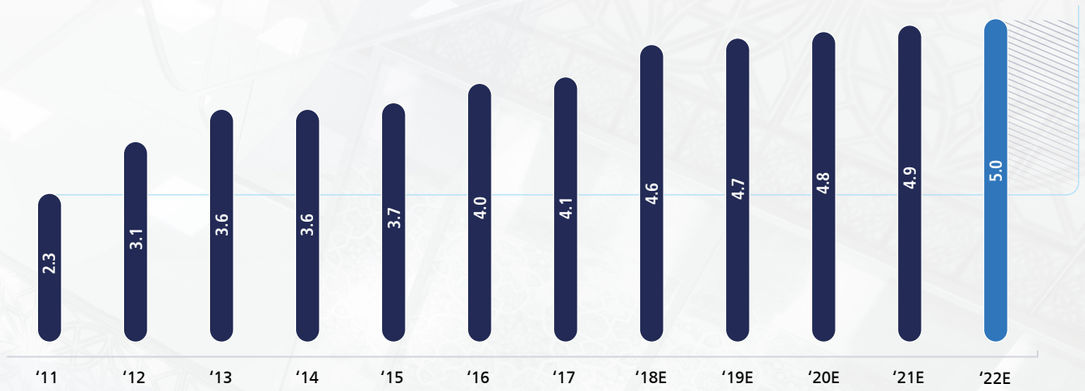
Growing trend in oncology

Cancer cases have increased, partly due to the prevalence of smoking and obesity in the UAE. BMC is the only Abu Dhabi private hospital providing comprehensive cancer care and is well-positioned to meet the growing need for such super-specialty healthcare. BMC is the oncology hub for Burjeel's hospitals in Dubai, Sharjah and Oman.

Oncology

Total number of malignant cancer cases in UAE (k)

+7.3% CAGR 11-22



Source: Based on public sources and JLL Healthcare research and analysis.



Healthcare is a key focus for GCC governments

The UAE, Oman and KSA have set out their ambitious objectives and programs for their economies, societies and healthcare provision, which they all want to develop and improve. The UAE has world-class healthcare as one the six pillars of its 'UAE Vision 2031' national agenda and its government is highly supportive of providers such as Burjeel.

Oman aims to achieve sustainable funding for health research and is focusing on improving primary healthcare, as the entry point, and providing more tertiary care. KSA is focusing on privatization and public private partnerships, as well as increases in medical insurance coverage to support a growing population with growing needs.

The digitalization of healthcare is also a growing phenomenon, stimulated by the COVID-19 pandemic, and now gaining further momentum with increased telemedicine and centralized Electronic Medical Records (EMR). Burjeel has been investing significantly in this digital transformation.

UAE Initiatives

UAE Vision 2021

Providing world-class healthcare is one of the six pillars of the National Agenda in line with Vision 2021

Abu Dhabi Healthcare Strategic Plan

Key priorities of the program:

- Reducing capacity gaps
- Improving the quality of healthcare services, patient safety and experience

Certificate of Need ('CoN')

- New additions of hospital beds subject to obtaining a CoN from the DOH[1]
- Based on current and estimated demand and supply gap in the market

Dubai Health Strategy 2021

Key priorities of the program:

- Ensuring a healthy and safe environment for Dubai's people
- Ensuring the provision of a high quality comprehensive and integrated health service system
- Improving efficiency in providing healthcare

Source: Based on public sources.

[1] DOH: Department of Health.

Oman Health Vision 2050

To achieve sustainable funding for health research by ensuring national and international collaborations with research funding agencies

Primary Healthcare Centers ('PHC')

- Strengthen PHC as main entry point for healthcare system
- Introduce specialty care and geriatric care in PHCs

Tertiary Care Services

- Establish state-of-the-art tertiary care through medical cities

Types of Healthcare Facilities

- Redefine types and construction plan of healthcare facilities (e.g. PHC with and without beds, and hospitals based on # of beds)

Universal Coverage

- Expand the umbrella of health facilities to parallel population growth
- Health Centers to act as PHCs
- Hospitals to provide secondary and tertiary care services

KSA Vision 2030

Some of the key initiatives in the healthcare spectrum:

- High focus on privatization and PPP
- Facilitate access to health services
- Improve value and quality of health services
- Promote health risk prevention
- Enhance traffic safety
- Increase in medical insurance penetration

Growth opportunities in KSA's specialized sectors

Burjeel is expanding into KSA and applying its proven expertise in the country, which is a highly attractive market, given its proximity, size, economy and growth plans. The Group is launching specialized, low-CAPEX, niche services to meet the local demand for specialized care within a short travel time, as confirmed by a market feasibility study. As part of its strategy to launch niche services, the Group has introduced its first product, physiotherapy rehab, partnering in a JV with Leejam Sports Company, KSA's leading gym network. The JV is using available space in the existing gyms to roll out 60 physiotherapy, rehabilitation and wellness centers under the PhysioTherabia brand. The Group is also going to launch first two Specialized Day Surgery Centers in Riyadh by 2025. Its healthcare sector is evolving on the back of rapid advancements in technology and research and development, in line with global and regional trends. However, COVID-19 has also exposed the vastly diverse structure of healthcare systems and increased the importance of specialized services and complex care, provided next to local communities.

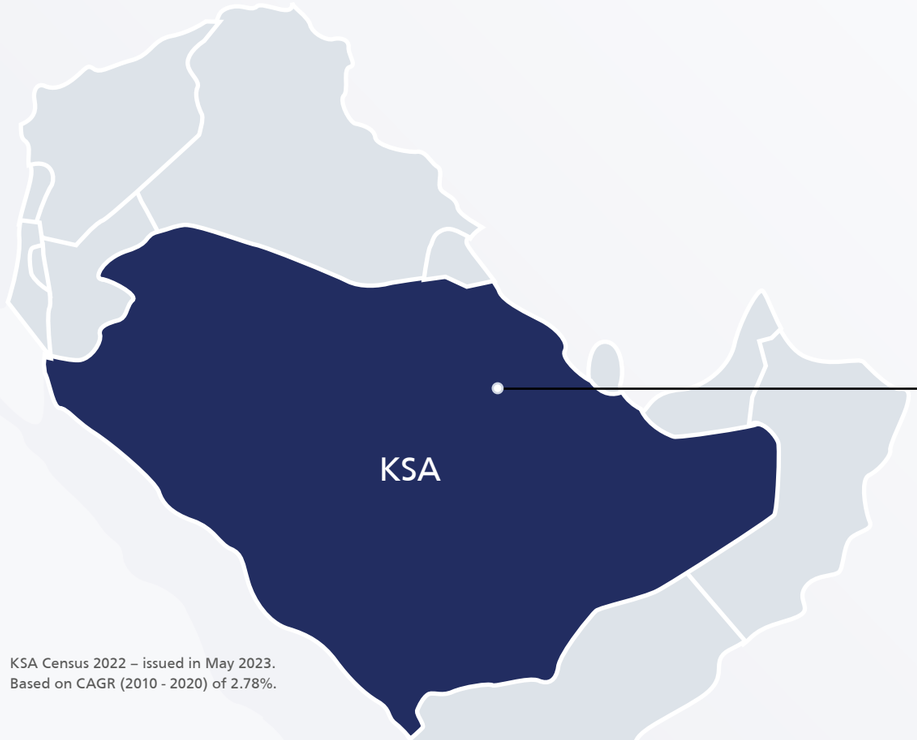
A key driver is the prevalence of lifestyle diseases along with the changing demographic profile through a decreased fertility rate and increased life expectancy. As a result, the population above 60 years of age is expected to increase from 4.5% in 2020 to 10.4% by 2030. Older patients with chronic illnesses require more frequent healthcare treatments and therefore next-door rehabilitation centers are likely to experience strong demand.

There has been no significant growth of public hospitals over the last 10 years and the private sector has been increasing its share of hospital capacity. The ratio of hospital professionals and beds to the population is 50% of the OECD average, indicating the need for additional healthcare infrastructure to meet growing demand. Significant waiting lists exist, from three to six months for a wide range of procedures, reflecting a structural mismatch between supply and demand.

In line with international best practice, models of care are expected to evolve from excessive reliance on hospitals to substantial use of non-hospital, specialized clinics to provide outpatient services and advanced, minimally invasive surgeries, using the latest technology. The clinics suit patient and clinician preferences and are convenient and cost-effective.

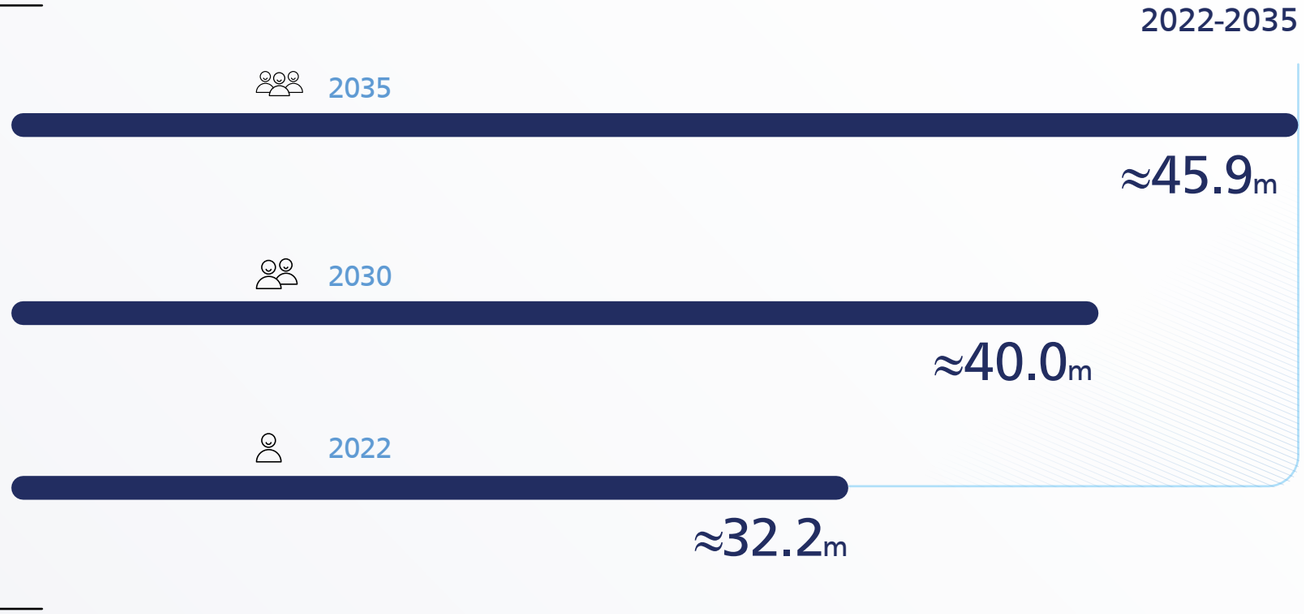
Government initiatives under KSA's Vision 2030 transformation program include focusing on privatization to increase the number of Saudi citizens covered by insurance, and creating an integrated system where patient cross-referrals can occur from government patients to private healthcare services. An increase in medical insurance penetration and planned mega projects across the country are expected to drive the future growth of the Saudi healthcare market.

KSA is the largest GCC country, has an estimated population of 32.2 million (rising to a likely 40 million in 2030) and its healthcare market is expected to be worth $90 billion by 2031, driven by population and economic growth.



+43.7%

2022-2035

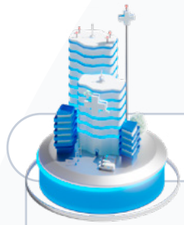


[1] KSA Census 2022 – issued in May 2023.
[2] Based on CAGR (2010 - 2020) of 2.78%.

Strategic growth pillars

Four pillars to deliver growth

Significant growth available to be unlocked



Ramp-up of growth assets

- Young asset fleet, with growth to be driven by utilization ramp-up
- Clear strategy to ramp-up all other high growth hospitals beyond BMC
- Burjeel Medical City to be key driver of volume growth
- Demonstrated track record of ramping-up assets to maturity



Operational excellence

- Centralization and digitalization initiatives to continue to drive efficiencies
- Number of additional initiatives planned to drive further efficiencies
- Employee costs as % of revenue to fall as utilization increases





Increasing patient yield

- Track record of ramping-up volumes whilst maintaining patient yields
- Continuing the journey to become the partner of choice for the elite Thiqa insurance patient base
- Strong focus on the most complex, premium services
- Focused initiatives to tap into the high value medical tourism segment
- Track record of focusing on and growing complex surgeries
- Premium Burjeel brand primed to drive patient yield increase given lowest utilization



Geographic expansion

- Multi-pronged expansion strategy to unlock solid growth potential
- Selectively expanding UAE healthcare infrastructure
- KSA is the key region for our medium-term growth strategy
- Leveraging solid pipeline of O&M opportunities in UAE and MENA

Ramping up of growth assets

The current infrastructure of the Group is operating at 61% capacity for inpatient services and 72% for outpatient services. The Group is focusing on utilizing the existing invested infrastructure more for super-specialty services to meet a growing market need.

By introducing Burjeel Medical City, as a super-specialty unit, is playing a major role in reducing outbound medical tourism and increasing inbound medical tourism. The regulated environment and accessibility makes UAE a preferred destination. The UAE Government support for Burjeel as a private, innovative, provider with the latest technology, helps to increase the number of medical tourists.

2023 Update

The Group has invested significantly in hospitals and associated infrastructure and is now focusing on extending specialty care within those facilities and opening medical centers and other specialist surgery and rehabilitation centers, which are a major contribution to the volume of patient referrals.

Currently, 75% of the Group's bed capacity is in medium- and high-growth hospitals.

Future Plans

The Group is intending to increase patient volumes further across all hospitals by continuing to leverage its fully integrated model and increasing referrals. The Group will continue to promote its full service offering to the whole community through its brands, providing patients with a whole journey from diagnosis to successful treatment.

By 2027, the Group aims to reach 75%-80% capacity across the network, both for inpatient and outpatient services.

Increasing patient yield

The focus on key specialties and investment in sub-specialty and complex treatment is leading to a rise in patient yield. Burjeel Medical City is expected to further increase in its yields through its tertiary and quaternary care, and by extending its complex specialties. Burjeel Medical City has demonstrated its specialty prowess by the recent spina bifida corrective surgery.

BMC enhances its reputation and boosts referrals by affiliating with world leading consultants, centers and organizations, for example, by establishing the Paley Middle East Clinic and Kypros Nicolaides Fetal Medicine and Therapy Center.

2023 Update

The Group is adapting to patient needs and optimizing its estate by repurposing its infrastructure. Burjeel Hospital in Abu Dhabi continues to free up capacity by transferring cases to the Burjeel Day Surgery Center Al Reem and using its existing infrastructure to offer treatment of more complex cases, which drive revenue growth through a focus on patient yield, while patient volumes have remained broadly constant.

The Group launched new international partnerships to further advance capabilities in fetal medicine, genetics, gynecology, neuroscience, orthopedics and other specialist fields. BMC now provides over 60 high-yielding specialties.

Future Plans

The Group will focus on making more use of its services already in place, providing complex care with high revenues, developing new specialty service offerings at Burjeel Medical City, working closely with Thiqa and becoming a partner of choice for patients on its insurance plan.

Additionally, the Group will focus on driving more medical tourism from Russia, Africa and GCC countries for complex treatments in oncology, orthopedics & spine, gastroenterology, urology, and health check-ups.

Operational excellence

The Group has invested fully in its operations and infrastructure, in particular, Burjeel Medical City.

Burjeel's digital transformation and centralization programs should result in significant savings in time and costs, leading to an improvement in margins.

2023 Update

Since its inception, the Group has prioritized investment in the centralization of its services and controls. The Group is investing significantly in digital capabilities to ensure that they drive best practice across its operations and support the continued delivery of high-quality services.

The Group's initiatives, including centralized procurement, a centralized one-OR platform, digitization of services and patient records, centralized lab services, employee training and nurse rotation programs, allow it to manage its workforce and asset turnaround efficiently, resulting in higher profitability.

Future Plans

The Group will drive efficiencies through projects such as centralized radiology and ICU command centers, as well as the integration of key services, the creation of a sub-specialty pool and the standardization of protocols. This is expected to reduce the Group's salaries and expenses (as a percentage of revenues), particularly in light of the planned improvements to key assets.

The Group's new project, with Oracle Health, to establish a new Electronic Health Record platform, will give more informed care decisions, reduce waiting times, and increase patient face time with clinicians.

Group EBITDA margin to gradually expand to high-20s by 2027.

Geographic expansion

In addition to continued organic growth, the priority for the Group is to take a disciplined capital deployment approach in the short- to medium-term.

Having established an international reputation from its world-class healthcare provision in the UAE and Oman, the Group is focused on expanding its healthcare to KSA with low-CAPEX, specialist services and zero-CAPEX O&M contracts in MENA, to drive further growth in revenue and profit.

2023 Update

Burjeel continued its expansion in the UAE with two medical centers in Abu Dhabi, and one center in Dubai, an O&M contract to manage ADNOC's Al Dhannah Hospital in Abu Dhabi, and a Burjeel Aesthetic & Smart Clinic, as part of an O&M contract with ADNOC.

Burjeel Hospitals works closely with the Abu Dhabi government to manage the healthcare facilities outside the UAE which are strategic initiatives of the UAE. As a healthcare provider, the Group is currently managing two hospitals in Yemen, one in Chad and one in Somalia. The Group has built a dedicated O&M team to secure further O&M opportunities to leverage Group experience. The O&M segment is expected to contribute not less than 5% of Group net profit in the medium term.

Burjeel has expanded into KSA with a low-CAPEX partnership with Leejam Sports Company, rolling out the first four of a planned 60 PhysioTherabia centers by 2025 (the centers will provide physiotherapy, rehabilitation, and wellness services across Leejam's existing gym network).

Future Plans

From 2024 to 2025, the UAE network will increase by one medical center, two Burjeel Day Surgery Centers and one Burjeel Hospital in Dubai.

In KSA, the target for PhysioTherabia's offering is to have 60 centers by 2025. The Group will also launch first two Burjeel Specialized Day Surgery Centers in Riyadh by 2025.

Super-specialty care offering

GRI 2-6, GRI 3-3, GRI 203-1

Providing world-class, specialist healthcare and driving up patient yields

Burjeel has established a range of super-specialties as an integral part of its strategy to give patients comprehensive and advanced care. The Group's investment in leading practitioners, new technology and facilities, as well as its numerous relationships with international, world-class partners, enable Burjeel to deliver successful outcomes for patients with challenging requirements, and drive-up patient yields, which in turn increases revenue for further investment in new leading-edge specialties.



Six highlighted areas of Burjeel's capabilities

Oncology	BMC is the oncology hub for Burjeel's comprehensive cancer treatment network and has a unique and complete range of capabilities, medicine and advanced diagnostics.
Orthopedics and Spine	Largest practice in the UAE – typical activities include neuro-spinal procedure, knee, hip, foot and ankle surgeries, and non-invasive robotic surgeries.
Advanced Woman Care	Leader in obstetrics and gynecology, IVF services across the network, and fetal therapy and surgery.
Pediatrics & Neonatology	Large infrastructure of 64 neonatal intensive care unit beds and nine pediatric intensive care beds, and the provision of pediatric oncology and cardiology.
Organ transplants	BMC obtained its license for organ transplants in 2022 and has the UAE's leading multi-organ transplant center.
Neuroscience	BMC is a leader in neurology, neuro-oncology and neurosurgery and is launching the Neuroscience Institute, led by renowned neurologist Dr. Souhel Najjar, in 2024, to provide world-class, specialized neurological care.

>30%
Revenue from complex specialty care[1]

+26% YoY

73,000
Surgeries performed in 2023

105
Bone marrow transplants[2]

1 Oncology, Orthopedics and Spine, Women's Care, Pediatrics, Neurosurgery & Neurology, Cardiac Sciences. Based on FY 2023.
2 As at 31 December 2023, since its inception in 2022.

Burjeel Medical City, a leader in specialties, including:

Oncology – the only advanced cancer center in Abu Dhabi to be accredited by the European Society for Medical Oncology.



Trauma – Level 1 Trauma Center – the first private hospital in UAE to be equipped with a helipad for emergency transfers.

Fetal – in collaboration with Kypros Nicolaides, the first comprehensive center for Fetal Medicine and Therapy in the UAE.

Pediatrics – Level III Tertiary NICU and Level IV PICU, providing a comprehensive pediatrics program, including Extra-Corporeal Membrane Oxygenation (ECMO).

Long-term Acute Care/Dedicated Rehab – the UAE's largest long-term acute care and rehab center, Burjeel Darak.

Transplant – BMC has established a reputation for successful organ and bone marrow transplants.

Cross-specialty innovation – including stem cell cryopreservation, the Integrated Center for Research for Rare Diseases, MRI for neuro-oncology surgeries, state-of-the-art, centralized laboratories, radiotherapy and diagnostics services.



Burjeel Medical City is the only ESMO in the UAE and Novalis Certified accredited center in the GCC

BMC is first mover in the UAE in advanced care such as bone marrow transplants, stem cell cryopreservation, fetal medicine, research into rare diseases and cancer, and neuro-oncology surgeries.



Super-specialty care offering drive high patient yield



Group total ARR growth 19-23[1]

+37%

Bone marrow transplant

200,000 – 250,000

Kidney transplant

150,000 – 200,000

Fetal medicine

200,000 – 300,000

Medical oncology

20,000 – 80,000

Radiation oncology

8,000 – 18,000

Surgical oncology

12,000 – 33,000

Advanced rehab

8,000 – 13,000

[1] Growth is due to the focus on complex care.

New patients – initiatives

The Group is targeting inbound medical tourism patients, one of the UAE initiatives. The Group plans to penetrate its capability within four hours flying time of UAE, given that Burjeel provides convenience and cost advantages compared to the US and Europe, and it is working with the International Patient Care division of the UAE Department of Health to reduce the cost of medical tourism for foreign patients.

The Group has MoUs with the UAE and the GCC government ministries, corporates and charities to increase patient referrals, footfall and onboarding, and is using digital outreach to support the process.

Associations with:

Ministries

Ministry of Interior

Corporates

ADNOC

Charities

EMIRATES RED CRESCENT

Sharjah Charity International

RAHMA
جمعية رعاية مرضى السرطان
Cancer Patient Care Society

Dar Al Ber Society

FUJAIRAH CHARITY ASSOCIATION

Al Ihsan Charity Association

Burjeel's complex care initiatives in 2023

- In the UAE, Burjeel and US-based Northwell Health is launching the Neuroscience Institute, led by renowned neurologist Dr. Souhel Najjar, in 2024, to provide world-class, specialized neurological care.

- The Emirates Pediatric Bone Marrow Transplant Congress, where leading pediatric physicians gathered, acknowledged Burjeel's first move and leadership in bone marrow transplants, and recognized the opportunities for growth and development in this specialist field.

- Burjeel, in collaboration with world-leading orthopedic surgeon Dr. Dror Paley, launched a dedicated pediatric clinic, The Paley Middle East Clinic, at BMC; it aims to become a hub for complex procedures in the region by providing world-class specialized orthopedic care for people with musculoskeletal conditions.

- Burjeel Holdings is now partnering with the internationally respected Franco-European Multidisciplinary Institute of Endometriosis Academy (IFEM Endo) to start a specialized clinic at BMC. The clinic will be a center of excellence for endometriosis and offer highly advanced minimally invasive surgeries for endometriosis.

- As an incubator and hub for life-science research and innovation, BMC is set to begin clinical trials to transform the way thalassemia is being treated, starting with two global clinical trials. With Abu Dhabi's Department of Health (DoH) supervision and support, the ENERGIZE and ENERGIZE-T clinical trials aim to test the effectiveness and safety of a new drug, Mitapivat.



- BMC won a grant to conduct clinical trials and commercialize research with the support of the Abu Dhabi DoH Research and Innovation Center.

- Burjeel Holdings announced a new partnership with OncoHelix Inc. to establish a cutting-edge laboratory in Abu Dhabi to provide advanced molecular genetics, cellular, and immunological profile testing for patients in the UAE.

- Burjeel Holdings launched the Advanced Gynecology Institute at BMC to provide more complex care solutions for women in the region; the institute will offer timely, sophisticated, and multidisciplinary healthcare solutions to women of all ages.

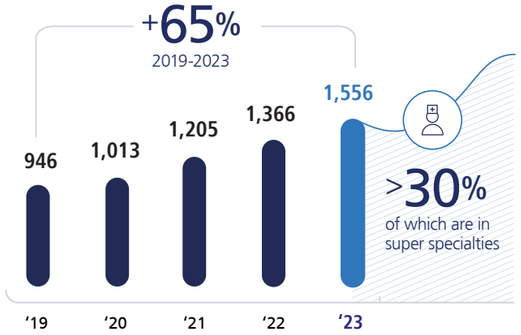
- BMC now has the new Da Vinci Xi Robot for advanced minimally invasive procedures and complex procedures. Surgeons use a console to control the robot's arms, which hold and operate objects that act as scalpels and instruments.



World-class talents GRI 3-3

Burjeel provides a high quality of care based on the caliber of its practitioners, who demonstrate, their professionalism, innovation and commitment. In 2023, the Group's care network expanded by 190 doctors to a total of 1,556. Many of these doctors are certified in the USA, Europe and the UK, and 30% of whom practice super-specialties, such as oncology, advanced gynecology, orthopedics & sport medicine, pediatrics, neurology, cardiology, head and neck, cardiology, vascular and neuroscience, trauma consultancy, and advanced rehab.

Highly skilled and growing talent pool, number of doctors



Mr. Mandeep Singh, consultant in maternal and fetal medicine at BMC, performs rare surgery on unborn child with spinal defect

Mr. Singh, operated on an unborn child with a spinal defect six months into the pregnancy. The patient from Colombia underwent the rare spina bifida procedure at BMC's Kypros Nicolaides Fetal Medicine and Therapy Center. In the operation, known as in-utero fetal surgery, a small incision was made on the uterus and the back of the baby is exposed to allow the neurosurgeon to close the spina bifida defect.

Dr. Khaled Musallam, Group Chief Research Officer at Burjeel, jointly-authored new international thalassemia guidelines

Dr. Musallam, recognized as a global expert, working with Prof. Ali Taher from the American University of Beirut and Prof. Maria D. Cappaeline from the University of Milan, produced the third edition of The Thalassemia International Federation's Non-Transfusion-Dependent Beta-Thalassemia guidelines, which provide a comprehensive framework for the diagnosis and use of new therapies for this complex disease.



New hi-tech surgeries performed in 2023

- Craniotomy-awake brain procedure
- Craniosynostosis-correction for twins born with skull deformities
- Robotic assisted complex urology procedures
- Robotic assisted complex endometriosis procedure
- Robotic assisted complex gastric Onco-GI procedure
- 3D laparoscopic assisted with ICG Technology
- Lymph node neck dissection with ICG Technology

Four areas of focus

	Gene therapy	Fetal medicine	Pediatric bone marrow transplant	Advanced rehab
Challenge	→ One-year-old twins suffering from rare debilitating neuromuscular disorder → Experienced trouble with basic bodily functions such as breathing/ swallowing/movement	→ 20-week pregancy scan showed baby had extensive fluid accumulation suggestive of fetal hydrops → Ultrasound highlighted very low hemoglobin levels, with mortality rate >90% if left untreated	→ 5-year-old Ugandan girl suffering from sickle cell disease → Regularly admitted to hospital since birth and referred by doctors in Uganda to BMC	→ 36-year-old pregnant patient with post-Covid pneumonia, recent stroke and contracture in right foot → Severe weakness due to pregnancy and highly challenging to rehabilitate
Solutions	→ Genetic test confirmed both babies had SMA1, which could be fatal if left untreated → Twins received gene therapy designed to target missing gene causing the disorder → Both babies now able to breathe independently	→ MDT review concluded baby would need blood transfusion through umbilical cord/ directly into heart → Umbilical cord transfusion highly challenging at 20 weeks pregnancy → Burjeel team able to transfuse 20ml of Rh-negative blood type through umbilical cord and save the pregnancy	→ Highly advanced stem cell bone marrow transplant performed → First pediatric bone marrow transplant in UAE → Treatment successfully completed, with patient able to travel back to Uganda	→ Performed series of physiotherapy and occupational therapy treatments → Patient now able to walk independently without support

→ For more on capabilities go to Strategic Report/ Super-specialty care offering

Burjeel research

The Burjeel Holdings Department of Research & Health Innovation has continued to expand rapidly in 2023 by enhancing its research capability in both academic and sponsored research and international collaborations. The Group conducted 44 research studies in 2023, bringing nine novel therapeutic drugs in new indications to the region through clinical trials.

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Burjeel's strong research focus is a key contributor to its talent retention and strong career prospects.

44 research studies
conducted in 2023

The Groups' research strategy is underpinned by offering patients the best in care and therefore seeks to offer as many patients as possible the opportunity to participate in high quality research. To this end, it has built a wide-ranging portfolio with various disease indications suited to the needs of the local population. The studies include observational studies, diagnostic studies and all phases of interventional clinical trials (phase I to phase III) aimed at better disease understanding and developing novel therapies to treat both common and rare diseases. The portfolio also comprises interventional registration studies run to US (FDA) and European (EMA) standards with investigators and the department engaging with most of the top 10 big pharma companies as sponsors of the studies.

The academic publication record for Burjeel Holdings has also substantially grown with 114 publications across the Group cited in PubMed (National Library of Medicine, NIH, USA).

114 publications
cited in PubMed

The Group launched the Center for Research on Rare Blood Disorders (CR-CRBD) in 2023 and is dedicated to advancing knowledge, addressing evidence gaps, and overcoming unmet needs for patients with rare blood disorders. The center is already globally recognized in view of several leading publications that filled major evidence gaps, and is swiftly becoming a reference center for observational studies and clinical trials in patients afflicted with these disorders.

The 'NADER' project, also launched in 2023, seeks to address the needs of patients with various rare diseases across the UAE and will launch a series of clinical trials offering novel therapies and insights into identifying and treating such patients.

Burjeel Medical City has also become a member of the WIN Consortium in 2023, a network of world-class academic medical centers, industries, research organizations and patient advocates aligned to launch clinical trials using its genomics and transcriptomics biomarker platform to bolster precision oncology around the world.

High-level training initiatives

Medicine

Burjeel is establishing a College of Medicine & Science (CMS) at BMC. It is the first purpose-built medical college at a teaching hospital in Abu Dhabi and will provide hands-on research opportunities and a three-year residency program for up to 150 students, offering them the opportunity to qualify as a Doctor of Medicine.



Nurses

Burjeel is working with international partners and investing in education and training for nurses in India and the UAE, for up to 150 nurses on four-year courses, using simulation labs and digital workspaces.





Biotech

BMC's Biotech Center is bridging the bench-to-bedside gap for researchers and accelerating commercialization of clinical assets by developing a biotech research platform, which will use AI and big data on around 250,000 patients over the next decade to create 'synthetic data' (which protects patients' privacy). BMC is also creating a platform for GCC investors to link them with promising biotech companies.

Support for degrees and certifications

The Group supports employees on programs such as Young Executive Leaders (YEL), Harvard University Executive and Continuing Medical Education (CME).

Employee training GRI 3-3

Training is based on professional, behavioral, cognitive and emotional aspects. Training covers New Employee Orientation, Communication, Soft Skills, Etiquette, Professionalism, Ethics, Change Management, Leadership and Management, English language development, Cultural Competence, Problem Solving, Decision-Making, Group Dynamics, Effective Teams and Teamwork, Human Resource Management, Performance Management, and Motivation and Empowerment. The training is for all levels and categories of staff, both clinical and non-clinical.

For example, Burjeel, in cooperation with Abu Dhabi Center for Technical and Vocational Education and Training (ACTVET), has a comprehensive program aimed at training and employing graduates from Fatima College of Health Sciences. Aligned with the UAE Government's Nafis program, the initiative is designed to raise the competitiveness of Emirati talents in the healthcare sector.

Average hours of training during 2023 GRI 404-1

Male employees	
Female employees	
Doctors	
Nurses	
Non-medical staff	



Stringent quality assurance, accreditations and KPIs

The Group has a Quality Assurance Committee, consisting of a Quality Head of the Group, Medical Director of the Group and a representative of the administration, to maintain compliance with the highest international standards.

Burjeel operates

13 hospitals
with JCI accreditations.

Key KPIs tracked



Readmission rates for operative procedures



Door-to-doctor time



Hospital wait at point of arrival



Neonatal mortality rate per 1000 live births

Significant utilization runway

Assets and current utilization

Since inception, Burjeel has invested AED 4.4 billion in CAPEX in a mix of assets, to create an integrated healthcare network, which now has 16 hospitals, the largest of which are Burjeel Hospital Abu Dhabi and Burjeel Medical City (BMC), and 30 medical centers.

Internally, within the Burjeel network, there is a full-scale hub-and-spoke model, which encompasses the entire patient pathway through Primary, Secondary, Tertiary and Quaternary care.

Externally, as Burjeel's reputation grows, the network attracts more indigenous and expatriate patients within the Gulf. The Group has associated with clinics, ministries, corporates and charities. The Group also receives more medical tourist patients, from further afield, who would historically go to Europe or the USA for treatment that was hitherto not readily available in the Gulf.

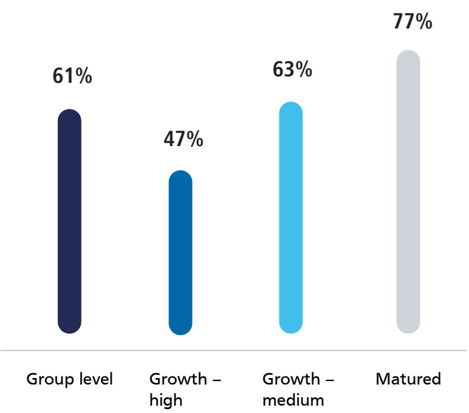
Asset utilization for a hospital covers outpatients, expressed in terms of the percentage of a doctors' capacity used, and inpatients, expressed in terms of bed occupancy. By increases in utilization by outpatients and inpatients provides additional profitability for the Group.

As the infographic shows, there is significant available bed capacity within the Group's medium- and high-growth assets. Increases in occupancy levels will produce high margin revenue because CAPEX and fixed employee costs are already taken into account.

Asset maturity split for hospitals[1]



Significant utilization runway, % inpatient bed occupancy (FY 2023)[2]



	2023	2019-2023
Revenue	AED 4.5 bn	+87%
Beds	1,708	+93 beds
Doctors	1,556	+610 doctors
Patient volume	6.0 m	+41%
Bed occupancy	61%	+220bps
Outpatient utilization	72%	74% (2019)

Burjeel Medical City – significant opportunity to ramp up utilization with superior patient yields

The infographic on the next page compares two of the Group's hospitals, both located in Abu Dhabi, Burjeel Hospital, a mature asset, and the flagship, Burjeel Medical City, a high-growth asset.

The two hospitals have similar revenue but the inpatient occupancy rate at Burjeel Hospital is relatively high, at 75%, because it is a mature asset. BMC's occupancy, at 48%, is lower because it is a relatively new facility and still growing its patient volume (at a fast pace). This means that when a service segment moves towards super specialty, the yield per patient becomes much higher than multi-specialty. This gives Burjeel Medical City the potential to double its revenue in the medium-term, particularly since, as a provider of specialty and quaternary care, its revenue per patient is nearly double that of Burjeel Hospital. In addition, the EBITDA margin at BMC, currently 16%, can move towards a mature hospital's EBITDA of 30%, as utilization increases.

1 Hospitals: bed occupancy ≥70% = Matured, ≥55% and <70% = Growth – medium and <55% = Growth – high.
2 Based on occupied beds divided by operational beds.

Burjeel Medical City – significant opportunity to ramp-up utilization with superior patient yields

FY 2023	Mature — Burjeel Hospital, Abu Dhabi	High-Growth — Burjeel Medical City, Abu Dhabi
Overview	→ **The largest EBITDA contributor**, located in a highly populated area in the center of Abu Dhabi city → **30 key specialties** incl. neuro and cardiac surgery, orthopedics and pediatrics → Caters to **premium clientele**	→ **The largest private medical health-care facility** in the UAE: quater-nary, long-term and palliative care → **60+ key specialties** incl. hematol-ogy, oncology, bone marrow and multi-organ transplantation → Caters to **ultra-premium clientele**
Year established	**2012**	**Q4 2020**
Doctors[1] / Beds / Size	**213 d. / 299 b. / 77 k sq m**	**284 d. / 400 b. / 112 k sq m**
Revenue[2]	**AED 1,037m** ↗ +3% YoY	**AED 1,018m** ↗ +37% YoY
EBITDA margin	**30%**	**16%**
Number of patients	**793k**	**427k**
Inpatient occupancy	**75%**	**48%**
Total ARR[3]	**AED 1,307**	**AED 2,385**

Based on the growth on the trend shown above, BMC is expected to achieve full maturity, of around 75% occupancy, and more than AED 2 billion in revenue, by 2027.

AED 2bn
Target BMC revenue in 2027

1 Revenue and Non-revenue generating doctors.
2 Pre-intersegment eliminations.
3 ARR = revenue/# of patients. Brand ARRs based on average ARR of each facility in each brand.

Key areas for patient volume growth

Complex care	→ Areas of focus to include **oncology/nuclear medicine/ fetal medicine/advanced rehab/complex transplants**	→ Strong focus on research supporting acceleration/ penetration of complex care
Existing patients	→ Focus on **growing business with existing patients**	→ Areas of focus to include **hub-and-spoke model** to drive **internal BMC referrals** for complex cases
New patients	→ Well-defined, multi-pronged **patient acquisition strategy**	→ Areas of focus to include **medical tourism and associations with ministries/corporates/charities**

Caring for a growing number of Thiqa patients

Most of Burjeel's current and anticipated revenue derives from medical insurance. The Government of Abu Dhabi provides the Thiqa program to fund healthcare for UAE nationals and is managed by Daman, the leading insurance provider in the country.

In 2021, the share of Thiqa patients in total insurance revenue was 28%, and this rose to 35% in 2023. They value Burjeel's consultant-led care, unrivaled hospitality, personal service and dedicated Thiqa clinics.

35%
Share of Thiqa patients in total insurance revenue (FY 2023)

Multi-pronged expansion

Key region of focus – KSA

KSA to drive
our geographic expansion

Zero-CAPEX expansion into Africa,
through O&M contracts



Expansion strategy pillars

1 Expanding UAE healthcare infrastructure

2 Entering high potential KSA market by launching premier Physiotherapy centers and Day Surgery centers

3 Leveraging solid pipeline of O&M opportunities in UAE and MENA

Burjeel continues to expand within its established UAE base, is focusing on the high-potential KSA market by introducing several low-CAPEX, high-demand and locally tailored healthcare services and is taking opportunities from a plentiful mid-term pipeline of de-risked and zero-CAPEX O&M partnerships across the whole MENA region. These three expansion pillars represent considerable bottom-line upside.

Expanding the UAE healthcare infrastructure

Medical Center Tasneem — Launched 2023

Medical Center Gayathi — Launched 2023

Dubai Satellite Clinic (Al Quoz) — Launched 2023

Burjeel Smart Clinic[1] — Launched 2023

Medical Center Gayathi — 2024

Al Dhafra Day Surgery Center — 2024

Al Ain Day Surgery Center — 2024

DIP Hospital (Dubai) — 2025

In 2023, the Group continued expanding its UAE healthcare infrastructure, opening three medical centers, Lifecare Medical Center Tasneem, LLH Medical Center Gayathi, and Dubai Satellite Clinic (Al Quoz). Burjeel also launched an advanced Day Surgery Center in the Shahama area, specifically designed to offer rapid and comprehensive treatment.

The new centers will serve new communities in the Emirates and care for more patients, resulting in increased revenue streams and improved profitability, while referring additional footfall to the Group's hospital network.

In recognition of the Group's management capabilities, and as part of an O&M contract with ADNOC, it opened a Burjeel Aesthetic & Smart Clinic and, also in agreement with ADNOC, assumed full operational responsibility for the 122-bed multi-specialty hospital in the Al Dhafra region.

The Group is keen to expand the advanced Day Surgery units, which provide minimally invasive surgeries, using the latest technologies, to enhance patient service excellence and experience, as well as meet the needs of insurance providers.

The successful Day Surgery Center Al Reem in Abu Dhabi is an example of this because it has generated significant referral traffic since it opened in 2017. It has also freed up space at Burjeel Hospital and Burjeel Medical City by dealing with minimal invasive cases that would have previously been managed by those hospitals.

Over the next two years, Burjeel plans to open Day Surgery Centers in Al Ain and in Al Dhafra regions. These centers will provide further referral opportunities for hospitals in the network, Day Surgery Centers allow larger hospitals to focus on super specialized services and increase revenue per patient.

In addition, Burjeel will open one medical center in Dubai and add community based hospital in Dubai Investment Park, a 2,300-hectare industrial, commercial and residential suburb in a growing area of the city.

Over the next two years, Burjeel plans to open Day Surgery Centers in Al Ain and in Al Dhafra regions.

~80 specialized in demand beds across our network of matured facilities:

48 beds opened in 2023

32 beds to be added in 2024

+13 Launched
Burjeel Hospital, Abu Dhabi

+12 Launched
Burjeel Medical Center, Deerfield's

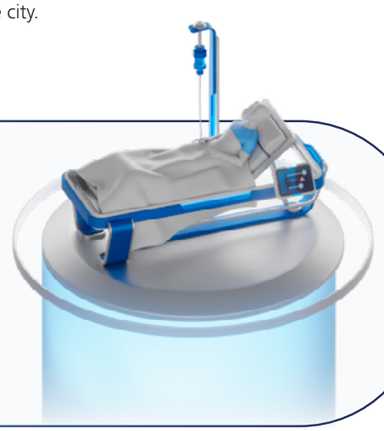
+7 Launched
LLH Salalah

+16 Launched
Burjeel Royal Hospital, Al Ain

+12
Burjeel Day Surgery Center, Al Reem

+8
LLH Hospital, Abu Dhabi

+12
Al Dhafra Day Surgery Center



In 2023, Burjeel added 48 beds across mature facilities so far this year and are adding a further 32 in 2024.

The Group plans to launch integrated orthopedic and sports medicines, which complements rehab. It also has unique capabilities in muscle transplantation and shoulder, foot and ankle joint replacement. The Group owned 40% of IKJC, which specializes in orthopedics and is led by world-renowned Dr. Charles Brown.

This is in line with other recent orthopedic and rehabilitation initiatives, including the opening of the Paley Middle East Clinic, led by Dr. Dror Paley, who is known as the best doctor in the world for pediatric deformity cases. His center in the USA attracts patients from all over the world and this will increase demand at Burjeel Medical City. And by onboarding the renowned fitness and wellness expert, Vijay Menon, ex-head of Chelsea Wellness, this will extend our expertise in sports rehab at PhysioTherabia in KSA.

[1] Clinic under ADNOC, managed by Burjeel.

PhysioTherabia – Entering High Potencial KSA Market

Highly attractive entry proposition

60+ Physical therapy, rehabilitation and wellness **centers in 12 KSA cities** in a joint venture (50:50) with Leejam Company

PhysioTherabia centers unlock significant value creation

Leejam's extensive network of fitness centers across KSA, enables an **Asset-light low-CAPEX model**, with high EBITDA margins and ROI

Unlocks **access to Leejam's well-established 300k+ member base**, with complementary service offerings

Provides **strong foundation for further KSA expansion opportunities**, through a limited risk proposition

- Physiotherapy
- Musculoskeletal rehabilitation
- Injury and surgical rehabilitation
- Pre- and post-natal care
- Hyperbaric oxygen therapy

PhysioTherabia profile

~ SAR 8-10m
Revenue per center p.a.

~ SAR 2.5m
CAPEX per center

30/12 months
Ramp-up / EBITDA break-even period

70 sessions
Daily sessions per center

Performance update (Dec-23)

20 sessions
Daily sessions per center[1]

SAR 250k
Monthly revenue per center[1]

100%
Share self-pay in revenue

Tawuniya
Onboarded insurance contract (Feb-24)

[1] Based on the performance of the first opened flagship center, operationally launched in September 2023. The full-fledged launch of the remaining three centers was at the end of 2023.

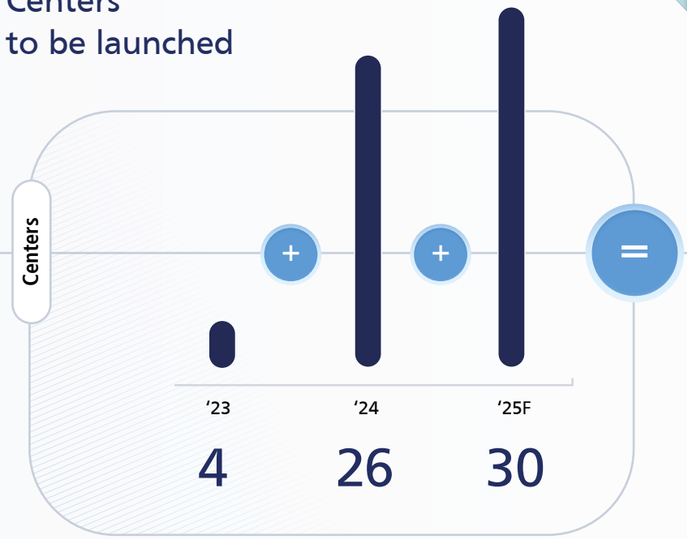


Launched first premier physiotherapy centers



12 centers launched across 5 cities in KSA[1]

Centers to be launched



Mid-term target (2027)[2]

SAR 600m
Revenue p.a.

30%
EBITDA margin



The Group has started its expansion in KSA with rehabilitation and wellness centers in order to satisfy unmet needs in that market. In partnership with Leejam, MENA's most prominent fitness network, Burjeel plans to open at least 60 PhysioTherabia centers at Leejam locations by the end of 2025 and to extend the services to include sports medicine.

The JV enables an asset-light low-CAPEX model, with high EBITDA margins and ROI, and provides a foundation for further KSA expansion opportunities. By 2027, on achieving full ramp-up, the PhysioTherabia network is expected to generate up to AED 600 million in revenue at a 30%+ EBITDA margin.

[1] As at 6 March 2024, since its inception in Q4 2023. Presence in Riyadh, Jeddah, Dammam, Al Khobar and Yanbu.
[2] Burjeel Holdings has a consolidation right for PhysioTherabia financials. The CAPEX and net profit will be shared with Leejam Company (50:50).

Burjeel Day Surgery Center – Ramping-Up KSA Expansion

Compelling opportunity to build innovative healthcare proposition in KSA

Expansion

- Launch **first 2 Specialized Day Surgery Centers** in Riyadh by 2025
- Subject to outcome of the initial stage, **plan to expand the network across the Kingdom**

Center profile

- **Key specialties:** Oncology, Advanced Gynecology, Orthopedics and Neurology
- **SAR 150-200m** revenue per center with **-30% normolized EBITDA margin**

CAPEX & Return

- **USD 30-40m** CAPEX per center with **–IRR 20%**
- **USD 10-15m** working capital investments per center

Burjeel Day Surgery Center Al Reem – proven CAPEX-light concept with high ROI

FY 2023	
Year established	**2017**
Doctors[1] / Beds	**57 Doctors/24 Beds**
Revenue	**AED 253m (+22% YoY)**
EBITDA margin	**31%**
Number of patients	**330k**
Outpatient utilization	**84%**
Bed occupancy	**62%**



Burjeel plans to open first two Specialized Day Surgery Centers in Riyadh by 2025. The centers will provide sophisticated minimally invasive comprehensive services constituting key specialties, including Oncology, General Surgery, Orthopedics and Neurology services. The Group plans to introduce internationally affiliated centers to the Kingdom to ensure its customers gain access to the best services, including most advanced robotics solutions for patient care.

Burjeel's Specialized Day Surgery Centers will be wholly-owned and operated by Burjeel Holdings. They will provide a specialized service offering in the Kingdom, a market with significant growth expectations and a strong demand for specialized healthcare service. The new centers are expected to each generate annual revenue of at least SAR 150 to 200 million once fully ramped-up. The projected CAPEX spend per center is $30-40 million with $10-15 million working capital investment expected per center.

First two Specialized Day Surgery Centers planned in Riyadh by 2025.

[1] Revenue-generating doctors.

Developing asset-light O&M opportunities in the UAE and MENA

On-going O&M projects

Al Dhannah Hospital, Al Dhafra (ADNOC)

- Located in the **fast-growing industrial hub** of Al Ruwais within the Western region of the UAE
- Al Dhannah Hospital will be a **major referral source for BMC**
- Significant **high-value Thiqa patient population**

200,000+ Region population

122 bed Multi-specialty hospital

Prison Clinic & Detention Clinic (UAE)

- **Ministry of Interior:** Al Wathba Prison Clinic
- **ICP Federal Authority:** Sweihan Detention Clinic
- **Contract scope:** patient check-up, stabilization & referral

27,000+ Patient footfall p.a.

24 hours Clinic coverage

Sheikh Zayed Hospital, Somalia

- **Khalifa Foundation** – submitted authority
- **Support services:** laboratory, x-ray, ultrasound, pharmacy, observation and vital sign

110,000+ Patient footfall p.a.

10 OPD clinics

10 Physicians

Shabwa & Mocha Hospitals, Yemen

- **Khalifa Foundation** – submitted authority
- **Contract scope:** high complexity surgery and emergency management

127,000+ Patient footfall p.a.

110 Total beds

2 Facilities

Chaad Hospital

- **Abu Dhabi GHQ** – submitted authority
- **Contract scope:** high complexity surgery and emergency management

86,000+ Patient footfall p.a.

7 OPD clinics

12 Physicians

The Group plans to create a leading regional healthcare system through de-risked and zero-CAPEX public partnerships, given that it has a long and proven track record as an efficient and successful operator of healthcare facilities, including large hospitals. Burjeel has completed O&M projects at the Mafraq Hospital, Abu Dhabi, a training center for Prosthetic and Orthotic practitioners in Ethiopia, and for a hospital in Liberia. There are on-going projects for the Al Dhannah Hospital, Al Dhafra, for ADNOC, Shaba & Mocha in Yemen, the Al Wathba prison and Sweihan Clinic in the UAE, field hospitals in Chaad and in Somalia.

There is a solid mid-term pipeline of O&M contracts collaborating with the Ministry of Health, the Department of Health and large public hospitals in the UAE and Africa and the O&M segment is expected to contribute up to 5% of the Group's net profit in the mid-term.

Digital transformation

Transforming patient experience and operational efficiency

Burjeel is integrating new digital technologies across its network for the benefit of patients, staff and the Group as a whole. Advances in digital platforms and tools, the Cloud, data analysis management and block-chain technologies enable Burjeel to improve every stage of the patient journey from diagnosis to successful outcome, enhance employee engagement, and improve operational efficiency. Increasingly, the Group is using AI to transform evidence-based healthcare and provide value-based care and improve outcomes.

Digital transformation facilitates patient acquisition through patient communications and outreach, networking with associations and corporates, intra-Group and external referrals, and medical tourism for patients traveling from GCC countries, Eastern Europe, CIS countries and Africa. It also supports patient retention by improving patient experiences and outcomes, and providing timely communications and interactions across the Burjeel network.

Furthermore, Burjeel is using digital IT solutions extensively to support the centralization of administration and purchasing for the Group to deliver time and cost savings.

Burjeel uses an omnichannel platform for patients. This includes web, WhatsApp and mobile channels. In 2022, the Group released the platform across all brands to improve security and user experience. The channels have generated more than 166,000 application downloads, approximately 12% of the total patient appointments, and API-driven appointment bookings leading to a 10% reduction in Average Handling Time at the contact center.

Patient digital channel

Mobile application



705k
Booked digital appointments (since Apr-2022)

166k
App downloads (since Apr-2022)

12%
Penetration in total appointments (FY 2023)

4% Mobile app

6% Website

2% WhatsApp

Telemedicine
is to be launched in 2024

Key digital achievements in 2023

Burjeel has modernized its data center, upgraded security, and platform to enable secure, faster access and insights for stakeholders across the Group.

For patients, the Group has completed significant technical groundwork and developed homecare and telehealth for patients so that they can have tele-appointments and consultations via web and mobile. Patients can now use Digital Pharmacy Marketplace to order items using an app and have prescriptions delivered to their homes.

Burjeel launched the 'Patient 360' app to provide a complete and confidential personalized health record, and 'Day in a Life' apps to provide a suite of useful services and tools, including Digital Concierge, Complaints Management, Unified Agent Portal, Quick Registrations, Unified SMS Service and Digital Tokens.

The Group has a new lab at the OncoHelix cutting-edge facility in Abu Dhabi and is applying clinical AI to advance digital pathology, diagnostics and smart care. For ease and convenience, patients can use a 'CoLab' app to provide an online marketplace for ordering diagnostics tests – patients book the test online, with the choice of home collection or site collection of a sample, and comprehensive smart reporting on the test results.

EMR Cloud system

Burjeel migrated the EMR & ERP system to the Cloud and this architecture enables digital rollout to be 60% faster for new hospitals and clinics. The team uses in-memory databases to improve performance and achieve less than the one second response time on most transactions. The Cloud provides faster data analytics, 99.9% uptime business resiliency and is speeding up the rollout of capabilities across the Group.

99.9% uptime for business resiliency provided by the Cloud.



Employee engagement digital portal

Burjeel migrated the EMR & ERP system to the Cloud and this architecture enables digital rollout to be 60% faster for new hospitals and clinics. The team uses in-memory databases to improve performance and achieve less than the one second response time on most transactions. The Cloud provides faster data analytics, 99.9% uptime business resiliency and is speeding up the rollout of capabilities across the Group.

Robotic surgery

Burjeel Medical City has introduced the state-of-the-art da Vinci Xi robotic system to complement its existing advanced medical technology. The da Vinci Xi robot enable BMC's expert surgeons to perform complex, minimally invasive procedures with unprecedented precision and efficiency, elevating the standard of patient care by increasing surgical precision, improving visualization, and achieving shorter recovery times. Robotic surgery can be applied to urology, gynecology, colorectal, upper gastrointestinal, thoracic, bariatric, hepatobiliary and general surgery.

Business efficiency

In 2023, Burjeel deployed 'One Patient One MRN', which uses bots for hospital automation, revenue cycle management and back office operations. In 2024, zero touch patient registration is planned. This paperless process will improve the patient experience at hospitals, and integrate with medical and bedside devices, as well as digital assessment and medical records.

Digital labs

Burjeel is collaborating with Roche Diagnostics Middle East FZCO, to leverage cutting-edge technology in digitalizing and innovating laboratory processes. The partnership will improve the patient experience and outcomes by providing accurate, reliable, and efficient services, including precise diagnosis and personalized treatment pathways. The collaboration will generate structured reports, case studies, and whitepapers, capturing valuable knowledge and insights acquired from these digital initiatives.

AI

Burjeel has deployed AI in patient experience and wellness, medical records management and revenue cycle management processes and has piloted several second generation AI applications in clinical areas such as radiology, medical documentation, command center and patient experience. The pilots will be deployed in 2024.

Abu Dhabi's Department of Health and Burjeel have agreed to harness the potential of AI to revolutionize emergency department patient care through the deployment of advanced solutions that optimize resource allocation and improve operational efficiency This aligns with the Department's efforts to further invest in the healthcare sector's digital infrastructure and ensure the population's health and well-being through the delivery of comprehensive and timely healthcare services.

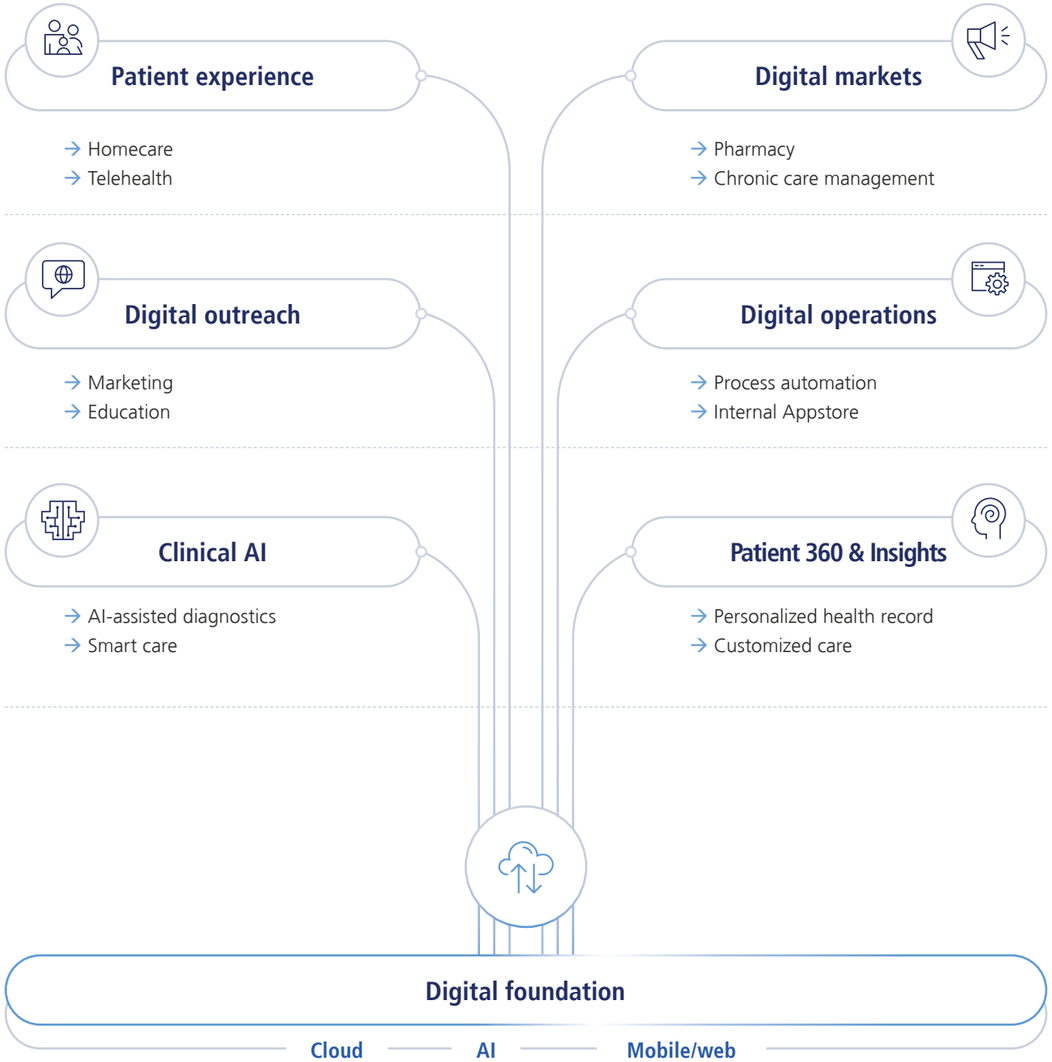
Zero touch patient registration is planned in 2024



Projects planned for 2024

Strategic digital initiatives

- Mid-term key investment areas in Digital Health
- Oracle Health information system to be fully implemented across the Group over next 3 years with total CAPEX of AED 125m



New Electronic Health Record (EHR) system

Burjeel signed an AED 125 million contract with Oracle Health to adopt and implement the omnichannel and integrated Electronic Medical Record (EHR) platform, enabling the integration of Burjeel's clinical ecosystem across its network of healthcare assets. The new platform will provide clinicians with a simplified yet complete view of patient information, enabling more informed care decisions, reduced waiting time and increased patient face time with clinicians.

A comprehensive EHR platform allows for a more holistic approach to patient care by creating 'one patient, one record' and avoiding a fragmented care process. This system enables physicians to access a patient's complete medical history, including past diagnoses, treatments, and medications, regardless of which Burjeel facility where they receive care. They are able to create more personalized and effective treatment plans, reducing the risk of medical errors and improving patient care. With EHRs, digital health records can be shared across different specialties and departments to improve communication and coordination between different units, which can lead to more accurate diagnoses and better treatment decisions. This platform also factors in EMR user experience, empowering patients by giving them access to their own records and medical information.

The system will also integrate with revenue cycle management and support accreditations with such organizations as JCI and HIMSS.

AED 125m contract signed with Oracle Health to integrate the Electronic Medical Record (EHR) platform

New digital healthcare platform for BMC

Following BMC's agreement with UK-based Digipharm to collaborate on improving access to value-based healthcare, the new platform will be applied initially to the Bone Marrow Transplantation program; it will help BMC identify the pain points a patient faces during the journey and estimate the associated cost at each step. The platform will also enable remote patient experience feedback, reporting and patient reported outcome measurements collection through a dedicated application. The application hosts International Consortium for Health Outcomes Measurements (ICHOM) Standard Sets and other established questionnaires that are widely used, to inform healthcare commissioning and health technology assessments. BMC plans to rollout the system across its other super-specialties.



03

Performance Report

Our track record of strong financial performance and consistent growth has been achieved through our balanced strategy and success in seizing market opportunities.



Centralized operations

Established centralized procurement and Group support functions which, alongside our integrated network, promote efficiency and enhance profitability.

→ see page 110



Financial overview

Delivering strong financial results driven by the ramp-up of newly launched assets, a focus on a super-specialty care offering mix and cost optimization.

→ see page 100



Risk management

Mitigating material financial and non-financial risks to prepare for any changes which may impact our business.

→ see page 118

CFO's review

"Burjeel Holdings delivered on its commitments by achieving robust revenue growth, with improved profitability and strong cash flow in 2023."



Mr. Muhammed Shihabuddin

Chief Financial Officer

Stellar segmental performance

The Hospitals segment remains the primary contributor to the Group's financial performance, representing 89% of total Group revenue for 2023, consistent with the previous year. In 2023, revenue and EBITDA in the segment increased by 16% and 27%, respectively, driven by growing inpatient footfall and an increase in patient yields. Hospitals EBITDA margin increased significantly from 21% in 2022 to 24% in 2023.

The Group's flagship hospital, Burjeel Medical City (BMC), contributed 24% to the Company's Hospital segment revenue. A key driver of the Group's strategy is to deliver increasingly complex care and high-value services, including oncology, bone marrow and organ transplantations, fetal medicine, pediatric sub-specialties and orthopedics. BMC's revenue rose substantially by 37%, reaching AED 1 billion in 2023. Importantly, EBITDA margin at BMC improved from 7% last year to an impressive 16% this year.

Across the Hospitals' segment, the continued ramp-up of growth assets and the introduction of new services, drove a significant increase in patient footfalls at Burjeel Medical City, Burjeel Hospital Abu Dhabi, Burjeel Day Surgery Centre Al Reem and Burjeel Royal Hospital Al Ain.

Medical Centers continue to play a significant role as the Group's key referral source. Burjeel Medical Center Al Shamkha, Burjeel Medical Center Deerfields, Burjeel MHPC Marina Mall and Burjeel Medical Center Al Zeina delivered a robust performance, driving 16% revenue growth in this segment. There was a significant increase in revenue from specialties such as obstetrics and gynecology, pediatrics, orthopedics, as well as physiotherapy and rehab. Medical Center's EBITDA margin improved slightly to 30% in 2023 on the back of a decline in doctors' and other employees' costs, as well as other operating expenses as a percentage of revenue.

Strong cash flow conversion

The Group benefited from a notable 58% growth in cash flow from operating activities in 2023, driven by substantial EBITDA growth and optimization of working capital. The Company spent AED 113 million on maintenance CAPEX and AED 65 million on digital transformation and expansion projects in 2023. Despite substantial CAPEX, the free cash flow conversion improved to 52%, up from 42% in the prior year.

Robust balance sheet

Our team is committed to a conservative financial policy, as we further reduce debt and deleverage to our balance sheet in the reporting year. At the end of 2023, the leverage based on pre-IFRS 16 EBITDA decreased to 1.1x compared to 1.5x as of 31 December 2022. This puts us in a solid position to pursue growth opportunities, explore regional expansion, and promote the enhancement of our technology and medical capabilities. We have consolidated our borrowings prudently, effectively hedging our finance interest rate over the long-term to provide further stability and certainty. This reflects well on our maturity and robust governance as a listed company.

Debut dividends

In 2023, we achieved one more remarkable milestone for our shareholders. The Group delivered its first cash return to shareholders through an interim dividend, which totaled AED 95 million or 42% of net profit for the first half of 2023. We thank our shareholders for their ongoing support for Burjeel and their continued interest and belief in our growth strategy.

Investor relations

Following the successful IPO of Burjeel Holdings, the investor relations program has been highly active and comprehensive, with complete and proactive communications and regular engagement with investors, analysts and brokers. Burjeel has provided an exceptional level of disclosure and transparency so that stakeholders may fully understand the Company's progress, performance, metrics, targets and guidance. As a result, Burjeel experienced growing analyst and research coverage. The stock has been attractive, with keen support from international institutional investors, and the share price rose by more than 55% since our IPO.

Guidance

Looking ahead to 2024, we will continue to develop our integrated network in the UAE, combined with capex-light expansion in KSA and zero-capex O&M contracts across the MENA region.

From 2024 to 2025, our UAE network will increase by one Burjeel hospital in Dubai, Burjeel Day Surgery centers in Al Ain and Al Dhafra regions and one Burjeel medical center in Abu Dhabi. To continue ramping-up fast, we plan to add 32 new inpatient specialized beds across mature assets in 2024.

In KSA, we expect to end 2025 with 60 Physiotherabia centers in operation. We are exploring several additional opportunities to expand our presence further in the Kingdom, including initially launching two Day Surgery Centers in Riyadh by 2025, with further expansion planned.

We upgrade our mid-term revenue outlook. We expect revenue growth in 2024 to be the mid-teens, normalizing to low double-digit percentages by 2027. EBITDA margin improvement will continue, and we expect it to expand gradually to the high-20s by 2027.

We expect maintenance CAPEX to be up to 2.5% of revenue. Total growth investments will amount to AED 900 million for the next four years to drive geographical expansion and digital transformation.

Our team considers that our integrated healthcare network and our balanced, prudent, and CAPEX-light growth strategy will continue to deliver above-expected returns for our shareholders.



Financial overview

Income statement analysis[1]

AED m	2023	2022	Change %
Revenue	**4,535**	**3,924**	**+15.6%**
Investories consumed	**(1,096)**	(904)	+21.2%
Doctors' and other employees' salaries and benefits	**(1,947)**	(1,701)	+14.4%
Provision for expected credit losses	**(84)**	(65)	+29.2%
Other general and admin expenses	**(414)**	(397)	+4.4%
Share of profit from associates	**18**	21	(14.3%)
Change in fair value of financial assets carried at fair value through profit and loss	**16**	—	—
Other Income	**6**	—	—
EBITDA[2]	**1,033**	**878**	**+17.7%**
Finance costs	**(141)**	(211)	(33.0%)
Interest income from related parties	**—**	42	—
Depreciation & amortization	**(352)**	(354)	(0.8%)
Net profit	**540**	**355**	**+52.4%**
EBITDA margin, %	**22.8%**	22.4%	+0.4 p.p.
Net profit margin, %	**11.9%**	9.0%	+2.9 p.p.

In 2023, Group revenue increased by 15.6% to AED 4,535 million, driven by inpatient and outpatient revenue by 16.8% and 14.8%, respectively, with a combination of improvement in patient yield. In the Hospital segment, Burjeel Medical City as well as Burjeel Royal Hospital Al Ain, Burjeel Specialty Hospital Sharjah and Burjeel Day Surgery Center Al Reem made a major contribution to growth. The increase in BMC revenue is evidence of greater demand in the super-specialty segment, which is high yield compared to multi-specialty.

FY '23 YoY

+15.6%

REVENUE Growth

EBITDA increased by 17.7% to AED 1,033 million, with EBITDA margin increasing to 22.8%, as the Group focused on providing higher-yielding services, as well as the ramp-up of growth assets, as well as the delivery of increasingly high-value care and operational excellence.

FY '23 YoY

+17.7%

EBITDA Growth

[1] Hereinafter, amounts reported in millions are computed based on the actual amounts. As a result, the sum of the components reported in millions may not equal the total amount reported in millions due to rounding. Percentages presented are calculated from the underlying unrounded amounts.

[2] EBITDA is calculated as Profit for the period before Income tax expense, Finance costs, Depreciation & Amortization, Interest income from related parties.

Net profit rose 52.4% to AED 540 million, enabled by robust revenue growth, increased operational efficiencies and lower finance costs. Net profit margin surged to 11.9%.

FY '23 YoY

+ 52.4%

NET PROFIT Growth

In 2023, net cash flows from operating activities amounted to AED 566 million, a 57.9% increase compared to 2022. This increase was driven by high EBITDA growth and optimized net working capital investments during the period.

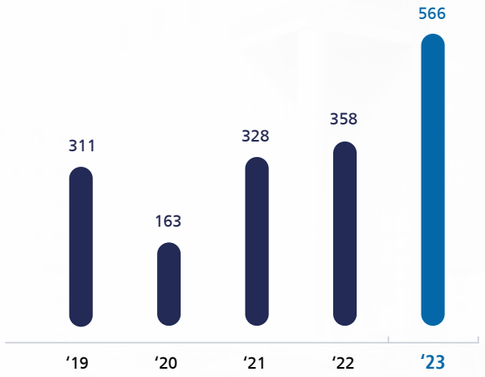
FY '23 YoY

+ 57.9%

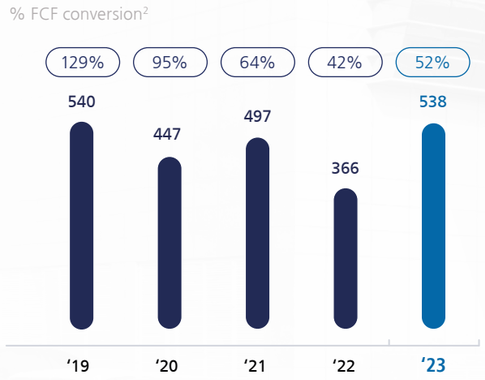
OPERATING CASH FLOWS Growth

Cash flow statement overview

Cash flow from operating activities, AED m



Free Cash Flow[1], AED m



Net cash flows used in investing activities amounted to AED 185 million during 2023. Total capital expenditures were in line with Group's guidance. The Group spent AED 113 million on maintenance capex and AED 65 million on expansion projects and digital transformation in 2023.

Net cash flows used in financing activities amounted to AED 361 million, which was majorly attributed to the repayment of interest-bearing loans and borrowings, the repayment of the principal portion of lease liabilities, and dividend payments during 2023.

Additionally, free cash flow conversion grew to 52%, up from 42% in the prior year.

FY '23 YoY

52%

Free Cash Flow Conversion

[1] FCF = EBITDA – Maintenance CAPEX – Change in working capital. Working capital = Inventory + Receivables – Payables (including accruals). Change in working capital calculated as working capital balance in prior period less working capital balance in current period.

[2] FCF conversion = Free cash flow/EBITDA.

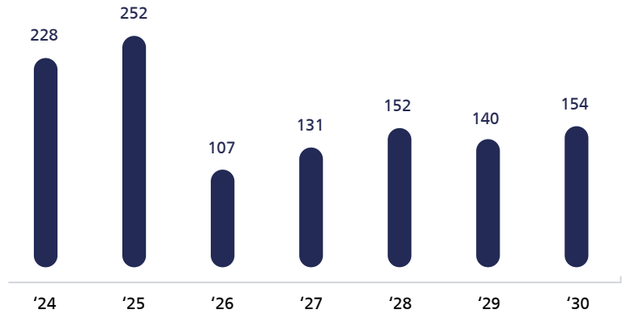
Leverage & debt maturity profile

AED m	31 Dec 2023	31 Dec 2022	31 Dec 2021
Bank balances and cash	**170**	**150**	**134**
Interest bearing loans and borrowings	1,164	1,261	3,208
Bank overdraft	—	—	91
Bank debt[1]	**1,164**	**1,261**	**3,299**
Net debt	**994**	**1,111**	**3,165**
Lease liabilities[2]	1,170	1,176	1,281
Net debt including lease liabilites[3]	**2,164**	**2,286**	**4,447**
Amounts due from/(to) related parties	(16)	(12)	1,542
KPIs:			
Net debt including lease liabilites[3]/EBITDA	2.1x	2.6x	5.7x
Net debt/pre-IFRS 16 EBITDA[4]	**1.1x**	**1.5x**	**4.9x**
Total group equity	**1,557**	**1,118**	**381**
Divided mainly into:			
Share capital	521	521	0.7
Shareholders' account	—	—	533
Share premium	367	367	—
Retained earnings (incl NCI)	663	224	(175)

[1] Includes Interest Bearing Loans and Borrowings and Bank Overdraft.
[2] Includes Current and Non-Current portion of Lease Liabilities.
[3] Includes Net Debt and Lease Liabilities.
[4] Pre-IFRS 16 EBITDA calculated as EBITDA less Annual Lease Rental and Net Debt is calculated as Bank Debt less Cash and bank balance.

The Company's management is committed to a conservative financial policy, as is demonstrated by the Group's Net debt/pre-IFRS 16 EBITDA LTM ratio as of 31 December 2023, which amounted to 1.1x, compared to 1.5x as of 31 December 2022. This decrease in gearing came as a result of the strong EBITDA growth, as well as substantial debt reduction. The Group does not have any contingent off-balance sheet liabilities.

Debt Maturity Schedule as of 31 December 2023



In addition, the Group's average finance cost rate was 7.5% as of 31 December 2023, the majority of which is effectively hedged through 2030. Amounts due from and to related parties remains low, reflecting Burjeel's strong governance and operational independence. The Company's share capital is AED 521 million as of 31 December 2023.



As of 31 December 2023

1.1x Net debt/pre-IFRS 16 EBITDA ratio

Segment performance

Operational performance

The Group's robust financial results in 2023 were underpinned by a strong operational performance, particularly in increased patient footfall and a ramping-up of bed occupancy during the period.

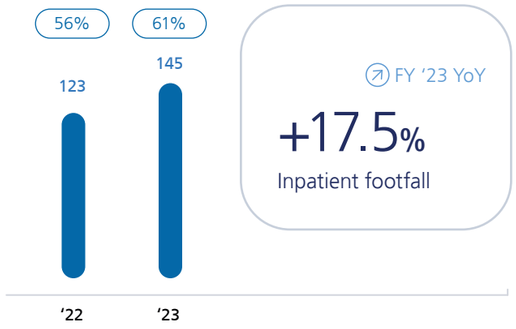
Hospitals, Medical Centers and Pharmacies segments contributed to an 8.3% increase in Group 2023 outpatient footfall and consequent cross-group referral, a key pillar of Burjeel's operating strategy. At the same time, there was a slight drop in outpatient capacity utilization despite an increase in footfall, due to the hiring of new physicians in operating units.

The 17.5% increase in inpatient footfall in 2023 drove increased inpatient utilization to 61%. This was largely driven by Burjeel Medical City. The Group preformed 73,000 surgeries in 2023, with an increase of 26% YoY.

Growth in inpatient footfall was further driven by Burjeel Medical City, Burjeel Hospital Abu Dhabi, Lifecare Hospital Musaffah and Medeor Hospital Dubai, as a result of the continued ramp-up and introduction of new services.

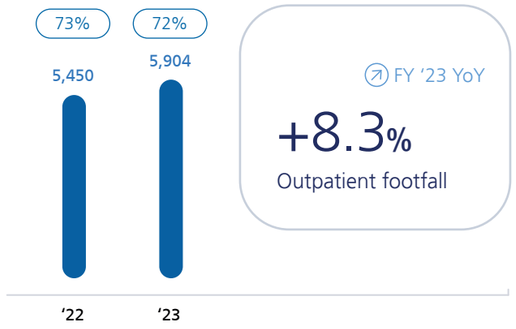
Group inpatients footfall, k

% bed occupancy



Group outpatient footfall, k

% out-patient utilization



Financial performance by segment

AED m	2023	2022	Change %
Revenue	**4,535**	**3,924**	**+15.6%**
Hospitals[1]	4,026	3,472	+16.0%
Medical centers[1]	440	381	+15.6%
Pharmacies[1]	60	65	(7.5%)
Others[2]	8	6	+41.1%
EBITDA	**1,033**	**878**	**+17.7%**
Hospitals	948	746	+27.2%
Medical centers	133	113	+17.3%
Pharmacies	7	5	+31.7%
Others	(55)	14	—
Net profit	**540**	**355**	**+52.4%**
Hospitals	497	265	+87.9%
Medical centers	94	74	+27.2%
Pharmacies	6	5	+38.0%
Others	(57)	11	—

[1] Includes other operating income and other revenue represent the Non-Clinical revenue in Hospitals, Medical Center, Pharmacies segments which majorly include the O&M fee, fee for manpower supply contracts, and few other items.

[2] Others contains revenue from entities who majorly provide the services to Hospitals, Medical Center, Pharmacies of the group and contain Central Purchase, Claim Care, Valet Parking etc.

FY '23 YoY

+16.0% Hospitals Revenue

FY '23 YoY

+27.2% Hospitals EBITDA

FY '23 YoY

+15.6% Medical Centers Revenue

FY '23 YoY

+17.3% Medical Centers EBITDA

The Group is organized into segments based on its operating activities and services. All the segments during the period delivered a notable performance.

The Hospitals segment remains the primary contributor to the Group's revenue, contributing 89% of total Group revenue in 2023, consistent with the previous year. Revenue growth of 16.0% was largely driven by Burjeel Medical City, Burjeel Day Surgery Center Al Reem, Burjeel Royal Hospital Al Ain and Burjeel Specialty Hospital Sharjah.

EBITDA in the Hospitals segment increased by 27.2% during 2023, driven by higher patient footfall and the Group's continued focus on advanced specialty services. EBITDA margin in the Hospitals segment improved from 21.5% in 2022 to 23.6% in 2023.

The Medical Centers segment, which plays a significant role as the Group's key referral source, delivered robust revenue growth of 15.6% in 2023. In this segment, revenue growth is mainly driven by Burjeel Medical Center Al Shamkha, Burjeel Medical Center Deerfields, Burjeel MHPC Marina Mall and Burjeel Medical Center Al Zeina. There was a significant increase in revenue from specialties such as obstetrics and gynecology, pediatrics, orthopedics, physiotherapy, and internal medicine.

EBITDA margin in the Medical Centers segment slightly improved to 30.1% in 2023 on the back of a decline in doctors' and other employees' costs and other operating expenses as a percentage of revenue.

Burjeel Medical City performance

	2023	2022	Change %
Total patients			
Patients, k	427	273	+56.2%
Bed occupancy, %	48%	34%	+14 p.p.
Financial performance			
Revenue, AED m	1,018	741	+37.4%
EBITDA, AED m	158	55	+190.6%
EBITDA margin, %	15.6%	7.4%	+8.2 p.p.

Above figures are pre-intersegment eliminations. Contribution to hospital segment is calculated using pre-intercompany elimination revenue of hospital segment.

FY '23 YoY

+37.4% Burjeel Medical City Revenue

FY '23 YoY

+190.6% Burjeel Medical City EBITDA

The Group's flagship hospital, Burjeel Medical City (BMC), is a key driver of Burjeel's wider ambition and our ability to deliver increasingly complex care and high-value, high-yield services. BMC contributed 24% to total Hospital segment revenue in 2023.

The continued ramp-up of BMC in the reporting year drove a sharp growth of 56.2% in total patient footfall due to the introduction and rapid ramp-up of new services. As a result, BMC's revenue increased by 37.4% to 1,018 million in 2023. EBITDA at BMC jumped almost three-fold to AED 158 million with a 15.6% EBITDA margin.

Centralized operations

GRI 2-6

How it works

The Group's support functions drive operational excellence and generate significant time and cost savings. Centralized administration allows the Group to optimize inventory holdings and extract better prices from the suppliers, improve inventory management, make claims management more efficient with less rejections. Furthermore, the process allows more diagnostics at a lower cost, improves utilization of operating theaters, while also integrating the finance, treasury, human resource, and IT functions.

Efficient and centralized supply chain ecosystem

The Group operates a dedicated warehouse for pharmaceuticals, and one for medical consumables & implants, to ensure efficient procurement and monitoring.

Medical Purchasing

Pharmaceutical Purchasing

Non-Medical Purchasing

- Pharmaceutical purchase orders are prepared by purchasing departments based on 3-month consumption levels
- Capital purchasing committees at each hospital branch review and accord approvals for the purchase of medical equipment
- Specialized sub-committees are created when major consumable lines are changed due to new technology, methodology or for cost optimization reasons

- The Group operates 2 warehouses in Abu Dhabi
- Pharmaceutical purchases procured through Burjeel Drug Store are stored in a dedicated pharmaceutical warehouse
- Consumable purchases procured through Lifeline Drug Store are stored in a dedicated warehouse

Procurement

Distribution to Facilities

Warehousing

Pharmaceutical Suppliers

Burjeel Drug Store

BDS



Lifeline Drug Store

LDS

Non-Pharmaceutical Suppliers

Facility 1

Facility 2

Facility 3

Burjeel's centralized supply chain function ensures efficient procurement and effective monitoring

The benefits of centralized procurement:

Improved working capital efficiency

→ Reduces **inventory holding period**

Improved terms with vendors

→ Group **volumes consolidated/centralized**
→ Enables **direct negotiation with manufacturers**
→ Leads to **improved pricing and payment terms** with suppliers

Improved space utilization

→ **Less storage space** used in centralized model
→ **Extra space** can be utulized by facilities more productively

Improved formulary management

→ **Enables prescription patterns to be reviewed and formulary to be standardized** across Group
→ **Rationalized SKUs** from 3,000 to >30,000
→ **Reduced number of vendors** from thousands to hundreds

Centralized claims management

The Group has a centralized revenue cycle management process comprising of two allied verticals, Claims Care Revenue Cycle Management (CCRCM) and Dynamed, responsible for managing the entire revenue cycle process, which includes medical coding, processing, and auditing claims prior to submission and resubmission to insurance companies.



كليمز كير
CLAIMS CARE
a burjeel holdings company

Medical Record Management

9,000+
patients claims per month

Contract Management

1,000+
connects

DYNAMED
Healthcare Solutions

Pre-Authorization

1,800+
claims per day

Value of Claims Processing

AED 280 mn
per month

Accurate Coding

Optimized Rule Engine

Improved Biling Cycle

Reduced Denial Rates

Faster Revenue Collection

Operational Cost Effectiveness

Agile Learning & Optimized Decision-Making

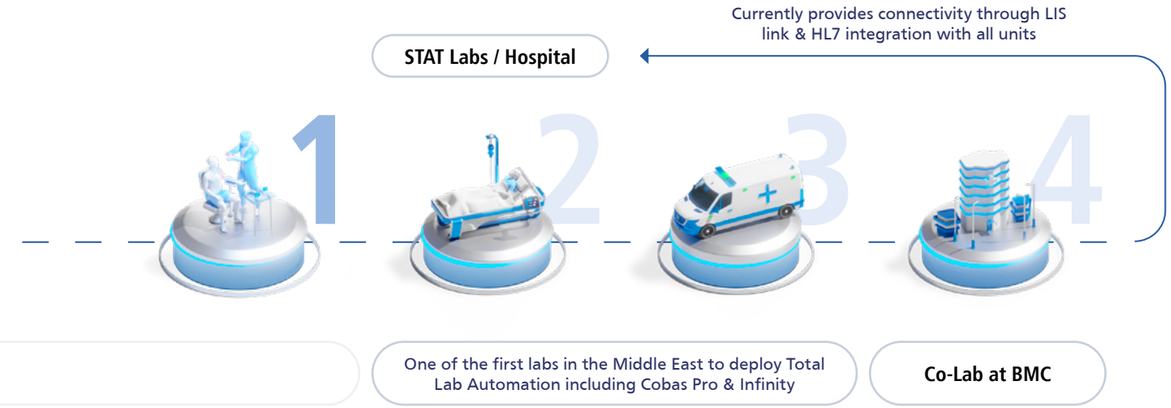
Improved Net Revenue

Centralized diagnostics laboratory and radiology services

In 2021, the Group launched Co-Lab, a sizable central lab, at BMC, as the hub in its network of 12 diagnostic labs, which are fully automated and integrated through its communications and IT system.

Central Laboratory at Burjeel Medical City

Overview of the Centralized Laboratory Operations



1. Patients perform lab test at each Burjeel Holdings facility
2. Samples collected from the respective Burjeel Holdings facility
3. Samples are transported to the Co-Lab
4. Co-Lab shares results directly to patients and maintains a central database

A Clinical and Operations Lead manages each lab and reports to the unit Medical Director & Regional Operations Lead at Co-Lab.

The Group plans to consolidate its pathology and radiology services at a new Centralized & Integrated Pathology & Radiology Services (CIPR) unit at Co-Lab.

In addition, Co-Lab plans to focus on the conversion of patient data and records into synthetic data format, which protects patient privacy, for research and innovation.

Key initiatives include:

- → Patient service centers offering on-demand testing
- → AI-powered interpretive reports
- → Integrated diagnostic reports
- → Remote health monitoring

The Group's JV with best-in-class immunology and molecular lab, OncoHelix, a University of Calgary spin-off, provided next generation sequencing for targeted oncology therapies and there is a plan in place to expand this across the Gulf.

12
Group Labs Managed by Co-Lab

12m
Expandable Testing Capacity

24×7
Service

Standardized Operating Rooms

Burjeel manages all its operating rooms centrally to deploy the right surgeons and teams at the right times, make best use of the facilities, drive efficiencies, eliminate avoidable costs, and maintain optimal patient outcomes.

Key initiatives to improve Operating Room efficiency

- **Central management of OR team movement** based on skillset/ workload
- **Unification** of surgical processes/ protocols across the Group
- **Identification/utilization** of idle ORs across Group
- **Identification on surgical competence** of each hospital unit to categorize/ facilitate patient transfers
- **Centralized inventory management** of surgical supplies/instruments/ equipment
- **Measurement/optimization** of OR performance/efficiency at each unit
- **Monitoring surgeon performance** against KPIs to grant/remove surgical privileges

Central human resource management

Burjeel's central human resources team recruits, engages, trains, manages and deploys frontline and back office staff. This includes doctor and nurse deployment and rotations, provides cultural consistency and operational efficiency, while also giving staff Group-wide opportunities for career development.



Central Recruitment System

- → Coordination of recruitment process with team and facility leads
- → Efficient vacancy monitoring and allocation of resources

→ **Fast-tracked temporary and permanent deployment of staff**

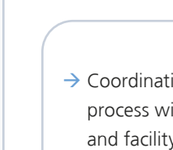


Standardized Training

Uniform Standards — **Policies** — **Protocols**

Reduced time, effort and cost in preparation and delivery of training modules

→ **Streamlined Protect Implementation**



Nurse Deployment

1. **Pooling in of team leads and senior nurses**
2. **Deployment of junior/new nurses**

Senior nurses provide mentorship and training to juniors →

3. **Pool Sharing**
Upskilled outpatient department nurses are utilized by transfer across facilities according to relative operational requirements



Nurse Rotations

- → Expands nurses' clinical competencies
- → Creation of growth avenues for nurses
- → Increased job satisfaction and motivation
- → Niche skillset development



Risk management

Risk (or risk taking) is essential when growing an organization. Burjeel Holding's Board and management recognize the need for the management of risk(s) in a structured and responsible manner. Effective management of internal and external risks is imperative to meet long-term business objectives and create sustainable value for stakeholders.

Governance

The Board ensures that the Group's objectives are not threatened by unmanaged risks and that management takes proactive steps to mitigate emerging threats and vulnerabilities. The Board takes reasonable assurance from the management that all known and emerging risks have been determined and reviews the actions taken by the management to mitigate these risks.

Management has the overall responsibility to design, implement and monitor an effective process and control environment that is aligned to the inherent risk profile of the organization, and is responsible for the identification, evaluation, and management of significant risks.

Management approach

Enterprise Risk Management (ERM) is recognized as a formal process to assist the management to identify, assess and manage risks applicable to the organization to minimize the effects of uncertainty on the organization's success.

Burjeel Holdings has a risk conscious culture which is integrated into the decision-making process across all levels of the organization. To facilitate this, the Group has initiated the process to institutionalize an ERM framework and has created a policy which embodies the purpose, structure, roles, responsibilities, and authority to operationalize risk management processes.

The formal ERM framework is a basis for the effective implementation of business strategy through optimal resource allocation, supporting risk management strategies to manage the potential impact of future uncertainties.

The ERM framework provides a structured approach to identify, assess, prioritize, report, and monitor risks, and a basis for risk mitigation initiatives. The framework facilitates the identification and assessment of potential risks to enable the achievement of strategic and business objectives across all the Group's business drivers, notably Clinical, Quality, People, Financial, Regulatory, Cyber, Operational, among others.

To approach risk management in a structured manner, the Burjeel has also defined appropriate risk appetite levels which formalizes Burjeel Holdings' approach to managing risk and creating value.

Structure

The Group has set up a formal structure to execute the ERM framework and has established a Risk Management Committee, which updates the Audit Committee on the overall risk profile of the organization and actions taken to mitigate the identified risks.

To strengthen the governance of risks related to clinical quality and patient safety, management has strengthened the clinical Governance Framework by having a Group-level Quality and Patient Safety Committee to assess and monitor all medical and patient safety-related risks. This Committee assists the Risk Management Committee to mitigate the clinical risks associated with the operations.

Each function and unit identify the emerging and inherent risks and take ownership and responsibility for implementing effective mitigation action plans.

Risks and concerns

Burjeel Holdings, given its geographical spread, scale of business operations and defined strategic objectives with aggressive growth and expansion plans, is exposed to a broad range of risks and uncertainties. These can be strategic, economic, geopolitical, clinical, financial, technological, regulatory, or operational.

Burjeel Holdings believes that risks bring opportunities and that integrating the risk management framework within a calibrated, structured, and well-informed decision-making process is critical.

Key risk factors GRI 3-3

Growth: Execution of defined growth and expansion plans may not be effective and be delayed and this could impact revenue and profitability. The Group has a detailed plan to manage this risk and achieve its strategic growth and revenue targets.

Organization capacity and capability: The stated growth and expansion plans may strain resources and impact the quality of care and service delivery. Management continues to strengthen its capacity and capability by adding professional talent (medical and operational) across geographies to ensure organizational defined standards are met.

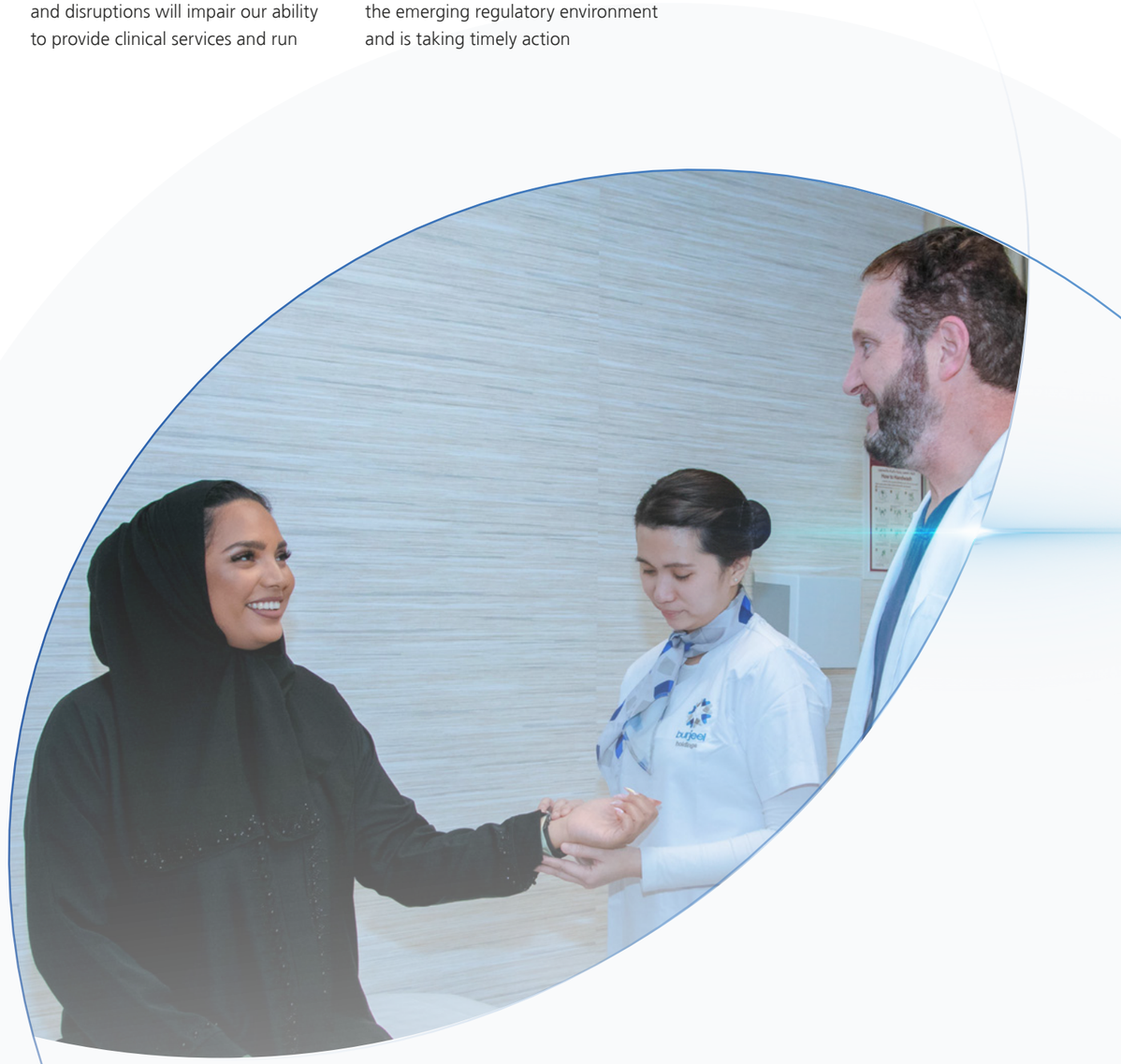
Competitive advantage: The Group may affect its leadership position as a quality healthcare service delivery platform if the organization fails to adapt to the changes in macro and micro factors relating to technology, innovation, business automation and customer expectations, etc. Burjeel is committed to continuing and strengthening its focus and investment in the latest technology, and bringing innovative solutions in business operations to provide high quality healthcare and best-in-class patient experience.

Quality of care: Any deficiency in providing quality clinical care or in non-adherence to patient safety standards and regulations, may not only have legal or licensing implications, but will also impact brand reputation and confidence in medical professionals, patients, and the community at large, in our ability to provide high standards of care. The Group has established a robust clinical governance framework to deliver the highest standards of clinical outcomes and patient safety. The quality parameters are regularly monitored to ensure adherence to patient safety and infection control protocols. Burjeel is accredited by internationally recognized bodies (such as JCI) to validate our policies and ensure procedures are aligned with best practices. We are also subject to audits by the regulatory authorities to validate compliance with defined standards.

Cyber and technology: The pace of technological advances has accelerated, creating disruption in healthcare operating models. The advent of big data, AI, informatics, robotics, new medical technology, data privacy issues and customer expectations pose disruption risk for healthcare systems and threaten business sustainability. The Group sees this as an opportunity to transform its healthcare operating framework and has initiated multiple strategic programs to implement the latest technologies, which will enhance care quality and patient experience. The Oracle Cerner system is being implemented across the network to provide comprehensive digital medical information management, giving our medical professionals timely, accurate and comprehensive information and data to support clinical decision-making. Burjeel is standardizing its information system across the network to give patients seamless experiences. We are taking multiple initiatives to implement and enhance our digital assets to provide patients with seamless access to medical services and information. Adoption of technology poses cyber risks and to mitigate these, we continue to invest and upgrade our data and network security framework. We have robust information security protocols, which are constantly monitored to provide a secure operating environment for our staff and patients.

People and culture: All healthcare provider systems are highly dependent on the availability of highly skilled, competent, and certified medical professionals (doctors, nurses, technicians, etc.). Unavailability of medical professionals or inability to attract or retain skilled medical professional can impact our ability to clinical operations in an effective manner. We recognize the critical importance of medical talent availability, and the Group has developed a robust medical management process to attract highly competent and skilled medical talent to support current operations and future growth and expansion. The extent of our network provides career and development opportunities for clinicians. Our partnering approach with clinicians enables them to have long-term associations with the Group. A continuous medical education program is in place for professional development. For the training and development of our nursing teams, we have a strategic relationship with universities and training institutes across the region. We offer pathways for our medical professionals into management profile for career development and growth.

Regulatory: Changes in the regulatory landscape may pose specific risks and challenges, which may have an adverse impact on the organization's ability to sustain or grow the business. The business is dependent on appropriate licenses and regulatory approvals and disruptions will impair our ability to provide clinical services and run healthcare facilities. With growing demand for quality healthcare in the region, the regulatory framework gives the organization the opportunity to strengthen its position as a leading healthcare service provider. The Company has a robust process to monitor the emerging regulatory environment and is taking timely action to mitigate potential threats. All licensing regulatory requirements are monitored by the respective function(s) and operations for compliance. Regular audits are performed by the internal quality function for monitoring compliance with all applicable regulations.



04

Sustainability Report

ESG principles serve as the foundation for sustainable growth and are a crucial enabler of excellent patient outcomes, partnerships and improved shareholder value.



Healthy Community

Ensuring accessibility and quality in our healthcare offering, strong commitment to community well-being.

→ see page 142



Healthy Environment

Continuously seeking to minimize the environmental impact of our operations and protect our planet.

→ see page 136



Healthy Governance

Ensuring that we carry out our activities with a strong focus on corporate governance and business ethics.

→ see page 145

Our Approach to Sustainability

In the pursuit of operational excellence, companies are increasingly recognizing the imperative of integrating sustainability considerations into their core business approach. A strategic commitment to sustainability not only mitigates the ecological footprint of healthcare operations but also reinforces corporate responsibility and positive environmental impact, fostering trust among stakeholders.

By aligning financial success with environmental stewardship and social impact, Burjeel Holdings is able to cultivate resilience, enhance brand reputation, and contribute meaningfully to a healthier, more sustainable future.

With the intention to further promote patient well-being and community health while maintaining transparent and ethical governance, Burjeel has conducted an extensive review of its sustainability strategy. This process has been carried out with the objective of adding stakeholder value, mitigating climate change, and improving internal systems.



Sustainability management system

GRI 2-9, GRI 2-12, GRI 2-13

Burjeel's Board of Directors plays a key role in determining the strategic areas of the Company's sustainability activities and overseeing their results. In March 2024, Burjeel's Board of Directors approved its comprehensive Sustainability Strategy and set long-term targets for improving on the Group's sustainable development performance.

This strategy has been created to ensure the continued stability of Burjeel's healthcare system, strengthen its positive social impact and decrease the Group's impact on the environment by means of effective management.

Business Development and Sustainability Committee

In response to the growing importance of sustainability to Burjeel's operations, the Group has elected to establish, the Business Development and Sustainability Committee at the Board of Director's level. The establishment of this dedicated committee will be pivotal in ensuring the success of the Group's sustainability strategy management.

The Business Development and Sustainability Committee serves as a strategic hub, providing oversight to the integration of various sustainability initiatives into the Company's broader sustainability framework, as well as supervising the implementation of sustainability KPIs.

This committee will ensure that all ESG matters will be tracked and acted on, thereby reinforcing the Burjeel's commitment to responsible business practices, continued safe operations and positive environmental outcomes.



ESG Executive Committee

In addition to the establishment of the Business Development and Sustainability Committee, Burjeel created a dedicated ESG Committee at the executive level. The executive oversight provided by this committee includes the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Medical Officer and the Head of Internal Audit and Risk.

Establishing such a committee within Burjeel's governance structure is imperative in aligning the Group's strategy with sustainable and ethical practices. This committee will serve as a crucial driver for overseeing the successful implementation of the ambitious sustainability goals that Burjeel has set for the future.

Through the inclusion of various executive level members in dedicated discussion about sustainability issues, Burjeel Holdings demonstrates its commitment to long-term resilience, responsible leadership, and the overall well-being of its stakeholders.

ESG strategy framework GRI 2–22

Burjeel's ESG framework is a strategic imperative for its long-term success. This framework aligns with our stakeholder expectations, facilitates risk mitigation, enhances brand value, and aims to position Burjeel as a leader on sustainable operations within the healthcare industry. The ESG framework is centered on following strategic pillars:

- **Healthy Environment** – Promoting overall well-being by ensuring a clean environment, enhancing sustainable living and positively impacting health while preserving natural resources for future generations.
- **Healthy Community** – Fostering a healthy community of well-being and resilience through efforts to provide accessible healthcare and inclusive environments.
- **Healthy Governance** – Establishing transparent, accountable, and participatory decision-making processes which promote equitable and sustainable management.
- **Healthy System** – Maintaining a healthy system by optimizing safety, adaptability, and efficiency to ensure the safety of all stakeholders and positive outcomes across all Burjeel systems.

In 2023, the Group enhanced its sustainability strategy to ensure full alignment with the expectation of its stakeholders. This serves as a testament to Burjeel's commitment towards service and operational excellence in ensuring the best care for its people.



ESG framework and strategic pillars

Healthy System



- **Mitigate environmental impact:** Consistent efforts directed towards minimizing environmental impact of operations, ensuring compliance with environmental regulations.
- **Sustainable practices:** Continuous efforts to implement environmentally friendly practices in healthcare operations, including waste reduction, energy efficiency, and responsible sourcing of materials.
- **Facility management:** Efforts to adopt eco-friendly measures in facility management, waste disposal, and energy consumption to minimize the environmental footprint.

Healthy Community



- **Patient-centric care:** Prioritize patient well-being by ensuring accessibility, affordability, and quality of healthcare services.
- **Community engagement:** Actively engage with and contribute to the well-being of local communities through CSR initiatives, health education, and community development projects.

Healthy Governance



- **Ethical business practice:** Comprehensive governance structure with an ethical business culture and strict patient data protection policies at its core.
- **Compliance and Risk Management:** Implement effective compliance and risk management strategies to identify, assess, and mitigate risks associated with healthcare operations.

Healthy Environment



- **Employee well-being:** Foster a workplace culture that prioritizes the health, safety, and professional development of all stakeholders.
- **Inclusion and diversity:** Ensuring an inclusive human capital development strategy, while also keeping healthcare rooted in the local community.
- **Ethical Supply Chain Management:** Ensure ethical practices in the supply chain, including responsible sourcing of medical equipment and pharmaceuticals.

Stakeholder engagement GRI 2–29

At Burjeel Holdings, stakeholder engagement is a critical component of our sustainability approach. In a dynamic and highly regulated environment, effective communication and collaboration with diverse stakeholders play a pivotal role in building trust, ensuring compliance, and contributing to the overall success of our business operations.

Burjeel's multifaceted strategy aims to create lasting relationships and create positive contributions to the healthcare landscape through our services. By actively involving and communicating with our stakeholders, the Group is able to navigate challenges, gather feedback to identify and capitalize on opportunities, as well as further improve the well-being of local communities.

The following is the process established for stakeholder engagement:

1. **Stakeholder and material topic identification:** Burjeel identifies all potential stakeholders associated with the Group and conducts a thorough analysis of each stakeholder group to understand their interests, needs, expectations, and potential influence on the business. Both internal and external stakeholders are engaged with, in order to analyze their perspectives on environmental, social, and governance (ESG) issues.

2. **Communication and outreach:** Burjeel prioritizes communication with stakeholders using identified channels. This includes meetings, workshops, surveys, newsletters, social media, and other platforms. The Group has also established mechanisms for receiving feedback from stakeholders by actively requesting their input, opinions, and concerns. These mechanisms include surveys, focus groups, suggestion boxes, and our online platform.

3. **Documentation and reporting:** The Group makes sure to document the stakeholder engagement process, including communication records, feedback received, and actions taken. Burjeel aims to provide regular reports to relevant stakeholders and management on the progress and outcomes of engagement efforts.

We have identified the following as the key stakeholders for Burjeel Holdings:



Stakeholder group	Stakeholder engagement	Engagement frequency
Top management	Top management plays a crucial role in shaping strategy, managing resources, ensuring compliance, fostering innovation, and influencing the overall success and impact of the Group. Their leadership is pivotal in navigating the complexities of the healthcare industry and achieving the Company's mission and objectives.	Weekly
Doctors	Doctors are the primary healthcare service providers and the most influential stakeholders. Building strong relationships with doctors is essential for the overall effectiveness and sustainability of any healthcare organization.	Biweekly
Nurses	Burjeel Holdings recognizes the role that nurses play within healthcare. The involvement of nurses in decision-making processes contributes to a more holistic and patient-centered approach to healthcare delivery.	Monthly
Interns and students	Interns and students serve as a valuable stakeholder group for Burjeel Holdings by providing a talent pool, fostering innovation, contributing to community engagement, promoting diversity, and supporting educational initiatives. Engaging with this group aligns with strategic goals related to talent management, corporate social responsibility, and long-term organizational success.	Annual
Patients	Burjeel Holdings considers patients as active participants and key stakeholders. Prioritizing patient satisfaction, safety, and well-being fulfils ethical obligations and contributes to the Group's overall success and sustainability efforts.	Daily
Investors/ Shareholders	Investors and shareholders are integral stakeholders for Burjeel Holdings, providing the necessary financial resources, influencing decision-making, and providing valuable feedback and suggestions.	Monthly
Vendors/ Suppliers	Vendors and suppliers are crucial for Burjeel as they impact the quality, safety, cost, and sustainability of our healthcare operations. Building strong relationships with suppliers is essential for ensuring the delivery of high-quality care to patients while maintaining operational efficiency and compliance.	Monthly
Universities	Universities serves as valuable stakeholders for Burjeel Holdings by offering opportunities for research collaboration, innovation, talent acquisition as well as education and training. Burjeel's partnerships with universities positively contribute to its ability to provide world-class healthcare.	Annual

Materiality assessment

GRI 3-1, GRI 3-2

Materiality holds paramount importance for Burjeel as it enables the Group to prioritize the most significant environmental, social, and governance (ESG) issues pertinent to its operations and stakeholders. By identifying these key concerns, Burjeel can effectively allocate its resources and efforts, manage risks, and strategically address matters crucial for its long-term sustainability.

The materiality assessment process fosters transparency and enhances stakeholder trust by demonstrating that the interests of stakeholders is acted on. This process empowers Burjeel to align its business practices with evolving societal expectations, ensuring responsible growth and positive societal impact, while improving our investor relations standards. The materiality assessment was carried out in the following manner:

1. **Peer analysis for identification of material topics:** An exhaustive list of peers in the healthcare sector was developed. Priority peers were shortlisted based on peers' ESG performance and ratings from prominent global ESG rating agencies such as MSCI, DJSI (Dow Jones Sustainability Indices) and Refinitiv. The identified peers represent diverse geographical presence to ensure a global benchmarking for Burjeel Holdings, with international and national level best practices and standards used across the healthcare sector, with peers across the Americas, Middle East, and APAC region.

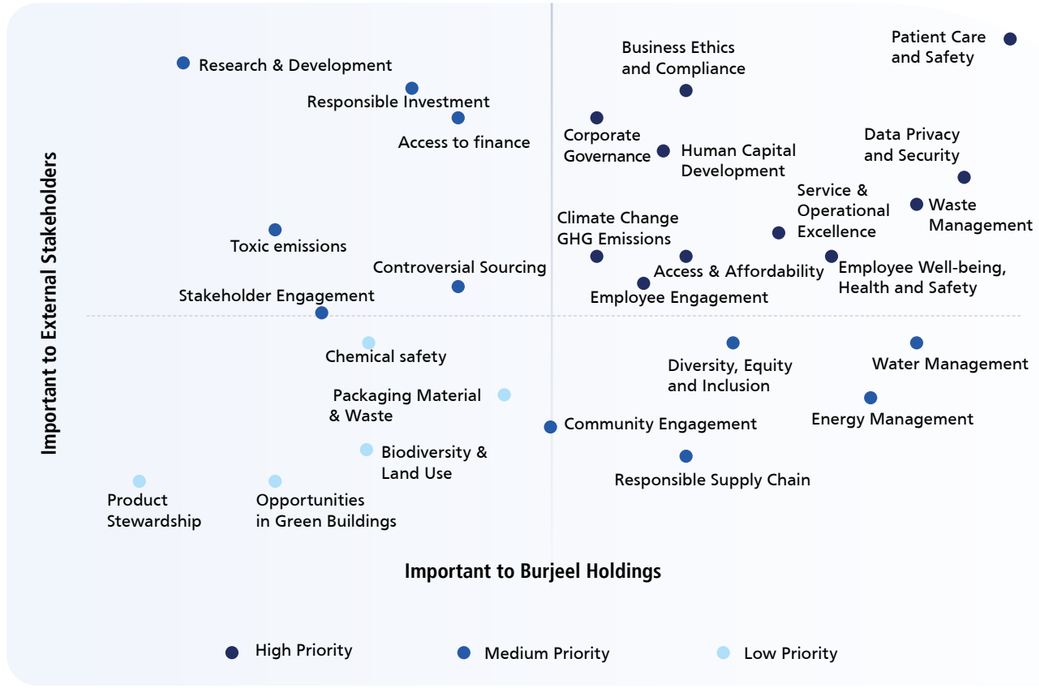
2. **Potential material issues from standards:** Burjeel initiated the process of identifying potential material issues through desk research, consolidating an exhaustive list of material issues, as disclosed by rating agencies such as MSCI, S&P, Refinitiv, and reporting frameworks like GRI and SASB.

3. **Extensive list of material topics:** Following a comprehensive assessment and scoring exercize, 20 potential material issues were identified for Burjeel Holdings considering its position in the healthcare sector.

4. **Stakeholder input:** Burjeel followed a proactive and inclusive approach to identify key internal and external stakeholders, directly engaging with them to understand their expectations and priorities. This was done by gathering inputs via interviews and a survey, with the survey including a questionnaire based on identified potential material topics. The stakeholder responses were collated and analyzed by weighing the stakeholder interest and business imperative. Following feedback and inputs from senior management, material issues that could have a significant impact on the Company's business success or that would substantively influence the assessments and decisions of stakeholders over the next one to three years were shortlisted.

5. **Materiality matrix:** The materiality matrix was subsequently established based on scoring and prioritization of the material topics, as well as their significance to the organization and importance to external stakeholders. The topics are categorized across high, medium, and low priority. The materiality matrix furnishes a prioritized list of ESG issues that guides Burjeel in addressing the most material issues.

Burjeel Holdings materiality matrix



Material topics mapped across Burjeel's ESG pillars

Healthy Environment
- → GHG Emissions & Climate Change
- → Waste Management
- → Water Management

Healthy Community
- → Patient Care & Safety[1]
- → Access & Affordability
- → Community Engagement

Healthy Governance
- → Corporate Governance
- → Business Ethics & Compliance
- → Data Privacy & Security

Healthy System
- → Employee Well-being, Health & Safety
- → Employee Engagement[2]
- → Human Capital Development
- → Responsible Supply Chain
- → Product Safety and Quality

1 Patient Care and Safety also encompasses Service & Operational Excellence.
2 Employee Engagement covers people management & labour management.

Our ESG targets

GRI 2-22, GRI 3-3

Burjeel Holdings recognizes the importance of a sustainable and ethical future. As a responsible healthcare provider, the Group has made a commitment to outline our ambitious targets for coming years, according to each strategic pillar. By reducing our environmental impact and enhancing social and governance practices, these targets lay out the action plan that encapsulates Burjeel's commitment to positively contribute to the well-being all its stakeholders.

Burjeel Holdings ESG targets

Healthy System

Diversity Equity & Inclusion

1. Increase the representation of **women in leadership roles**[1] **to 30%** or higher by 2030.
2. Sustain a balanced workforce by maintaining a 50:50 **gender balance by 2030**.

Employee Health, Safety & Well-being

3. Train **100% of active employees on health and safety standards** by 2025.

Human Capital Development

4. Achieve an employee **satisfaction score of 95% in the annual employee engagement** survey by 2026.
5. Achieve a **reduction in turnover rate of 15%** by 2026.

Responsible Supply Chain

6. Ensure **100% compliance of suppliers with ethical labor practices** through regular audit by 2026.

Product Safety & Quality

7. Ensure **100% of Hospitals are JCI** accredited permanently.

Healthy Community

Community Engagement

1. To touch **>7 million lives per year** by 2026.
2. Encourage **30% of corporate employees to participate in at least one community volunteer activity** each year from 2025.

Access to Healthcare

3. Implement **patient education programs for 70% of active patients** with chronic conditions by 2026.

Patient Care & Safety

4. Conduct regular **patient satisfaction surveys to ensure patient satisfaction rate**[2] **of 85%** or higher.
5. Ensure **100% of healthcare staff**[3] **complete patient safety training** annually by 2026.

Healthy Governance

Corporate Governance

1. Maintain a **high percentage of independent directors on the board (>50%)**.

Business Ethics & Compliance

2. Ensure **100% completion of ethics and compliance training for all active** employees by 2026.

Data Privacy & Security

3. Ensure **100% of active employees to complete data privacy and security training** annually by 2026.
4. Ensure **100% of hospitals in Abu Dhabi are ADHICS**[4] **accredited** and **achieve 100% of remaining hospitals becoming ISO 27001 certified by 2027**.

Healthy Environment

GHG Emissions & Carbon Neutrality

1. Achieve **carbon neutrality by 2040**.
2. Develop **mid-term targets for a reduction in combined Scope 1 and 2 GHG emissions by 2024**.
3. Develop a **strategy for accounting for Scope 3 carbon emissions by 2025**.

Waste

4. Achieve **zero waste to landfill** by 2040.

Water

5. Reduce **10% of water consumption** by 2030 and **ensure that 5% of total water consumed will be reused each year**.



1 The leadership team includes key corporate employees and doctors.
2 Based on the Abu Dhabi Department of Health assessment for inpatient experience survey across Burjeel hospitals (weighted score).
3 Based only on doctors and nurses dealing with patients.
4 Abu Dhabi Healthcare Information and Cyber Security Standard.

Sustainability awards

Burjeel Medical City honored with the Emerald Muashir Award in the 'Large Hospitals Category for Sustainability' during COP28.

H.E. Mansoor Al Mansoori, Chairman of the Department of Health – Abu Dhabi, presented the award to Dr. Shamsheer Vayalil, Founder and Chairman of Burjeel Holdings, in recognition of Burjeel's commitment to sustainable practices in the healthcare industry. Receiving this award, which evaluates healthcare facilities through the three main dimensions of infrastructure, operations, and healthcare waste management, demonstrates the priority that Burjeel assigns to its ESG agenda.



In recognition of Burjeel Holdings' commitment to creating an inclusive work environment, it has been certified as a 'Great Place to Work' based on a survey conducted by a leading management consultancy.

The recognition comes after a thorough and independent analysis conducted by Great Place to Work Middle East, a global authority on high-trust, high-performance workplace cultures. This certification is based on direct feedback from employees, provided as part of an extensive and anonymous survey about the workplace experience.

The Great Place to Work Middle East consultancy recognized the Group's efforts to ensure that its employees have the resources and necessary support to reach their full potential and the opportunities provided for their growth and development.



Emirates Labor Market Award for 'Workforce Well-being and Quality of Life'

LLH Hospital, a unit of Burjeel Holdings, has been honored with the Emirates Labor Market Award in its first edition. Under the patronage of HH Sheikh Mansour Bin Zayed Al Nahyan, the UAE's Vice President, and with the endorsement of the UAE Cabinet, this award recognizes successful practices in the UAE labor market.

LLH Hospital secured this accolade in the 'Workforce Wellbeing and Quality of Life' category, highlighting our commitment to exceptional employment relationships.





Healthy environment

Environmental & climate approach

As a healthcare provider, Burjeel recognizes that the well-being of its communities is deeply intertwined with the health of the environment. For this reason, Burjeel Holdings adheres to best practices for energy use, waste reduction, and the mitigation of environmental impacts across all its operations.

The Group has established key environmental targets that guides its commitment to fostering the overall well-being of its stakeholders. This is achieved through maintaining a clean environment, promoting sustainable living, and making a positive impact on health, while also conserving natural resources for future generations. These targets are mentioned below in their relevant subsections.

Burjeel Holdings is committed to achieving carbon neutrality by 2040. While the roadmap towards this goal is established, it is expected to be finalized in 2024. This roadmap will encompass three types of initiatives:

1. Controlled initiatives, which involve changing and improving internal practices;
2. Imposed initiatives, which mean adhering to the policies of governmental and regulatory authorities;
3. Carbon offsetting initiatives.

In December 2023, Burjeel Holdings participated in the United Nations Climate Change Conference (COP28) in Dubai, getting a significant opportunity for global engagement regarding the climate crisis. Burjeel is proud to have contributed to this event, serving as a hub for healthcare professionals to share ideas and develop innovative solutions to address climate change.

Case study

COP28 Winners: Global Solutions for Climate Crisis

In December 2023, the Burjeel Holdings-Oxford Saïd Climate Change Challenge announced the winners of its global competition at COP28 in Dubai. The competition was organized and supported by Burjeel Holdings and Saïd Business School. The winners stood out from amongst more than 600 applications from 43 countries, as part of the global challenge for students aged 15-18. The entries were reviewed by a judging panel made up of influential thought leaders, founders, CEOs and global entrepreneurs.

The winning team, Acquifier Guardians from India, addressed water scarcity by presenting an effective drip irrigation solution. All the winners of the challenge will be invited to Oxford Saïd to participate in a climate change program in the spring of 2024.



Climate risks GRI 3–3

Burjeel plans to conduct climate risk assessment in 2024. In the meantime, the Group has already implemented an emergency operations plan to mitigate certain physical risks resulting from climate change.

In particular, extreme weather events related to climate change may represent a significant threat to the Group's patients and employees. To address this, Burjeel has developed a comprehensive and coordinated strategy to reduce the impact associated with an increased frequency and intensity of extreme weather events.

This strategy currently encompasses a Code Grey (weather warning) policy and a heat stress policy. These policies set out the procedures for managing increased risk potential from extreme weather, including ensuring employees have been aclimatized after time away, are well hydrated and appropriately clothed, have regularly timed breaks, and many others. Training on the potential outcomes and dangers from working in extreme conditions is provided across all employee groups.

Additionally, Burjeel has set up an emergency operations plan alongside a set of standard operating procedures (SOPs) for major emergencies, guided by a hospital hazard vulnerability assessment. The Group regularly conducts classroom training, tabletop meetings, and mock drills to practice these emergency responses. Further information can be found on pg.155



GHG emissions

GRI 3-3, GRI 305-1, GRI 305-2, GRI 305-4

As part of its commitment to achieve carbon neutrality by 2040, the Group has established the following targets:

- Develop mid-term targets for a reduction in combined Scope 1 and 2 GHG emissions by 2024
- Develop a strategy for accounting for Scope 3 carbon emissions by 2025.

To ensure Burjeel Holdings meets these objectives, the Group conducted an assessment of its GHG emissions in 2023. For Scope 1, Burjeel considered direct GHG emissions from the combustion of petrol in owned and leased car fleet and fugitive emissions from refrigerants. For Scope 2, indirect emissions from the consumption of grid-supplied electricity were assessed.

In 2023, compared to 2022, Burjeel Holding's total Scope 1 and Scope 2 emissions decreased by 2%, primarily due to reduced energy consumption. However, there was an increase in Scope 1 emissions due to the increase in patient footfall as well as related equipment maintenance and updating. To address these challenges and implement future changes (such as improving indoor lighting, enhancing building insulation to reduce the demand for air conditioning, switching to electronic vehicles and sourcing renewable electricity), the Group plans to engage an independent professional third party.

The intensity of Burjeel's GHG emissions saw a significant improvement in 2023. Emissions per patient decreased by 10% compared to 2022, and emissions per million AED of revenue fell by 16%. This achievement is largely attributable to the Group's efforts to improve on its energy efficiency.

GHG emissions, metric tons of CO_2e

	2022	2023
Scope 1[1]	6,952	**8,107**
Scope 2[2]	38,596	**36,698**
Scope 1 & 2	45,548	**44,805**

GHG emission intensity, kg CO_2e

	2022	2023
Intensity per patient (kg)	8.2	**7.4**
Intensity per AED 1 million of revenue (tons)	11.6	**9.8**

-10%
GHG intensity per patient in 2023

-16%
GHG intensity per AED million of revenue

ESG target – achieve carbon neutrality by 2040

ESG target – develop mid-term targets for a reduction of Scope 1 and 2 GHG emissions by 2024

ESG target – develop a strategy for accounting for Scope 3 carbon emissions by 2025

[1] Scope 1 emissions are calculated based on Group hospitals, including owned and rented vehicles.
[2] Scope 2 emissions are calculated based on Group operations.

Electricity use

GRI 302-1, GRI 302-4

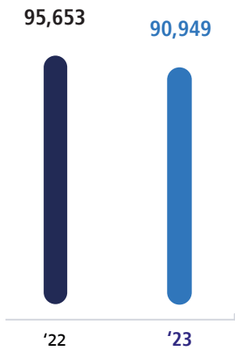
Energy efficiency is a primary objective for Burjeel, with numerous initiatives underway to reduce energy usage. Optimizing energy management is crucial for healthcare providers, as it not only reduces operational costs and enhances fiscal sustainability but also reinforces commitment to environmental stewardship.

The first results have been promising: in 2023, overall electricity consumption fell by 5%. This decrease is attributable to various energy efficiency projects, including:

- Introduction of electric car charging stations at BMC.
- Replacement of traditional fluorescent lighting with energy-efficient LED lights across multiple hospitals, achieving 100% LED usage inside BMC.
- Installation of motion sensors to control lighting in all common areas at BMC.
- Distribution of posters related to energy-saving in office and clinical areas to encourage staff to conserve energy.
- Full automation of HVAC operations, from chiller plants to field units.
- Enhancement of natural lighting in new developments.
- Adoption of low emission energy devices in operating rooms.
- Improvements in building insulation to reduce energy needed for air conditioning and hot water, use of non-energy-consuming sterilization pathways where safe and feasible, and installation of variable speed drive chillers and energy efficient AC secondary units in new or upcoming facilities.
- Installation of multifunction meters on outgoing cables for accurate monitoring and cross-verification of energy bills.
- Upgrade of the Building Management System (BMS) to optimize AC equipment operation, ensuring full load during peak hours and reduced load during off-peak hours.
- Suggested installation of additional sub-meters to closely monitor AC and lighting consumption in facilities.

Burjeel is committed to ensuring the reliability of its energy supply, which is vital for patient care. As part of a national initiative and in compliance with regulatory requirements, the Group is exploring additional energy sources. These include the expansion of natural resource use, notably through solar panels, for a broad range of applications including water, AC, and both internal and external lighting.

Electricity consumption, MWh



-5%
Electricity consumption in 2023

Case study

Transitioning to LEDs in Lifecare Hospital in Baniyas[3]

In 2023, the hospital successfully transitioned from compact fluorescent lamps (CFL) to LED lighting. The change was driven by the need to reduce energy consumption, improve lighting quality, and achieve long-term cost savings.

As a result, the hospital's energy consumption decreased by 5%. Operational costs were reduced by AED 12,000 annually. Additionally, improved lighting enhanced visibility in critical areas, creating a better environment for both staff and patients.

[3] These LED transition initiatives were applied across all Burjeel facilities.

Water use GRI 303-5

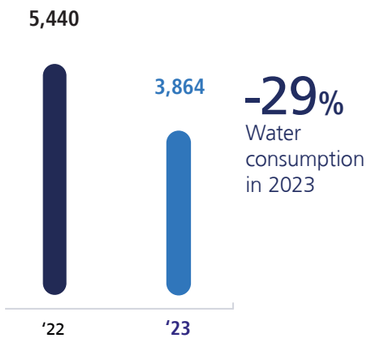
Healthcare belongs to water-intensive industries due to the significant amounts of water required for operations and other medical procedures. The need for strict infection control standards further increases water usage, making efficient water management a critical concern for the Group.

Aware of the importance of water conservation, Burjeel is dedicated to responsible water use, launching initiatives to decrease consumption and promote sustainable practices. The Group aims to reduce water consumption by 10% by 2030 and ensure that 5% of consumed water is reused annually. In 2023, water consumption was reduced by 29%[1], mainly within the hospital segment.

Implemented initiatives include:

- Replacing taps with motion-sensitive ones to reduce unnecessary water flow.
- Installing filters to pressurize the flow and decrease water use.
- Introducing dual-flush mechanisms in WC flush tanks to minimize water usage.
- Reevaluating the use of water fountains.
- Choosing plants that require less water.
- Partnering with the local authority to use recycled water for irrigating.
- Raising awareness among staff and patients about the importance of water conservation.
- Irrigation system changed form portable water to recycled water as supplied by the Municipality.

Water consumption, thousand m^3



-29% Water consumption in 2023

ESG target – reduce 10% of water consumption by 2030 and ensure 5% of total water consumed is reused each year

Waste management GRI 3-3, GRI 306-2, GRI 306-3, GRI 306-4

Effective waste management in healthcare is crucial for protecting patients, employees, and the environment. It helps prevent the spread of infections and diseases by safely disposing of hazardous materials, including medical waste and sharps, and ensuring they do not contaminate water, soil, or air.

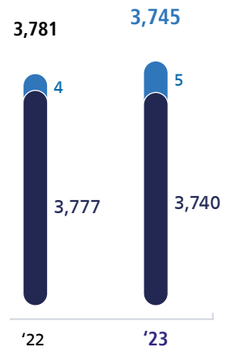
Burjeel Holdings continuously improves and updates its waste management protocols, especially of hazardous waste. Our current initiatives include:

- Internal waste management policies which are regularly assessed and updated. They cover all issues regarding the handling of hazardous or contaminated waste, managing chemical and pharmaceutical waste, disposal of sharps and more.
- A continuous training program for employees on handling medical waste. Such trainings are held in multiple languages to ensure that the subject is well communicated.
- Third-party waste disposal companies are selected according to their certification, internal regulatory structure and ESG rating if available, and approved by local authorities.

In every hospital and medical center, management is responsible for complying with legal requirements, ensuring availability of essential equipment and supplies to properly handle medical waste, train staff, and provide protective equipment.

The safety, FMS, and PCI coordinators have the overall responsibility for the waste management of hospitals and medical center. They perform regular internal waste management audits, develop strategies for waste reduction and recycling, as well as monitor the correct storage and disposal of waste. These coordinators are responsible for cooperating and communicating on waste-related hazards with infection control staff and security staff, as well as environmental and occupational health staff.

Waste generation, t^2



In 2023, the Group saw a 1% decline in overall waste generation. This was achieved by minimizing the use of disposables where safe and efficient, opting for biodegradable materials, avoiding plastics, and focusing on internal carbon emission targets. Efforts to reduce waste generation included:

- Using hand dryers instead of disposable towels
- Reducing the amount of printed materials, employing both sides of paper, and enhancing staff awareness about paper conservation
- Encouraging patients to receive diagnostic reports via email instead of printed copies
- Closely monitoring both medical and domestic waste to ensure proper segregation

For 2024, Burjeel's plans include:

- Checking the possible usage of linen drapes in place of disposable ones in operating theatres, which could significantly reduce medical waste
- Exploring the conversion of patient consent forms from hard copy to digital signatures to save paper

Across the Group's operations, 99.9% of all the generated waste is non-hazardous. The remaining 0.1% of hazardous waste is handled in a safe way by the third party operators approved by the local authorities.

During 2023, Burjeel hospitals recycled 4.6% of their waste. The Group aims to achieve zero waste to landfill by 2040.

ESG target – achieve zero-waste to landfill by 2040

Medical waste management

Medical waste consists of materials capable of causing harm, diseases, or injury to humans or the environment, if inappropriately disposed. Effective medical waste management is crucial for healthcare providers as it not only ensures compliance with regulatory standards but also mitigates environmental risks and safeguards public health. In 2023, Burjeel's operations generated 1,575 tonnes of medical waste (decreased by 3% compared to 2022).

All of the Group's hospitals and medical centers have policies and procedures in place regarding biomedical waste, fully compliant to the DoH, federal, and local regulations for medical waste management. All medical waste generated by hospitals and medical centers is collected in special color-coded waterproof plastic bags. They are marked, labeled, stored, transported, treated and disposed depending on the types of waste, under the supervision of the designated staff. This staff keeps continuous records in log books and reports to DoH quarterly on waste management KPIs.

Special attention is given to proper handling of needles and sharps (such as scalpel blades, broken glass ampules, etc.). All hospitals and medical centers have policies and procedures in place for sharp injuries and safe disposal of sharps. All used sharps and needles are collected in special sharp container boxes, with extensive training provided and all incidents recorded Further information regarding on this can be found on pg.153

To handle, collect, transport, treat and dispose medical waste, hospitals and medical centers contract licensed environmental service providers. These contractors must have valid licenses or permits from the relevant competent authority and provide a statement regarding active immunization for all the waste handlers.

-3% Medical waste generated in 2023

1 Only hospitals and medical centers are included in the calculation.

2 Non-hazardous and hazardous waste data both include medical waste, thus medical waste is shown separately.

Healthy Community

GRI 3-3

Patient-centric care

Ensuring accessibility, affordability, and quality in our healthcare offering is paramount, underscoring Burjeel's commitment to holistic patient care and community well-being. By prioritizing this strategic pillar, we not only enhance healthcare access for diverse populations but also contribute to a sustainable and inclusive healthcare ecosystem.

As part of the Group's mission to provide its world-class healthcare to all parts of the socioeconomic spectrum, Burjeel consists of a diversified brand portfolio which caters to all. Through this approach Burjeel ensures that its services are individualized to the needs and means of all its patients.

Leading Brand Portfolio Serving Entire Socioeconomic Spectrum

Brands	Target population	
burjeel	High income population	42% Emirati patients
Medeor Hospital	Middle class expat population	97% Expat
LLH HOSPITAL	Mid-to low-income population	100% Expat
LIFECARE Hospital	Industrial workers	100% Expat

ESG target – positively affect >7 million lives per year by 2026

Patient training

Investing in patient-oriented training and consulting fosters a culture of empathy-driven care, optimizing patient satisfaction and enhancing clinical outcomes. Burjeel currently provides patient training programs for 30% of its active patients with chronic conditions across Abu Dhabi hospitals.

These include programs such as diabetes management, obesity and weight management, managing chronic kidney disease and many others. The Group is committed to further expanding the programs

30%
Patients receive supplementary training

available to its patients, including 1-on-1 consulting and multidisciplinary offerings.

The provision of comprehensive training stands as a cornerstone in fostering safe and efficient patient-centric care, in this effort Burjeel is committed to providing the highest level of patient care.

ESG target – implement patient education programs for 70% of active patients with chronic conditions by 2026

ESG target – ensure 100% of healthcare staff complete patient safety training annually by 2026

Patient engagement

Patient satisfaction serves as a pivotal metric in delineating the efficacy of healthcare delivery, underpinning operational excellence, and demonstrating Burjeel's commitment to providing world-class patient-centric care. Patient satisfaction surveys are carried out annually by the Department of Health across Burjeel's Abu Dhabi hospitals. In 2022, the Group's patient satisfaction metrics aligned with sector standards, with 87% inpatient and 73% outpatient satisfaction average rates, respectively.

ESG target – conduct regular patient satisfaction surveys to ensure patient satisfaction rate of 85% or higher

87% inpatient satisfaction

73% outpatient satisfaction

Global Health Equity Network

Being part of the Global Health Equity Network (GHEN) is integral to Burjeel's mission to promote positive social impact. The network brings together executives in the private sector, government representatives, academics, and civil society leaders to advance a collective vision of Zero Health Gaps.

Through collaborative efforts and shared resources, alongside companies like Pfizer, AstraZeneca, Gavi, Philips and others, the Group contributes to global health initiatives, fostering equitable access to healthcare and advancing the well-being of communities worldwide.

Community engagement

GRI 203-2, GRI 413-1

Promoting positive community engagement is a cornerstone of Burjeel's commitment to social responsibility. By actively participating in community initiatives, the Group not only contribute to the overall well-being of the populations it serves but also strengthens its relationships with those communities. This dedicated engagement aligns with Burjeel's corporate values, demonstrating the Group as being deeply invested in the health and prosperity of all our stakeholders.

As part of Burjeel's social initiatives, the Group has had a significant positive impact on the lives of numerous peoples and communities. Some of the initiatives include:

Burjeel Holdings, in cooperation with Abu Dhabi Centre for Technical and Vocational Education and Training (ACTVET), unveiled a comprehensive program aimed at training and employing graduates from Fatima College of Health Sciences. This program is an important strategic initiative to support Emiratization and promote Emirate talents across diverse careers. By providing additional opportunities to the local population, Burjeel further expands its positive influence outside of providing world-class healthcare.

Hosting the Burjeel Games 2023 with the support of the Abu Dhabi Sports Council (ADSC). The Group's annual community sporting event, held on Al Hudairiyat Island, drew over 1,100 employees from the health sector to take part in the Burjeel Games 2023. The event promoted teamwork, cooperation and a healthy way of living through promoting a physically active lifestyle.

Burjeel Holdings took part in a collaboration to offer emergency and complex medical support to severely injured children transferred from Gaza. Burjeel Holdings and Response Plus Holding (RPM) with support from Egypt's Cleopatra Hospitals Group are collaborating to offer emergency and medical support to severely injured children transferred from Gaza. Providing potentially life-saving help to those most vulnerable is a key aspect of Burjeel's approach to positively impacting communities in the region.

With the support of renowned singer Elissa, Burjeel Holdings spreads a message of hope for cancer patients through Burjeel Medical City's 'Ring for Life' initiative. Renowned Arab singer Elissa, a cancer warrior, graced the event by ceremonially ringing the bell at the BMC, becoming an inspiration to those navigating a cancer diagnosis. The initiative celebrates the significant milestones in patient journeys, from the commencement of treatment to the joyous moment of completion.

Burjeel Holdings offered complimentary screenings and educational sessions during the World Breast Cancer Awareness Month as a part of 'Pink Burjeel' campaign. In an effort to raise awareness about breast cancer and promote early detection, the hospitals and medical centers under Burjeel Holdings have started offering complimentary screenings and educational sessions across the UAE.

Burjeel Holdings provides support for degree and certification acquisition. The Group is supporting employees on programs such as Young Executive Leaders (YEL), Harvard University Executive and Continuing Medical Education (CME). Providing opportunities across to various parts of the local communities not only directly improves the lives of those supported, but also positively impacts their families and wider communities.

In addition to these initiatives, Burjeel has offered a variety of free programs and events to help educate and support local communities, such as health and wellness classes, seminars, support groups and health-related services and events. The Group's community stewardship framework also includes donations, employees volunteering time and hosting events such as toy drives, food collections, and organized walks. These kinds of activities benefit a wide range of healthcare, civic and community-based organizations.

ESG target – encourage 30% of corporate employees to participate in at least one community volunteer activity each year from 2025

Healthy Governance

GRI 3-3

Corporate governance approach

A robust and meticulously designed corporate governance approach stands as the bedrock of organizational integrity and sustainable success. By delineating clear lines of accountability, transparency, and ethical standards, Burjeel's corporate governance fosters trust among its stakeholders. It serves as a guiding compass for strategic decision-making, ensuring that the Group adheres to highest standards of governance aligned to legal and regulatory frameworks promoting responsible and ethical business practices.

A well-structured corporate governance system not only protects stakeholder interests but also enhances the Company's reputation, bolstering investor confidence and reinforcing its commitment to long-term value creation. For more information on Burjeel Holdings' corporate governance structure and organization, refer to the Governance report on pg.168

ESG target – maintain a high percentage of independent directors on the board (>50%)

Ethical business practice

In the pursuit of sustainable growth and stakeholder trust, Burjeel is committed to ensuring that it conducts its business in an ethical manner. Adhering to a comprehensive ethical framework is not merely a legal or regulatory obligation, it is a strategic imperative aligned to our core values.

Code of conduct

Burjeel Holding's Code of Conduct is indispensable for its ability to carry out its ethical business practices. Serving as a moral compass for employees, the code establishes clear expectations, fosters a culture of integrity, ethical behavior, and good governance. Through the use of the Code of Conduct, Burjeel is able to safeguard the Group's reputation and build trust with its stakeholders.

This code not only delineates acceptable level of behavior but also provides guidance on ethical conduct while aligning actions of employees and partners with Burjeel's values. The Group's Code of Conduct covers a significant scope of topics, including respecting stakeholders, avoiding actual or perceived conflicts of interest, respecting human rights, protecting assets, and more.

As part of the provisions of the Code of Conduct, all employees receive a copy of the code and compliance is monitored.

More detailed information on the Burjeel Holdings Code of Conduct can be found on our website under Corporate Governance.

ESG target – ensure 100% completion of ethics and compliance training for all active employees by 2026

Anti-corruption

GRI 2-23, GRI 205-1, GRI 205-3

Preventing corruption and bribery is necessary to uphold the highest standards of ethical governance and integral to our core values. By promoting transparency and integrity in financial transactions and operational practices, Burjeel ensures that resources are directed exclusively towards patient care and well-being.

The Group has policies relating to Conflict of Interest and Code of Conduct, which are applicable to all employees and partners. All business partnership arrangements are governed through contractual agreements which are legally vetted.

Burjeel's significant risks related to corruption and bribery include the following:

- Incorrect submission of materials to paying parties (Insurance/ Corporate/Patient).
- Facilitating payments or gratification to expedite approvals. Intermediary may be used in dealing with authorities.
- Obtaining bribes or kickbacks from vendors in exchange for contracts. Includes bid-rigging or price fixing throughout quotation processes.
- Offering bribes or excessive corporate hospitality to business partners and clients to obtain contracts or improper advantage, whether directly or through intermediaries.
- Obtaining contributions or sponsorships from business associates which may unduly influence commercial decision-making.
- Obtaining inducements from third parties seeking to secure access to medical care, student placement, or employment.
- For personal benefits, employees may offer unauthorized discounts and tagging of patient to (lower tariff) government schemes.
- Asset misappropriation schemes, may include skimming, embezzlement, unauthorized refunds, theft of information or property (drugs, supplies) for resale, etc.
- Unnecessary treatment or prescriptions offered to patients to deliberately increase bill size.

Under the Internal Audit scope, processes are assessed to identify potential unethical practice, events, actions, activities, or patterns which employees or business partners may resort to. Additionally, operational risks are also reviewed on their likelihood of being affected by any potential unethical practices.

All incidents of unethical practices or behavior are reviewed, and appropriate action is undertaken against the responsible persons.

During 2023, there were no recordable cases or reports relating to corruption or bribery. Additionally, there were no recorded cases in 2022 and 2021.

Whistleblowing

GRI 2-23, GRI 2-26

Burjeel Holdings strives to conduct all business activities responsibly, efficiently, transparently and with integrity towards all stakeholders. As part of this commitment, the Group has a comprehensive whistleblowing policy to ensure that there is a structured methodology for reporting any behavior that does not comply with the Code of Conduct.

Burjeel's whistleblower policy applies to all its employees, contracted staff, directors and any other third parties authorized to represent Burjeel. The policy provides a means for these groups to anonymously report any concerns. All incidents are reported up the chain-of-command, recorded and notified to the Audit Committee, which addresses all such reports.

The implementation of a robust whistleblowing policy is an important prerequisite to fostering a culture of transparency, accountability, and patient safety. By providing a confidential avenue for employees to report any concerns or ethical lapses, the Group not only safeguards its reputation but also ensures early detection and resolution of potential issues, ultimately upholding the highest standards of care. This proactive approach not only complies with regulatory requirements but also underscores Burjeel's commitment to maintaining the trust of patients, stakeholders, and the wider healthcare community.

There were no recorded cases of whistleblowing during 2023. Additionally, there were no recorded cases in 2022 and 2021.

→ **Further information on Burjeel's whistleblower policy can be found on its website under Corporate Governance.**

Human rights

GRI 2-23

Burjeel is committed to conducting its business in a manner that respects and promotes the human rights and dignity of all those without its sphere of influence. The Group avoids complicity in human rights abuses throughout its operations and relationships, this includes abuses relating to child and forced labor.

As a healthcare provider, ensuring human rights is particularly important through advancing the health and well-being of all stakeholders. Ensuring patient privacy, informed consent, and equitable access to healthcare services not only aligns with ethical standards but correlates with the Burjeel's sustainable development objectives and our core values.

→ **Further information on the Group's stance on protecting human rights can be found in the Code of Conduct.**



Addressing grievances GRI 2-25

A well-structured system for employee grievance is imperative for Burjeel to foster a supportive work environment and ensure the well-being of its workforce. By providing a formalized channel for employees to voice concerns and seek resolution, the Group demonstrates its commitment to employee satisfaction and engagement while also mitigating potential issues that could impact the quality of its patient care.

For this purpose, Burjeel Holdings has a dedicated Employee Grievance policy which outlines the communication channels for notifying management about any issues in a confidential manner. Safety precautions are outlined in the document to ensure that the safety and well-being of all stakeholders is maintained throughout the process. As part of this approach, stakeholders are able to select a representative to provide advice or speak on behalf of the grievant.

53 complaints total during 2023: 9 withdrawn, 26 settled, 6 taken to court (won by complainant), 4 taken to court (withdrawn), 2 taken to court (lost by complainant), 1 taken to court and not registered, 5 closed with no change.

Digital security and privacy

GRI 3-3, GRI 418-1

Digital security and privacy are foundational pillars for any healthcare provider company, safeguarding sensitive patient information and ensuring compliance with stringent regulatory standards. Burjeel's commitment to digital security not only mitigates the risks of data breaches but also underscores the Group's dedication to maintaining the highest standards of patient care and confidentiality in an increasingly interconnected healthcare landscape.

The Group employs centralized policies and procedures to ensure consistency and efficiency in information security measures. Furthermore, there is a commitment to aggressive awareness training programs aimed at educating employees on the importance of information security.

Matters regarding privacy and data security are overseen by the Information Security Governance Committee, comprising key executives such as the CIO, CEO, COO, CTO, GMIT and the CISO. This committee regularly convenes in meetings to strategize and oversee information security governance.

The Chief Information Security Officer (CISO) has a particularly important role in such matters, as they are tasked with managing cyber security goals, advising management on security risks, establishing the overall Group information security architecture and much more.

In addition, the Company engages Managed Security Service Providers (MSSP) to implement monitoring services, ensuring real-time visibility into the security landscape. Vulnerability assessments and penetration testing activities are conducted in collaboration with external vendors to fortify the organization's security posture.

Burjeel is strongly committed to ensuring the security of sensitive information of all its stakeholders. To safeguard this data, the Group carries out internal IT security audits. Currently, 76% of the Group UAE employees completed this training.

There were no data breaches and no substantiated complaints received concerning breaches of customer privacy in 2023.

76% of the Group UAE employees completed this training.

ESG target – ensure 100% of active employees complete data privacy and security training annually by 2026

Abu Dhabi Healthcare Information and Cyber Security Standard (ADHICS)

As part of its data protection mission, Burjeel complies with ADHICS, a yearly audit done for the Department of Health (DOH). Two internal auditors, along with the Chief Information Security Officer (CISO), are annually designated to conduct internal audits. These audits encompass the scope of the organization's ADHICS framework and relevant industry standards.

Furthermore, as part of this proactive approach, a Cyber Safety Week is organized annually, where ADHICS takes precedence as a major topic. This initiative includes comprehensive training sessions targeting all levels of employees, including senior management.

Burjeel Holdings has been ADHICS certified from 2020–2022. Burjeel successfully completed its recent ADHICS IT Security audit with a score of 91% at Group level, demonstrating the organization's commitment to maintaining a secure environment.

91% Score in ADHICS IT Security audit

ESG target – ensure 100% of hospitals in Abu Dhabi are ADHICS accredited and achieve 100% of remaining hospitals becoming ISO 27001 certified by 2027

Protecting patient data GRI 3-3

For protecting the PHI[1] and PII[2] information, Burjeel Holdings has deployed a high-level IT security policy that defines the level of security measures being taken at Group-level, along with an acceptable usage policy.

This policy clearly outlines how users are expected to handle PHI and PII data ethically and responsibly.

1. Burjeel has established policies and procedures for defining access to PHI and PII. Access is provided as needed and on a leased basis based on approvals.
2. Encryption for data is considered in transits and rest.
3. It is strictly prohibited for unauthorized individuals to share PHI/PII data. Compliance to this is overseen by the MRD department.
4. On a need-to-know basis, physical security is implemented for PHI/PII data with approvals.
5. To ensure compliance, training and awareness are conducted at the Group level. A learning management system and email are used.
6. Legal and regulatory Compliance: Policies align with relevant data protection laws and regulations, such as ADHICS, NABIDH and other industry-specific standards. Additionally, Burjeel is audited by the regulatory authority every year to ensure compliance.
7. Patients are informed of the possibility of their data being shared and are asked for their consent.
8. A dedicated team is assigned to conduct internal audits to ensure compliance.
9. Our C-level meetings [Information Security Governance Committee] are also held half-yearly to discuss major outcomes, improvements, risks, and necessary approvals.
10. A Group level CISO is assigned to handle the applicability issues.

1 Protected Health Information.
2 Personally Identifiable Information.

Healthy system

GRI 403-1

Occupational health and safety framework

Implementing a systemic management approach to health and safety is paramount for any medical provider to foster a culture of well-being and operational resilience. By adopting a comprehensive system that integrates risk assessment, proactive policies, and continuous training, Burjeel is able to mitigate potential hazards and ensure the safety of both employees and patients. This OSH system covers the entire Group. Burjeel's management approach not only enhances the Group's regulatory compliance but also contributes to establishing it as a trustworthy healthcare provider committed to the highest standards of care and safety.

Occupational Safety and Health Management Systems (OSHMS)

Burjeel Holdings' OSHMS are crucial in ensuring the safety and well-being of employees, as well as maintaining a safe working environment for the benefit of all our stakeholders. Burjeel has a legal obligation to prioritize the safety and health of employees, patients, visitors, and service providers, employing the best available techniques.

A robust Occupational Safety and Health Management System, with collaborative effort from all departments, enables Burjeel to provide the level of safety and security that our patients expect. Through regular assessments, clear policies, and a commitment to continuous improvement we create and maintain a safe workplace for both staff and patients.

Burjeel OSH management system structure

Leadership	HSE Department	Oversight
Top management: responsible for overall policy and direction	Implementation of the policy and development additional policies	Regular safety committee meetings
OSH Committee: responsible for the Group's OSH strategy and performance	Monitoring and assessments by internal inspections and third-party audits	Periodic reviews by top management
HSE Head & HSE Team: ensures implementation and compliance	Managing safety training and awareness programs	Internal and external safety audits
	Coordinating employee health programs	

Operational Safety and Health Committee

The OSH Committee is the executive body directly responsible for the Group's Operational Safety and Health (OSH) strategy and performance. Tasked with the oversight of operational safety protocols, this committee ensures the meticulous implementation and continual improvement of safety measures across all facets of business operations. By closely monitoring and addressing potential hazards, the committee contributes to accident prevention, fostering a secure working environment.

Additionally, the committee serves as a conduit for communication between management and employees, promoting a culture of safety awareness and compliance. Through its dedicated efforts, the OSH Committee plays a crucial role in upholding operational excellence and minimizing risks, thereby safeguarding the well-being of the workforce, ensuring compliance with regulatory standards, and optimizing overall organizational performance.

Burjeel Holdings OSH Pillars

Training and Education
- → Continuous safety training for all employees
- → Emergency response drills
- → Promoting a safety culture

Hazard Identification and Risk Assessment
- → Regular assessments of workplace hazards
- → Implementing controls to mitigate risks

Incident Reporting and Investigation
- → Establishing a clear incident reporting system
- → Investigating incidents to determine root causes

Emergency Preparedness
- → Developing emergency response plans
- → Ensuring availability of first aid and emergency equipment

Safety Communication
- → Regular communication on safety updates
- → Promoting an open-door policy for safety concerns

OSH Safety Control Assessments and Improvements

Risk Assessments	Safety Audits	Incident Analysis	Continuous Improvement
Conducted regularly	Regular internal audits	Immediate investigation of any incidents	Periodic reviews of the OSHMS
Carried out after any process change	Regular external audits	Regular analysis of incidents to identify trends	Internal systems to incorporate audit recommendations
Focused on identifying and mitigating new risks	Continuous improvement based on audit results		

Burjeel Occupational Health and Safety Safeguarding Systems

Staff Clinic (OPD/ER)

- → Request for necessary investigation and tests as required
- → Review all results of tests ordered
- → Advise employees with positive results
- → Advise high risk groups of staff on the benefits of immunization
- → Examination of employees referred by the HOD

Laboratory Department

- → Perform screening and tests as requested by staff physicians
- → Report results related to infectious diseases to infection control
- → Forward results to relevant personnel while maintaining confidentiality

Employees

- → Report to staff clinic or physician when requested or necessary
- → Undergo any requested tests
- → Undergo all education initiatives and trainings on OSH
- → Follow hospital protocol on reporting and following up on any injuries or exposure to infections

Infection Control Practitioner

- → Ensure all employees are seen at the staff clinic when safety incidents occur
- → Ensure any staff with a suspected or confirmed infectious disease are reported to CDD of local health authority
- → Refer occupational exposure incidents to OSH officer
- → Ensure employees are up-to-date with their vaccinations

OSH Officer

- → Responsible for implementation of OSHMS
- → Responsible for ensuring the Group OSHMS is compliant with local laws and regulations
- → Conduct risk assessments to identify occupational hazards
- → Implements emergency response protocols

Through Burjeel's rigorous adherence to Occupational Safety and Health (OSH) regulations, the Group has achieved an OSH system which ensures the safety of all its staff and patients. **The Group is glad to report zero non-compliances with OSH regulations during the reporting period**, underlying the excellence of our safety approach.

Protecting our staff and patients

GRI 3-3, GRI 403-2

Burjeel is committed to protect its healthcare workers and patients as far as possible from contacting communicable diseases, sustaining work-related injuries and exposure to harmful substances in the workplaces.

Occupational hazards

As part of Burjeel's staff health and safety program to protect its staff, any complaints about illness or symptoms which may suggest infectious disease, are to be seen by an OPD/ER[1] physician. Following any such incident, staff members are to remain off work until recovered. All staff are communicated with and provided orientation on how to report illness, when to report and all other relevant actions required in the event of any health-related incidents.

Additionally, all new staff (including national and non-nationals holding visas) at Burjeel must complete a comprehensive health assessment prior to commencing work. This assessment includes occupational health screening of blood-borne pathogens, active tuberculosis, and a request of evidence on vaccination/ immunity to several diseases. Further information regarding Burjeel's system for handling occupational hazards at work can be seen below.

Work-related incidents GRI 403-9

Sharps injuries, and specifically needle stick injuries, are the most common OSH incidents due to the frequency of needle use within the medical facilities. These incidents are generally classed as an accidental injury from a used needle or sharp instrument, splashing of blood or other body fluids containing blood into the eyes or onto fresh skin cuts. The most significant risk comes from hepatitis B virus (HBV), while HIV and Hepatitis C Virus (HCV) are much less infectious and carry a very low transmission rate.

To mitigate this hazard, the Group has developed a comprehensive policy and procedure for sharp injuries and the safe disposal of sharps. The information related to the safeguards against, as well as the procedure in the event of an injury, is continuously taught to all staff to ensure that the correct processes are carried out. Additionally, Burjeel ensures that its risk assessments are carried out routinely and that all its staff are up-to-date with their vaccinations to mitigate the worst outcomes from sharp injuries.

Apart from needle stick injuries, the frequent causes of work-related incidents include slips, trips and falls as well as vehicle accident incidents. To mitigate these incidents, Burjeel continuously provides safety training and holds awareness initiatives.

Operational Safety and Health data[2]

	2021	2022	2023
Total recordable incident rate (TRIR)	**1.39**	**1.52**	**1.22**
Days away, restricted or transferred rate	0.02	1.22	**0.26**
Total case incident rate	**1.19**	**1.51**	**0.92**
Lost time incidents rate (LTI)	0.02	1.22	**0.36**
Fatalities (cases)	0	0	**0**

ESG target – ensure 100% of hospitals are JCI accredited permanently

1 OPD denotes out-patient department, ER denotes emergency room.
2 Based on Burjeel Abu Dhabi hospitals given their predominant contribution to the Group revenue. All rates are calculated according to number of cases/1 million hours worked.

Operational health and safety training

GRI 403-5

Burjeel is committed to ensuring all personnel carry out their responsibilities in a safe manner by identifying formal occupational safety and health training needs, providing job related safety training, and developing of a training schedule. Likewise, the Group monitors attendance, verifies the effectiveness of occupational safety and health training, updates relevant courses, and maintains up-to-date training records for all personnel. All these activities are carried out to ensure that Burjeel's staff follows best practices in OSH, in order to promote a safe working environment.

Through establishing frequent communication and up-to-date training, Burjeel ensures that all its employees are aware of their role in promoting a culture of safety. Managers are actively encouraged to have open communications with staff that raise any health and safety concerns.

Approach to OSH training

In the dynamic landscape of healthcare, adopting a precise and thorough approach to OSH training is crucial for any medical healthcare provider. Burjeel's approach to OSH training ensures its staff is equipped with the necessary knowledge and skills to mitigate risks, respond effectively to emergencies, and adhere to the highest standards of patient safety. Burjeel's approach consists of five purpose statements:

1. To ensure a systematic approach to the management of identifying implementation and monitoring of training.
2. To ensure that all employees including contractors receive training commensurate with associated risks.
3. To ensure a systematic approach to identifying, assessing, and monitoring the competencies that are required to ensure tasks can be performed in a safe manner by all Burjeel employees and contractors.
4. To provide a systematic method for ensuring the adequate competency of Burjeel personnel whose activities may result in significant Occupational Safety and Health impacts.
5. To provide guidance to the concerned personnel to identify the training needs of Burjeel personnel who will be involved in the implementation of the Occupational Safety and Health Management System (MS) and enhance the technical skills of the personnel who perform Critical Activities.

Monitoring and managing OSH training

Ensuring that all Burjeel's training initiatives are optimized and effective, it is important to monitor and manage the entire process from beginning to end. Safety training at Burjeel can be categorized into two formats:

Internal Training: Training conducted, organized, and developed internally by staff on the same organization payroll.

External Training: Training that is promoted by entities that organize initiatives or sell training with interest for the improvement of professional qualification.

During internal trainings, trainers prepare written tests after each OSH training at the end of the training session. Additionally, the trainer shall distribute a written test for the overall training attendees to evaluate the participants' understanding.

External training evaluation is conducted by the external trainer, this may be done through exams, quizzes, or other formats. Records of the exams are submitted to the Head of OSH, the OSH Department Head and Head of HR for record purposes, as applicable.

OSH training initiatives in 2023

Maintaining up-to-date OSH training is critical for Burjeel's continued operations as it equips our staff with the latest knowledge and skills to navigate a multitude of workplace risks. During 2023, Burjeel has held over 30 OSH training sessions. These included sessions on fire safety, use of PPE, safety in heat, hazmat management & labeling, OSH risk assessment, and several others.

OSH training data[1]

	2021	2022	2023
Total number of Health and Safety trainings completed during the year	13,962	12,488	**12,681**
Total number of hours for Health and Safety trainings during the year	97,204	78,773	**99,748**
Hours of Health and Safety trainings per employee	232	181	**243**



ESG target – train 100% of active employees on health and safety standards by 2025

[1] Based on Burjeel Abu Dhabi hospitals given their predominant contribution to the Group revenue.

Our Employees

GRI 2-7, GRI 3-3, GRI 405-1

Employee structure

The success and ability of Burjeel to deliver value to its stakeholders is intricately tied to the competence and dedication of its employees. The expertise and commitment of our healthcare professionals not only drive clinical excellence but also foster patient satisfaction, thereby establishing a foundation for the Group's continued success.

Workforce structure

	2021	2022	2023
Number of total employees	**7,729**	**10,347**	**11,240**
Total full-time employees	**7,729**	**10,330**	**11,212**
Full-time employees (women)	4,144	5,545	**6,096**
Full-time employees (men)	3,585	4,785	**5,116**
Share of women in full-time employees	54%	54%	**54%**

A diverse age spectrum within Burjeel's workforce enhances its resilience by combining the seasoned expertise of experienced professionals with the innovative perspectives of younger generations. This structure fosters a dynamic healthcare environment, promoting knowledge exchange, continuous learning, and adaptability to evolving patient care needs.

Employee age

	2021	2022	2023
Share of employees under the age of 30	21%	27%	**27%**
Share of employees between 30 and 50 years old	73%	66%	**66%**
Share of employees over the age of 50	6%	7%	**7%**

Diversity and inclusion

For Burjeel Holdings, promoting diversity and inclusion is a crucial aspect of its sustainability strategic pillars. Embracing a diverse workforce not only reflects the Group's commitment to social responsibility but also enhances its ability to provide patient-centered care by incorporating a broad range of perspectives, skills, and experiences that mirror the diverse communities we serve.

Burjeel ensures that all new employees receive cultural orientation sessions. Additionally, equality and diversity policies are in place to provide a framework for informed decision-making regarding topics of diversity. The Group has set a target to increase the representation of women in leadership roles[1] to 30% or higher by 2030, currently the proportion of women is 24%.

[1] The leadership team includes key corporate employees and doctors.

Diversity in management

	2021	2022	2023
Total managers and directors	**1,220**	**1,703**	**1,920**
Managers and directors (women)	436	579	**683**
Managers and directors (men)	784	1,124	**1,237**
Share of women in managers and directors	36%	34%	**36%**
Entry and mid-level positions held by men	52%	51%	**42%**
Entry and mid-level positions held by women	48%	49%	**58%**

Remuneration by gender

GRI 202-1, GRI 405-2

	2021	2022	2023
Ratio of average women salary to average men salary	0.56	0.60	**0.63**
Ratios of standard entry-level wage by gender compared to local minimum wage[2]	Male – 3.57 Female – 1.98	Male – 3.26 Female – 1.97	**Male – 3.24** **Female – 2.37**

ESG target – increase the representation of women in leadership roles to 30% or higher by 2030

ESG target – sustain a balanced workforce by maintaining a 50:50 gender balance by 2030

Local employment

GRI 203-2

Promoting local employment is similarly a key strategic objective for the Group. Burjeel Holdings takes part in the government-led Emiratization program, with a dedicated department established in order to further supporting this initiative. Burjeel also works with the grass roots of future Emirati employees and talents by sponsoring educational activities and other events.

Local employment

	2021	2022	2023
Total number of nationals employed	**41**	**353**	**562**
Share of local nationals in total employees	1%	6%	**5%**
Employee headcount in UAE	41	181	**357**
Local employee rate in UAE	1%	2%	**4%**

[2] Local minimum wage taken at AED 4,001 per month.

Employee turnover and hires GRI 401-1

Acknowledging the inherent dynamics of employee turnover and hiring within the Group, Burjeel recognizes the evolving nature of its workforce. Embracing these realities, the Group remains committed to strategic talent acquisition and continuous professional development, ensuring a resilient and adaptive team capable of delivering world-class healthcare and exceptional patient care.

Turnover rate

	2021	2022	2023
Total employee turnover rate	**20%**	**19%**	**20%**
Number of doctor turnover rate	14%	14%	**15%**
Number of nurse turnover rate	25%	22%	**20%**
Number of non-medical turnover rate	17%	11%	**17%**

Hiring data

	2021	2022	2023
Total number of hires	**3,000**	**3,282**	**3,124**
Rate of hires for men	38%	41%	**39%**
Rate of hires for women	62%	59%	**61%**
Number of doctor hires	334	345	**413**
Number of nurse hires	1,436	896	**880**
Number of non-medical hires	1,230	1,670	**1,484**
Rate of hires for those younger than 30 years old	34%	44%	**45%**
Rate of hires for those aged between 30 and 50 years old	63%	53%	**52%**

ESG target – achieve a reduction in turnover rate of 15% by 2026

Employee satisfaction

Upholding high employee satisfaction is crucial for Burjeel Holdings, as it directly correlates with enhanced patient care and organizational effectiveness. By prioritizing a supportive work environment, continuous professional development, and recognition programs, the Group ensure that its dedicated healthcare professionals thrive. This approach ultimately contributes to a culture of excellence and compassionate healthcare delivery, which directly enhances the level of care received by our patients.

In recognition of Burjeel Holdings' commitment to creating an inclusive work environment, 'Great Place to Work Middle East' has certified Burjeel as a 'great place to work' based on a survey conducted by a leading management consultancy. This certification is based on direct feedback from employees, provided as part of an extensive and anonymous external survey about the workplace experience.

The authority recognized the Group's efforts to ensure that its employees have the resources and necessary support to reach their full potential and the opportunities provided for their growth and development. Burjeel achieved a rating of 91% overall satisfaction, surpassing the average of GPTW models. These results place Burjeel Holdings into the top category in the Great Place to Work assessment.

91%
GPTW employee satisfaction score

Additionally, the Group carries out its own internal employee satisfaction assessment process annually in order to gaue the experience of its staff. In 2023, Burjeel's internal employee satisfaction rate was at 92%, highlighting the efforts that the Group places in promoting the well-being of its workers.

92%
Company's employee satisfaction score

ESG target – achieve an employee satisfaction score of 95% in the annual employee engagement survey by 2026

Parental leave GRI 401-3

Recognizing the significance of fostering a supportive and inclusive workplace, Burjeel prioritizes the provision of parental leave as a cornerstone of its commitment to employee well-being. By affording our staff with the opportunity to balance their career responsibilities with crucial family moments, the Group promotes a resilient and satisfied workforce as well as a balanced work-life balance.

Parental leave data

	2021	2022	2023
Total number of employees that were entitled to parental leave (women)	2,265	3,988	**3,204**
Total number of employees that took parental leave (women)	10	23	**73**
Total number of employees that were entitled to parental leave (men)	2,133	3,728	**3,099**
Total number of employees that took parental leave (men)	83	178	**213**
Total number of employees that returned to work after parental leave (women)	10	23	**73**

	2021	2022	2023
Total number of employees that were still employed 12 months after their return to work from parental leave (women)	10	19	**65**
Total number of employees that returned to work after parental leave (men)	83	178	**213**
Total number of employees that were still employed 12 months after their return to work from parental leave (men)	67	153	**207**

Talent development and retention GRI 404-2

As part of Burjeel's commitment to providing world-class healthcare in the MENA region, the importance of employee talent development and retention cannot be overstated. By investing in the continuous growth and professional enrichment of our healthcare professionals, the Group establishes the extensive expertise of its staff, while also enhancing the quality and continuity of patient care. This strategic focus underscores Burjeel's dedication to building a resilient workforce, ensuring the sustained delivery of its world-class care while fostering a culture of loyalty and professional advancement.

As part of this mission, the Group started with a pilot project in Burjeel Hospital, Abu Dhabi by establishing Burjeel Academic for Training and Development. This initiative is now being extended to all sites. Additionally, the Continuous Medical Education (CME) program is now aimed not only at medical personnel but also serve the development of management skills for in-house staff. Such programs set Burjeel's staff to climb the ladder of employment by empowering them with new skills or enhancing their current expertise.

Employee trainings are based on Professional, Behavioral, Cognitive and Emotional directions. The trainings are directive, receptive and exploratory. In addition, Burjeel hosts on-the-job trainings which include job training, induction, and refresher training courses. The training course selection comprizes of those on new employee orientation, soft skills, ethics, leadership and management, English language development, cultural competence, and many more. The trainings are intended for all levels and categories of staff, clinical and non-clinical.

Clinical training GRI 404-2

Clinical training include training for medical doctors, nurses, and allied healthcare staff. The trainings are referred to as Continuous Medical Education Trainings (CMEs). The CME program for healthcare professionals is essential to improving employee's knowledge and skills, it is of upmost importance that medical staff stay up-to-date with the latest technologies and developments in the medical field. Burjeel's CME trainings include Basic Life Support, Infection Control course, Patient Safety course, IV Therapy course, Airway Management course, Pediatric Emergency and Assessment Treatment course as well as Heart Failure Care workshops.

Soft skill training GRI 404-2

Soft skills encompass transformations in employees' professional demeanor, cognitive-emotional development, and behavioral adaptability. Specifically, in healthcare, training in soft skills such as empathy is crucial for fostering more meaningful interactions. Healthcare professionals must possess emotional intelligence, excel under pressure, adapt to stressful situations, and demonstrate resilience to effectively meet the demands of their profession. Through role play and challenging scenarios, employees are conditioned to empathize and understand others' perspectives, requiring attributes like open-mindedness, tolerance, effective communication, and patience.

Across Burjeel Holdings' facilities, where approximately 11,000 staff members are employed, 100 yearly training sessions for nursing and medical doctors are conducted by Learning and Development (L&D) teams along with hospital nursing and physician educators in each facility. Additionally, 100 HR personnel, operations, and non-clinical training sessions are conducted by L&D in each facility. Full attendance is ensured through attendance registers, Learning Management System (LMS) monitoring, and the active involvement of Heads of Departments (HODs) who encourage staff participation. The effectiveness of these trainings is evaluated through performance management, observations of staff behavior in clinical and non-clinical settings, and the use of peer mentors and on-the-job supervision by preceptors to gauge employees' readiness and competency.

Training data GRI 404-1

	2022	2023
Average hours of training per year per male employee	978	**545**
Average hours of training per year per female employee	1,524	**556**

At Burjeel Holdings, a performance review constitutes a structured evaluation process assessing an employee's job performance and contributions to the organization. Typically occurring periodically, either annually or bi-annually, these reviews provide a platform for managers and employees to engage in discussions regarding strengths, areas for improvement, career objectives, and developmental goals.

By refining the performance review system through recent assessments, proposed enhancements, and the introduction of a standardized performance rating scale, Burjeel aims to bolster its talent management practices in alignment with organizational objectives. These efforts seek to cultivate a culture of high performance, fostering effective communication, goal alignment, and continuous improvement.

Employees receiving performance reviews during reporting period GRI 404-3

	2022	2023
Performance reviews for male employees	6%	**10%**
Performance reviews for female employees	6%	**8%**
Performance reviews for doctors	1%	**2%**
Performance reviews for nurses	4%	**8%**
Performance reviews for other staff	6%	**8%**

05

Governance Report

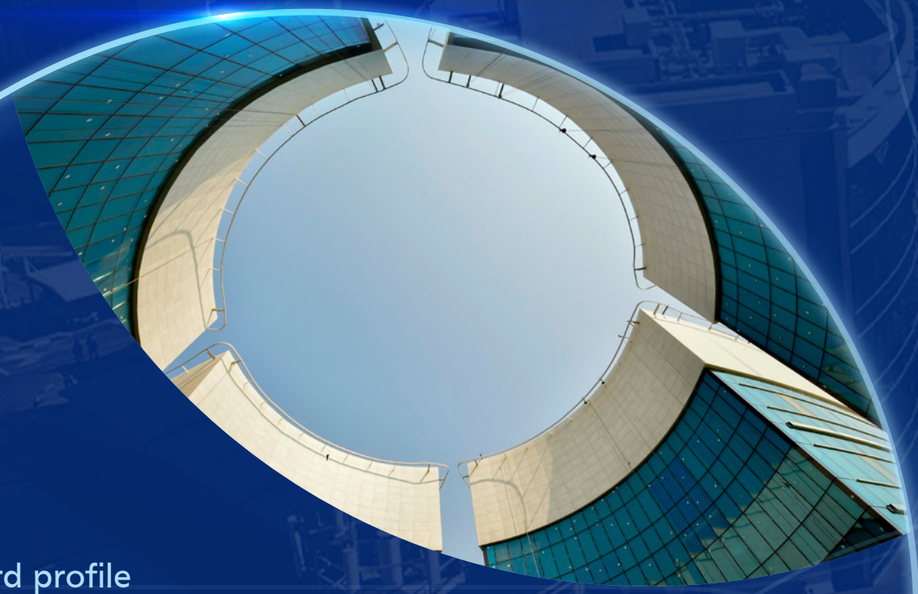
Our strong leadership and well-established corporate governance fosters transparency and accountability with stakeholders.



Board of Directors' report

→ see page 168

Demonstrating our effective corporate governance framework, Board activities and specifics on committee functions.



Board profile

Presenting the biographies of our experienced Board of Directors, alongside their specific expertise and specializations.

→ see page 164



Director's report

→ see page 181

Providing confirmation of our principal activities, results, and successful audit process.

Board of Director's profile

The Board of Directors of Burjeel Holdings plc (the **'Company'**) provides strategic leadership and oversees the performance of the Company. The Group places great importance on establishing an exceptional corporate governance structure, evidenced by the combination of seven Directors, out of which five are Independent Directors. Dr. Shamsheer, the founder of Burjeel Holdings, is the Non-Executive Chairman of the Board. Burjeel's diversified Board of Directors consists of many well-renowned designates, further information on the members of the Board can be found below. Please visit Burjeel's **website** for their full biographies.



Dr. Shamsheer Vayalil

Non-Executive Chairman

Dr. Shamsheer Vayalil is the founder of the Group. He served as Chairman and Managing Director of the Group from 2007 until the completion of the pre-IPO reorganization. Since then, he has served as Non-Executive Chairman of the Group.

Dr. Shamsheer Vayalil is also the Chairman of DFM-listed Amanat Holdings, the region's leading integrated healthcare and education investment company, with paid-up capital of AED 2.5 billion.



H.E. Ahmed Jasim Yousif Naser Alzaabi

Vice-Chairman, Non-Executive Director – Independent

H.E. Alzaabi was appointed Director in 2022. He is a member of the Abu Dhabi Executive Council and currently serves as Chairman of the Abu Dhabi Department of Economic Development, Abu Dhabi Global Market, Khalifa Fund for Enterprise Development and Hub 71. Additionally, he is a Board member of ADNOC Distribution, ADNOC Drilling, Emirates Investments Authority, Al Jazira Investment Company and Astra Tech. He has held numerous leadership positions in many government, quasi-government and private companies in the past.



H.E. Dr. Thani bin Ahmed Al Zeyoudi

Non-Executive Director – Independent

H.E. Dr. Thani bin Ahmed Al Zeyoudi was appointed Director in 2022. He currently serves as the UAE Minister of State for Foreign Trade, where he oversees the development of the country's non-oil foreign trade sector as well as national measures to increase foreign direct investment into the UAE. In 2023, H.E. Dr. Al Zeyoudi was appointed Chairman of the Board of Directors for the Emirates Drug Establishment, a newly-established federal entity responsible for regulating the UAE's pharmaceutical and medical industries. H.E. Dr. Al Zeyoudi previously served as the UAE Minister of Climate Change and Environment and Permanent Representative of the UAE to the International Renewable Energy Agency (IRENA).



Dr. Ghuwaya Al Neyadi

Non-Executive Director – Independent

Dr. Ghuwaya Al-Neyadi was appointed Director in 2022. Dr. Al Neyadi chairs and is also a member of UAE healthcare committees. She is a founder and Board Director at Manzil Healthcare Services. Dr. Al Neyadi engages in voluntary work for People of Determination (POD) and gender balance. She holds a PhD in Family Medicine, Master's in Healthcare Administration and a Bachelor of Medicine, Bachelor of Surgery (MBBS).



Mr. Omran Mohammedsaleh AlKhoori

Executive Director

Mr. Omran AlKhoori joined the Group in 2014 and was appointed Director in 2022. He has over 15 years' experience in the healthcare and oil and gas industry sectors and has held key positions in marketing and business development, including being Customer Service Manager at ADCO from 2011 to 2015. Mr. AlKhoori currently serves on the Board of Response Plus Holding PJSC. He is also Chairman of Areca Real Estate, a Board member of Global Link Holding, a Board member of Al Jazeera Sport Club, a Board member of Abu Dhabi Cricket Club and a Board member of Al Maryah Community Bank.



Dr. Mohan Chellappa

Non-Executive Director – Independent

Dr. Mohan Chellappa was appointed Director in 2022. Dr. Chellappa was the President Emeritus of Global Ventures at Johns Hopkins, where he was a founding member and was involved in developing international clinical consultancy activities, in particular, clinical care program development, quality systems implementation and the use of IT in healthcare. Dr. Chellappa serves on the Boards of Johns Hopkins Aramco Healthcare, HCL Healthcare Pvt. Ltd., HCL Technologies Limited and Frontier Lifeline Pvt. Ltd. He is an advisor to Sabre Partners, Tau Ventures, a senior advisor to Catalio Capital Management and a senior advisor to Albright Stonebridge Group.



Mr. Mohd Loay Abdelfattah

Non-Executive Director – Independent

Mr. Mohd Loay Abdelfattah joined the Board of Directors in 2022. He is a seasoned Institutional Investment Advisor, who has successfully managed large-scale and complex transactions across various asset classes, such as private equity, funds and real estate. He is adept at working with different stakeholders to align investment strategies and organizational goals. He was appointed Head of Internal Audit, over 18 years ago, at Royal Group, one of the leading investment groups in the Middle East. Before joining Royal Group, he gained valuable experience at international auditing and accounting firms, including Deloitte.

Executive Management



Mr. John Sunil
Chief Executive Officer

Mr. Sunil has more than 29 years of experience in the finance, healthcare management and operations management industries, including more than 13 years of experience with the Group. Mr. Sunil holds a Master of Business Administration in Finance.



Mr. Muhammed Shihabuddin
Chief Financial Officer

Mr. Shihabuddin joined the Group over 16 years ago. He is currently the Group's Chief Financial Officer. Prior to this, Mr. Shihabuddin worked for the Group in various finance functions. He has over 19 years' experience in finance management. Mr. Shihabuddin holds a Bachelor of Commerce and a Master of Business Administration (Finance & Marketing).



Mr. Safeer Ahamed
Chief Operating Officer

Mr. Ahamed started his career with the Group in 2006 and is now Chief Operating Officer, with considerable experience in hospital operations. Mr. Ahamed holds a Masters in International Business and a Bachelor's Degree in Mathematics.



Prof. Abdel Rahman Omer
Chief Medical Officer

Prof. Omer has more than 27 years of wide-ranging experience in managing clinical teams as well as administration. A renowned general and colorectal surgeon, his association with the Group began in 2015. He has a Master's degree in Surgical Sciences from the University of London (UK) and a PhD in Medical Management from Hartford University (USA).



Mr. George Yacoub, CHCIO
Chief Information Officer

Mr. Yacoub joined the Group in 2023. He has over 25 years of experience in Information Technology and Healthcare Operations. He has a Master's degree in Computer Science from the American University in Cairo, Egypt, and a Bachelor's degree in Commerce from the High Institute for Management Studies, Egypt. He is also certified by CHIME as Healthcare Chief Information Officer (CHCIO).



Mr. Omran Mohammedsaleh AlKhoori
President, Business Development

Mr. Omran AlKhoori joined the Group in 2014 and was appointed Director in 2022. He has over 15 years' experience in the healthcare and oil and gas industry sectors and has held key positions in marketing and business development, including being Customer Service Manager at ADCO from 2011 to 2015. Mr. AlKhoori currently serves on the Board of Response Plus Holding PJSC. He is also Chairman of Areca Real Estate, a Board member of Global Link Holding, a Board member of Al Jazeera Sport Club, a Board member of Abu Dhabi Cricket Club and a Board member of Al Maryah Community Bank.



Mr. Rajiv Puri
Head of Internal Audit and Risk

Mr. Rajiv Puri joined the Group in 2023 and brings over 30 years of experience in Governance, Risk Management, Internal Audit and Process Improvement, having worked across several industries. He holds a CMA degree and a qualification in system design and development.



Dr. Mangalore Sanjai Kumar
Group Head HR

Dr. Kumar joined the Group in 2015 as the Group Head of Human Resources. Prior to this, Dr. Kumar was Vice President (HR) at the International Hospital of Bahrain for 15 years. Dr. Kumar holds an MBA from American World University and a PhD from the Indian School of Business Management and Administration.



Mr. Mustasan Jaleel Mir
General Counsel

Mr. Mir joined the Group in 2015 as a legal executive and, in December 2016, was promoted to General Counsel of the Group. Mr. Mir holds an i.BAALB (Hons) from Amity Law School, Amity University (India) and an LLM in Commercial & Corporate Law from Queen Mary University of London. He is a qualified lawyer, enrolled with the Bar Council of Delhi and the Bar Council of India.

Board of Director's report

GRI 3-3

1. Corporate governance framework



The Company is a public company limited by shares incorporated in the Abu Dhabi Global Market (ADGM) and subject to the Abu Dhabi Global Market Companies Regulations 2020 (as amended) ('Companies Regulations') and other applicable laws and regulations in the ADGM. The Company is committed to the principles of good corporate governance. The Board of Directors believes that good corporate governance practices align the interests of all stakeholders by having structures in place that ensure the business is managed with integrity and efficiency, thereby maximizing the profitability and long-term value creation of the Company for all stakeholders.

This Corporate Governance Report is intended to provide an overview of the Company's corporate governance framework for the year ended 31 December 2023.

2. Corporate governance structure

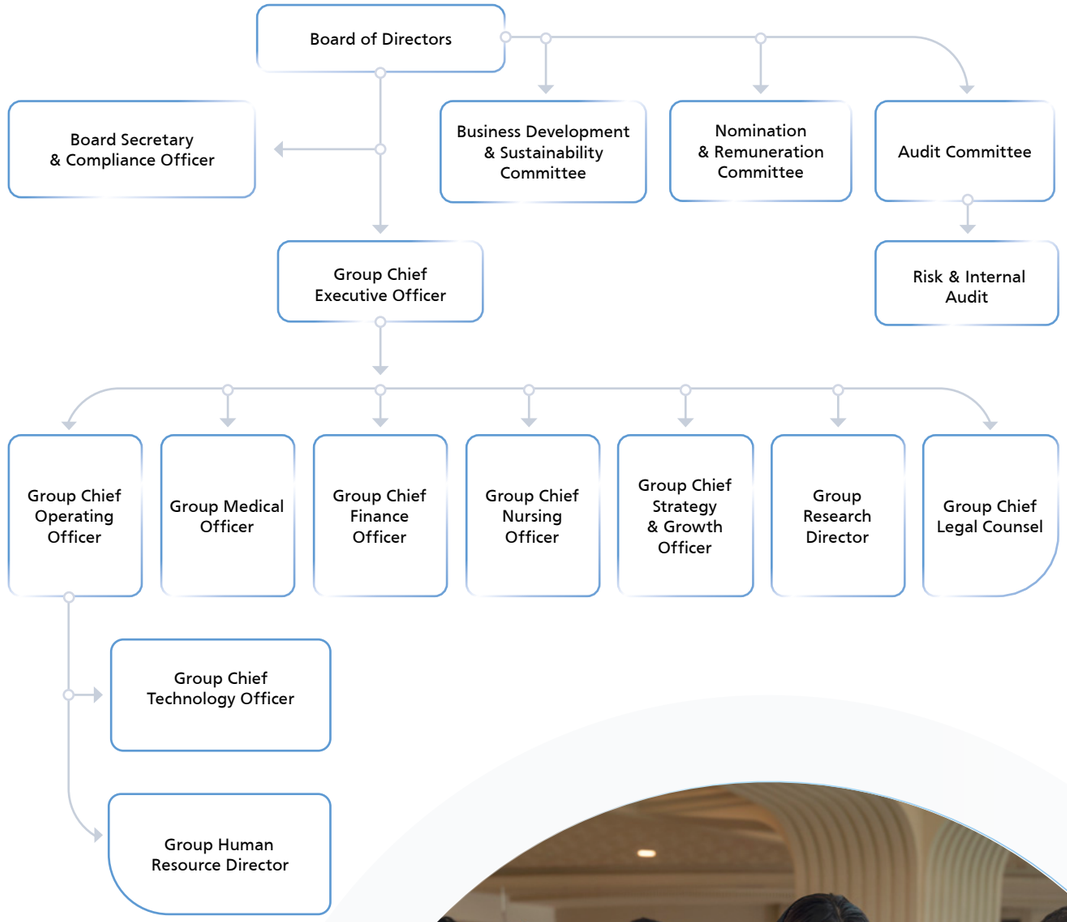


The Company designed its corporate governance structure in compliance with its Articles of association, the ADX listing rules, the requirements of the Securities and Commodities Authority's (SCA) Governance Guide as modified, the Companies Regulations, and other applicable laws, rules and regulations of the ADX and international best practices.

The corporate governance framework identifies the responsibilities of the Board of Directors, individual Directors, Committees of the Board, Executive Management, and the organization's support and control functions. The Company's governance framework, governance policies, and several of the compliance policies and procedures are available on our website under **Corporate Governance**.

2.1. Organizational structure

The Board sets the strategic mandate with operational, financial, and sustainability goals relayed to management. The Executive Management team manages the achievement of these goals and the day-to-day operations. In executing the goals, the Executive Management team is supported by several corporate functions and local management and their teams. Each principal subsidiary is led by a functional manager who reports to the Executive Management team. The Company's simplified organizational structure is as follows:





2.2. Governance, internal controls and risk management GRI 2-18

The Board conducts a formal and rigorous annual performance evaluation of the individual Directors and the Board Committees in order to identify achievements as well as improvement areas. The Board considers the evaluation process to be an important tool for its development and is involved in its structuring and a full review of conclusions. The Board believes that a full and fair evaluation process builds mutual trust between Directors, between the Board and the Executive Management and between the Company and its stakeholders. The specific responsibilities of the Chairman and the Chairs of each Board committee form part of the evaluation. The process assesses efficiency in the conduct of meetings, discussion and decision-making, as well as representation of the Company externally to the public, regulators and other counterparties. The Board Committees are evaluated on effectiveness in discharging their responsibilities, diligence and responsiveness to the Board. The Board Committees may also conduct a self-evaluation of their abilities to carry out the responsibilities set by their Terms of Reference. In addition, an external consultant may be appointed to independently conduct a performance evaluation exercise, if deemed necessary.

The Executive Management at Burjeel Holdings has the responsibility to design, implement and monitor an effective internal control environment aligned to the company's business and inherent risks. The Executive Management is responsible for the identification, assessment, and mitigation of the identified risks.

The Board and through its Committees provide an oversight on implementation and effectiveness of the governance processes (risk management, internal control, compliance management) implemented by the Management. The Internal Audit function assists the Audit Committee by providing independent and objective assurance on the effectiveness and efficiency of risk management, internal controls, and operations. The Internal Audit function is led by Mr. Rajiv Puri, Head of Internal Audit and Risk who reports independently to the Audit Committee of the Board of Directors. Mr. Puri has more than 20 years' experience in carrying out and managing Internal Audit and ERM programs. Mr. Puri joined the group in 2023 as Head of Internal Audit and Risk.

3. The Board of Directors GRI 2-9, GRI 2-10, GRI 405-1

The Company's governance framework is supervised by the Board of Directors. The Board of Directors is collectively responsible for the Company's management and strategy. The Board of Directors promotes a culture of openness and accountability within the Board and throughout the entire organization. The tasks, responsibilities and procedures of the Board are set out in the Articles of Association. The Board has delegated the operational management of the business to the Executive Management, apart from certain reserved matters as set out in the appropriate documentation and resolutions and is authorized to represent the Company.

Composition

The composition of the Board of Directors is diverse in skills, experience, gender and background, thereby maximizing the Board's ability to act without emphasis on particular interests. The composition of the Board of Directors and its terms of reference comply with the requirements of the ADGM Companies Regulations 2020 (as amended), Resolution No. (3/R.M.) of the SCA (Governance Guide) and our Articles of association.

Best practice and standards related to the functioning of the Board of Directors are applied to ensure effectiveness.

We adhere to the terms of reference set out by the Board of Directors in relation to its composition, operating procedures and responsibilities as follows: the independent Board members confirmed their independent status during the year 2023 and the Company verified that the legal requirements regarding the minimum number of independent Board members are satisfied. In 2023, 71% of the Board members were Independent Directors.

The Board is well balanced in terms of expertise and tenure. 86% of directors have a tenure of one to five years, and 14% have tenure of more than five years.

Female Board representation

The Company, in line with the United Arab Emirates' (UAE) approach to empowering women, has worked to increase female representation throughout the organization, including on the Board. Therefore, in 2022, Dr. Ghuwaya Al-Neyadi was appointed as an Independent Director.

Competencies

The Board members bring in a broad spectrum of professional backgrounds and experiences, diverse areas of expertise, and insightful leadership, enabling comprehensive decision-making and strategic guidance for the Group's success. Their strongest competencies include strategy and risk management which are crucial for ensuring long-term sustainability of Burjeel Holdings and creation of the shareholder value. The Board members foster a culture of innovation and maintain a global outlook, essential for ensuring the Group's strong positions in a competitive healthcare landscape.

The Board of Directors competencies

Competencies	Dr. Shamsheer Vayalil	H.E. Ahmed Jasim Yousif Naser Alzaabi	Mr. Omran Mohamedsaleh AlKhoori	Dr. Ghuwaya Al Neyadi	H.E. Dr. Thani bin Ahmed Al Zeyoudi	Dr. Mohan Chellappa	Mr. Mohd Loay Abdelfattah
Medical (healthcare)	●			●		●	
Sustainability		●			●		●
Risk management	●	●		●		●	●
Audit, finance, and control		●	●	●			●
Technology and innovation	●					●	●
Strategy & capital markets	●	●	●	●	●		●
Governance & ethics			●	●			●
IT & cyber security						●	
Investor relations		●	●		●		
Marketing & customer focus	●		●		●		
HR & talent management				●	●	●	

Appointment, retirement and re-election

Appointment, retirement and re-election is governed by the Articles of Association of the Company and the applicable laws.

The Board Nomination and Remuneration Committee evaluates the composition of the Board annually to review the skills required for Board membership and considering the required capabilities and qualifications for Board membership, including the time required by a member to carry out his/her duties as a Board member.

Induction, orientation, and training

On appointment, new Board members receive an induction tailored to their respective needs, duties, and responsibilities.

The Committees

The Board maintains three permanent committees as part of its supervisory role: the Audit Committee, the Business Development and Sustainability Committee, and the Nomination and Remuneration Committee (collectively, the Committees). In December 2023, the Board decided to expand the Business Development Committee to additionally oversee sustainability matters, given the increasing importance of sustainability for the company's strategy, objectives, and daily operations. This Committee focuses on matters related to health, safety and environment as well as Burjeel's sustainability initiatives, business and operational planning.

All charters of the Committees are approved either by the Board of Directors or by the concerned Committee and are all consistent with the requirements of the Governance Guide, as is the composition of each Committee's membership. The charters of the Board Committees include, but are not limited to, the role and responsibilities of the Committee, its authority, the requirements for its composition and constitution, and its operating procedures. Members of the Board Committees acknowledge their responsibility for the Committees' systems in the Company, review of their work mechanism, and ensuring their effectiveness. The Chairman of the Nomination and Remuneration Committee also has responsibility for the Committee's system, the review of its work mechanism and ensuring its effectiveness.

The following table summarizes how the duties of the Board and the Committees were carried out during 2023, including the focus topics that were reviewed, discussed and advised on.

Particulars	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Business Development and Sustainability Committee
Responsibilities	Set out in the Articles of Association of the Company	Set out in the Charter	Set out in the Charter	Set out in the Charter
Composition	See above	Chairman: → H.E. Ahmed Jasim Yousif Naser Alzaabi Members: → Dr. Ghuwaya Al Neyadi → Mr. Omran Mohamedsaleh AlKhoori → Mr. Mohd Loay Abdelfattah	Chairman: → H.E. Dr. Thani bin Ahmed Al Zeyoudi Members: → Dr. Ghuwaya Al Neyadi → Mr. Omran Mohamedsaleh AlKhoori → Dr. Mohan Chellappa → Mr. Mohd Loay Abdelfattah	Chairperson: → Dr. Ghuwaya Al Neyadi Members: → H.E. Dr. Thani bin Ahmed Al Zeyoudi → Mr. Omran Mohamedsaleh AlKhoori
Number of Meetings and Resolutions	Five	Five	Five	Six
Main Focus	→ Medium- and long-term strategy → Health, Safety and Environment → ESG and sustainability → Projects strategy and execution → Financing strategy → Dividend strategy → Commercial strategy and market developments → Operational performance and cost optimization → Internal controls and key internal audit findings	→ Evaluation Risk Management → IT and cyber security → Monitoring the group internal control framework → Tax review → Group's Compliance Framework and effectiveness → Monitoring of material claims and litigation → Assessment of the functioning of the external auditor, its appointment, including scope, risk assessment and materiality → Internal Audit Plan and Internal Audit findings	→ Setting and overseeing the nomination, remuneration and diversity policies of the Company → Overseeing the appointment of key personnel	→ Setting and overseeing business development procedures → Business revenue growth → New targets and new markets

Board and Committee Meeting attendance in 2023

The Articles of Association of Burjeel Holdings plc requires that the Board of Directors meet at least four times per year. The quorum for the meetings is a majority of the Directors and the quorum for voting is a majority of the Directors attending. In 2023, the Board of Directors met five times.

In 2023, the Board of Directors issued two resolutions by circulation as permitted by applicable laws and regulations. The below table sets the meetings held and the attendance.

Board members	20 March	8 May	3 August	30 October	14 December
Dr. Shamsheer Vayalil	Present	Present	Present	Present	Present
H.E. Ahmed Jasim Yousif Naser Alzaabi	Present	Present	Absent	Present	Present
H.E. Dr. Thani bin Ahmed Al Zeyoudi	Present	Present	Present	Present	Present
Dr. Ghuwaya Al Neyadi	Absent	Present	Present	Present	Present
Mr. Omran Mohamedsaleh AlKhoori	Present	Issued Proxy	Present	Present	Present
Dr. Mohan Chellappa	Present	Present	Absent	Present	Present
Mr. Mohd Loay Abdelfattah	Present	Present	Present	Present	Present

In 2023, the Board of Directors convened five meetings (see above). The main resolutions passed by the Board of Directors in 2023 include approving the annual and quarterly financial accounts, the 2022 Integrated Report, the 2022 Budget, and a number of expansion projects.

The Audit Committee convened five meetings where the majority of the members were present. The main resolutions passed by the Committee in 2023 include endorsing the annual and quarterly financial accounts and the quarterly Management and Discussion Analysis Reports. The Committee issued one written resolution by circulation approving Company's compliance program and related policies.

The Nomination and Remuneration Committee convened five meetings. The main resolutions of the committee in 2023 included endorsing a Directors and Executive Management Remuneration Policy.

The Business Development and Sustainability Committee held six meetings where all members were present, with the exception of one meeting when a proxy was provided by one member.

The main activities of the Committee in 2023 including reviewing business and operational matters, including expansion projects and enhancing the quality of the services provided at a Group level.

Insider trading

Insider Trading is monitored by the Compliance Officer. The Company has an Insider Trading Policy and Register in place in accordance with regulatory requirements. The Register is updated on a regular basis. The Compliance Officer acknowledges his responsibility for monitoring the insider trading and its register.

Remuneration and compensation

GRI 2-19, GRI 2-20

The policy for the remuneration and compensation of the Board of Directors and the Senior Management of the Company was approved by the Annual General Meeting on 19 April 2023. The total remuneration package of the Directors may consist of performance-related short-term cash incentives, severance pay, expenses, fees, and other benefits such as a company car, or other benefits required for the execution of the role of the individual Director of the Board. Payments are made on a quarterly basis, as approved by the Shareholders General Assembly. Board members serving any committee are entitled to remuneration and fees paid on a quarterly basis, as per the Remuneration Policy.

The remuneration amount of AED 18,245,800 was paid to all Board members following approval by the shareholders during the AGM held in April 2023.

Transactions report of the members of the Board of Directors, their spouses, and their children in the Company's securities during the year 2023

The below table sets out the ownership and transactions of the members of the Board of Directors, their spouses and their children in the Company's securities as at 31 December 2023.

Name	Position	Shares owned as at 31 December 2023	Shares owned by spouse and children as at 31 December 2023	Total Sale	Total Purchase
Dr. Shamsheer Vayalil	Chairman	3,643,437,769	260,256,708	–	–
H.E. Ahmed Jasim Yousif Naser Alzaabi	Vice-Chairman	1,000,000	–	–	–
H.E. Dr. Thani bin Ahmed Al Zeyoudi	Director	1,500,000	–	–	–
Dr. Ghuwaya Al Neyadi	Director	500,000	–	–	–
Mr. Omran Mohamedsaleh AlKhoori	Director	6,000,000	–	–	–
Dr. Mohan Chellappa	Director	–	–	–	–
Mr. Mohd Loay Abdelfattah	Director	100,000	–	–	–

4. The Executive Management team

The Executive Management team is charged with the Company's day-to-day management. It is responsible for the Company's continuity, the pursuit of Strategies set by the Board of Directors, the optimization of its business, and the creation of a culture that contributes to long-term sustainable value creation for stakeholders. Each Executive has individual responsibility for certain business segments, functional areas, projects, and tasks The Company is committed to promoting its interests in the medium- and long-term and encourages a 'pay for performance' culture. To that end, the compensation structure for the Executive Management team contains a mix of fixed and variable performance-based pay. Fixed pay is aligned to the external market to ensure that senior leadership is adequately compensated. Variable pay is linked to performance.

The Nomination and Remuneration Committee assists the Board of Directors in setting the policy for granting bonuses, privileges, and salaries to the Executive Management as well as making recommendations to the Board, ensuring these remuneration elements are reasonable and in line with the Company's performance. The Executive Management team effectively navigated the Company to deliver strong results during the year. Accordingly, Burjeel believes that the 2023 remuneration reflects good alignment between the remuneration of the Executive Management and shareholders' long-term interests

In 2023, remuneration for the Executive Management totalled AED 18,568,830 (across both salaries and allowances). Whereas the CEO's remuneration was AED 2,778,032.

Burjeel's Board of Directors is planning of appointing an external agency to develop and implement this program, aimed at promoting key resource retention. Burjeel expects to launch the LTRP during or before the first half of 2024, effective from January 2024. The objectives of the LTRP are to align the interests of Burjeel's management and key employees with those of the Company's shareholders, promote shareholder value creation in the long-term, commit management and key employees to achieving Burjeel's strategic targets, and develop Burjeel's key resources. Further details of the proposed LTRP will be disclosed in due course.



5. Related party transactions in 2023

The Company did not enter into any new related party transactions in 2023, aside from the already previously disclosed related parties.

6. Violations committed by the Company during 2023 GRI 2-27

The Company did not commit any material violations with respect to the Governance Guide and other applicable regulations during the year ended 31 December 2023.

7. Conflicts of interest GRI 2-15

The Company's Articles of Association and compliance policies require its employees and directors to disclose any conflicts of interest that may be actual, perceived or potential in accordance with the decisions, laws and regulations issued by the Securities and Commodities Authority and other regulatory and legislative bodies. A series of procedures for compliance with laws regarding conflicts of interest management have been developed.

8. External auditor

Brief background on the external auditor

The following table shows the services provided by the external auditor during 2023 and the fees charged for these services:

Name of Audit Firm	Ernst & Young
Name of Audit Partner	Anthony O'Sullivan
Number of Years as Auditor for the Company	2
Total audit fees for the financial year ended 31 December 2023	AED 1,193,563

External auditor's opinion on the financial statement

The Company's external auditor did not have any reservations to any item of the interim and annual financial statements during 2023.

9. Group policies GRI 2-23

The Company designed its corporate governance structure in compliance with its Articles of association, the ADX listing rules, the requirements of the Securities and Commodities Authority's (SCA) Governance Guide as modified, the Companies Regulations, and other applicable laws, rules and regulations of the ADX and international best practices.

The corporate governance framework identifies the responsibilities of the Board of Directors, individual Directors, Committees of the Board, Executive Management, and the organization's support and control functions. The Company's governance framework, governance policies, and several of the compliance policies and procedures will be available on our website under **Corporate Governance**.

The Company's internal policies cover anti-bribery and corruption, anti-money laundering, conflict of interest, data protection, information security, insider trading, investor relations, related party transactions, sanctions and trade and whistle-blowing.

10. Corporate social responsibility and sustainability report

The Company is committed to Environmental, Social, and Governance (ESG) principles, with environmental, social and governance matters fully integrated into our strategic objectives with direct supervision by our Board of Directors. We have integrated sustainability and ESG principles into our policies and operations, and encourage sustainable practices in our supply chain and communities wherever possible. As a local employer in each of our communities, we are proud to have strong stakeholder engagement programs in place that allow us to identify and participate in the social development causes that matter most locally.

→ More information on our sustainable development can be found in the Sustainability report section starting from page 122.

11. Board Secretary

The Board Secretary plays an important role in organizing the Company's corporate governance, the Board's meetings and Committees, and communicating key decisions with the management team. The Board Secretary's key responsibilities include:

- Working closely with the Board of Directors and Executive Management to plan meetings and coordinate attendance.
- Drafting and distributing Board and general meeting agendas.
- Drafting, distributing, confirming, and archiving meeting minutes, Board reports, and other legal documents.
- Maintaining the Board and Company calendars.
- Following meeting procedures, decision-making rules and governance policies
- Managing communication and correspondence with the Board of Directors and its committees, the Company's management team, and external stakeholders.
- Supporting the Board of Directors' evaluation process.
- Assisting in the preparation and review of key regulatory filings, corporate annual reports, and other reports, as well as other announcements regarding material events.

12. Emiratization percentage

The Company increased the Emiratization rate from 2% in 2022 to 4% in 2023[1].

13. Shareholding and share price information GRI 2-1

Shareholding structure

Overview of shareholders whose ownership percentage exceeds 5% of the Company's capital as on 31 December 2023.

The following table shows the shareholders whose ownership percentage exceeds 5% of the Company's capital as of 31 December 2023:

Name	Number of Owned Shares	Percentage
VPS Healthcare Holdings Pvt Ltd	3,643,437,769	70.0%
Quant Lase Lab LLC	750,710,477	14.4%
SYA Holdings Pvt Ltd	260,256,708	5.0%

[1] The UAE law requires that all organizations registered with Ministry of Human Resources & Emiratization with a workforce of 50 or more, must increase the Emiratization rate at a rate of 2% annually to achieve 10% by 2026.

Share price

The following table presents the Company's highest and lowest share price at the end of each month for the year 2023:

2023	High AED	Low AED	Close AED
January	2.33	2.13	2.19
February	2.23	2.00	2.00
March	2.42	2.00	2.33
April	2.39	2.05	2.26
May	2.31	2.13	2.25
June	2.35	2.18	2.26
July	2.28	2.19	2.22
August	3.08	2.20	2.83
September	3.27	2.74	3.01
October	3.02	2.43	2.91
November	3.55	2.86	3.35
December	3.38	3.02	3.11

Dividend policy

The Company's ability to pay dividends is dependent on a number of factors, including:

- the availability of distributable reserves and the Company's capital expenditure plans and other cash requirements in future periods;
- market conditions and the operating environment in the Company's markets;
- the Board's outlook for the business;
- future profits and the Company's business plan (including the Company's ability to perform in accordance with the expectations in its business plan);
- the discretion of the Board; and
- the approval of any dividend payment at a general meeting of the Company's shareholders.

There is no assurance that the Company will be able to pay dividends or, if a dividend is paid, what the amount of such dividend will be. Subject to the factors described above, the Company intends to pay cash dividends from 2023 onwards, on the expected basis of a pay-out ratio of 40 to 70% of net income, dependent on required investment for additional growth plans.

In the absence of any attractive investment opportunities that meet the Group's investment criteria and return thresholds, the Group will distribute dividends at the upper end of the pay-out ratio range or potentially higher. The Company's first interim dividend amounted to AED 95.27 million, which was paid on 31 August 2023 on the basis of net income for the first half of 2023.



14. Investor relations

Burjeel Holdings is committed to ensuring the fair treatment and the rights of all its shareholders, as well as guaranteeing accurate and timely disclosures.

The Group maintains an ongoing dialogue with stakeholders to ensure that the market is well informed about the Group's activities. Burjeel's Investor Relations team is well-qualified, with extensive experience in public relations, corporate communication, and with full knowledge of the Company's activities and opportunities.

Material information about Burjeel's activities is promptly disclosed in press releases and in Abu Dhabi Securities Exchange (ADX) regulatory disclosures (material announcements). Such disclosure is done in accordance with Securities and Commodities Authority and ADX legislative requirements. The Group also regularly publishes its IFRS financial statements, hosts public QE conference calls and has recently updated its investor presentation.

The main shareholder and investor engagement events during 2023 included:

- Group coverage by four leading investment banks and brokers
- Over 100 contacts with unique buy-side institutions
- Eight broker conferences and non-deal roadshows (MENA, USA, and UK)

The key topics discussed with shareholders in 2023 were as follows:

- Market landscape
- Business model overview
- Organic growth drivers
- Developments in the patient offering proposition
- Performance and growth drivers of Burjeel Medical City
- Digital and operational improvements
- Expansion growth opportunities in UAE and KSA
- O&M contracts expansion in MENA
- Capital deployment areas
- Investments in manpower
- Dividend policy
- Mid-term guidance
- Corporate governance overview
- ESG targets
- Investor relations activity

Key material events during 2023 were:

- Burjeel celebrated the first anniversary since its successful IPO and listing on ADX. The Group delivered a 47% increase in net profit and paid ~AED 95 million as the debut interim dividend in the first half of 2023 (42% of net profit for the period).
- The Group, in collaboration with renowned surgeon Dr. Dror Paley, launched the Paley Middle East Clinic. Located at the BMC, it will become a hub for world-class specialized orthopedic care.
- Burjeel Holdings joined hands with OncoHelix Inc. to establish a cutting-edge laboratory in Abu Dhabi for advanced molecular genetics, cellular and immunological profile testing.
- Burjeel partnered with Northwell Health to create a highly advanced Neuroscience Institute in Abu Dhabi and launched the Advanced Gynecology Institute at Burjeel Medical City in collaboration with IFEM Endo.
- Burjeel Holdings awarded Oracle Health with a AED 125 million contract to implement a state-of-the-art Electronic Medical Record Ecosystem.
- The Group assumed full operational responsibility of the 122-bed multi-specialty hospital in Al Dhafra region, owned by ADNOC.
- Burjeel opened four premier wellness centers in KSA in a partnership with Leejam Sports Company, the largest operator of fitness centers in the MENA region.

In the reporting year, the Group published its Databook and improved its investor presentation, presenting its investment case as the super-specialty healthcare provider of choice in the MENA region

Approved by the Board of Directors on 6 March 2024

Dr. Shamsheer Vayalil – Chairman of the Board of Directors
H.E. Dr. Thani bin Ahmed Al Zeyoudi – Chairman of the Nomination and Remuneration Committee
H.E. Ahmed Jasim Yousif Naser Alzaabi – Chairman of the Audit Committee
Dr. Ghuwaya Al Neyadi – Chairperson of the Business Development and Sustainability Committee
Mr. Muhammed Shihabuddin – Chief Financial Officer
Mr. Rajiv Puri – Head of Internal Audit and Risk

GRI 2-3

Contact details for the investor relations team are as follows:

Mr. Sergei Levitskii
Head of Investor Relations
- sergei.levitskii@burjeelholdings.com
- ir@burjeelholdings.com

Director's report

For the year ended 31 December 2023

The Directors of Burjeel Holdings PLC (the 'Company') and its subsidiaries (collectively referred to as the 'Group') have pleasure in submitting their report, together with the audited consolidated financial statements for the year ended 31 December 2023.

Principal activity

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-specialty hospitals, medical, surgical and dental services and sale of pharmaceutical goods and medical equipment.

Results

AED	2023	2022
Revenue	4,535,007,633	3,924,010,647
Total comprehensive income for the year	**540,414,769**	**354,579,393**

Directors

The Directors of the Company as of 31 December 2023 are as follows:
Dr. Shamsheer Vayalil (Appointed – 07 January 2020)
H.E. Ahmed Jasim Yousuf Naser Alzaabi (Appointed – 08 September 2022)
H.E. Dr. Thani bin Ahmed Al Zeyoudi (Appointed – 08 September 2022)
Mr. Omran Mohammed Saleh Al Khoori (Appointed – 08 September 2022)
Dr. Ghuwaya Mohammed Khuwaidem Abdulla Al-Neyadi (Appointed – 08 September 2022)
Dr. Mohan Chellappa (Appointed – 08 September 2022)
Mr. Mohd Loay T A Abdelfattah (Appointed – 19 September 2022)

Directors' statement to the disclosure to auditors

In so far as the Directors are aware, there is no relevant information of which the Group's auditors are unaware.

The Group's auditors have been provided with access to all information of which we are aware that is relevant to the preparation of consolidated financial statements.

Auditors

A resolution to reappoint Ernst and Young as auditors for the ensuing year will be put to the shareholder at Annual General Meetings.

Dr. Shamsheer Vayalil Parambath
Chairman

Financial Statements

Independent auditor's report to the shareholders of Burjeel Holdings PLC

Report on the audit of the consolidated financial statements

Ernst & Young – Middle East (ADGM Branch)
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ADGM Registered No. 000001136

Building a better working world

Opinion

We have audited the consolidated financial statements of Burjeel Holdings PLC (the 'Company') and its subsidiaries (collectively referred to as the 'Group'), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs').

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs'). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the 'IESBA Code') together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Abu Dhabi Global Market ('ADGM'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Revenue recognition

Revenue recognition is considered to be a key area of focus given that revenue is material and an important determinant of the Group's performance and profitability. The Group recognizes revenue from a number of revenue streams relating to its healthcare segments including hospitals, medical centers and pharmacies revenues. Given the magnitude of the amount, volume of transactions and diversity of operations, we consider revenue recognition to be a key audit matter. During the year ended 31 December 2023, total revenue of the Group amounted to AED 4,535,007,633 (2022: AED 3,924,010,647) (note 3).

To address the above risk, we performed the following procedures among others:

- Reviewed the Group's revenue recognition policy as per IFRS 15, Revenue from contracts with customers and assessed its appropriateness;
- Understood the design of the internal controls surrounding the revenue recognition process;
- Performed substantive testing over transactions on a sample basis and tested their occurrence, accuracy and recognition, by tracing them back to supporting documents;
- Performed correlation analysis between revenue and trade receivables and performed analytical review procedures on revenue based on monthly sales and profit margins;
- Performed cut off procedures by selecting a sample of transactions before and after the year end to evaluate the recognition in the current reporting period;
- Tested journal entries on a sample basis, based on revenue related risk profiles (such as amounts, posting date, adjustments) to identify any instances of management override; and
- Evaluated the adequacy of disclosures relating to revenue.

Provision for expected credit losses

At 31 December 2023, gross trade receivables amounted to AED 2,187,419,636 (2022: AED 1,756,444,534) against which provision for expected credit loss ('ECL') of AED 786,671,761 (2022: AED 704,675,768) was recorded (note 12). The gross trade receivables represent 42% of the total assets presented in the consolidated financial statements. The Group assesses at each reporting date whether the financial assets carried at amortized cost are credit-impaired. Management has applied the simplified approach for measurement of ECL for trade receivables. The ECL model involves the use of various assumptions, historical trends relating to the Group's trade collections experience and other specific factors. The Group exercises significant judgement when determining both when and how much to record as the ECL.

We have considered ECL as key audit matter given the size of trade receivables and the identification of significant delays in the collection of trade receivables which results in the application of significant auditor judgement regarding the accounting estimates made by management in determining the ECL.

The Group's disclosures included in note 2 of the consolidated financial statements outline the accounting policy and significant estimates made and judgements applied for determining the ECL.

We performed the following procedures in relation to the provision for expected credit losses:

- We obtained an understanding of the process and identified the relevant controls over the measurement and determination of the allowance for ECL;
- We compared the ECL model developed by management against the requirements of IFRS 9 and reviewed the methodology against accepted best practice;
- We tested the arithmetical accuracy of the model;
- We performed procedures on individually significant balances, such as substantiating transactions with underlying documents, including inspecting contracts, tracing subsequent receipts to the bank statements and inspecting the underlying invoices, to obtain evidence for the existence and valuation of the recorded receivables;
- We tested key assumptions, such as those used to calculate the likelihood of default and the subsequent loss on default, by comparing to historical data;
- We compared the results of the output of the ECL model developed by management to the amounts reported in the consolidated financial statements; and
- We assessed the disclosure in the consolidated financial statements relating to this matter against the requirements of IFRSs.

Other information

Other information consists of the information included in the Board of Directors' report, other than the consolidated financial statements and our auditor's report thereon. We obtained the Board of Directors' report prior to the date of our audit report and we expect to obtain the annual report after the date of our auditor's report. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and the Board of Directors for the consolidated financial statements

The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and in compliance with the applicable provisions of the Company's Articles of Association, Companies Regulation 2020 of Abu Dhabi Global Market (ADGM), and for such internal control as the management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. the consolidated financial statements include, in all material respects, the applicable requirements of the Companies Regulations 2020 of ADGM; and
2. the financial information included in the Director's report is consistent with the books of account and records of the Group.

Signed by:

Anthony O'Sullivan

Partner, Ernst & Young

06 March 2024
Abu Dhabi

Burjeel Holdings PLC

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2023

	Notes	***2023*** ***AED***	*2022* *AED*
Revenue	3	**4,535,007,633**	3,924,010,647
Doctors' and employees' salaries and emoluments	4	**(1,947,204,275)**	(1,701,419,442)
Inventories consumed	11	**(1,095,884,743)**	(904,165,996)
Depreciation of property and equipment	8	**(231,120,296)**	(247,401,883)
Amortisation of intangible assets	9	**(5,109,438)**	(4,151,114)
Depreciation of right-of-use assets	18	**(115,426,280)**	(102,834,722)
Provision for expected credit losses	12	**(84,113,351)**	(65,127,796)
Other expenses	6	**(414,405,193)**	(396,770,422)
OPERATING PROFIT FOR THE YEAR		**641,744,057**	502,139,272
Finance costs	5	**(141,320,558)**	(210,970,393)
Interest income from related parties	19	**-**	42,190,735
Change in fair value of financial assets carried at fair value through profit and loss	22	**15,642,567**	-
Other income		**6,157,593**	-
Share of profit from associates	21	**18,191,110**	21,219,779
PROFIT FOR THE YEAR		**540,414,769**	354,579,393
Other comprehensive income		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**540,414,769**	354,579,393
Profit for the year and total comprehensive income for the year attributable to:			
Equity holders of the Parent		**516,192,124**	338,142,826
Non-controlling interests	27	**24,222,645**	16,436,567
		540,414,769	354,579,393
Earnings per share attributable to the equity holders of the Parent:			
Basic and diluted earnings per share	26	**0.10**	0.06

The accompanying notes 1 to 28 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2023

	Notes	2023 AED	2022 AED
ASSETS			
Non-current assets			
Property and equipment	8	**1,914,555,641**	2,001,503,707
Intangible assets	9	**18,873,594**	7,278,837
Right-of-use assets	18	**1,010,791,935**	1,018,557,484
Capital work in progress	10	**39,916,220**	23,281,616
Investment in associates	21	**28,663,675**	29,072,565
Term deposits		**2,552,500**	2,552,500
		3,015,353,565	3,082,246,709
Current assets			
Inventories	11	**261,272,228**	239,850,836
Accounts receivable and prepayments	12	**1,634,119,073**	1,189,737,105
Amounts due from related parties	19	**23,793,148**	23,338,218
Financial asset carried at fair value through profit and loss	22	**36,862,062**	-
Bank balances and cash	13	**170,004,976**	149,962,481
		2,126,051,487	1,602,888,640
TOTAL ASSETS		**5,141,405,052**	4,685,135,349
EQUITY AND LIABILITIES			
Equity			
Share capital	14(a)	**520,513,417**	520,513,417
Share premium	14(c)	**366,854,049**	366,854,049
Other reserve	14(d)	**3,039,504**	3,039,504
Shareholder's contribution	14(e)	**3,553,665**	3,553,665
Retained earnings		**615,624,704**	194,686,535
Equity attributable to equity holders of the parent		**1,509,585,339**	1,088,647,170
Non-controlling interests	27	**47,471,593**	29,199,928
Total equity		**1,557,056,932**	1,117,847,098
Non-current liabilities			
Interest bearing loans and borrowings	16	**782,086,391**	903,820,385
Lease liabilities	18	**1,062,444,262**	1,077,976,668
Employees' end of service benefits	15	**151,117,100**	121,447,629
Derivative financial instrument	25	**30,396,005**	28,374,631
		2,026,043,758	2,131,619,313
Current liabilities			
Accounts payable and accruals	17	**1,029,363,696**	945,477,127
Lease liabilities	18	**107,362,123**	97,632,216
Interest bearing loans and borrowings	16	**381,911,515**	356,971,713
Amounts due to related parties	19	**39,667,028**	35,587,882
		1,558,304,362	1,435,668,938
Total liabilities		**3,584,348,120**	3,567,288,251
TOTAL EQUITY AND LIABILITIES		**5,141,405,052**	4,685,135,349

Mr. John Sunil
Chief Executive Officer

Mr. Muhammed Shihabuddin
Chief Financial Officer

The accompanying notes 1 to 28 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Attributable to the Equity holders of the parent								
	Share capital AED	*Shareholders' account AED*	*Share premium AED*	*Other reserve AED*	*Shareholder's contribution AED*	*Retained earnings (accumulated losses) AED*	*Total AED*	*Non-controlling interest AED*	*Total equity AED*
As at 1 January 2022	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 year	-	-	-	-	-	338,142,826	338,142,826	16,436,567	354,579,393
Total comprehensive income for the year	-	-	-	-	-	338,142,826	338,142,826	16,436,567	354,579,393
Additional contribution (Note 14(e))	-	-	-	-	300,000	-	300,000	-	300,000
Increase in share capital (Note 14(a))	549,266,000	(532,835,106)	-	-	(16,430,894)	-	-	-	-
Reduction in share capital (Note 14(a))	(49,526,349)	-	-	-	-	49,526,349	-	-	-
Issuance of share capital (Note 14(a)) / (Note 14(c))	20,039,766	-	380,755,564	-	-	-	400,795,330	-	400,795,330
Equity issuance costs (Note 14(c))	-	-	(13,901,515)	-	-	-	(13,901,515)	-	(13,901,515)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	(5,000,000)	(5,000,000)
Transferred to statutory reserve (Note 14(d))	-	-	-	150,000	-	(150,000)	-	-	-
Movement in shareholder's account, net (Note 14(b))	-	(128,484)	-	-	-	-	(128,484)	-	(128,484)
As at 31 December 2022	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
As at 1 January 2023	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 year	-	-	-	-	-	516,192,124	516,192,124	24,222,645	540,414,769
Total comprehensive income for the year	-	-	-	-	-	516,192,124	516,192,124	24,222,645	540,414,769
Capital injected by non-controlling shareholders	-	-	-	-	-	-	-	49,020	49,020
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	(6,000,000)	(6,000,000)
Dividend paid to shareholders of the Company (note 7)	-	-	-	-	-	(95,253,955)	(95,253,955)	-	(95,253,955)
As at 31 December 2023	**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**

The accompanying notes 1 to 28 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2023

	Notes	2023 AED	2022 AED
OPERATING ACTIVITIES			
Profit for the year		**540,414,769**	354,579,393
Adjustments for:			
Depreciation of property and equipment	8	**231,120,296**	247,401,883
Amortisation of intangible assets	9	**5,109,438**	4,151,114
Depreciation of right-of-use assets	18	**115,426,280**	102,834,722
Provision for expected credit losses	12	**84,113,351**	65,127,796
Change in fair value of financial assets carried at fair value through profit and loss	22	**(15,642,567)**	-
Share of profit from investments in associates	21	**(18,191,110)**	(21,219,779)
Interest income from related parties	19	**-**	(42,190,735)
Provision for employees' end of service benefits	15	**48,781,233**	35,608,752
Write back of liabilities		**(3,921,018)**	-
Lease adjustment		**(5,206,346)**	75,426
Gain on disposal of property and equipment		**(646,280)**	(350,000)
Change in fair value of derivative financial instrument	25	**2,021,374**	9,416,881
Finance costs	5	**141,320,558**	210,970,393
		1,124,699,978	966,405,846
Working capital changes:			
Inventories		**(21,421,392)**	(32,542,122)
Accounts receivable and prepayments		**(528,495,319)**	(360,581,483)
Amounts due from related parties		**2,804,275**	78,547,604
Accounts payable and accruals		**93,248,996**	(100,700,060)
Amounts due to related parties		**4,496,813**	(18,245,055)
Cash generated from operations		**675,333,351**	532,884,730
Employees' end of service benefits paid	15	**(22,370,967)**	(16,413,018)
Finance costs paid		**(87,208,918)**	(158,237,562)
Net cash flows from operating activities		**565,753,466**	358,234,150
INVESTING ACTIVITIES			
Purchase of property and equipment	8	**(144,408,692)**	(72,544,213)
Additions to intangible assets	9	**(16,704,195)**	(3,500,020)
Additions to capital work in progress	10	**(16,670,937)**	(7,112,256)
Proceeds from sale of property and equipment		**678,695**	521,627
Proceeds from transfer of property and equipment to related parties		**381,304**	-
Movement in non-current term deposits		**-**	643,489
Purchase of marketable securities	22	**(21,219,495)**	-
Net movements in amounts due from related parties		**-**	1,537,005,150
Dividend income received from associates, net of investments	21	**12,600,000**	13,200,000
Net cash flows (used in) from investing activities		**(185,343,320)**	1,468,213,777
FINANCING ACTIVITIES			
Net movement in shareholder's account		**-**	(128,484)
Net movement in share contribution		**-**	300,000
Proceeds from issuance of shares		**-**	400,795,330
Issuance costs on issuance of shares		**-**	(13,901,515)
Capital injected by non-controlling shareholders		**49,020**	-
Dividend paid to shareholder of the Company		**(95,253,955)**	-
Payment of principal portion of lease liabilities	18	**(162,368,524)**	(140,468,862)
Dividend paid to non-controlling interests		**(6,000,000)**	(5,000,000)
Net movement in margin account		**(601,629)**	(44,481)
Repayment of derivative financial instrument	25	**-**	(13,505,988)
Proceeds from interest-bearing loans and borrowings		**5,068,096**	300,964,524
Repayment of interest-bearing loans and borrowings		**(101,862,288)**	(2,247,879,330)
Net cash flows used in financing activities		**(360,969,280)**	(1,718,868,806)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**19,440,866**	107,579,121
Cash and cash equivalents at 1 January		**146,736,382**	39,157,261
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	13	**166,177,248**	146,736,382

The accompanying notes 1 to 28 form an integral part of these consolidated financial statements.

1 ACTIVITIES

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

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

On 8 September 2022, the Company's shareholders passed a resolution to change the name of the Company to Burjeel Holdings PLC from Burjeel Holdings PVT. Limited and the legal formalities to change the Company's name were completed on 15 September 2022.

The Company was 100% owned and controlled by Dr. Shamsheer Vayalil Parambath (hereinafter referred as the "Director" or the "Shareholder") through VPS Healthcare Holdings PVT. LTD, an entity registered as a Private Company Limited by Shares in Abu Dhabi Global Market (ADGM) under license number 000003462. On 20 September 2022, the ownership of VPS Healthcare Holdings PVT. Ltd decreased to 79.8% as VPS Healthcare Holdings PVT. Ltd sold 750,710,477 (15%) of its shares to Quant Lase Lab LLC and transferred 260,256,708 (5.2%) of its shares to SYA Holdings PVT. Ltd.

On 10 October 2022, the Company listed 11% of its share capital on Abu Dhabi Securities Exchange ("ADX") as part of Initial Public Offering ("IPO") (Note 14(a)).

Subsequent to the IPO, 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 consolidated financial statements were approved by the Board of Directors and authorized for issuance on 06 March 2024.

2.1 STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB") and applicable provision of the Companies Regulations 2020 of Abu Dhabi Global Market (ADGM).

The consolidated financial statements have been presented in United Arab Emirates Dirhams ("AED"), which is the functional currency of the Company.

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

The consolidated financial statements are prepared under the historical cost basis except for derivative financial instrument and financial assets carried at fair value through profit and loss (FVTPL).

2.2 BASIS OF PREPARATION

Dr Shamsheer Vayalil 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 2.5 to the consolidated financial statements (the 'Entities'), that were beneficially owned and controlled by Dr Shamsheer Vayalil. As per the FSPA, Dr Shamsheer Vayalil 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 Dr Shamsheer Vayalil 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.

Accordingly, for the purpose of this consolidated financial statements:

- The assets and liabilities of the Entities were reflected at their carrying amounts. No adjustments were made to reflect fair values, or recognise any new assets or liabilities, at the date of the acquisition that would otherwise be recognised under the acquisition method.
- No goodwill was recognised as a result of the consolidation. Any difference between the consideration transferred and the acquired net assets was reflected within equity.
- The statement of comprehensive income reflects the results of the Entities.

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 Company restated the periods prior to the business combination under common control, to the extent that the combining parties were under common control of the same controlling party (retrospective approach). The financial information in the consolidated financial statements were restated for periods prior to the combination, to reflect the combination as if it had occurred from the beginning of the earliest period presented.

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 consolidated financial statements of the Group:

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

2.3 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new standards, interpretations and amendments effective as of 1 January 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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

These amendments had no significant impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in these financial statements.

IFRS 17 Insurance contracts
IFRS 17 Insurance Contracts (IFRS 17) is effective for reporting periods beginning on or after 1 January 2023. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. Limited scope exceptions apply.

The Group has not identified contracts that result in the transfer of significant insurance risk, and therefore it has concluded that IFRS 17 does not have an impact on these financial statements.

Definition of Accounting Estimates - Amendments to IAS 8
The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12
In May 2021, the Board issued amendments to IAS 12 Income Taxes, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. Amendments is applicable to transactions that occur on or after the beginning of the earliest comparative period presented.

International Tax Reform - Pillar Two Model Rules - Amendments to IAS 12
The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

In line with IAS 12 (as amended), the Group has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

2.4 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- Amendments to IFRS 16: Lease Liability in a Sale and Lease back
- Amendments to IAS 1: Classification of Liabilities as Current or Non-Current
- Supplier Finance Arrangement – Amendments to IAS 7 and IFRS 17

The management is currently assessing the impact of adopting the above standards and amendments on the Group's consolidated financial statements in the period of their initial application. The Group intends to adopt these standards, if applicable, when they become effective.

2.5 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December each year. 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 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.

2.5 BASIS OF CONSOLIDATION continued

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.

Details of the Company's significant subsidiaries are as follows:

Name of subsidiaries	*Beneficiary ownership percentage*	*Place of incorporation*	*Principal activities*
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 (formerly Medeor 24x7 International Hospital LLC)	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 Retail Pharmacy LLC(formerly 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
Claims Care Revenue Cycle Management Office LLC	100%	UAE	Provision of services within the Group
LLH Hospital LLC	100%	UAE	Health care services
LLH Hospital Pharmacy LLC	100%	UAE	Health care services
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
Burjeel Pharmacy Forsan Central Mall LLC	100%	UAE	Health care services

2.5 BASIS OF CONSOLIDATION continued

Name of subsidiaries	*Beneficiary ownership percentage*	*Place of incorporation*	*Principal activities*
List of operating entities continued			
Burjeel Drug Store LLC (formerly 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 services within the Group
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 services within the Group
Medeor 24x7 Hospital LLC	100%	UAE	Health care services
Medeor 24x7 Pharmacy LLC	100%	UAE	Health care services
Burjeel Farha Pharmacy LLC (formerly Medeor International Pharmacy LLC)	100%	UAE	Health care services
Medeor 24x7 Hospital LLC	100%	UAE	Health care services
Marina Health Promotion Centre LLC	100%	UAE	Health care services
Integrated Medical Care Services Company*	50%	KSA	Health care services
Burjeel Gulf Medical Care Company*	100%	KSA	Health care services
LLH Medical Centre LLC*	100%	UAE	Health care services
LLH Medical Centre LLC – Branch*	100%	UAE	Health care services
LLH Clinic LLC – Branch*	100%	UAE	Health care services
Lifecare Clinic LLC – Branch*	50%	UAE	Health care services
Burjeel Retail Pharmacy LLC – Branch*	100%	UAE	Health care services

*These entities have started operations during the current year.

List of dormant entities**			
Burjeel Dental Laboratory LLC	100%	UAE	Teeth Manufacturing & Compensation Lab
Burjeel Cancer Institute LLC	100%	UAE	Cancer Diseases Surgery
Burjeel IVF Centre LLC	100%	UAE	Health care services
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
Burjeel Investments and Property	100%	UAE	Real Estate Lease & Management Services
Kypros Nicolaides Fetal Medicine and Therapy Centre LLC	100%	UAE	Health care services

2.5 BASIS OF CONSOLIDATION continued

List of dormant entities** continued

Name of subsidiaries	*Beneficiary ownership percentage*	*Place of incorporation*	*Principal activities*
List of associates			
First IVF Fertility Centre LLC	30%	UAE	Health care services
International Knee & Joint Centre LLC	40%	UAE	Health care services

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

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.

2.6 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

The key judgments, estimates and assumptions that have a significant impact on the consolidated financial statements of the Group are discussed below:

Judgments

Determining the lease term of contracts with renewal and termination options – the Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group typically exercises its option to renew for these leases because on the previous experience and the future intention of the management to continue, significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of hospital, medical centres and stores with longer lease periods (i.e., >5-10 years) are not included as part of the extended lease term as these are not reasonably certain to be exercised.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

2.6 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS continued

Judgments continued

Identifying performance obligations

At inception of the contract with customers, the Group assesses the performance obligations embedded in the contracts. Based on the assessment, the Group has concluded that sale of goods and healthcare services is generally expected to be the performance obligation. Management considers other incidental services are integral part of healthcare services and not capable of being distinct in the context of contract with the customers. There are no other performance obligations or benefits derived by the customers from the contracts.

Determining method to estimate variable consideration and assessing the constraint

The contracts for the sale of goods include a right of return and discounts that give rise to variable consideration, primarily relating to pharmacy business. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with rights of return, given the large number of customer contracts that have similar characteristics. Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions.

Determining transaction price and allocation

The Group considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised services to a customer. The Group assesses whether, the services are distinct or capable of being distinct within the content of the contracts. The Group has concluded that the services are substantially the same and have the same pattern of transfer to the customers.

Some contracts include disallowances for medical and non-medical reasons. As these transaction prices are not deemed to be collectible the transaction price must be allocated to the performance obligations on a relative stand-alone collectible basis. Management estimates the stand-alone selling price at contract inception based on observable prices likely to be provided and the services rendered in similar circumstances to similar customers. If a discount is granted, it is allocated to both performance obligations based on their relative stand-alone selling prices.

Transfer of control in contracts with customers

In cases where the Group determines that performance obligations are satisfied at a point in time, revenue is recognised when control over the asset that is the subject of the contract is transferred to the customer or benefits of the services being provided is received and consumed by the customer.

Consideration of significant financing component in a contract

Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. The Group concluded that there is no significant financing component for those contracts where the customer elects to pay in advance considering the length of time between the customer's payment and the transfer of goods to the customer.

Principal versus agent considerations (judgement relating to revenue recognition)

The Group enters into contracts with its customers for supply of goods and services. The Group determined that it controls the goods and services before they are transferred to customers, and it has the ability to direct the use of the or obtain benefits from the good or services. The following factors indicate that the Group controls the goods before they are being transferred to customers. Therefore, the Group determined that it is a principle in all its revenue arrangements.

- The Group is primarily responsible for fulfilling the promise to provide the specified goods or services.
- The Group has inventory risk before the specified goods has been transferred to the customers.
- The Group has discretion in establishing the price for the specified goods or services.
- The Group is exposed to all the credit risks associated with the revenue arrangement.

2.6 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS continued

Judgments continued
Principal versus agent considerations (judgement relating to revenue recognition) continued
Also, each contractual arrangement with individual doctors is assessed against specific criteria to determine whether the Group is acting as principal or agent in the arrangement with these doctors. The Group has determined that it is acting as Principal in these arrangements if it has the responsibility for providing the medical services to the patient, it acts as the primary obligator and it bears the risk of providing the medical service.

Consolidation of subsidiaries, including entities in which the Group holds 50% of the beneficial ownership
The Group has evaluated all the investee entities to determine whether it controls the investee as per the criteria laid out by IFRS 10 Consolidated Financial Statements. The Group has evaluated, amongst other things, its ownership interest, the contractual arrangements in place and its ability and the extent of its involvement with the relevant activities of the investee entities to determine whether it controls the investee.

The Group considers that it controls certain entities with a beneficial holding of 50% (as mentioned in note 2.5) even though it owns only 50% of the voting rights. The Group has contractual arrangements in place that provides it with control through existing rights that give the current ability to direct the relevant activities of the investee that significantly affect the returns of the investee. The general manager, who is responsible for managing the affairs of the investee, is appointed by the Group.

Use of estimates and assumptions
The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur. Certain of these accounting policies require critical accounting estimates that involve complex and subjective judgments and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Such critical accounting estimates could change from period to period and have a material impact on the Group's results of operations, consolidated financial positions and cash flows.

Impairment of inventories
Inventories are held at the lower of cost and net realizable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

At the reporting date gross inventories were AED 261,272,228 (2022: AED 239,850,836) with no provision for slow moving or obsolete items (2022: Nil). Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the consolidated statement of comprehensive income.

Estimated useful lives of property and equipment
The Group's management determines the estimated useful lives of its property and equipment for calculating depreciation. The cost of property and equipment is depreciated over the estimated useful life, which is based on the expected usage of the asset, expected physical wear and tear, and the repairs and maintenance program and the residual value. The Group reviews the estimated useful lives of property and equipment at the end of each annual reporting period and any changes to the estimated useful life is adjusted prospectively. The residual values have not been considered as they are deemed immaterial.

Useful lives of right-of-use assets
The Group's management determines the estimated useful lives of its right-of-use assets for calculating amortisation. The cost of right-of-use assets are amortised over the estimated useful lives of the assets, which is based on shorter of the lease term and the estimated useful lives of the assets. The Group reviews the estimated useful lives of right-of-use assets at the end of each annual reporting period. Any change in the lease term or pattern of consumption of these assets are adjusted prospectively.

2.6 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS continued

Use of estimates and assumptions continued

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in arm's length transactions of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating units being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Provision for expected credit losses

The Group assesses the impairment of its financial assets based on the Expected Credit Loss ("ECL") model. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. Under the expected credit loss model, the Group accounts for expected credit losses and changes in those expected credit losses at the end of each reporting period to reflect changes in credit risk since initial recognition of the financial assets.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type). The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The Group measures the expected credit losses of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

2.6 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS continued

Use of estimates and assumptions continued

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating). The Group's uses IBR ranging from 4.33% to 5.75%.

Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Provision for employees' end of service benefits

An actuarial valuation is not considered necessary by management in respect of employees' end of service benefits as the net impact of the discount rate and future salary and benefits level on the present value of the benefits obligation are not expected to be significant.

Rejections on medical services

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 accept and expect an amount of consideration that is less than what was originally invoiced. These write-offs 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).

2.7 MATERIAL ACCOUNTING POLICY INFORMATION

Investment in associates

An associate is an entity over which the Group has significant influence that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but has no control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investment in associates is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture recognised at the date of acquisition is recognised as goodwill. Goodwill relating to the associate is included in the carrying amount of the investment and is assessed for impairment as part of the investment Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the consolidated statement of comprehensive income.

2.7 MATERIAL ACCOUNTING POLICY INFORMATION continued

Investment in associates continued
The consolidated statement of comprehensive income reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of the associate is shown on the face of the consolidated statement of comprehensive income outside operating profit.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value. The impairment loss is then recognised as 'Share of losses of joint ventures' in the consolidated statement of comprehensive income.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in consolidated statement of comprehensive income.

The financial statements of the associate is prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Revenue from contract with customers
The Group is mainly engaged in providing medical, healthcare and polyclinic services and sale of medicines.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, historical collections, rejection rates and excluding taxes and duty. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The Group provides inpatient and outpatient services. Revenue from providing services is recognised in the accounting period in which the services are rendered. The fees for services include charges for doctors' consultancy fees, room rent, radiology, laboratory, and pharmaceutical items used. Revenues are measured at the transaction price which is the amount of consideration that the Group expects to be entitled to in exchange for the services provided. A performance obligation is a promise to transfer distinct goods and services to a customer. Hospital services provided to patients are regarded as a bundle of services which comprise accommodation, meals, theatre time, use of equipment, pharmacy stock and nursing services. This is considered to be a single performance obligation as the medical procedures cannot be performed without one of the above elements. Revenue is recorded during the period in which the hospital service is provided and is based on the amounts due from patients and/or medical insurers. Fees are calculated and billed based on various tariff agreements with insurers/customers.

Normal business process associated with transactions with insurers includes a number of claims disallowed (disallowance provision) which is not paid by the insurer. These disallowed claims could be for various technical or medical reasons. Disallowance write-offs on rejected claims is a general practice by the insurers in the Middle East. Accordingly, the Group expects an amount of consideration that is less than what was originally invoiced. These write-offs 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.

2.7 MATERIAL ACCOUNTING POLICY INFORMATION continued

Revenue from contract with customers continued
The Group does not expect to have any contracts where the period between the transfer of the promised service to the patient and the payment by the patient exceeds one year. Consequently, the Group does not adjust any of the transaction prices for time value of money.

Sale of goods – pharmacy
The Group operates a chain of pharmacies selling medical inventories. Revenue from the sale of goods is recognised when the Group sells a product to the customer. Payment of the transaction price is due immediately when the customer purchases the medical inventories and takes delivery in a store, at which the right to consideration becomes unconditional.

Revenue from operations and management
Income from operations and management represent the services rendered for the management of customer's clinics and medical centers. This income is recognised on a time apportionment basis.

i) Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Certain contracts with customers provide customers with a right of return and discounts. The rights of return and discounts give rise to variable consideration.

Sale contracts provide a customer with a right to return the goods within a specified period. The Group uses the 'expected value method' to estimate the goods that will be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price.

For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. A right of return asset (and corresponding adjustment to cost of goods sold) is also recognised for the right to recover products from a customer. However, considering the historical experience and pattern of subsequent returns, which were not significant, the Group has not recognised a refund liability and right to recover/return assets.

(ii) Significant financing component

Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. The Group does not receive any long terms advances from customers in relation to its revenue arrangements.

(iii) Non-cash consideration

The Group does not receive any non-cash considerations.

Rental income
Rental income is recognised on a straight-line basis over the term of the lease and presented as part of revenue due to its operating nature. The Group does not transfer substantially all the risks and rewards incidental to ownership of the asset leased out and accordingly these lease contracts are classified as operating leases. Contingent rents are recognised as revenue in the period in which they are earned.

2.7 MATERIAL ACCOUNTING POLICY INFORMATION continued

Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the consolidated statement of comprehensive income in the year in which they are incurred.

Property and equipment
Property and equipment are recorded at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on property and equipment at the following rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life:

Buildings	50 years
Leasehold improvements	4 – 20 years
Medical equipments	7 – 12 years
Furniture and fixtures	2 – 10 years
Computer and office equipments	4 – 5 years
Motor vehicles	4 – 5 years

The useful lives and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in the consolidated statement of comprehensive income as the expense is incurred.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of property and equipment may not be recoverable. Whenever the carrying amount of property and equipment exceeds their recoverable amount, an impairment loss is recognised in the consolidated statement of comprehensive income. The recoverable amount is the higher of fair value less costs to sell of property and equipment and the value in use. The fair value less costs to sell is the amount obtainable from the sale of property and equipment in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of property and equipment and from its disposal at the end of its useful life.

Reversal of impairment losses recognised in the prior years are recorded when there is an indication that the impairment losses recognised for the property and equipment no longer exist or have reduced.

Capital work in progress
Capital work in progress is stated at cost less impairment and includes property and equipment that is being developed for future use. Capital work-in-progress is not depreciated, however, tested for impairment when indicator exists. Allocated costs along with borrowing costs directly attributable to the construction of the asset are capitalised. Cost of capital work in progress represents the purchase price or cost of service required to complete an asset.

The capital work in progress is transferred to the appropriate asset category and depreciated in accordance with the Group's policies when construction of the asset is completed and commissioned.

Intangible assets
Intangible assets are mainly computer software licenses and implementation costs and are stated at cost less accumulated amortisation and any impairment in value. The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The average useful lives of the intangible assets are assessed to be between 4 to 10 years.

2.7 MATERIAL ACCOUNTING POLICY INFORMATION continued

Impairment of non-financial assets
The Group assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators. Impairment losses of continuing operations are recognised in the consolidated statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of comprehensive income.

Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

2.7 MATERIAL ACCOUNTING POLICY INFORMATION continued

Financial instruments continued

i) Financial assets continued

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost;
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost
This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes bank balances and cash, accounts and other receivables, long term deposits and amounts due from related parties.

The Group does not have any financial assets at fair value through OCI or financial assets carried at fair value through profit or loss.

Cash and cash equivalents
Bank balances and cash in the consolidated statement of financial position comprise cash at banks and on hand, margin deposits and short-term deposits, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts, if any, as they are considered an integral part of the Group's cash management and excludes any balances provided as security and not available for the Group's use.

Impairment of financial assets
The Group recognises an allowance for expected credit losses (ECLs) for all financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). For trade receivables, the Group applies a simplified approach in calculating ECLs as these financial assets do not contain significant financing component and usually have a maturity of one year or less. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on ECLs at each reporting date. The Group has established default rates that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the customers and the economic environment.

2.7 MATERIAL ACCOUNTING POLICY INFORMATION continued

Financial instruments continued

i) Financial assets continued

Impairment of financial assets continued
The Group considers a financial asset in default when contractual payments are 300 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition of financial assets
A financial asset (or, when applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through 'arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

ii) Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include loans and borrowings, lease liabilities, bank overdrafts, derivative financial instrument, amounts due to related parties, accounts payable and accruals.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost (loans and borrowings)
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement comprehensive income.

This category generally applies to loans and borrowings, lease liabilities, bank overdrafts, amounts due to related parties, accounts payable and accruals.

2.7 MATERIAL ACCOUNTING POLICY INFORMATION continued

Financial instruments continued

ii) Financial liabilities continued

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes derivative financial instrument entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Gains or losses on liabilities at fair value through profit or loss are recognised in the statement of comprehensive income under finance costs. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

Offsetting of financial instruments
Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instrument
Derivatives are classified as derivative financial instrument unless they are designated as effective hedging instruments or financial guarantee contract. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at fair value. Derivative financial instrument are carried in the statement of financial position at fair value reflecting changes in interest rates. The gains or losses arising from changes in fair values are recognised in the income statement unless the derivative is designated as a net investment hedge or effective portion of cash flow hedges, which is recognised in other comprehensive income. If the fair value of the derivative is positive it is classified as an asset, if the fair value of the derivative is negative it is classified as a liability.

The Group also uses interest rate caps and swaps to manage its risks associated with interest rate fluctuations. Such derivative financial instrument is initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivative financial instrument consists of profit rate swaps and are measured at the present value of estimated future cash flows and discounted based on the applicable yield curves derived from quoted interest rates. Based on the degree to which the fair value is observable, the profit rate swaps are grouped as level 2 in the fair value hierarchy.

Current versus non-current classification
The Group presents assets and liabilities in consolidated statement of financial position based on current/non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

2.7 MATERIAL ACCOUNTING POLICY INFORMATION continued

Current versus non-current classification continued
A liability is classified as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Inventories
Inventories are valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items. Costs are those expenses incurred in bringing each product to its present location and condition and are determined on a weighted average basis. Net realisable value is based on estimated selling price less any further costs expected to be incurred to disposal.

Employees' end of service benefits
The Group provides end of service benefits to its expatriate employees in United Arab Emirates and Oman. The entitlement to these benefits is usually based upon the employees' final salary and length of service subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Pension contributions are made in respect of UAE national employees in accordance with the UAE Federal Law No. (2), 2000 for Pension and Social Security. Such contributions are charged to the consolidated statement of comprehensive income during the employee's period of service.

End of service benefit for Omani employees are contributed in accordance with the terms of the Social Securities Law 1991 and Civil Service Employees Pension Fund Law.

Provisions
Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount can be reliably estimated. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Foreign currency translations
The consolidated financial statements are presented in AED, which is the functional currency of the Company. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are recorded in the functional currency at the rate ruling at the date of the transaction, Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. All differences are taken to the consolidated statement of comprehensive income. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.7 MATERIAL ACCOUNTING POLICY INFORMATION continued

Foreign currency translations continued
Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right of use assets representing the right to use the underlying assets.

Right-of-use assets are depreciated on a straight-line basis over the lease term as follows:

Land	51.5 years
Buildings	5 to 25 years

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets include the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the asset.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities are increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities are remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2.7 MATERIAL ACCOUNTING POLICY INFORMATION continued

Leases continued
The Group as a lessee

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Taxes
Current income tax
Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date, in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of comprehensive income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Oman
Lifeline Hospital LLC, the subsidiary in Oman had a tax exemption granted up to 26 November 2016. The carried forward tax losses amounting to AED 55,694,778 (Riyal Omani 5,838,027) from the date of establishment to 26 November 2016 are eligible for set off against future taxable income without expiry.

The tax rate applicable to Lifeline Hospital LLC is 15% (2022: 15%). For the purpose of determining the taxable result for the year, the accounting loss has been adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense. The adjustments are based on the current understanding of the existing tax laws, regulations and practices.

The subsidiary in Oman has taxable loss for the year. Therefore, the applicable tax rate is Nil (2022 : Nil). The average effective tax rate cannot be determined in view of the taxable loss.

The subsidiary in Oman has declared and estimated tax losses available for offset against future taxable profits as follows:

	At 31 December	
	2023	*2022*
	AED	*AED*
2011 (assessed - indefinite)	**283,634**	283,634
2012 (assessed - indefinite)	**7,008,895**	7,008,895
2013 (assessed - indefinite)	**4,967,421**	4,967,421
2014 (assessed - indefinite)	**9,108,706**	9,108,706
2015 (assessed - indefinite)	**5,686,355**	5,686,355
2016 (assessed - indefinite)	**28,639,767**	28,639,767
2017 (assessed - definite)	**-**	48,577,632
2018 (assessed - definite)	**40,641,430**	40,641,430
2019 (assessed - definite)	**20,562,955**	20,562,955
2020 (declared)	**13,882,875**	13,882,875
2021 (declared)	**7,055,336**	7,055,336
2022 (declared)	**9,920,598**	9,920,598
2023 (estimated)	**7,739,239**	-
	155,497,211	196,335,604

2.7 MATERIAL ACCOUNTING POLICY INFORMATION continued

Taxes continued
Current income tax continued

Oman continued
No deferred tax asset on the carried forward losses has been recognised in these consolidated financial statements due to uncertainty regarding availability of future taxable profits. The tax assessments were issued by the taxation authorities up to the year 2019.

India
Dynamed Healthcare Solutions Pvt Ltd, the subsidiary in India was incorporated on 18 August 2017 at Infopark Special Economic Zone (Phase-II) in Kochi, State of Kerala and it is subject to the provisions of the Special Economic Zone Act, 2005. The subsidiary in India has 100% income tax exemption on export income for Special Economic Zone units under Section 10AA of the Income Tax Act for first 5 years, 50% for next 5 years thereafter and 50% of the ploughed back export profit for next 5 years. Dynamed Healthcare Solutions Pvt Ltd provides services to Group Entities in Middle East and therefore, its income is being generated from export revenue. Dynamed Healthcare Solutions Pvt Ltd is currently assessing the income tax impact for tax year ended 31 March 2023 and 31 March 2024. However, the income tax impact for the aforesaid years is not expected to be material to the consolidated financial statements.

Deferred income tax
Deferred income tax assets and liabilities are measured using enacted or substantively enacted income tax rates as at the consolidated reporting date that are anticipated to apply to taxable income in the year in which temporary differences are anticipated to be recovered or settled. Changes to these balances are recognized in the consolidated statement of profit or loss or in other comprehensive income in the year they occur.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred income tax asset to be recovered.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Value Added Tax ("VAT")
Revenue, expenses and assets are recognised net of the amount of VAT, except:

1- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; or
2- When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

UAE corporate taxes
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 will become effective for accounting periods beginning on or after 1 June 2023.

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

2.7 MATERIAL ACCOUNTING POLICY INFORMATION continued

UAE corporate taxes continued
Subsequently, the UAE CT Law has been supplemented by a number of Decisions of the Cabinet of Ministers of the UAE (Decisions). Such Decisions and other interpretive guidance of the UAE Federal Tax Authority provide important details relating to the interpretation of the UAE CT Law and are required to fully evaluate the impact of the UAE CT Law on the Group.

The Group should be subject to the provisions of the UAE CT Law with effect from 1 January 2024, and current taxes shall be accounted for as appropriate in the consolidated financial statements for the period beginning 1 January 2024.

Based on the current provisions of the UAE CT Law (including interpretation based on the Ministerial decisions and related guidance) and in accordance with IAS 12 Income Taxes, the Group has considered the related deferred tax accounting impact as at the reporting date and no potential deferred tax assets or liabilities have been identified as at the reporting date.

3 REVENUE

3.1 Types of revenue

	2023 ***AED***	*2022* *AED*
Clinic revenue	**4,401,717,958**	3,811,509,084
Pharmacy sales	**59,765,666**	64,532,394
Other operating income	**64,770,923**	40,790,376
Revenue from contracts with customers	**4,526,254,547**	3,916,831,854
Rental income	**8,753,086**	7,178,793
	4,535,007,633	3,924,010,647

3.2 Revenue from contracts with customers – timing of recognition

	2023 ***AED***	*2022* *AED*
Out patient – services rendered at the point in time	**2,836,899,642**	2,471,733,638
In patient – services rendered over the time	**1,564,818,316**	1,339,775,446
Pharmacy – services rendered at the point in time	**59,765,666**	64,532,394
Other operating income – services rendered at the point in time	**64,770,923**	40,790,376
	4,526,254,547	3,916,831,854

3.3 Revenue from contracts with customers by geographical markets

	2023 ***AED***	*2022* *AED*
United Arab Emirates	**4,341,008,400**	3,743,327,982
Sultanate of Oman	**184,159,736**	173,503,872
Kingdom of Saudi Arabia	**1,086,411**	-
	4,526,254,547	3,916,831,854

3 REVENUE continued

3.4 Revenue from contracts with customers by asset type

	2023 ***AED***	*2022* *AED*
Hospitals	**3,967,122,096**	3,431,309,993
Medical centres	**434,595,862**	380,199,091
Pharmacies	**59,765,666**	64,532,394
Others	**64,770,923**	40,790,376
	4,526,254,547	3,916,831,854

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

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

Rental income
The rental income is 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.

4 DOCTORS' AND EMPLOYEES' SALARIES AND EMOLUMENTS

	2023 ***AED***	*2022* *AED*
Doctors' and employees' salaries and emoluments	**1,810,134,635**	1,578,420,121
Employees' end of service benefits (note 15)	**48,781,233**	35,608,752
Staff accommodation costs	**30,341,372**	29,533,297
Employees' insurance costs	**29,162,078**	25,561,552
Others	**28,784,957**	32,295,720
	1,947,204,275	1,701,419,442

5 FINANCE COSTS

	2023 ***AED***	*2022* *AED*
Interest on loans and borrowings	**87,208,918**	147,465,131
Interest expense on lease liabilities (note 18)	**54,111,640**	51,851,850
Facility renewal fee	**-**	2,225,221
Interest on bank overdrafts	**-**	8,494,046
Interest on bills discounted	**-**	934,145
	141,320,558	210,970,393

6 OTHER EXPENSES

	2023 ***AED***	*2022* *AED*
Housekeeping and hospitality expenses	**81,577,636**	77,646,137
Repair and maintenance costs	**69,828,300**	64,096,560
Marketing expenses	**55,451,318**	54,494,277
Utility charges	**52,091,544**	48,647,648
Legal and professional expenses	**31,271,026**	22,550,349
Directors' remuneration and allowance (note 19)	**22,975,762**	-
Transportation expenses	**18,398,193**	15,281,120
Security charges	**15,753,731**	16,094,872
Rent expenses (note 18)	**13,352,647**	13,518,840
Printing and stationery expenses	**8,604,950**	8,204,405
Bank charges	**7,246,418**	3,487,543
Credit card commission costs	**4,536,087**	3,997,262
Donations	**2,202,664**	-
Change in fair value of profit rate swaps (note 25)	**2,021,374**	9,416,881
Corporate charges (note 19)	**-**	28,108,885
Miscellaneous expenses	**29,093,543**	31,225,643
	414,405,193	396,770,422

7 DIVIDEND

The Board of Directors of the Company approved a cash dividend distribution of AED 95,253,955 on 3 August 2023 which is equals to AED 0.02 per share and was paid to the shareholders on 9 August 2023.

8 PROPERTY AND EQUIPMENT

	Buildings AED	*Leasehold improvements AED*	*Medical equipments AED*	*Furniture and fixtures AED*	*Computer and office equipments AED*	*Motor vehicles AED*	*Total AED*
2023							
Cost:							
At 1 January 2023	758,341,268	1,306,494,353	1,772,797,494	161,950,342	124,328,031	64,953,149	4,188,864,637
Additions	2,181,000	30,289,295	75,234,384	10,726,733	13,644,126	12,333,154	144,408,692
Transfer from related parties (note 19)	-	-	80,085	33,134	27,705	-	140,924
Transfer to related parties (note 19)	-	-	-	-	-	(567,857)	(567,857)
Transfer from capital work in progress (note 10)	-	-	-	-	36,333	-	36,333
Disposals	-	-	(3,828,757)	-	(275,077)	(5,522,281)	(9,626,115)
At 31 December 2023	**760,522,268**	**1,336,783,648**	**1,844,283,206**	**172,710,209**	**137,761,118**	**71,196,165**	**4,323,256,614**
Accumulated depreciation:							
At 1 January 2023	33,902,511	576,826,130	1,283,186,169	141,359,672	96,477,796	55,608,652	2,187,360,930
Charge for the year	15,173,990	69,813,190	119,897,715	9,633,664	12,045,421	4,556,316	231,120,296
Transfer to related parties (note 19)	-	-	-	-	-	(186,553)	(186,553)
Disposals	-	-	(3,796,871)	-	(274,548)	(5,522,281)	(9,593,700)
At 31 December 2023	**49,076,501**	**646,639,320**	**1,399,287,013**	**150,993,336**	**108,248,669**	**54,456,134**	**2,408,700,973**
Net carrying amount:							
At 31 December 2023	**711,445,767**	**690,144,328**	**444,996,193**	**21,716,873**	**29,512,449**	**16,740,031**	**1,914,555,641**

Property and equipment amounting to AED 397,231,847 (2022: AED 426,968,078) have been pledged as security against Group's loans and borrowings (note 16).

Burjeel Medical City buildings are constructed on land leased from Abu Dhabi Department of Economic Development. Initial period of the lease was 27 years. In 2022, the land lease has been extended perpetually by Abu Dhabi Department of Economic Development.

8 PROPERTY AND EQUIPMENT continued

	Buildings AED	*Leasehold improvements AED*	*Medical equipments AED*	*Furniture and fixtures AED*	*Computer and office equipments AED*	*Motor vehicles AED*	*Total AED*
2022							
Cost:							
At 1 January 2022	754,646,076	1,301,315,407	1,765,538,155	154,292,986	107,711,676	63,215,438	4,146,719,738
Additions	3,695,192	9,402,511	28,534,541	7,738,863	16,715,153	6,457,953	72,544,213
Transfer to related parties (note 19)	-	(4,013,685)	(12,445,075)	(117,840)	(98,798)	(4,669,680)	(21,345,078)
Transfer from capital work in progress (note 10)	-	-	119,083	36,333	-	-	155,416
Disposals	-	(209,880)	(8,949,210)	-	-	(50,562)	(9,209,652)
At 31 December 2022	758,341,268	1,306,494,353	1,772,797,494	161,950,342	124,328,031	64,953,149	4,188,864,637
Accumulated depreciation:							
At 1 January 2022	18,785,008	502,370,605	1,171,248,278	132,202,915	85,965,389	55,226,955	1,965,799,150
Charge for the year	15,117,503	76,391,853	132,476,175	9,240,975	10,597,865	3,577,512	247,401,883
Transfer to related parties (note 19)	-	(1,760,678)	(11,704,968)	(84,218)	(85,458)	(3,166,756)	(16,802,078)
Disposals	-	(175,650)	(8,833,316)	-	-	(29,059)	(9,038,025)
At 31 December 2022	33,902,511	576,826,130	1,283,186,169	141,359,672	96,477,796	55,608,652	2,187,360,930
Net carrying amount:							
At 31 December 2022	724,438,757	729,668,223	489,611,325	20,590,670	27,850,235	9,344,497	2,001,503,707

9 INTANGIBLE ASSETS

	2023 ***AED***	*2022* *AED*
Cost:		
At 1 January	**61,651,732**	58,151,712
Additions	**16,704,195**	3,500,020
At 31 December	**78,355,927**	61,651,732
Accumulated amortisation:		
At 1 January	**54,372,895**	50,221,781
Charge for the year	**5,109,438**	4,151,114
At 31 December	**59,482,333**	54,372,895
Net carrying amount	**18,873,594**	7,278,837

Additions during the year represent primarily SAP license fee and upgrade of revenue cycle management software (2022: upgrade of revenue cycle management software).

10 CAPITAL WORK IN PROGRESS

	2023 ***AED***	*2022* *AED*
Cost:		
At 1 January	**23,281,616**	16,324,776
Additions during the year	**16,670,937**	7,112,256
Transfers to property and equipment (note 8)	**(36,333)**	(155,416)
At 31 December	**39,916,220**	23,281,616

Capital work in progress represents costs for medical equipment and other costs including overhead expenses incurred during the development stage directly attributable to the construction of hospitals or departments within the hospitals. No borrowing cost was capitalised during the year ended 31 December 2023 (2022: AED Nil).

These installation of equipment and software are expected to be completed in 2024. These include amounts incurred towards architectural, tenant improvement, and interior work, supply and installation and advances for software. When commissioned, capital work in progress will be transferred to the appropriate asset category under property and equipment or intangible assets and depreciated or amortised in accordance with the Group's policy.

11 INVENTORIES

	2023 ***AED***	*2022* *AED*
Pharmaceutical products	**172,690,455**	147,513,333
Consumables and others	**88,581,773**	92,337,503
	261,272,228	239,850,836

The cost of inventories recognised as an expense and included in consolidated statement of comprehensive income are as follows:

	2023 ***AED***	*2022* *AED*
Inventories consumed	**1,095,884,743**	904,165,996

12 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2023 ***AED***	*2022* *AED*
Trade receivables	**2,187,419,636**	1,756,444,534
Less: provision for expected credit losses	**(786,671,761)**	(704,675,768)
	1,400,747,875	1,051,768,766
Advances and other receivables	**102,363,731**	59,664,269
Unbilled receivables	**74,106,512**	33,851,716
Prepayments	**40,887,443**	30,794,473
Deposits	**16,013,512**	13,657,881
	1,634,119,073	1,189,737,105

Trade receivables includes amounts due from insurance companies for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 90 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Movement in the provision for expected credit losses is as follows:

	2023 ***AED***	*2022* *AED*
At 1 January	**704,675,768**	642,950,973
Charge for the year	**84,113,351**	65,127,796
Write off during the year	**(2,117,358)**	(3,403,001)
At 31 December	**786,671,761**	704,675,768

12 ACCOUNTS RECEIVABLE AND PREPAYMENTS continued

As at 31 December, the ageing analysis of unimpaired trade receivables is as follows:

			Past due but not impaired			
	Total	*Neither past due nor impaired*	*< 30 days*	*31 - 90 days*	*91 – 300 days*	*> 300 days*
	AED	*AED*	*AED*	*AED*	*AED*	*AED*
2023	**1,400,747,875**	**772,412,771**	**165,080,152**	**178,992,425**	**240,756,544**	**43,505,983**
2022	1,051,768,766	659,225,945	122,143,484	121,653,301	127,809,889	20,936,147

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables and the receivables are, therefore, unsecured. Neither past due nor impaired are those receivables which are under review and approval process with the insurance companies. Credit risk is limited to the carrying values of financial assets in the consolidated statement of financial position.

13 BANK BALANCES AND CASH

	2023	*2022*
	AED	*AED*
Cash in hand	**3,394,146**	1,630,957
Bank balances:		
Current account	**162,612,409**	144,940,291
Fixed deposits	**170,693**	165,134
Margin deposits	**3,827,728**	3,226,099
Bank balances and cash	**170,004,976**	149,962,481

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

	2023	*2022*
	AED	*AED*
Bank balances and cash	**170,004,976**	149,962,481
Less: margin deposits	**(3,827,728)**	(3,226,099)
Cash and cash equivalents	**166,177,248**	146,736,382

Fixed deposits are kept with local commercial banks in the United Arab Emirates and carry interest at prevailing market rates.

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.

13 BANK BALANCES AND CASH continued

	2023 ***AED***	*2022* *AED*
Significant non-cash transactions		
Employees' end of service benefits transferred from a related party (note 19)	**3,259,205**	908,745
Leave salary transferred from a related party (note 19)	**558,591**	-

14(a) SHARE CAPITAL

	2023 ***AED***	*2022* *AED*
Authorised		
31 December: 5,500,000,000 shares of AED 0.10 each (US$ 0.027)	**550,000,000**	550,000,000
Issued and fully paid		
31 December: 5,205,134,175 shares of AED 0.10 each (US$ 0.027)	**520,513,417**	520,513,417

During 2022, 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).

On 14 September 2022, the Company resolved to reduce its share capital from AED 550,000,000 to AED 500,473,651 (US$ 136,368,842) in order to meet Securities and Commodities Authority requirement that the net shareholder's equity shall not be less than 100% of the paid-up capital.

On 10 October 2022 the Company listed 550,729,221 (11%) of its ordinary shares on the Abu Dhabi Securities Exchange ("ADX"). Out of the total 550,729,221 shares, the Company issued 350,331,556 (63.6%) existing shares and 200,397,665 (36.4%) new shares as part of the IPO.

14(b) SHAREHOLDER'S ACCOUNT

Shareholder's account represents the net amount invested by Dr Shamsheer Vayalil in the Group Entities. The Shareholder's account balance was unsecured, interest free, and had no fixed repayment terms. Any repayment of this amount was at the sole discretion of the Company and Group Entities. During 2022, the amount was allocated towards the increase in the share capital.

14(c) SHARE PREMIUM

Share premium represents amounts received in excess of par value relating to new shares issued on 10 October 2022 as part of the IPO net off equity issuance costs. The equity issuance costs amounting to AED 13,901,515 directly attributable to the issuance of new shares have been deducted from the share premium.

14(d) OTHER RESERVE

Other reserve represents statutory reserve relating to subsidiaries. These reserves are not available for distribution except in such circumstances as specified in the relevant laws and regulations applicable to the respective entities in their country of incorporation.

14(e) SHAREHOLDER'S CONTRIBUTION

Shareholder's contribution included as part of total equity represents Dr Shamsheer Vayalil interest in the share capital of entities listed in note 2.5 to the consolidated financial statements which are transferred to the Group as disclosed in Note 2.2 – "basis of preparation" to the consolidated financial statements.

15 EMPLOYEES' END OF SERVICE BENEFITS

The movement in the provision for employees' end of service benefits was as follows:

	2023	*2022*
	AED	*AED*
At 1 January	**121,447,629**	101,343,150
Charge for the year (note 4)	**48,781,233**	35,608,752
Transferred from a related party (note 19)	**3,259,205**	908,745
Employees' end of service benefits paid	**(22,370,967)**	(16,413,018)
At 31 December	**151,117,100**	121,447,629

16 INTEREST BEARING LOANS AND BORROWINGS

	2023	*2022*
	AED	*AED*
Term loans	**906,465,959**	1,006,959,849
Short-term loan	**250,000,000**	250,000,000
Vehicle loans	**7,531,947**	3,832,249
	1,163,997,906	1,260,792,098

Current and non-current portion of interest-bearing loans and borrowings are as follows:

	2023	*2022*
	AED	*AED*
Non-current	**782,086,391**	903,820,385
Current	**381,911,515**	356,971,713
	1,163,997,906	1,260,792,098

16 INTEREST BEARING LOANS AND BORROWINGS continued

Non-current

Group entity name	*Facility*	*Country*	*Bank type*	*Loan maturity year*	*Security*	***2023 AED***	*2022 AED*
Burjeel Hospital LLC	Term loan	UAE	Islamic	2030	Corporate and personal guarantee and pledge	**680,125,768**	748,952,996
Burjeel Hospital LLC	Vehicle Loan	UAE	Islamic	2026-27	Financed vehicles	**5,216,569**	2,552,263
Burjeel Specialty Hospital L.L.C.	Term loan	UAE	Commercial	2028	Corporate and personal guarantee and pledge	**96,622,404**	111,622,404
Burjeel Day Surgery Centre LLC	Term loan	UAE	Commercial	2024	Corporate and personal guarantee and pledge	-	40,473,897
Burjeel Homecare Services LLC	Vehicle loan	UAE	Commercial	2024	Financed vehicle	-	71,397
Dynamed Healthcare Solutions Pvt. Ltd	Vehicle loan	India	Commercial	2025	Financed vehicle	**121,650**	147,428
						782,086,391	903,820,385

Current

Group entity name	*Facility*	*Country*	*Bank type*	*Loan maturity year*	*Security*	***2023 AED***	*2022 AED*
Burjeel Hospital LLC	Term loan	UAE	Islamic	2030	Corporate and personal guarantee and pledge	**74,243,890**	68,410,552
Burjeel Hospital LLC	Short-term loan	UAE	Islamic	2024	Corporate and personal guarantee	**250,000,000**	250,000,000
Burjeel Day Surgery Centre LLC	Term loan	UAE	Commercial	2024	Corporate and personal guarantee and pledge	**40,473,897**	30,000,000
Burjeel Specialty Hospital L.L.C.	Term loan	UAE	Commercial	2028	Corporate and personal guarantee and pledge	**15,000,000**	7,500,000
Burjeel Hospital LLC	Vehicle loan	UAE	Commercial	2026-27	Financed vehicles	**2,071,252**	854,026
Burjeel Homecare Services LLC	Vehicle loan	UAE	Commercial	2024	Financed vehicle	**71,394**	165,000
Dynamed Healthcare Solutions Pvt Ltd	Vehicle loan	India	Commercial	2025	Financed vehicle	**51,082**	42,135
						381,911,515	356,971,713

Security & pledges

- Corporate guarantees by the entities within the Group;
- Personal guarantee of Dr Shamsheer Vayalil, and;
- Certain property and equipment, assignment of insurance receivables of the entities with the Group entities are pledged against the loans and borrowings (Note 8).

* In 2022, the Company received AED 1,727,717,309 from VPS Healthcare LLC to settle its balance due to the Company. Further, the Company raised funds through issuance of new shares in IPO amounting to AED 400,795,330. These amounts were used to repay term and other loans, derivative financial instrument and bank overdrafts amounting to AED 2,105,414,057.

16 INTEREST BEARING LOANS AND BORROWINGS continued

Changes in liabilities arising from financing activities
The table below details changes in the Group's liabilities arising from financing activities, including cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows used in financing activities.

	1 January 2023 AED	*Net cash flows AED*	*Other AED*	*31 December 2023 AED*
Current:				
Interest bearing loans and borrowings	**356,971,713**	**(356,971,713)**	**381,911,515**	**381,911,515**
Non-current:				
Interest bearing loans and borrowings	**903,820,385**	**260,177,521**	**(381,911,515)**	**782,086,391**
Total	**1,260,792,098**	**(96,794,192)**	**-**	**1,163,997,906**

	1 January 2022 AED	*Net cash flows AED*	*Other AED*	*31 December 2022 AED*
Current:				
Interest bearing loans and borrowings	558,908,655	(558,908,655)	356,971,713	356,971,713
Non-current:				
Interest bearing loans and borrowings	2,648,798,249	(1,388,006,151)	(356,971,713)	903,820,385
Total	3,207,706,904	(1,946,914,806)	-	1,260,792,098

The 'Other' column includes the effect of reclassification of non-current portion of interest-bearing loans and borrowings to current due to the passage of time and the effect of accrued but not yet paid interest on interest-bearing loans and borrowings. The Group classifies interest paid as cash flows from operating activities.

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

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

Further, the Group has obtained overdraft facility which is unutilized as at 31 December 2023.

17 ACCOUNTS PAYABLE AND ACCRUALS

	2023 AED	*2022 AED*
Trade accounts payable	**744,969,573**	665,581,688
Employees' salaries and other payables	**154,840,317**	159,686,456
Accrued expenses	**82,414,246**	86,501,095
Retention payable	**17,446,875**	7,503,326
Advances including advance from customers	**12,159,025**	6,453,064
Directors' remuneration payable	**4,561,297**	-
Other payables	**12,972,363**	19,751,498
	1,029,363,696	945,477,127

18 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group has lease contracts for land and buildings leases and are part of core operations of the Group. Generally, the Group is restricted from assigning and subleasing the leased assets. Some of the lease contracts include extension and termination options, which are further discussed below.

The Group also has certain leases with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

Set out below, is the carrying amount of the Group's right-of-use assets and lease liabilities and the movement during the respective years:

	Right of use assets ***AED***	***Lease liabilities*** ***AED***
As at 1 January 2023	**1,018,557,484**	**1,175,608,884**
Additions	**67,509,729**	**67,509,729**
Depreciation expense	**(115,426,280)**	**-**
Lease adjustment	**40,151,002**	**34,944,656**
Accretion of interest expense (note 5)	**-**	**54,111,640**
Payments	**-**	**(162,368,524)**
As at 31 December 2023	**1,010,791,935**	**1,169,806,385**
As at 1 January 2022	1,138,517,781	1,281,276,045
Additions	4,453,260	4,453,260
Depreciation expense	(102,834,722)	-
Re-measurement of lease liabilities	(21,578,835)	(21,503,409)
Accretion of interest expense (note 5)	-	51,851,850
Payments	-	(140,468,862)
As at 31 December 2022	1,018,557,484	1,175,608,884

Lease liabilities are analysed in the consolidated statement of financial position as follows:

	2023 ***AED***	*2022* *AED*
Current	**107,362,123**	97,632,216
Non – current	**1,062,444,262**	1,077,976,668
	1,169,806,385	1,175,608,884

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. There are no contracts wherein the extension options are not expected to be exercised or termination options are expected to be exercised. Therefore, there are no undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Included in right-of-use assets is a land with a net book value of AED 8,864,487 (2022: AED 9,055,003) and remaining right-of-use assets are leased properties amounting to AED 1,001,927,448 (2022: AED 1,009,502,481).

18 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES continued

The following are the amounts recognised in the consolidated statement of comprehensive income:

	2023 ***AED***	*2022* *AED*
Depreciation expense of right-of-use assets	**115,426,280**	102,834,722
Interest expense on lease liabilities (note 5)	**54,111,640**	51,851,850
Expense relating to short term leases (note 6)	**13,352,647**	13,518,840

In 2023, the Group had total cash outflows for leases of AED 162,368,524 (2022: AED 140,468,862). There are no future cash outflows relating to leases that have not yet commenced. The Group's lease contracts do not contain any variable lease payments.

Changes in lease liabilities arising from financing activities:

	1 January 2023 AED	***Cash flows AED***	***Other AED***	***31 December 2023 AED***
Current:				
Leases liabilities	**97,632,216**	**(162,368,524)**	**172,098,431**	**107,362,123**
Non-current:				
Leases liabilities	**1,077,976,668**	**-**	**(15,532,406)**	**1,062,444,262**
Total	**1,175,608,884**	**(162,368,524)**	**156,566,025**	**1,169,806,385**

	1 January 2022 AED	*Cash flows AED*	*Other AED*	*31 December 2022 AED*
Current:				
Leases liabilities	98,156,398	(140,468,862)	139,944,680	97,632,216
Non-current:				
Leases liabilities	1,183,119,647	-	(105,142,979)	1,077,976,668
Total	1,281,276,045	(140,468,862)	34,801,701	1,175,608,884

The 'Other' column includes the effect of reclassification of non-current portion of lease liabilities to current due to the passage of time, rent concessions and the effect of accretion on interest on lease liabilities. The Group classifies interest on lease liabilities as cash flows from operating activities.

19 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent the 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.

During the year, the Group entered into the following transactions with related parties:

	2023 ***AED***	*2022* *AED*
Revenue	**5,573,356**	16,003,838
Interest income	**-**	42,190,735
Doctors' and other employees' salaries and benefits	**1,864,997**	3,660,354
Purchases	**22,988,286**	18,585,093
Others	**35,775,178**	37,506,165
Corporate charges* (note 6)	**-**	28,108,885
Employees' end of service benefits transferred from a related party (note 15)	**3,259,205**	908,745
Leave salary transferred from a related party (note 13)	**558,591**	-
Property and equipment transferred to related parties** (note 8)	**381,304**	4,543,000
Property and equipment transferred from a related party (note 8)	**140,924**	-
Directors' remuneration and allowance*** (note 6)	**22,975,762**	-

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

* - Corporate charges include allocation of common cost mainly HR support, IT support, finance operations support and other general overheads from VPS Healthcare, a related party up to the period ended 30 June 2022. Subsequent to 30 June 2022, these functions have been transferred to the Group and are now direct costs of the Group.

** - Properties and equipment were transferred to related parties for consideration equal to the book value which resulted in no gain or loss (note 8).

*** - The directors' remuneration and allowance includes expense of AED 4,049,068 relating to year ended 31 December 2022 which has been recorded during the year, as the approvals from the Board and HR Committee were obtained during the year. The remuneration was approved by shareholders in the Annual General Meeting held on 19 April 2023.

19 RELATED PARTY TRANSACTIONS AND BALANCES continued

Balances with related parties included in the consolidated statement of financial position are as follows:

	2023 ***AED***	*2022* *AED*
Amounts due from related parties		
Entities under common control		
VPS Healthcare LLC*	**12,562,710**	9,334,733
International Knee & Joint Centre LLC	**4,648,001**	4,509,510
Hirmas Real Estate LLC	**4,310,301**	7,009,963
Sahara Medical Centre LLC	**1,388,891**	717,403
Life Pharma FZE	**380,746**	12,378
Al Barakah Investment	**300,000**	300,111
Workers Village Real Estate	**202,499**	383,325
First IVF Fertility Centre L.L.C	**-**	1,070,795
	23,793,148	23,338,218

* - This balance carried no interest rate for the year ended 31 December 2023 (2022: 6% per annum until 30 September 2022).

	2023 ***AED***	*2022* *AED*
Amounts due to related parties		
Response Plus Medical Services LLC	**14,418,842**	18,745,226
Ziva Wet Wipes LLC	**7,719,628**	6,911,090
Keita Catering LLC	**7,677,200**	3,988,685
Leejam Sports Company	**4,581,467**	-
First IVF Fertility Centre L.L.C	**2,608,733**	-
Al Raha Village Properties LLC	**1,427,858**	4,568,664
International Construction Contracting Company	**1,067,147**	1,053,254
The Value Facility Management (VFM)	**166,153**	-
Health Tech Training Centre LLC	**-**	188,906
Middle East North Africa Conference Company LLC	**-**	112,198
Health Tech Training Centre LLC – Dubai Branch	**-**	19,859
	39,667,028	35,587,882

Terms and conditions with related parties
Outstanding balances at the year-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.

19 RELATED PARTY TRANSACTIONS AND BALANCES continued

Compensation of key management personnel
The remuneration of the members of key management during the year were as follows:

	2023	*2022*
	AED	*AED*
Salaries and other benefits	**4,610,000**	2,820,000
Employees' end of service benefits	**170,000**	100,000
	4,780,000	2,920,000
Number of key management personnel	**2**	2

20 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group's principal financial liabilities consist of accounts payables, interest bearing loans and borrowings, amounts due to related parties, derivative financial instrument, lease liabilities and certain other liabilities. The main purpose of the financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as long term deposits, accounts receivable, amounts due from related parties, financial asset carried at fair value through profit and loss and bank balances and cash and certain other assets, which arise directly from its operations and inter-company receipt and payment transactions.

Risk management activities carried out by the Group are under policies approved by the management. The Group identifies and evaluates financial risks in close co-operation with the Group's operating units. The financial risk management disclosures have been presented to illustrate different potential scenarios and situations that the Group may encounter in practice.

Credit risk
Credit risk refers the risk arising on account of a default by counterparty on its contractual obligations resulting in financial loss to the Group.

The Group has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Group annually. The Group uses its own trading records to rate its major customers.

The Group is exposed to credit risk on its accounts receivable, bank balances and amounts due from related parties as disclosed in Notes 12, 13 and 19, respectively. Credit risk is limited to the carrying values of each class of financial assets in the consolidated statement of financial position.

Trade receivables
Customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed, and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, customer type and rating) The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Group does not hold collateral as security.

The Group's five largest customers account for approximately 76% of outstanding accounts receivable at 31 December 2023, (2022: 76%). The average credit period on trade receivables is 90 days (2022: 90 days).

20 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES continued

Credit risk continued

Bank balances

Credit risk from balances with banks and financial institutions is managed by the Group. The Group seeks to limit its credit risk with regard to bank balances by dealing only with reputable banks. These balances are callable on demand and held with reputable financial institutions. Management has assessed that the credit risk is minimal on bank balances.

Amounts due from related parties

Amounts due from related parties is not considered to represent significant credit risk because amounts due from related parties are from the companies owned and controlled by the Group and therefore, do not carry any significant risks of default. The credit risk is assessed to be minimal as there is no historical default and these balances are due from entities, which has common shareholding.

Other financial assets

With respect to credit arising from the other financial assets of the Group, which comprise other receivables, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Interest rate risk

The Group has no significant interest-bearing assets and the Group's income, and operating cash flows are substantially independent of changes in market interest rates. Any excess cash and cash equivalents are invested at short term market interest rates.

Interest rate risk is the exposure to various risks associated with the effect of fluctuations in the prevailing interest rates on the Group's financial position and cash flows. The Group manages the interest rate risk by regularly monitoring the interest rate profiles of its interest-bearing financial instruments. The Group is exposed to interest rate risk on its interest-bearing loans and borrowings.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the statement of financial position date. For floating rate liabilities and bank deposits, the analysis is prepared assuming the amount of liability and bank deposit outstanding at the statement of financial position date was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The sensitivity of the consolidated statement of comprehensive income is the effect of the assumed changes in interest rates on the Group's profit or loss, based on the floating rate financial liabilities held at reporting dates. The analysis is prepared assuming the amount of interest-bearing assets and liabilities (floating rate) outstanding at the reporting date was outstanding for the whole year. The following table demonstrates the sensitivity of the consolidated statement of comprehensive income to reasonably possible changes in interest rates, with all other variables held constant. In management's opinion, the sensitivity analysis is unrepresentative of the interest rate risk, as the yearend exposure does not reflect the exposure during the year.

	Increase/decrease in basis points	*Effect on profit / (loss) AED*
2023	**+100**	**(11,639,979)**
	-100	**11,639,979**
2022	+100	(12,607,921)
	-100	12,607,921

20 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES continued

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations from its financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash, availability of funding through an adequate amount of committed credit facilities. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available through committed credit facilities to meet any future commitments. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans. The Group monitors its risk of shortage of funds using cash flow budgeting in which it considers the cash flows and as well as their sources of funding.

The Group limits its liquidity risk by ensuring bank facilities are available and by funding non-current assets with long term loans. Trade payables are normally settled within 90 to 120 days of the date of purchase.

The table below summarises the maturities of the Group's undiscounted financial liabilities, based on contractual payment dates and current market interest rates.

	On demand AED	*Less than 3 months AED*	*3 to 12 months AED*	*1 to 5 years AED*	*More than 5 years AED*	*Total AED*
2023						
Interest bearing loans and borrowings	**-**	**295,852,592**	**120,055,840**	**576,998,358**	**304,132,442**	**1,297,039,232**
Lease liabilities	**-**	**45,132,967**	**117,661,633**	**577,683,356**	**843,074,033**	**1,583,551,989**
Amounts due to related parties	**-**	**10,494,514**	**29,172,514**	**-**	**-**	**39,667,028**
Trade and accounts payable	**-**	**308,210,972**	**626,579,453**	**-**	**-**	**934,790,425**
Derivative financial instrument	**-**	**-**	**-**	**30,396,005**	**-**	**30,396,005**
Total	**-**	**659,691,045**	**893,469,440**	**1,185,077,719**	**1,147,206,475**	**3,885,444,679**
2022						
Interest bearing loans and borrowings	-	283,414,848	85,980,617	486,911,961	446,909,071	1,303,216,497
Lease liabilities	-	42,770,129	102,432,409	500,293,157	982,688,939	1,628,184,634
Amounts due to related parties	-	11,200,879	24,387,003	-	-	35,587,882
Trade and accounts payable	-	300,429,867	552,093,101	-	-	852,522,968
Derivative financial instrument	-	-	-	28,374,631	-	28,374,631
Total	-	637,815,723	764,893,130	1,015,579,749	1,429,598,010	3,847,886,612

Foreign currency risks

The Group is exposed to foreign currency risk arising from future commercial transactions, recognised assets and liabilities and net investments in foreign operations that are denominated in a currency other than the respective functional currencies of the Group entities. As the UAE Dirham, Omani Riyal and Saudi Riyal is pegged to the USD, balances in these currencies are not considered to represent significant foreign currency risk.

Management has set up policies to require Group companies to manage their foreign currency risk against their functional currency. Further, the Group is not significantly exposed to foreign currency risk in respect of its subsidiary in India as those operations are minimal as compared to the Group's operations. The Group's exposure to foreign currency changes is not material.

20 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES continued

Capital management
The primary objective of the Group's capital management is to ensure that it is able to continue as going concern while maintaining healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2023 and 31 December 2022.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. The Group includes within net debt, interest bearing loans and borrowings, lease liabilities, accounts payables and accruals and amounts due from related parties, less cash and cash equivalents. Capital includes total equity.

	2023 ***AED***	*2022* *AED*
Interest bearing loans and borrowings (note 16)	**1,163,997,906**	1,260,792,098
Lease liabilities (note 18)	**1,169,806,385**	1,175,608,884
Accounts payable and accruals (note 17)	**1,029,363,696**	945,477,127
Amounts due to related parties (note 19)	**39,667,028**	35,587,882
Cash and cash equivalent (note 13)	**(166,177,248)**	(146,736,382)
Net debt	**3,236,657,767**	3,270,729,609
Equity	**1,509,585,339**	1,088,647,170
Equity and net debt	**4,746,243,106**	4,359,376,779
Gearing ratio	**68%**	75%

21 INVESTMENT IN ASSOCIATES

Details of the Group's associates are as follows:

Name of entity	*Principal activities*	*Place of incorporation and operation*	*Ownership percentage*	
			At December	
Associate			***2023***	*2022*
International Knee & Joint Centre LLC	Supply of sports medicine and the provision of medical and rehabilitation services in relation to sports injuries and, in particular, those related to the knee.	U.A.E.	**40%**	40%
First IVF Fertility Centre LLC	To run, operate and manage fertility and infertility treatment centre for the patients	U.A.E.	**30%**	30%

The above investments are accounted for using the equity method in these consolidated financial statements.

21 INVESTMENT IN ASSOCIATES continued

a) International Knee & Joint Centre LLC

Movement in International Knee & Joint Centre LLC ('Knee & Joint Centre') are as follows:

	2023 ***AED***	*2022* *AED*
Balance at 1 January	**4,365,357**	5,664,567
Share of the profit for the year	**8,747,286**	11,900,790
Dividend received during the year	**-**	(13,200,000)
Balance at 31 December	**13,112,643**	4,365,357

The following table illustrates the summarised financial information relating to the Group's investment in Knee & Joint Centre:

	2023 ***AED***	*2022* *AED*
Total assets	**74,150,427**	29,349,530
Total liabilities	**(41,368,819)**	(18,436,137)
Net assets	**32,781,608**	10,913,393
The Group's share of net assets in Knee & Joint Centre –40% share	**13,112,643**	4,365,357
The Group's carrying amount of investment in Knee & Joint Centre (A)	**13,112,643**	4,365,357

	2023 ***AED***	*2022* *AED*
Revenue	**69,767,013**	78,725,684
Profit for the year	**21,868,214**	29,751,975
Other comprehensive income	**-**	-
Total comprehensive income	**21,868,214**	29,751,975
The Group's share of profit in Knee & Joint Centre – (B)	**8,747,286**	11,900,790
The Group's share of total comprehensive in Knee & Joint Centre	**8,747,286**	11,900,790

Knee & Joint Centre had no contingent liabilities or capital commitments as at 31 December 2023 (2022: Nil).

21 INVESTMENT IN ASSOCIATES continued

b) First IVF Fertility Centre LLC

Movement in First IVF Fertility Centre LLC (IVF) are as follows:

	2023 ***AED***	*2022* *AED*
Balance at 1 January	**24,707,208**	11,726,200
Share of the Group's profit for the year	**9,443,824**	9,318,989
Dividend received during the year	**(12,600,000)**	-
Adjustment	**(6,000,000)**	-
Investment during the year	**-**	3,662,019
Balance at 31 December	**15,551,032**	24,707,208

The following table illustrates the summarised financial information relating to the Group's investment in IVF:

	2023 ***AED***	*2022* *AED*
Total assets	**58,687,389**	70,071,210
Total liabilities	**(15,560,952)**	(16,191,094)
Net assets	**43,126,437**	53,880,116
The Group's share of net assets in IVF – 30% share	**12,937,931**	16,164,035
The Group's carrying amount of investment in IVF – (C)*	**15,551,032**	24,707,208

*The difference in Group's share of net assets in IVF – 30% share and Group's carrying amount of investment in IVF is on account of additional investment made by the Company resulting no change in controlling interest.

	2023 ***AED***	*2022* *AED*
Revenue	**93,236,783**	92,749,919
Profit for the year	**31,479,416**	31,063,297
Other comprehensive income	**-**	-
Total comprehensive income	**31,479,416**	31,063,297
The Group's share of profit in IVF – (D)	**9,443,824**	9,318,989
The Group's share of total comprehensive in IVF	**9,443,824**	9,318,989

IVF had no contingent liabilities or capital commitments as at 31 December 2023 (2022: Nil).

21 INVESTMENT IN ASSOCIATES continued

Total share of the Group's profit from associates are as follows:

	2023 ***AED***	*2022* *AED*
International Knee & Joint Centre LLC – (B)	**8,747,286**	11,900,790
First IVF Fertility Centre LLC – (D)	**9,443,824**	9,318,989
	18,191,110	21,219,779

The Group's total carrying amount of investment in associates are as follows:

	2023 ***AED***	*2022* *AED*
International Knee & Joint Centre LLC - (A)	**13,112,643**	4,365,357
First IVF Fertility Centre LLC - (C)	**15,551,032**	24,707,208
	28,663,675	29,072,565

22 FINANCIAL ASSET CARRIED AT FAIR VALUE THROUGH PROFIT AND LOSS

The Group's total carrying amount of financial asset carried at fair value through profit and loss is as follows:

	2023 ***AED***	*2022* *AED*
Quoted equity investments	**36,862,062**	-

The geographical distribution of investments is as follows:

	2023 ***AED***	*2022* *AED*
Inside UAE	**36,862,062**	-

As of 31 December 2023, no shares were pledged as security against borrowings.

The investments are recorded at fair value using the valuation techniques as disclosed in note 24. Movement in investment in financial asset carried at fair value through profit or loss is as follows:

	2023 ***AED***	*2022* *AED*
At 1 January	**-**	-
Additions	**21,219,495**	-
Changes in fair value	**15,642,567**	-
At 31 December	**36,862,062**	-

23 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.

Others represent business units that support the hospitals, medical centre, and pharmacies to manage the supply chain, valet parking, IT services and claim submission etc.

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

The Chief Executive Officers of the Group is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units 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 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 consolidated financial statements.

23 SEGMENTAL REPORTING continued

As at and for the year ended 31 December 2023

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

23 SEGMENTAL REPORTING continued

As at and for the year ended 31 December 2022

	Hospitals AED	*Medical centre AED*	*Pharmacies AED*	*Others AED*	*Total segments AED*	*Adjustments and eliminations AED*	*Consolidation AED*
Revenue							
Out patient revenue	2,271,452,560	384,659,120	-	-	2,656,111,680	(184,378,042)	2,471,733,638
In patient revenue	1,339,775,446	-	-	-	1,339,775,446	-	1,339,775,446
Total clinical revenue	3,611,228,006	384,659,120	-	-	3,995,887,126	(184,378,042)	3,811,509,084
Pharmacy sales	-	-	64,781,528	-	64,781,528	(249,134)	64,532,394
Others	34,435,032	523,406	634,947	793,076,337	828,669,722	(787,879,346)	40,790,376
Rental income	7,142,467	36,326	-	-	7,178,793	-	7,178,793
Total revenue	3,652,805,505	385,218,852	65,416,475	793,076,337	4,896,517,169	(972,506,522)	3,924,010,647
Revenue							
External customer	3,472,287,492	380,758,823	65,167,341	5,796,991	3,924,010,647	-	3,924,010,647
Intersegment	180,518,013	4,460,029	249,134	787,279,346	972,506,522	(972,506,522)	-
Total revenue	3,652,805,505	385,218,852	65,416,475	793,076,337	4,896,517,169	(972,506,522)	3,924,010,647
Segment profit	264,610,687	73,957,108	4,518,615	11,492,983	354,579,393	-	354,579,393
Finance costs	207,752,430	2,923,775	-	294,188	210,970,393	-	210,970,393
Finance income	(42,190,735)	-	-	-	(42,190,735)	-	(42,190,735)
Profit before interest, taxation (EBIT)	430,172,382	76,880,883	4,518,615	11,787,171	523,359,051	-	523,359,051
Depreciation and amortisation	315,467,209	36,226,139	755,653	1,938,718	354,387,719	-	354,387,719
Profit before interest, taxation, depreciation, amortisation (EBITDA)	745,639,591	113,107,022	5,274,268	13,725,889	877,746,770	-	877,746,770
Total assets as at 31 December 2022	7,715,105,176	539,866,298	112,194,472	2,460,825,938	10,827,991,884	(6,142,856,535)	4,685,135,349
Total liabilities as at 31 December 2022	7,118,332,118	546,114,292	116,746,941	1,967,561,981	9,748,755,332	(6,181,467,081)	3,567,288,251
Other disclosures:							
Additions to property and equipment	66,960,433	3,885,063	647,416	1,051,301	72,544,213	-	72,544,213
Additions to capital work in progress	7,085,006	27,250	-	-	7,112,256	-	7,112,256
Additions to intangible assets	107,882	44,578	-	3,347,560	3,500,020	-	3,500,020
Property and equipment transferred to a related party (net book value)	4,543,000	-	-	-	4,543,000	-	4,543,000

23 SEGMENTAL REPORTING continued

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

Revenue by Geographic segments:

	Emirate of Abu Dhabi AED	*Emirate of Dubai & Northern Emirate AED*	*Sultanate of Oman AED*	*Kingdom of Saudi Arabia AED*	*Total AED*
For the year ended 31 December 2023					
In patient revenue	**1,328,038,236**	**191,300,209**	**45,479,871**	**-**	**1,564,818,316**
Out patient revenue	**2,540,144,858**	**170,555,379**	**125,206,532**	**992,873**	**2,836,899,642**
Pharmacy	**59,765,666**	-	-	-	**59,765,666**
Other income	**43,810,748**	**7,393,304**	**13,473,333**	**93,538**	**64,770,923**
	3,971,759,508	**369,248,892**	**184,159,736**	**1,086,411**	**4,526,254,547**
Rental income	**8,653,870**	**-**	**99,216**	**-**	**8,753,086**
Total revenue	**3,980,413,378**	**369,248,892**	**184,258,952**	**1,086,411**	**4,535,007,633**

	Emirate of Abu Dhabi AED	*Emirate of Dubai & Northern Emirates AED*	*Sultanate of Oman AED*	*Kingdom of Saudi Arabia* AED	*Total AED*
For the year ended 31 December 2022					
In patient revenue	1,128,632,398	161,591,588	49,551,460	-	1,339,775,446
Out patient revenue	2,198,066,897	155,582,090	118,084,651	-	2,471,733,638
Pharmacy	64,532,394	-	-	-	64,532,394
Other income	29,355,334	5,567,281	5,867,761	-	40,790,376
	3,420,587,023	322,740,959	173,503,872	-	3,916,831,854
Rental income	7,027,832	15,000	135,961	-	7,178,793
Total revenue	3,427,614,855	322,755,959	173,639,833	-	3,924,010,647

24 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.

24 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 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 year ended 31 December 2023.

For assets and liabilities that are recognised in the 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:

	Fair value as at					
	31 December 2023 AED	*31 December 2022 AED*	***Fair value hierarchy***	***Valuation techniques and key inputs***	***Significant unobservable input***	***Relationship of unobservable inputs to fair value***
Financial assets						
Quoted equity investments – investment in financial assets (note 22)	**36,862,062**	-	Level 1	Quoted bid prices in an active market.	None	Not applicable
Financial liabilities						
Derivative financial instruments - Profit rate swaps measured at fair value (note 25)	**30,396,005**	28,374,631	Level 2	Significant observable inputs	None	Not applicable

The Group enters into derivative financial instrument transactions with various banks and financial institutions with investment grade credit ratings.

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.

25 DERIVATIVE FINANCIAL INSTRUMENT

The Group has entered into a profit rate swap agreement to manage the interest rate exposure. The changes in the fair value of the derivative amounting to AED 2,021,374 (loss) for the year ended 31 December 2023 (2022: AED 9,416,881 (loss)) is included as a component of other expenses in the consolidated statement of comprehensive income.

The fair value of the Group's derivative financial instrument as at 31 December is as follows:

	2023 ***AED***	*2022* *AED*
Profit rate swap – non-current liabilities (note 24)	**30,396,005**	28,374,631

Movement in the derivative financial instrument during the year is as follows:

	2023 ***AED***	*2022* *AED*
At 1 January	**28,374,631**	32,463,738
Change in fair value (note 6)	**2,021,374**	9,416,881
Settlement during the year	**-**	(13,505,988)
	30,396,005	28,374,631

Profit rate swap:
The Group uses derivative financial instrument to manage the interest rate risk. As at 31 December 2023 and 31 December 2022, the Group entered into interest rate swap agreement to limit exposure to interest rate increases related to a portion of the floating rate indebtedness. As at 31 December 2023 and 31 December 2022, the aggregate notional principal amounts of the outstanding interest rate swap contract amounted to AED 754,049,451 and AED 491,429,670 respectively. The derivative financial instrument represents the recognition of a financial liability amounting to AED 30,396,005 and AED 28,374,631 as at 31 December 2023 and 31 December 2022 respectively, relating to the fair value adjustment of the profit rate swap.

The fair values of the profit rate swap is estimated using quotes from external sources or the counterparty to the instrument. 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 consolidated statement of comprehensive income for respective years.

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 December 2023 and 31 December 2022.

25 DERIVATIVE FINANCIAL INSTRUMENT continued

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

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

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

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

Changes in liabilities:

	At 1 January AED	*Cash flows AED*	*Non -cash transactions AED*	*At 31 December AED*
31 December 2023				
Derivative financial instrument – (non-current)	**28,374,631**	**-**	**2,021,374**	**30,396,005**
31 December 2022				
Derivative financial instrument – (non-current)	32,463,738	(13,505,988)	9,416,881	28,374,631

The 'Non-cash transaction' column includes the effect of changes in fair value of derivative financial instrument. The Group classifies these changes in fair value of derivative financial instrument is a non-cash activity and does not affect the consolidated statement of cash flows.

26 EARNINGS PER SHARE

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

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 year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

26 EARNINGS PER SHARE continued

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

	2023 ***AED***	*2022* *AED*
Earnings:		
Profit attributable to the Equity holders of the Parent	**516,192,124**	338,142,826
Number of shares		
Weighted average number of ordinary shares for basic and diluted earnings per share	**5,205,134,175**	5,205,134,175
Earnings per share		
Basic and diluted earnings per share (AED)	**0.10**	0.06

During the year, 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 consolidated financial statements.

27 MATERIAL PARTLY-OWNED SUBSIDIARIES

Financial information of subsidiaries of the Group that has material non-controlling interest is provided below:

	Country of incorporation	***Ownership 2023***	*Ownership 2022*
Lifecare Hospital LLC	UAE	**50%**	50%
Lifecare International Pharmacy LLC	UAE	**50%**	50%
Lifecare Clinic LLC	UAE	**50%**	50%
Lifecare Medical Centre LLC	UAE	**50%**	50%
Lifecare Clinic LLC - Branch	UAE	**50%**	-
Integrated Medical Care Services Company	KSA	**50%**	-

	2023 ***AED***	*2022* *AED*
Lifecare Hospital LLC & Lifecare International Pharmacy LLC (i)	**52,056,618**	31,199,023
Lifecare Clinic LLC (ii)	**413,457**	105,395
Lifecare Medical Centre LLC (iii)	**(2,498,959)**	(2,104,490)
Lifecare Clinic LLC - Branch (iv)	**(407,011)**	-
Integrated Medical Care Services Company (v)	**(2,092,512)**	-
	47,471,593	29,199,928

27 MATERIAL PARTLY-OWNED SUBSIDIARIES continued

Total comprehensive income for the year attributable to non-controlling interests:

	2023 ***AED***	*2022* *AED*
Lifecare Hospital LLC & Lifecare International Pharmacy LLC (i)	**26,857,593**	17,686,686
Lifecare Clinic LLC (ii)	**308,062**	(114,998)
Lifecare Medical Centre LLC (iii)	**(394,468)**	(1,135,121)
Lifecare Clinic LLC - Branch (iv)	**(407,011)**	-
Integrated Medical Care Services Company (v)	**(2,141,531)**	-
	24,222,645	16,436,567

i) Lifecare Hospital LLC & Lifecare International Pharmacy LLC ('Lifecare Hospital')

The summarised financial information of Lifecare Hospital is provided below. This information is based on amounts before inter-company eliminations.

	2023 ***AED***	*2022* *AED*
Statement of comprehensive income for the year:		
Revenue	**285,307,003**	249,907,631
Expenses	**(231,591,817)**	(214,534,259)
Profit for the year	**53,715,186**	35,373,372
Profit allocated to non-controlling interest	**26,857,593**	17,686,686
Statement of cash flows for the year:		
Cash flows from operating activities	**32,391,794**	9,272,155
Cash flows used in investing activities	**(8,191,436)**	(11,592,245)
Cash flows used in financing activities	**(15,662,565)**	(6,329,486)
Net cash inflows (outflows)	**8,537,793**	(8,649,576)
Statement of financial position:		
Total assets	**325,312,819**	290,765,704
Total liabilities	**(221,199,582)**	(228,367,657)
Net assets	**104,113,237**	62,398,047
Accumulated non-controlling interest	**52,056,618**	31,199,023

27 MATERIAL PARTLY-OWNED SUBSIDIARIES continued

ii) Lifecare Clinic LLC ('Lifecare Clinic')

The summarised financial information of Lifecare Clinic is provided below. This information is based on amounts before inter-company eliminations.

	2023 ***AED***	*2022* *AED*
Statement of comprehensive income for the year:		
Revenue	**2,949,860**	2,266,434
Expenses	**(2,333,736)**	(2,496,429)
Profit (loss) for the year	**616,124**	(229,995)
Profit (loss) allocated to non-controlling interest	**308,062**	(114,998)
Statement of cash flows for the year:		
Cash flows from operating activities	**1,236,461**	300,000
Cash flows used in investing activities	**(1,458,437)**	-
Cash flows from (used) in financing activities	**221,976**	(300,000)
Net cash inflows (outflows)	**-**	-
Statement of financial position:		
Total assets	**4,887,093**	2,962,801
Total liabilities	**(4,060,180)**	(2,752,012)
Net assets	**826,913**	210,789
Share of non-controlling interest	**413,457**	105,395

27 MATERIAL PARTLY-OWNED SUBSIDIARIES continued

iii) Lifecare Medical Centre LLC ('Lifecare Medical Centre')

The summarised financial information of Lifecare Medical Centre is provided below. This information is based on amounts before inter-company eliminations.

	2023 ***AED***	*2022* *AED*
Statement of comprehensive income for the year:		
Revenue	**419,433**	1,562,913
Expenses	**(1,208,369)**	(3,833,156)
Loss for the year	**(788,936)**	(2,270,243)
Loss allocated to non-controlling interest	**(394,468)**	(1,135,121)
Statement of cash flows for the year:		
Cash flows from (used in) operating activities	**1,766,401**	(11,428)
Cash flows used in investing activities	**(1,766,460)**	-
Cash flows used in financing activities	**(225)**	-
Net cash outflows	**(284)**	(11,428)
Statement of financial position:		
Total assets	**969,302**	1,273,074
Total liabilities	**(5,967,220)**	(5,482,054)
Net liabilities	**(4,997,918)**	(4,208,980)
Share of non-controlling interest	**(2,498,959)**	(2,104,490)

iv) Lifecare Clinic LLC - Branch

The summarised financial information of Lifecare Clinic LLC - Branch is provided below. This information is based on amounts before inter-company eliminations.

	2023 ***AED***
Statement of comprehensive income for the year:	
Revenue	**1,937,004**
Expenses	**(2,751,026)**
Loss for the year	**(814,022)**
Loss allocated to non-controlling interest	**(407,011)**
Statement of cash flows for the year:	
Cash flows from operating activities	**634,576**
Cash flows used in investing activities	**(777,667)**
Cash flows used in financing activities	**119,994**
Net cash outflows	**(23,097)**

27 MATERIAL PARTLY-OWNED SUBSIDIARIES continued

	2023 AED
iv) Lifecare Clinic LLC - Branch continued	
Statement of financial position:	
Total assets	**1,230,163**
Total liabilities	**(2,044,185)**
Net liabilities	**(814,022)**
Share of non-controlling interest	**(407,011)**

v) Integrated Medical Care Services Company

The summarised financial information of Integrated Medical Care Services Company is provided below. This information is based on amounts before inter-company eliminations.

	2023 AED
Statement of comprehensive income for the year:	
Revenue	**1,086,411**
Expenses	**(5,369,473)**
Loss for the year	**(4,283,062)**
Loss allocated to non-controlling interest	**(2,141,531)**
Statement of cash flows for the year:	
Cash flows from operating activities	**11,661,560**
Cash flows used in investing activities	**(11,238,820)**
Cash flows from financing activities	**408,428**
Net cash inflows	**831,168**
Statement of financial position:	
Total assets	**13,264,123**
Total liabilities	**(17,449,146)**
Net liabilities	**(4,185,023)**
Share of non-controlling interest	**(2,092,512)**

28 CONTINGENCIES AND COMMITMENTS

Contingencies:
As at 31 December 2023, the Group had contingent liabilities in respect of labour guarantees amounting to AED 3,909,531 (2022: AED 1,622,432) and performance guarantees amounting to AED 11,584,099 (2022: AED 9,453,423), arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

The Group in the normal course of business is involved from time to time in claims and counter claims with respect to contractors, customers and other parties. The Group undertake a periodic review of its potential exposure to claims made against it by vendors and as at 31 December 2023 there is no material exposure that requires to be disclosed.

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

	2023 ***AED***	*2022* *AED*
Software	**47,279,099**	-
Building improvements	**31,050,934**	9,127,550
Medical equipment	**16,355,018**	6,399,924
Others	**3,393,828**	727,023
	98,078,879	16,254,497

06

Appendix

Our commitment to incorporating sustainability reporting frameworks underlies our transparency and responsible corporate practices.

→ see page
270 GRI Standards

→ see page
274 SASB Standards

→ see page
276 ADX ESG Guidelines

GRI content index

Statement of use	Burjeel Holdings PLC has reported the information cited in this GRI content index for the period from 1 January to 31 December 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021.

GRI Standard	Disclosure	Location – page(s)
GRI 2: General Disclosures 2021	2-1 Organizational details	2, 14-15, 178
	2-2 Entities included in the organization's sustainability reporting	2
	2-3 Reporting period, frequency and contact point	2, 3, 180
	2-4 Restatements of information	There are no restatements of information from previous reports.
	2-5 External assurance	3
	2-6 Activities, value chain and other business relationships	8-13, 39, 46-57, 62-69, 110-112
	2-7 Employees	156
	2-9 Governance structure and composition	125, 170-173
	2-10 Nomination and selection of the highest governance body	172
	2-11 Chair of the highest governance body	The chair of the Board of Directors is not a senior executive of the Company.
	2-12 Role of the highest governance body in overseeing the management of impacts	125
	2-13 Delegation of responsibility for managing impacts	125
	2-14 Role of the highest governance body in sustainability reporting	3
	2-15 Conflicts of interest	89
	2-18 Evaluation of the performance of the highest governance body	170
	2-19 Remuneration policies	175
	2-20 Process to determine remuneration	175
	2-22 Statement on sustainable development strategy	28-29, 126-127, 132-133
	2-23 Policy commitments	2, 146-147, 177
	2-25 Processes to remediate negative impacts	148
	2-26 Mechanisms for seeking advice and raising concerns	147
	2-27 Compliance with laws and regulations	The Company did not commit any material violations with respect to the Governance Guide and other applicable regulations during the year ended 31 December 2023.
	2-28 Membership associations	38
	2-29 Approach to stakeholder engagement	128-129
GRI 3: Material Topics 2021	3-1 Process to determine material topics	130
	3-2 List of material topics	131
	3-3 Management of material topics	62-75, 120-121, 132-133, 137-138, 140-141, 142-143, 145-149, 153, 156-161, 168-180
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	157
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	16-21, 63-75
	203-2 Significant indirect economic impacts	144, 157

GRI Standard	Disclosure	Location – page(s)
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	146
	205-3 Confirmed incidents of corruption and actions taken	During 2023, there were no recordable cases or reports relating to corruption or bribery.
GRI 302: Energy 2016	302-1 Energy consumption within the organization	139
	302-4 Reduction of energy consumption	139
GRI 303: Water and Effluents 2018	303-5 Water consumption	140
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	138
	305-2 Energy indirect (Scope 2) GHG emissions	138
	305-4 GHG emissions intensity	138
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	140-141
	306-3 Waste generated	141
	306-4 Waste diverted from disposal	141
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	158
	401-3 Parental leave	159-160
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	150-152
	403-2 Hazard identification, risk assessment, and incident investigation	153
	403-5 Worker training on occupational health and safety	154-155
	403-9 Work-related injuries	153
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	74, 161
	404-2 Programs for upgrading employee skills and transition assistance programs	160-161
	404-3 Percentage of employees receiving regular performance and career development reviews	161
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	156-157, 170-171
	405-2 Ratio of basic salary and remuneration of women to men	157
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs (modified)	144
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	There were no incidents of non-compliance with regulations concerning the health and safety impacts of services within the reporting period.
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were no data breaches and no substantiated complaints received concerning breaches of customer privacy in 2023.

SASB

Topic	Metric	Category	Measure unit	Code	Location (pages)
Energy management	(1) Total energy consumed	Quantitative	Gigajoules (MWh)	HC-DY-130a.1	139
Waste management	Total amount of medical waste	Quantitative	Metric tons (t)	HC-DY-150a.1	141
Patient privacy & electronic health records	Description of policies and practices to secure customers' protected health information records and other personally identifiable information	Discussion and analysis	n/a	HC-DY-230a.2	148-149
	(1) Number of data breaches	Quantitative	Number	HC-DY-230a.3	There were no data breaches and no substantiated complaints received concerning breaches of customer privacy in 2023.
Employee health & safety	(1) Total recordable incident rate (TRIR) and (2) days away, restricted, or transferred (DART) rate	Quantitative	Rate	HC-DY-320a.1	153

Topic	Metric	Category	Measure unit	Code	Location (pages)
Employee recruitment, development & retention	(1) Voluntary and (2) involuntary turnover rate for: (a) physicians, b) non-physician health care practitioners, and (c) all other employees	Quantitative	Rate	HC-DY-330a.1	158
	Description of talent recruitment and retention efforts for health care practitioners	Discussion and analysis	n/a	HC-DY-330a.2	159-160
Climate change impacts on human health & infrastructure	Description of policies and practices to address: (1) the physical risks because of an increased frequency and intensity of extreme weather events… and (3) emergency preparedness and response	Discussion and analysis	n/a	HC-DY-450a.1	137
Activity metrics	Number of (1) facilities and (2) beds, by type	Quantitative	Number	HC-DY-000.A	12, 14-15, 23
	Number of (1) inpatient admissions and (2) outpatient visits	Quantitative	Number	HC-DY-000.B	106

ADX ESG metrics

Metric	Calculation	Metric unit	2022	2023	Location in the report (pages)/Remarks
E1. GHG emissions	E1.1) Total amount in CO_2 equivalents, for Scope 1	Metric tons of CO_2e	6,952	**8,107**	138
	E1.2) Total amount, in CO_2 equivalents, for Scope 2 (if applicable)	Metric tons of CO_2e	38,596	**36,698**	138
	E1.3) Total amount, in CO_2 equivalents, for Scope 3 (if applicable)	Metric tons of CO_2e	N/A	**N/A**	
E2. Emissions Intensity	E2.1) Total GHG emissions per patient	kg CO_2e	8.2	**7.4**	138
	E2.2) Total non-GHG emissions per output scaling factor	kg CO_2e	N/A	**N/A**	
E3. Energy Usage	E3.1) Total amount of energy directly consumed	MWh	96,653	**90,949**	139
	E3.2) Total amount of energy indirectly consumed	MWh	N/A	**N/A**	
E4. Energy Intensity	Total direct energy usage per patient	kWh	N/A	**N/A**	
E5. Energy Mix	Energy usage by generation type	Percentage	N/A	**N/A**	
E6. Water Usage	E6.1) Total amount of water consumed	Thousand m^3	5,440	**3,864**	140
	E6.2) Total amount of water reclaimed	Thousand m^3	N/A	**N/A**	

Metric	Calculation	Metric unit	2022	2023	Location in the report (pages)/Remarks
E7. Environmental Operations	E7.1) Does your company follow a formal Environmental Policy?	Yes/No	No	**No**	
	E7.2) Does your company follow specific waste, water, energy, and/ or recycling policies?	Yes/No	Yes	**Yes**	140-141
	E7.3) Does your company use a recognized energy management system?	Yes/No	N/A	**N/A**	
E8. Environmental Oversight	Does your Management Team oversee and/ or manage sustainability issues?	Yes/No	Yes	**Yes**	125
E9. Environmental Oversight	Does your Board oversee and/or manage sustainability issues?	Yes/No	Yes	**Yes**	125
E10. Climate Risk Mitigation	Total amount invested, annually, in climate-related infrastructure, resilience, and product development	AED million	N/A	**N/A**	
S1. CEO Pay Ratio	S1.1) CEO total compensation to median Full Time Equivalent (FTE) total compensation	Ratio	N/A	**N/A**	
	S1.2) Does your company report this metric in regulatory filings?	Yes/No	No	**No**	

Metric	Calculation	Metric unit	2022	2023	Location in the report (pages)/Remarks
S2. Gender Pay Ratio	Median male compensation to median female compensation	Ratio	N/A	**N/A**	Average compensation ratio is disclosed on page 157.
S3. Employee Turnover	S3.1) Year-over-year change for full-time employees	Percentage	19%	**20%**	158
	S3.2) Year-over-year change for part-time employees	Percentage	N/A	**N/A**	
	S3.3) Percentage: Year-over-year change for contractors/ consultants	Percentage	N/A	**N/A**	
S4. Gender Diversity	S4.1) Total enterprise headcount: Women	Percentage	54%	**54%**	156 (full-time employees).
	S4.2) Entry- and mid-level positions: Women	Percentage	49%	**58%**	157 (full-time employees).
	S4.3) Senior- and executive-level positions: Women	Percentage	34%	**36%**	157 (full-time employees).
S5. Temporary Worker Ratio	S5.1) Total enterprise headcount held by part-time employees	Percentage	0.2%	**0.2%**	156
	S5.2) Total enterprise headcount held by contractors and/or consultants	Percentage	N/A	**N/A**	
S6. Non-Discrimination	Does your company follow a non-discrimination policy?	Yes/No	Yes	**Yes**	The company does not have a standalone anti-discrimination policy, but these topics are covered in Employee Grievance Policy, Disciplinary Procedure Policy and Code of Conduct.
S7. Injury Rate	Frequency of injury events relative to total workforce time	Total recordable incidents/ 1 million hours worked	1.52	**1.22**	153
S8. Global Health & Safety	Does your company follow an occupational health and/or global health & safety policy?	Yes/No	Yes	**Yes**	150-151
S9. Child & Forced Labor	S9.1) Does your company follow a child and/or forced labor policy?	Yes/No	Yes	**Yes**	Child and forced labor provisions are made in the Company's Code of Conduct.
	S9.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors?	Yes/No	Yes	**Yes**	The Company has a separate Suppliers Code of Conduct which sets out the human rights expectation for suppliers and vendors.
S10. Human Rights	S10.1) Does your company follow a human rights policy?	Yes/No	Yes	**Yes**	145, 147 (the Company does not have a standalone human rights policy, but human rights are covered in the Burjeel Holding's Code of Conduct).
	S10.2) If yes, does your human rights policy also cover suppliers and vendors?	Yes/No	N/A	**N/A**	
S11. Nationalization	Percentage of national employees	Percentage	6%	**5%**	157 (share of local nationals in total employees).
S12. Community Investment	Amount invested in the community, as a percentage of company revenues	Percentage	N/A	**N/A**	

Metric	Calculation	Metric unit	2022	2023	Location in the report (pages)/Remarks
G1. Board Diversity	G1.1) Total board seats held by women	Percentage	14%	**14%**	164-165
	G1.2) Committee chairs held by women	Percentage	N/A	**33%**	172-173
G2. Board Independence	G2.1) Does company prohibit CEO from serving as board chair?	Yes/No	Yes	Yes	
	G2.2) Total board seats occupied by independent board members	Percentage	71%	71%	170
G3. Incentivized Pay	Are executives formally incentivized to perform on sustainability?	Yes/No	N/A	N/A	
G4. Supplier Code of Conduct	G4.1) Are your vendors or suppliers required to follow a Code of Conduct?	Yes/No	Yes	Yes	
	G4.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?	Percentage	100%	100%	
G5. Ethics & Prevention of Corruption	G5.1) Does your company follow an Ethics and/or Prevention of Corruption policy?	Yes/No	Yes	Yes	146
	G5.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?	Percentage	100%	100%	146
G6. Data Privacy	G6.1) Does your company follow a Data Privacy policy?	Yes/No	Yes	Yes	148-149
	G6.2) Has your company taken steps to comply with GDPR rules?	Yes/No	N/A	N/A	

Metric	Calculation	Metric unit	2022	2023	Location in the report (pages)/Remarks
G7. Sustainability Reporting	Does your company publish a sustainability report?	Yes/No	No	No	The Company discloses sustainability information as a part of the annual report.
G8. Disclosure Practices	G8.1) Does your company provide sustainability data to sustainability reporting frameworks?	Yes/No	Yes	Yes	2
	G8.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)?	Yes/No	Yes	Yes	126-127
	G8.3) Does your company set targets and report progress on the UN SDGs?	Yes/No	Yes	Yes	132-133
G9. External Assurance	Are your sustainability disclosures assured or verified by a third-party audit firm?	Yes/No	No	No	3

