

Pure Health Holding PJSC

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

Pure Health Holding PJSC

DIRECTORS' REPORT

31 DECEMBER 2025

Pure Health Holding PJSC

DIRECTORS' REPORT

At 31 December 2025

Dear Shareholders,

It is our pleasure to present the Directors' report along with the audited consolidated financial statements of Pure Health Holding PJSC (the "Company") and its subsidiaries (together referred to as the "Group") for the year ended 31 December 2025.

Principal activities

The main activities of the Group are to provide hospital operations and management services, hospitalisation services, clinical services, pharmacy services, diagnostic and laboratory management services, health insurance, procurement and supply of medical related products, information technology and other healthcare related operations.

Results for the year

During the year ended 31 December 2025, the Group reported a profit of AED 2,020,101 thousand and revenue of AED 27,311,962 thousand.

Board of Directors

The Directors of the Company are:

Chairman Mr. Kamal Ishaq Abdulla Ismail Almaazmi

Vice Chairman Mr. Hamad Salem Mohamed Binlouteya Alameri

Members Mr. Farhan Abdulshakoor Malik
Mr. Jawad Shafique Muhammad Shafique
Mr. Mohammad Adnan Abdulrahman Abdulla Sharafi

To the best of our knowledge, the financial information included in these consolidated financial statements fairly reflects in all material respects the financial condition, results of operations and cash flows of the Group as of and for, the years presented therein. The consolidated financial statements were approved by the Board of Directors and authorised for issue on 6 February 2026.

Auditors

A resolution proposing the reappointment of Ernst & Young as auditors of the Group for the year ending 31 December 2026 will be put to the shareholders at Annual General Meeting.

On behalf of Board of Directors



Mr. Kamal Ishaq Abdulla Ismail Almaazmi
Chairman

Pure Health Holding PJSC
CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2025



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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PURE HEALTH HOLDING PJSC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Pure Health Holding PJSC (the "Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, consolidated statement of other 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 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 2025 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

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*) (IESBA Code) as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the consolidated financial statements of public interest entities in the United Arab Emirates. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 year. 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 there are multiple revenue streams associated with the Group which come from various decentralised operational locations. In addition, there are a number of different IT systems and applications in place for the recording of revenue transactions. The Group has a variety of customer contracts and revenue arrangements that require careful consideration and judgement to determine the appropriate revenue recognition. Further, revenue is also a key performance indicator for the Group's performance. During the year ended 31 December 2025, total revenue of the Group amounted to AED 27,311,962 thousand (2024: AED 25,848,242 thousand) (note 25).



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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

PURE HEALTH HOLDING PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

Revenue recognition continued

We reviewed the revenue recognition policies applied by the Group to assess their compliance with the requirements of IFRS Accounting Standards. For each material operational location with significant revenue streams, we performed, or involved component auditors to perform substantive audit procedures which included substantive analytical procedures at the Group and subsidiary level and testing on transactions around the year end, to assess whether revenues were recognised in the correct accounting period and throughout the year, to assess whether revenues were properly recognised.

Business combinations within the scope of IFRS 3

During the year, the Group has acquired control over the entities as disclosed in note 5.1 which were determined to be business combinations as defined by IFRS 3. External valuation specialists were engaged by the Group to perform the purchase price allocation exercise, including the fair valuation and identification of acquired assets and liabilities. The acquisition of businesses is a key audit matter as these are significant transactions during the year which require significant judgement regarding the allocation of the purchase price to the assets and liabilities acquired and adjustments made to align accounting policies of the newly acquired businesses with those of the Group.

We performed the following procedures:

- Reviewed the share purchase agreements and ownership structures before and after the acquisitions to assess if the acquisitions fulfilled the requirements of business combination under IFRS 3;
- Obtained the provisional/final purchase price allocation reports for material acquisitions prepared by the external valuers engaged by the Group;
- Involved our internal specialists to review the reports. The review included an assessment of the reasonableness of inputs used in the valuation and assumptions made, such as the cash flow projections, discount rate, terminal growth rate, the identification of intangible assets and the useful life of tangible and intangible assets;
- Assessed the independence, qualification and expertise of external valuation specialists engaged by the Group and read the terms of their engagement to determine whether there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work; and
- Verified that the business combination was properly accounted by the Group, including the determination of the date of acquisition and the fair value of the consideration transferred, in accordance with IFRS 3, and all related disclosures, as required by IFRS Accounting Standards, are disclosed in the consolidated financial statements.

Valuation of insurance contract liabilities and reinsurance contract assets

As of 31 December 2025, insurance contract liabilities and reinsurance contract assets amounted to AED 3,955,540 thousand and AED 1,586,363 thousand, respectively, as detailed in note 23 to the consolidated financial statements. A key element of the valuation of insurance contract liabilities and reinsurance contract assets is the present value of future cash flows ("PVFCFs") included in the liability for incurred claims for contracts measured under the Premium Allocation Approach and risk adjustment for non-financial risks. Management uses internal and external actuary specialists to assist in the calculation of the liability for incurred claims.



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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

PURE HEALTH HOLDING PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

Valuation of insurance contract liabilities and reinsurance contract assets continued

Due to the inherent estimation uncertainty and subjectivity involved in the assessment of valuation of the liability for incurred claims arising from insurance contracts, we have considered this as a key audit matter.

We performed the following procedures with the involvement of our IFRS 17 actuarial specialists:

- Obtained an understanding and tested key controls for claims handling process;
- Evaluated the competence, capabilities and objectivity of the management's expert based on their professional qualifications and experience and assessed their independence;
- Assessed the integrity of data used as inputs into the actuarial valuations, and tested on sample basis, the accuracy of underlying claims data utilised by the management's expert in estimating the present value of the future cashflows and the risk adjustment for non-financial risk by comparing it to the accounting and other records;
- Obtained and reviewed the Group's process for determining the key actuarial assumptions including claims ratios and tested these by comparing them with our expectations based on the Group's historical experience, current trends and our own industry knowledge;
- Assessed the appropriateness of the calculation methods and approach along with the assumptions used; and
- We assessed the adequacy of disclosures in the consolidated financial statements related to reinsurance contract assets and insurance contract liabilities as per IFRS 17.

Impairment assessment of Goodwill

The Group has recognised goodwill amounting to AED 7,506,605 thousand (2024: AED 4,642,142 thousand) arising from the acquisition of subsidiaries operating in multiple segments under business combinations within the scope of IFRS 3 (note 9).

Management carries out impairment assessments of goodwill annually. Goodwill impairment testing is considered a key audit area given the significant estimates and assumptions involved in determining the value in use of the respective cash generating units. Assumptions used relate to future cash flows, revenue growth rates, expected inflation rates and discount rates.

As part of our audit procedures, we performed, or involved component auditors to perform, the following for cash generating units ("CGUs") with significant goodwill:

- tested, with involvement of internal valuation specialists, the methodologies and inputs used by the Group in the discounted cash flow models for impairment testing including key assumptions relating to growth rates, inflation rates and discount rates;
- analyzed the sensitivity of available headroom in the respective CGUs to changes in certain assumptions;
- compared actual performance of cash generating units to the assumptions applied in discounted cash flow models to assess the historical accuracy of management's estimates; and
- assessed the adequacy of disclosure in line with the requirements of the IFRS Accounting Standards.



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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

PURE HEALTH HOLDING PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

Other information

Other information consists of the information included in the Directors' report other than the consolidated financial statements and our auditor's report thereon. We obtained the 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 those charged with governance for the consolidated financial statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and in compliance with the applicable provisions of the Articles of Association of the Company and the UAE Federal Law No. (32) of 2021, as amended, and for such internal control as 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, 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are 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 auditor's 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.



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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

PURE HEALTH HOLDING PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

Auditor's responsibilities for the audit of the consolidated financial statements continued

- 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 auditor's 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 auditor's 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the 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, actions 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 year 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

Further, as required by the UAE Federal Law No. (32) of 2021, as amended, we report that for the year ended 31 December 2025:

- i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;
- ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (32) of 2021, as amended, the Articles of Association of the Company;
- iii) the Group has maintained proper books of account;



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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

PURE HEALTH HOLDING PJSC continued

Report on Other Legal and Regulatory Requirements continued

- iv) the consolidated financial information included in the Directors' report is consistent with the books of account and records of the Group;
- v) investments in shares and stocks are included in note 11 to the consolidated financial statements and include purchases and investments made by the Group during the year ended 31 December 2025;
- vi) note 24 reflects the disclosures relating to material related party transactions and the terms under which they were conducted;
- vii) based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened, during the financial year ended 31 December 2025, any of the applicable provisions of the UAE Federal Law No. (32) of 2021, as amended, or of its Articles of Association which would materially affect its activities or its consolidated financial position as at 31 December 2025; and
- viii) during the year, the Group made no social contributions.

Further, as required by the Resolution of the Chairman of the Abu Dhabi Accountability Authority No. (88) of 2021 regarding financial statements Audit Standards for the Subject Entities, we report that, in connection with our audit of the consolidated financial statements for the year ended 31 December 2025, nothing has come to our attention that causes us to believe that the Group has not complied, in all material respects, with any of the provisions of the following laws, regulations and circulars as applicable, which would materially affect its activities or the consolidated financial statements as at 31 December 2025:

- i) Its Articles of Association or Law of Establishment which would materially affect its activities or its financial position as at 31 December 2025; and
- ii) Relevant provisions of the applicable laws, resolutions and circulars organising the Group's operations.

For Ernst & Young

Raed Ahmad
Registration No. 811

7 February 2026
Abu Dhabi, United Arab Emirates

Pure Health Holding PJSC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	Notes	2025 AED '000	2024 AED '000
ASSETS			
Non-current assets			
Property and equipment	6	7,397,113	3,277,222
Investment property	7	5,859	2,097
Right-of-use assets	8	12,671,369	11,018,566
Intangible assets and goodwill	9	12,568,323	8,644,003
Deferred tax assets	20	493,123	199,985
Investments in associates and joint ventures	10	134,204	40,340
Investments in financial assets	11.2 & 11.3	3,826,096	2,577,692
Other non-current assets	13	44,764	84,037
		<u>37,140,851</u>	<u>25,843,942</u>
Current assets			
Inventories	12	1,416,462	1,183,577
Due from related parties	24	1,651,594	1,178,168
Trade receivables and other assets	13	5,922,721	4,842,803
Investments in financial assets	11.1	2,124	270,584
Reinsurance contract assets	23	1,586,363	1,526,851
Contract assets	25	1,735,510	1,750,647
Cash and bank balances	14	7,705,950	<u>11,978,253</u>
		<u>20,020,724</u>	<u>22,730,883</u>
TOTAL ASSETS		<u>57,161,575</u>	<u>48,574,825</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	15.1	11,111,111	11,111,111
Share premium		2,507,749	2,507,749
Statutory reserve	16	629,102	424,242
Fair value reserve		(984,834)	(78,237)
Own shares held by the liquidity provider	15.2	(2,385)	-
Foreign currency translation reserve		228,079	(72,739)
Merger and other reserves	15.3	6,436	2,055,128
Retained earnings		4,806,038	<u>3,766,935</u>
Equity attributable to owners of the Company		<u>18,301,296</u>	<u>19,714,189</u>
Non-controlling interests		<u>20,176</u>	<u>22,061</u>
Total equity		<u>18,321,472</u>	<u>19,736,250</u>
Non-current liabilities			
Borrowings	18	2,833,556	1,834,039
Lease liabilities	19	14,475,008	12,205,124
Deferred tax liabilities	20	1,797,000	1,025,139
Net employees defined benefit liabilities	21	1,620,581	1,506,422
Non-controlling interests put option liability	17	2,823,173	-
Other non-current liabilities	22	483,271	<u>186,640</u>
		<u>24,032,589</u>	<u>16,757,364</u>

Pure Health Holding PJSC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION continued
At 31 December 2025

	Notes	2025 AED '000	2024 AED '000
EQUITY AND LIABILITIES continued			
Current liabilities			
Borrowings	18	415,026	26,204
Trade payables and other liabilities	22	9,373,842	7,664,428
Contract liabilities		60,803	56,602
Insurance contract liabilities	23	3,955,540	3,232,639
Lease liabilities	19	500,977	306,969
Income tax payable	20	379,797	182,910
Due to related parties	24	<u>121,529</u>	<u>611,459</u>
		<u>14,807,514</u>	<u>12,081,211</u>
Total liabilities		<u>38,840,103</u>	<u>28,838,575</u>
TOTAL EQUITY AND LIABILITIES		<u>57,161,575</u>	<u>48,574,825</u>



Chairman



Chief Executive Officer



Chief Financial Officer

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The attached notes 1 to 37 form part of these consolidated financial statements.

Pure Health Holding PJSC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	Notes	2025 AED '000	2024 AED '000
Revenue	25	27,311,962	25,848,242
Cost of sales	26	<u>(20,579,238)</u>	<u>(19,202,369)</u>
Gross profit		6,732,724	6,645,873
General and administrative expenses	27	(4,608,526)	(4,675,798)
Selling and distribution expenses		<u>(123,264)</u>	<u>(59,262)</u>
Gain on bargain purchase on acquisition of a subsidiary	5.1(b)	-	24,925
Finance costs	28	(864,848)	(847,634)
Share of profit from associates and joint ventures	10	20,190	81,655
Other income, net	29	<u>1,085,839</u>	<u>608,002</u>
PROFIT BEFORE TAX		2,242,115	1,777,761
Income tax expense	20	<u>(222,014)</u>	<u>(62,036)</u>
PROFIT FOR THE YEAR		<u>2,020,101</u>	<u>1,715,725</u>
Attributable to:			
Owners of the Company		2,002,108	1,711,640
Non-controlling interests		<u>17,993</u>	<u>4,085</u>
TOTAL PROFIT FOR THE YEAR		<u>2,020,101</u>	<u>1,715,725</u>
Basic and diluted earnings per share (AED)	30	<u>0.18</u>	<u>0.15</u>

The attached notes 1 to 37 form part of these consolidated financial statements.

Pure Health Holding PJSC

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	2025 AED '000	2024 AED '000
PROFIT FOR THE YEAR	2,020,101	1,715,725
Other comprehensive loss		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Change in fair value of debt instrument carried at fair value through other comprehensive income, net of tax	601	-
Foreign exchange difference on translation of foreign operations, net of tax	<u>299,215</u>	<u>(72,760)</u>
	299,816	(72,760)
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Remeasurement (loss) / gain on defined benefits plans, net of tax	(16,322)	61,305
Share of other comprehensive loss of associate and joint ventures	-	(779)
Share of other comprehensive loss of an associate reclassified to profit or loss on loss of significant influence	-	3,579
Net loss on cash flow hedge	-	(14,575)
Change in fair value of investment in financial assets carried at fair value through other comprehensive income, net of tax	<u>(903,021)</u>	<u>(65,771)</u>
	(919,343)	(16,241)
Total other comprehensive loss	<u>(619,527)</u>	<u>(89,001)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>1,400,574</u>	<u>1,626,724</u>
Attributable to:		
Owners of the Company	1,385,715	1,622,639
Non-controlling interests	<u>14,859</u>	<u>4,085</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>1,400,574</u>	<u>1,626,724</u>

The attached notes 1 to 37 form part of these consolidated financial statements.

Pure Health Holding PJSC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to owners of the Company												
	Share capital AED '000	Share premium AED '000	Statutory reserve AED '000	Fair value reserve AED '000	Own shares held by the liquidity provider AED '000	Cashflow hedge reserve AED '000	Foreign currency translation reserve AED '000	Merger & other reserves AED '000	Retained earnings AED '000	Total AED '000	Non controlling-interests AED '000	Total equity AED '000	
Balance at 1 January 2024	11,111,111	2,507,749	202,596	49,997	-	24,511	21	6,437	2,150,373	16,052,795	4,172	16,056,967	
Profit for the year	-	-	-	-	-	-	-	-	1,711,640	1,711,640	4,085	1,715,725	
Other comprehensive income / (loss) for the year, net of tax	-	-	-	(62,971)	-	(14,575)	(72,760)	-	61,305	(89,001)	-	(89,001)	
Total comprehensive income / (loss) for the year	-	-	-	(62,971)	-	(14,575)	(72,760)	-	1,772,945	1,622,639	4,085	1,626,724	
Transfer to non-financial assets (note 5.1 (b))	-	-	-	-	-	(9,936)	-	-	-	(9,936)	-	(9,936)	
Transfer of fair value reserve on disposal of equity investments carried at fair value through other comprehensive income	-	-	-	(65,263)	-	-	-	-	65,263	-	-	-	
Transfer to statutory reserve (note 16)	-	-	221,646	-	-	-	-	-	(221,646)	-	-	-	
Acquisition of subsidiaries (note 5.1 (b))	-	-	-	-	-	-	-	2,048,691	-	2,048,691	13,804	2,062,495	
Balance at 31 December 2024	<u>11,111,111</u>	<u>2,507,749</u>	<u>424,242</u>	<u>(78,237)</u>	<u>-</u>	<u>(72,739)</u>	<u>2,055,128</u>	<u>3,766,935</u>	<u>19,714,189</u>	<u>22,061</u>	<u>19,736,250</u>		
Balance at 1 January 2025	11,111,111	2,507,749	424,242	(78,237)	-	-	(72,739)	2,055,128	3,766,935	19,714,189	22,061	19,736,250	
Profit for the year	-	-	-	-	-	-	-	-	2,002,108	2,002,108	17,993	2,020,101	
Other comprehensive (loss) / income for the year, net of tax	-	-	-	(901,129)	-	-	300,818	-	(16,082)	(616,393)	(3,134)	(619,527)	
Total comprehensive (loss) / income for the year	-	-	-	(901,129)	-	-	300,818	-	1,986,026	1,385,715	14,859	1,400,574	
Transfer of fair value reserve on disposal of equity investments carried at fair value through other comprehensive income	-	-	-	(5,468)	-	-	-	-	5,468	-	-	-	
Acquisition of subsidiaries (note 5.1 (a))	-	-	-	-	-	-	-	-	-	-	604,624	604,624	
Other equity movement (note 5.1 b)	-	-	-	-	-	-	-	(406,485)	-	(406,485)	-	(406,485)	
Transfer to retained earnings (note 15.3)	-	-	-	-	-	-	-	(1,642,207)	1,642,207	-	-	-	
Own shares held by the liquidity provider (note 15.2)	-	-	-	-	(2,385)	-	-	-	(285)	(2,670)	-	(2,670)	
Non-controlling interests put option liability (note 17)	-	-	-	-	-	-	-	-	(2,046,308)	(2,046,308)	(614,105)	(2,660,413)	
Transfer to statutory reserve (note 16)	-	-	204,860	-	-	-	-	-	(204,860)	-	-	-	
Dividend paid (note 36)	-	-	-	-	-	-	-	-	(343,145)	(343,145)	(7,263)	(350,408)	
Balance at 31 December 2025	<u>11,111,111</u>	<u>2,507,749</u>	<u>629,102</u>	<u>(984,834)</u>	<u>(2,385)</u>	<u>-</u>	<u>228,079</u>	<u>6,436</u>	<u>4,806,038</u>	<u>18,301,296</u>	<u>20,176</u>	<u>18,321,472</u>	

The attached notes 1 to 37 form part of these consolidated financial statements.

Pure Health Holding PJSC

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 AED '000	2024 AED '000
OPERATING ACTIVITIES			
Profit before tax		2,242,115	1,777,761
Adjustments for:			
Depreciation of property and equipment	6	695,706	624,519
Depreciation of investment property	7	627	599
Depreciation of right-of-use assets	8	837,351	628,598
Amortisation of intangible assets	9	275,151	306,676
(Reversal) / impairment of property and equipment	6	(11,272)	10,748
(Reversal) / impairment of right-of-use assets	8	(48,291)	55,069
Impairment and write off of intangible assets	9	27,314	22
Write-off of property and equipment	6	178	1,075
Allowance for slow moving inventories	12	15,014	3,039
Allowance for expected credit loss of financial assets		247,673	284,930
Reversal for expected credit loss of trade and other receivables	13	(97,452)	-
Amortisation of discount on investment through amortised cost	11.3	(1,324)	240
Share of profit of investment in associates and joint ventures	10	(20,190)	(81,655)
Gain on loss of significant influence of associate		-	(56,332)
Gain on disposal of property and equipment	29	(12,234)	(444)
Gain on bargain purchase arising on acquisition of a subsidiary	5.1	-	(24,925)
Provision for employees' end of service benefits	21	240,247	227,257
Fair value gain on investment carried at fair value through profit and loss	11.1	(43,903)	(11,843)
Dividend income	29	(14,817)	(18,554)
Finance income	29	(325,495)	(285,492)
Finance costs	28	864,848	847,634
Operating cash flows before changes in working capital		4,871,246	4,288,922
Working capital changes:			
Inventories		(149,070)	(230,616)
Due from related parties		(453,139)	(1,073,403)
Trade and other receivables		(52,213)	667,335
Reinsurance contract assets		(59,512)	(195,952)
Contract assets		15,049	(960,359)
Other liabilities		(5,782)	145,824
Restricted cash		437,747	(653,308)
Due to related parties		(521,254)	344,336
Insurance contract liabilities		722,905	668,740
Contract liabilities		4,199	17,357
Trade and other payables		550,964	1,357,193
Cash generated from operations		5,361,140	4,376,069
Employees' end of service benefit paid	21	(190,869)	(156,889)
Income tax paid	20	(241,124)	-
Cash generated from operating activities		4,929,147	4,219,180

Pure Health Holding PJSC

CONSOLIDATED STATEMENT OF CASH FLOWS continued

For the year ended 31 December 2025

	Notes	2025 AED '000	2024 AED '000
INVESTING ACTIVITIES			
Proceeds from disposal of property and equipment		22,558	4,148
Purchase of property and equipment		(938,882)	(777,529)
Purchase of intangible assets	9	(180,224)	(177,212)
Purchase of investments	11	(2,199,972)	(689,952)
Proceeds from sale of investments	11	432,426	393,002
Change in derivative financial instrument		-	14,575
Movement in term deposits with original maturities greater than 3 months	14	(530,104)	63,319
Dividend received		38,492	25,125
Interest received		303,699	292,562
Disposal of subsidiaries, net of cash	5.2	-	(62,744)
Acquisition of subsidiaries - net of cash acquired	5.1	(3,198,088)	(2,730,780)
Cash used in investing activities		<u>(6,250,095)</u>	<u>(3,645,486)</u>
FINANCING ACTIVITIES			
Repayment of borrowings	18	(2,043,510)	(705,283)
Proceeds from borrowings, net	18	175,226	1,830,340
Purchase of own shares held by the liquidity provider		(21,154)	-
Sales of own shares by held the liquidity provider		18,484	-
Lease liabilities payments	19	(791,527)	(774,193)
Finance cost paid		(92,830)	(114,201)
Dividends paid	36	(350,408)	-
Cash (used in) / generated from financing activities		<u>(3,105,719)</u>	<u>236,663</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR			
Foreign exchange rate changes during the year		(4,426,667)	810,357
Cash and cash equivalents at beginning of the year		62,007	(8,337)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	14	<u>4,424,019</u>	<u>8,788,679</u>

The attached notes 1 to 37 form part of these consolidated financial statements.

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

1 GENERAL INFORMATION

Pure Health Holding PJSC (the "Company") is a public joint-stock company, registered and incorporated in the Emirate of Abu Dhabi, United Arab Emirates (UAE) on 26 July 2021. The Company's registered address is P.O. Box 144443, Abu Dhabi, United Arab Emirates.

The shareholders approved changing the legal status of the Company from a limited liability company to a public joint-stock company in October 2023. The Company's ordinary shares were listed on the Abu Dhabi Securities Exchange ("ADX") on 20 December 2023.

These consolidated financial statements include the results of operations and financial position of the Company and its subsidiaries (together referred to as the "Group"). The main activities of the Group are to provide hospital operations and management services, hospitalisation services, clinical services, pharmacy services, diagnostic and laboratory management services, health insurance, procurement and supply of medical related products, information technology and other healthcare related operations.

The consolidated financial statements of the Group were approved by the Board of Directors and authorised for issue on 6 February 2026.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRSs") and in compliance with the applicable provisions of the Company's Articles of Association and UAE Federal Law No. (32) of 2021, as amended.

These consolidated financial statements have been prepared on the historical cost basis, except for investments in financial assets carried at fair value through profit or loss and investments in financial assets carried at fair value through other comprehensive income (OCI) which are measured at fair value.

The consolidated financial statements are presented in United Arab Emirates Dirhams (AED), which is the functional currency of the Company and presentation currency of the Group. All the values are rounded to the nearest thousand (AED '000'), except when otherwise indicated.

2.2 BASIS FOR CONSOLIDATION

The consolidated financial statements of the Group comprise the financial information of the Group and its subsidiaries.

Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses 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 listed above.

2 BASIS OF PREPARATION continued

2.2 BASIS FOR CONSOLIDATION continued

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners 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 in line with the Group's accounting policies.

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

When the Group loses control of a subsidiary, a gain or loss is recognised in consolidated statement of profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (reclassified to consolidated statement of profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). 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, the cost on initial recognition of an investment in an associate or a joint venture.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

2 BASIS OF PREPARATION continued

2.2 BASIS FOR CONSOLIDATION continued

Details of the Company's subsidiaries as at 31 December 2025 were as follows:

<i>Name of subsidiary</i>	<i>Place of incorporation and operation</i>	<i>Principal activities</i>	<i>Proportion of ownership interest and voting power held</i>	
			<i>2025</i>	<i>2024</i>
Pure Health Medical Supplies LLC (PHMS)	United Arab Emirates	Health care technology and management services	100%	100%
Tamouh Healthcare LLC	United Arab Emirates	Health services enterprises investment, institution and management. Tourist services investment, institution and management	100%	100%
The National Insurance Company – Daman – PJSC (formerly National Health Insurance Company – PJSC)	United Arab Emirates	Health insurance. Fire insurance. Land, marine and air transportation dangers insurance. Accidents and civil responsibility insurance	100%	100%
Abu Dhabi Health Services Company – PSC (SEHA)	United Arab Emirates	Management of healthcare and medical facilities	100%	100%
The Life Corner LLC (TLC)	United Arab Emirates	Pharmacy management services	100%	100%
Pure Capital Investments LLC	United Arab Emirates	Investment in commercial enterprises & management	100%	100%
Pure CS Investments LLC	United Arab Emirates	Investment in commercial enterprises & management	100%	100%
Talent One Employment Services LLC	United Arab Emirates	Human service delivery of medical cadres and upon request employees provision services	100%	100%
SEHA Care LLC (i)	United Arab Emirates	Commercial enterprises investment, institution, and management company. Management and operation of public utilities company	100%	100%

Below are the subsidiaries of Pure Health Medical Supplies LLC:

Dawak Healthcare Supplies LLC (i)	United Arab Emirates	Commercial enterprises investment, institution and management company	100%	100%
Medclaim Billing Services LLC (i)	United Arab Emirates	Health services enterprises investment, institution and management company	100%	100%
One Health LLC	United Arab Emirates	Health services and commercial enterprises investment, institution and management company Health treatment undertaking services company	100%	100%
Pure Lab LLC	United Arab Emirates	Investment in healthcare enterprises and development	100%	100%
Pure Health Capital LLC	United Arab Emirates	Commercial enterprises investment, institution and management company	100%	100%
Pure Health Facilities Management LLC (i)	United Arab Emirates	Health services enterprises investment, institution and management company	100%	100%

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

2 BASIS OF PREPARATION continued

2.2 BASIS FOR CONSOLIDATION continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2025	2024
<u>Below are the subsidiaries of Pure Health Medical Supplies LLC: continued</u>				
Pure Health Investment – Sole Proprietorship LLC (i)	United Arab Emirates	Investment, institution and management company	100%	100%
Pure Investment LLC (i)	United Arab Emirates	Health services enterprises investment, institution and management company	100%	100%
Rafed Healthcare Supplies LLC	United Arab Emirates	Healthcare group procurement company. Wholesale trading of medical related items and medical storehouse	100%	100%
Telldoc Technology LLC (i)	United Arab Emirates	Investment, establishment and management of technology projects company	100%	100%
The Medical Office Facilities Management LLC	United Arab Emirates	Health services enterprises investment, institution and management company and health treatment undertaking services company	100%	100%
Union Health Facilities Management LLC (i)	United Arab Emirates	Commercial enterprises investment, institution and management company	100%	100%
<u>Below are the subsidiaries of Pure Lab LLC:</u>				
Pure Lab North LLC	United Arab Emirates	Health services enterprises investment, institution and management company	100%	100%
Pure Lab South LLC	United Arab Emirates	Management of medical facilities	100%	100%
<u>Below are the subsidiaries of Pure Health Capital LLC:</u>				
Pure Health Capital Americas 1 SPV RSC LTD	United Arab Emirates	Holding ownership of equity, non-equity assets, real property, intellectual property, other tangible and intangible assets	100%	100%
Pure Health Capital UK 1 LTD	United Arab Emirates	Holding ownership of equity and non-equity assets, including shares, debentures, bonds, other forms of security. Holding ownership of real property, intellectual property, other tangible and intangible assets	100%	100%
Pure Health Capital Holdings Greece 1 LTD (iii)	United Arab Emirates	Holding ownership of equity and non-equity assets	100%	-
<u>Below is the subsidiary of Pure Health Capital UK 1 LTD:</u>				
Pure Health UK Topco Limited	United Kingdom	Holding ownership of equity	100%	100%

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

2 BASIS OF PREPARATION continued

2.2 BASIS FOR CONSOLIDATION continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2025	2024
<u>Below is the subsidiary of Pure Health UK Topco Limited:</u>				
Pure Health UK Bidco Limited	United Kingdom	Holding ownership of equity	100%	100%
<u>Below is the subsidiary of Pure Health UK Bidco Limited:</u>				
Circle Health Holdings Limited	United Kingdom	Holding ownership of equity	100%	100%
<u>Below are the subsidiaries of Circle Health Holdings Limited:</u>				
Circle Health 1 Limited (iv)	United Kingdom	Holding ownership of equity	-	100%
Circle Health 2 Limited (iv)	United Kingdom	Holding ownership of equity	-	100%
Circle Holdings Limited (Jersey) (vi)	United Kingdom	Holding ownership of equity	100%	100%
Circle Health 3 Limited (iv)	United Kingdom	Holding ownership of equity	-	100%
Circle Health 4 Limited (i) (vi)	United Kingdom	Holding ownership of equity	100%	100%
General Healthcare Group Limited (vi)	United Kingdom	Holding ownership of equity	100%	100%
General Healthcare Holdings (2) Limited (vi)	United Kingdom	Holding ownership of equity	100%	100%
General Healthcare Holdings (3) Limited (vi)	United Kingdom	Holding ownership of equity	100%	100%
Bishopswood SPV Limited (vi)	United Kingdom	Provision of property services	100%	100%
Runnymede SPV Limited (vi)	United Kingdom	Provision of property services	100%	100%
GHG Leasing Limited (vi)	United Kingdom	Provision of property services	100%	100%
Circle Health MyWay Limited (vi)	United Kingdom	Health plan subscription services	100%	100%
Circle Health Group Limited (vi)	United Kingdom	Provision of healthcare services	100%	100%
<u>Below is the subsidiary of Circle Holdings Limited (Jersey):</u>				
Circle International PLC	United Kingdom	Holding ownership of equity	100%	100%
<u>Below is the subsidiary of Circle International PLC:</u>				
CHG Management Services Limited	United Kingdom	Holding ownership of equity	100%	100%
<u>Below are the subsidiaries of CHG Management Services Limited:</u>				
Circle Rehabilitation Services Limited	United Kingdom	Provision of healthcare services	100%	100%
Circle Hospital (Reading) Limited	United Kingdom	Provision of healthcare services	100%	100%
Circle Clinical Services Limited	United Kingdom	Provision of healthcare services	100%	100%
Circle Birmingham Limited	United Kingdom	Provision of healthcare services	100%	100%
Nations Healthcare Limited (iv)	United Kingdom	Holding ownership of equity	-	100%
Circle Nottingham Limited (vi)	United Kingdom	Provision of healthcare services	100%	100%

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

2 BASIS OF PREPARATION continued

2.2 BASIS FOR CONSOLIDATION continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2025	2024
<u>Below is the subsidiary of Circle Health 4 Limited:</u>				
GHG Healthcare Holdings Limited (iv)	United Kingdom	Holding ownership of equity	-	100%
<u>Below are the subsidiaries of General Healthcare Holdings (3) Limited:</u>				
GHG (DB) Pension Trustees Limited	United Kingdom	Pension Trustee	100%	100%
North West Cancer Clinic Limited (iv)	United Kingdom	Provision of healthcare services	-	100%
Generale de Sante International Limited (i)	United Kingdom	Holding ownership of equity	100%	100%
GHG Mount Alvernia Hospital Limited (i)	United Kingdom	Holding ownership of equity	100%	100%
Syon Clinic Limited	United Kingdom	Provision of healthcare services	50%	50%
GHG Intermediate Holdings Limited (iv)	United Kingdom	Holding ownership of equity	-	100%
Meriden Hospital Advanced Imaging Centre Limited (i) (ii)	United Kingdom	Provision of healthcare services	100%	-
<u>Below is the subsidiary of Circle Health Group Limited:</u>				
Circle Decontamination Limited	United Kingdom	Provision of decontamination services	100%	100%
<u>Below is the subsidiary of Pure Health Capital Holdings Greece 1 LTD:</u>				
Hellenic Healthcare S.a.r.l (v)	Luxembourg	Holding ownership of equity	60%	-
<u>Below are the subsidiaries of Hellenic Healthcare S.a.r.l.:</u>				
Hellenic Healthcare Single Member Holding SA	Greece	Holding ownership of equity	100%	-
Hellenic Healthcare II Single Member Holding SA	Greece	Holding ownership of equity	100%	-
<u>Below are the subsidiaries of Hellenic Healthcare Single Member Holding SA:</u>				
Diagnostic & Therapeutic Center of Athens Hygeia Single Member SA	Greece	Provision of healthcare services	100%	-
Leto SA	Greece	Provision of healthcare services	99.99%	-
Anemos Zelitsa Single Member SA	Greece	Renewable energy services	100%	-
Business Care Ltd	Greece	Provision of healthcare services	70.18%	-
Health Spot By HHG Single Member SA	Greece	Provision of healthcare services	100%	-
City Hospital Private Company	Greece	Provision of healthcare services	100%	-
City Hospital Property Single Member Private Company	Greece	Leasing and management of owned or rented properties	100%	-
Hellenic Healthcare Holding (Cyprus) Limited	Cyprus	Holding ownership of equity	95%	-
Hellenic Healthcare Holding 2 (Cyprus) Limited	Cyprus	Holding ownership of equity	100%	-
Hellenic Healthcare Holding 3 (Cyprus) Limited	Cyprus	Holding ownership of equity	100%	-
Hellenic Healthcare Holding 5 (Cyprus) Limited	Cyprus	Holding ownership of equity	100%	-
Hellenic Healthcare Holding 6 (Cyprus) Limited	Cyprus	Holding ownership of equity	100%	-

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

2 BASIS OF PREPARATION continued

2.2 BASIS FOR CONSOLIDATION continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2025	2024
<u>Below is the subsidiary of Hellenic Healthcare Single Member Holding SA: continued</u>				
Gialletto Limited	Cyprus	Provision of healthcare services	100%	-
<u>Below are the subsidiaries of Hellenic Healthcare II Single Member Holding SA:</u>				
Perseus Healthcare Single Member SA	Greece	Provision of healthcare services	100%	-
Metropolitan General Hospital – Healthcare Facilities Operation & Management Single Member SA	Greece	Provision of healthcare services	100%	-
<u>Below are the subsidiaries of Diagnostic & Therapeutic Center of Athens Hygeia Single Member SA:</u>				
Aniz Single Member SA	Greece	Operation of canteens and restaurants	100%	-
Y-Logimed Single Member SA	Greece	Import, trading and supply of medical technology product	100%	-
Hygeia IVF Embryogenesis SA	Greece	Provision of healthcare services	56.38%	-
Leto Holding SA	Greece	Holding ownership of equity	99.9%	-
<u>Below is the subsidiary of Y-Logimed Single Member SA:</u>				
Y-Logimed Cyprus Limited	Greece	Import, trading and supply of medical technology product	100%	-
<u>Below is the subsidiary of Leto SA:</u>				
Alfa Lab SA	Cyprus	Provision of healthcare services	100%	-
<u>Below are the subsidiaries of Health Spot By HHG Single Member SA:</u>				
Health Spot II Single Member SA	Greece	Provision of healthcare services	100%	-
Health Spot Lesvou Medical PC	Greece	Provision of healthcare services	82.61%	-
S.E.A. Medical Health Clinic SA	Greece	Provision of healthcare services	92.03%	-
Health Spot Korinthou SA	Greece	Provision of healthcare services	95.01%	-
Health Spot MRI Medical Private Co.	Greece	Provision of healthcare services	100%	-
Platon Medicine SA	Greece	Provision of healthcare services	65%	-
Diagnostiko Ergastirio Samou Ikarias Medical Single Member SA (v)	Greece	Provision of healthcare services	70%	-
<u>Below is the subsidiary of Hellenic Healthcare Holding (Cyprus) Limited:</u>				
Apollonion Private Hospital Limited	Cyprus	Provision of healthcare services	100%	-
<u>Below is the subsidiary of Hellenic Healthcare Holding 2 (Cyprus) Limited:</u>				
Aretaeion Limited	Cyprus	Provision of healthcare services	99.07%	-

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

2 BASIS OF PREPARATION continued

2.2 BASIS FOR CONSOLIDATION continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2025	2024
<u>Below are the subsidiaries of Hellenic Healthcare Holding 5 (Cyprus) Limited:</u>				
C&S American Heart Institute Ltd	Cyprus	Provision of healthcare services	50.01%	-
C&SO Medical Properties Ltd	Cyprus	Leasing and management of owned or rented properties	50.01%	-
<u>Below is the subsidiary of Hellenic Healthcare Holding 6 (Cyprus) Limited:</u>				
Maieutiki Gynekologiki Kliniki Evangelismos Limited (v)	Cyprus	Holding ownership of equity	100%	-
<u>Below is the subsidiary of Gialletto Limited:</u>				
Demokritos Diagnostic Radiology Centre Limited	Cyprus	Provision of healthcare services	51%	-
<u>Below are the subsidiaries of Perseus Healthcare Single Member SA:</u>				
Group Medical Purchasing Single Member SA	Greece	Trading of pharmaceuticals and general medical supplies	100%	-
Creta Interclinic Single Member SA	Greece	Provision of healthcare services	100%	-
<u>Below is the subsidiary of S.E.A. Medical Health Clinic SA:</u>				
SEA Medical MRI Medical Myconos Single Member PC	Greece	Provision of healthcare services	100%	-
<u>Below are the subsidiaries of Platon Medicine SA:</u>				
Platon Kalamarias Single Member PC	Greece	Provision of healthcare services	100%	-
Platon Diagnosis Medical Single Member PC	Greece	Provision of healthcare services	100%	-
<u>Below is the subsidiary of Aretaion Limited:</u>				
Aretaeio Private Services Limited (i)	Cyprus	Provision of healthcare services	100%	-
<u>Below is the subsidiary of C&S American Heart Institute Ltd:</u>				
Swanline Enterprises Ltd	Cyprus	Provision of personnel services to healthcare entities	100%	-
<u>Below are the subsidiaries of C&SO Medical Properties Ltd:</u>				
SuperAct Investments Ltd	Cyprus	Leasing and management of owned machinery & equipment	100%	-
Flagstaff Trading Ltd	Cyprus	Renewable energy services	100%	-
CSG Diagnostics Ltd	Cyprus	Provision of healthcare services	93.34%	-
<u>Below are the subsidiaries of Creta Interclinic Single Member SA:</u>				
Diagnosis Single Member Medical SA	Greece	Provision of healthcare services	100%	-
Creta Interclinic Single Member Holding SA	Greece	Provision of healthcare services	100%	-

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

2 BASIS OF PREPARATION continued

2.2 BASIS FOR CONSOLIDATION continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2025	2024
<u>Below are the subsidiaries of Maieutiki Gynekologiki Kliniki Evangelismos Limited:</u>				
Mine Diaxeiristiki Limited	Cyprus	Provision of healthcare services	100%	-
Evangelismos Diaxeiristiki Limited	Cyprus	Holding ownership of equity	100%	-
AKESO Ktimatiki Limited	Cyprus	Leasing and management of owned or rented properties	100%	-
MINE Ktimatiki Limited	Cyprus	Leasing and management of owned or rented properties	100%	-
<u>Below are the subsidiaries of Mine Diaxeiristiki Limited:</u>				
KAT Evangelismos Limited	Cyprus	Leasing and management of owned machinery & equipment	50%	-
Evangelismos Primary & Emergency Healthcare Limited	Cyprus	Provision of healthcare services	100%	-
Biosoft Health Tech Private Limited	India	Software designing and it related services	70%	-
Evangelismos Medical Emergency Services Limited (i)	Cyprus	Provision of healthcare services	100%	-
EVH Kings Medical Center Limited (i)	Cyprus	Provision of healthcare services	100%	-
<u>Below is the subsidiary of Evangelismos Diaxeiristiki Limited:</u>				
Vas. Kon. 24.7 Private Medical Center Limited (i)	Cyprus	Provision of healthcare services	100%	-
<u>Below are the subsidiaries of Tamouh Healthcare LLC:</u>				
Protect 7 Healthcare – Sole Proprietorship LLC (i)	United Arab Emirates	Retail sale of medical equipment and apparatuses	100%	100%
Society Travel LLC (i)	United Arab Emirates	Health services enterprises investment, institution and management. Tourist services investment, institution and management	99.99%	99.99%
INOCHI Healthcare – Sole Proprietorship LLC (i)	United Arab Emirates	Health services enterprises investment, institution and management	100%	100%
Medi Q Healthcare LLC (i)	United Arab Emirates	Investment, incorporation and management of healthcare service projects	51%	51%
Somerian Health LLC	United Arab Emirates	Health services and commercial enterprises investment, institution and management	80%	80%
<u>Below is the subsidiary of Somerian Health LLC:</u>				
American Crescent Health Care Center - Sole Proprietorship LLC	United Arab Emirates	Medical complex, onshore and offshore oil and gas fields and facilities services	100%	100%

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

2 BASIS OF PREPARATION continued

2.2 BASIS FOR CONSOLIDATION continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2025	2024

Below are the subsidiaries of The National Insurance Company – Daman – PJSC:

Daman Healthcare Solutions GmbH	Germany	Provision of services in international healthcare management.	100%	100%
Independent Health Information Technology Services LLC	United Arab Emirates	Software designing and IT related services	100%	100%
Daman Healthcare Solutions - LLC	United Arab Emirates	Management of health insurance claims (TPA)	100%	100%

Below are the subsidiaries of Abu Dhabi Health Services Company – PSC (SEHA):

Salma Rehabilitation Hospital - LLC - S.P.C (formerly Plus International Medical Center – Sole Proprietorship LLC)	United Arab Emirates	Natural and rehabilitation medical center related services	100%	100%
Qemmat Al Shumookh Properties – Sole Proprietorship LLC	United Arab Emirates	Purchase and sale land and real estate and to provide real estate lease and management services	100%	100%
Sheikh Shakbout Medical City (SSMC) – Sole Proprietorship LLC	United Arab Emirates	General hospital, pharmacy, medical complex, ambulance services	100%	100%

Below are the subsidiaries of Pure Capital Investments LLC:

Pure CS IT Infrastructure LLC	United Arab Emirates	Computer systems & communication equipment software trading	99%	99%
Pure Health Medical Billing Services LLC (i)	United Arab Emirates	Medical billing services	99%	99%
Two Five 55 Healthcare Investment LLC (i)	United Arab Emirates	Investment in industrial enterprises & management	99%	99%
Union Health Facilities Management LLC (i)	United Arab Emirates	Facilities management services	99%	99%
Pure Health FZE (i)	United Arab Emirates	Trading in pharmaceuticals and related products	99%	99%

Below is the subsidiary of Pure Health FZE:

Pure Health Medical Supplies FZE (i)	United Arab Emirates	General trading and trading in pharmaceuticals & related products	100%	100%
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- (i) Dormant subsidiaries with no operations during the year.
- (ii) During the year, the Group obtained control over Meridian Hospital Advanced Imaging Centre Limited, through acquiring the remaining 50% ownership interest. Accordingly, the investment in a joint venture was derecognized.
- (iii) Subsidiaries incorporated during the year.
- (iv) Subsidiaries liquidated during the year.
- (v) Subsidiaries acquired during the year.
- (vi) Subsidiaries ownership changed within group during the year.

2 BASIS OF PREPARATION continued

2.3 CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

New standards, interpretations and amendments adopted by the Group

The Group adopted the following new standards and amendments effective as of 1 January 2025. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Lack of exchangeability - Amendments to IAS 21

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.

International tax reform - pillar two model rules

The Ministry of Finance issued Cabinet Decision No. (142) of 2024 (the Cabinet Decision) applicable on financial years starting on or after January 1, 2025, to implement the Domestic Minimum Top-up Tax (“DMTT”) in line with the “Pillar Two Anti Global Base Erosion Rules” published by the Organisation for Economic Co-operation and Development (“OECD”) / G20 Inclusive Framework to address the tax challenges arising from the digitalisation of the global economy.

The Group is in scope of the Cabinet Decision as it operates in multiple jurisdictions and has an annual consolidated revenue which exceeds the prescribed threshold of EUR 750 million in at least two of the four fiscal years immediately preceding financial year 2025.

The Group has applied the temporary exemption issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12 under Pillar 2. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to DMTT.

2.4 STANDARDS ISSUED BUT NOT 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.

- IFRS 18: Presentation and disclosure in financial statements;
- IFRS 19: Subsidiaries without public accountability: Disclosures;
- Amendments to the Classification and Measurement of Financial Instruments-Amendments to IFRS 9 and IFRS 7;
- Annual Improvements to IFRS Accounting Standards - Volume 11;
- Contracts Referencing Nature-dependent Electricity-Amendments to IFRS 9 and IFRS 7; and
- Amendments to IAS 21: Lack of Exchangeability.

Except for IFRS 18, the Group does not expect that the adoption of these new and amended standards and interpretations will have a material impact on its consolidated financial statements. With respect to IFRS 18, the Group is currently in the process of assessing the possible impact on its consolidated financial statements.

3 MATERIAL ACCOUNTING POLICY INFORMATION

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree’s identifiable net assets. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Business combinations continued

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the consolidated statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in the consolidated statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the consolidated statement of profit or loss or in the consolidated statement of changes in equity, as considered appropriate.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRSs.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Business combinations continued

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Put option over non-controlling interests (NCI) to be settled in cash is recorded as a financial liability at the present value of the option's estimated exercise price in accordance with IFRS 9. When the Group does not have present ownership in the shares concerned, the Group initially recognises the NCI at their proportionate share of the acquiree's net assets in accordance with IFRS 10. At each reporting date, the Group determines the amount that would have been recognised for NCI (including their share of profit or loss and dividends declared), derecognises the NCI as if it was acquired at the reporting date, and accounts for the difference between the put financial liability and the NCI at the reporting date as an equity transaction.

Changes in Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity under merger and other reserves and attributed to the Owner of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in the consolidated statement of profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the initial carrying amount for the purposes of subsequent accounting for the retained interest as an investment in an associate or a joint venture or financial asset.

Disposals of interest in a subsidiary to an equity accounted investee

Gain or loss on the disposal of interest in a subsidiary to an equity accounted investee is eliminated to the extent of the retained indirect interest in that disposed entity by the Group.

Acquisition of entities under common control

Transactions giving rise to a transfer of interest in entities that are under common control are accounted for in accordance with the pooling of interest method of accounting at the date the transfer without restatement of prior periods. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the books of transferor entity. The components of the equity of the acquired entities are added to merger and other reserves within equity. Any transaction costs paid for the acquisition are recognised directly in equity.

Investments in joint venture and associate

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.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Investments in joint venture and associate continued

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its joint venture and associate are accounted for using the equity method. Under the equity method, the investment in a joint venture or 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 joint venture or associate since the acquisition date. Goodwill relating to the joint venture or associate is included in the consolidated carrying amount of the investment and goodwill is neither amortised nor individually tested for impairment.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the joint ventures and associate. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income.

In addition, when there has been a change recognised directly in the equity of the joint venture or associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture or associate are eliminated to the extent of the interest in the joint venture or associate.

The aggregate of the Group's share of profit or loss of a joint venture or associate is shown on the face of the consolidated statement of profit or loss outside operating profit. The financial statements of the joint venture and associate are 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.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture or associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture or associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture or associate and its carrying value, and then recognises the loss in the consolidated statement of profit or loss.

Upon loss of joint control over the joint venture or associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture or associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in consolidated statement of profit or loss.

If the ownership interest in a joint venture or associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Revenue recognition

For contracts determined to be within the scope of revenue recognition, the Group is required to apply the five-step model to determine when to recognise revenue, and at what amount. Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Revenue recognition continued

The Group recognises revenue from contracts with customers based on the five-step model set out in IFRS 15:

Step 1 Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2 Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3 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 goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4 Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5 Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as and when the Group performs; or
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

For performance obligations where none of the above conditions are met, revenue is recognised at the point in time at which the performance obligation is satisfied.

The Group allocates the transaction price to the performance obligations in a contract based on the input method, which requires revenue recognition based on the Group's efforts or inputs to the satisfaction of the performance obligations.

When the Group satisfies a performance obligation by delivering the promised goods and services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue and cost, if applicable can be measured reliably.

Laboratory management and diagnostic services

The Group provides laboratory management and diagnostic services to certain customers for a certain service fee as well as a percentage share in certain laboratory revenues. The Group has one performance obligation and revenue is recognised at a point in time when the service is performed, and results are delivered to the customers.

Hospitals management services

The Group provides hospitals' management services against a service fee and percentage share in hospitals' revenue. The Group has one performance obligation (i.e. to manage the operations of the hospitals) and revenue is recognised at a point in time when the services are rendered and simultaneously consumed by the customer.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Revenue recognition continued

Hospitalisation and other related services

The Group provides hospitalisation, quarantine, clinical and other related hospital services to its customers. For hospitalisation and quarantine services, revenue is recognised over the period as services are performed. For clinical and other related hospital services, revenue is recognised at a point in time when the services are rendered and simultaneously consumed by the customers.

Procurement and supply of medical related products

The Group procures, manages and supplies medicines, diagnostic and other medical equipment to its customers. The Group has two performance obligations (i.e. to deliver goods to the customers and to render inventory management services). The revenue for delivery of goods is recognised at a point in time when control is transferred to the customers and revenue for inventory management services is recognised over time.

Insurance contracts revenue and insurance commission income

The Group provides health insurance services to its customers. Premiums are recognised as revenue (earned premium) on time-proportion basis over the effective period of policy coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the end of the reporting period is reported as the unearned premium liability. Insurance commission income is recognised when the policies are written based on the terms and percentages agreed with the reinsurers.

Implementation of turnkey IT systems

The Group generates its revenue from the development of customized turnkey system solutions including provision of IT infrastructure, software licenses, providing professional services including implementation and consulting and providing support and maintenance services including post contract support for its customers. The revenue is recognised over time.

Government grant income including government funded program income

Government grant income includes fees arising from different contracts with various clients for government funded programs. Income is recognized when the Group satisfies a performance obligation by transferring a service to a customer.

The nature and timing of the satisfaction of performance obligations in contracts related to government funded programs are summarized as follows:

- Government grant is recognized when there is a reasonable assurance that the grant will be received.
- Government grant is recognized when the group will comply with all the attached conditions.
- Government grant is recognized when the group fulfills the performance obligations.

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the years that the related costs, for which it is intended to compensate by deducting (netting off) it directly from related expenses. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

During the year Group received grants of AED 1,649,698 thousand (2024: AED 1,350,779 thousand) and AED 835,620 thousand (2024: AED 488,237 thousand) which were deducted from salaries, allowances and benefits presented in note 26 and 27, respectively, and AED 139,247 thousand (2024: AED 102,699 thousand), which was recorded as other income.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts.

Dividend income

Dividend income from investments is recognised in the consolidated statement of profit or loss when the Group's right to receive dividend has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of Income can be measured reliably).

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Revenue recognition continued

Interest income and expense

Interest income and expense for all interest-bearing financial instruments is calculated by applying the effective interest rate to the gross carrying amount of the financial instrument and are recognised within ‘finance income’ in the consolidated statement of profit or loss. The effective interest rate (EIR) is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. The Group has recognised contract asset related to hospitals management services and unbilled hospitalisation services.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation on property and equipment is calculated using the straight-line basis over their useful economic lives as follows:

Land	Indefinite
Freehold property	10 - 66 years
Leasehold improvements	3 - 50 years
Medical equipment	2 - 20 years
Furniture and fixtures	3 - 10 years
Office equipment	2 - 10 years
Computer and IT equipment	2 - 8 years
Motor vehicles	4 - 10 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end with the effect of any changes in estimate accounted for on a prospective basis.

When parts of an item of property and equipment are significant and have different useful lives, they are accounted for as separate items of property and equipment. Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the consolidated statement of profit or loss.

Capital work in progress

Assets under construction (‘capital work in progress’) are stated at cost, net of accumulated impairment losses, and are not depreciated. All costs directly attribute to bringing the asset to the location and condition necessary for it to be used in the manner intended by management are included in the construction cost, including related staff costs, and for qualifying assets, borrowing costs capitalised in accordance with the Group’s accounting policy. When the assets are ready for intended use, the capital work in progress is transferred to the appropriate property and equipment or investment properties category and is depreciated in accordance with the Group’s policies.

Derecognition

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in consolidated statement profit or loss.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Investment property

Investment property principally comprises of offices that are held to earn lease rentals. Investment property is measured at cost less accumulated depreciation and impairment losses, if any. The historical cost of investment property represents the purchase cost together with any incidental expenses of acquisition. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Depreciation is calculated using the straight-line method to write off the cost of the investment property over its estimated useful life of 20 years.

Transfers to and from investment properties are made when and only when there is change in use, evidenced by either starting or ending of owner-occupation, commencement or cessation of an operating lease to another party or commencement or cessation of construction or a development plan. Investment properties are derecognized either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal.

When investment property is sold, gains and losses on disposal are determined by reference to its carrying amount and are taken into account in determining non-operating income. Any expenditure that results in the maintenance of property to an acceptable standard or specification is treated as repairs and maintenance and is expensed in the period.

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.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in consolidated statement of profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss.

The estimated useful lives are:

Trade licenses	10 years – Indefinite
Operating licenses	Indefinite
Customer and consultants relationships and contracts	5 - 20 years
Computer other and softwares	2 - 10 years
Trademarks	3-8 years
Favourable lease contract	10 years
Brand	10 years - Indefinite

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Intangible assets continued

Customer and consultants relationships and contracts

Customer contracts have a finite useful life and are carried at cost less accumulated amortisation and impairment and mainly represent long-term contracts with customers for the supply of services which were acquired through business combinations. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives as stated above.

Brand

Brand is a unique design, sign, symbol, words, or a combination of these, employed in creating an image that identifies a product and differentiates it from its competitors. Brand names represent future economic benefits in the form of future business linked with the brand names of subsidiaries acquired in business combination. Brand names identified as part of acquisitions have finite and indefinite useful lives. Brand names with finite useful lives are carried at cost less accumulated amortisation and impairment. Amortisation on brand names with definite useful lives is calculated using the straight-line method to allocate the cost over their estimated useful life as stated above. Brand names with indefinite useful lives are carried at cost less accumulated impairment.

Trademarks

Trademarks are words, names, symbols or other devices used in trade to indicate the source of a product and to distinguish it from the products of others. Trademarks represent future economic benefits in the form of future business linked with the trademarks of subsidiaries acquired in business combinations. The trademarks identified as part of acquisitions have finite useful lives. Trademarks with a finite useful life are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives as stated above.

Trade license

During 2022, as part of business combinations, a health insurance license has been identified with an indefinite useful life.

Operating licenses

During the year, as part of business combinations, certain operating licenses have been identified with an indefinite useful life.

Favorable lease contracts

Lease benefits represents the future economic benefits in the form of a favorable lease arrangement the Group acquired in a business combination. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful life as stated above.

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.

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.

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 premeasurement of lease liabilities. The cost of right-of-use assets includes 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.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Leases continued

Group as a lessee continued

i) Right-of-use assets continued

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and estimated useful life of the assets, as follows:

Premises	2 - 107 years
Vehicles	2 - 7 years
Equipment	3 - 15 years

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.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the 'Impairment of non-financial assets' policy.

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 a lease, if the lease term reflects the Group exercising the option to terminate.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the year in which the event or condition that triggers those payments occurs and are included in the line 'other expenses' in the consolidated statement of profit or loss.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

The Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Leases continued

Group as a lessee continued

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of property and equipment (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 of office equipment that are considered of 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.

iv) Variable lease payments

If lease arrangements contain variable payments that are linked to the usage/performance of the leased asset, such lease payments are recognised in the consolidated statement of profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value after recognising a provision for slow moving and obsolete inventory. Cost is determined on a weighted average basis. Net realisable value is based on estimated selling price less any further costs expected to be incurred on completion and necessary to make the sale.

Goods in transit are recorded at cost when the rights and obligations relating to the goods are transferred to the Group.

Foreign currencies

Transactions in currencies other than AED (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items (if any) denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in the consolidated statement of profit or loss in the year in which they arise.

Foreign currency translation

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in United Arab Emirates Dirhams ("AED"), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated exchange differences are recognised in the consolidated statement of profit or loss in the year in which they arise except for:

- exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur which form part of the net investment in a foreign operation, and which are recognised initially in the foreign currency translation reserve and recognised in the consolidated statement of profit or loss on disposal of the net investment.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Foreign currency translation continued

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in United Arab Emirates Dirhams ("AED"), using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in the foreign currency translation reserve. Such exchange differences are recognised in the consolidated statement of profit or loss in the year in which the foreign operation is disposed.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in the consolidated statement of profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that does not result in the Company losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to the consolidated statement of profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each period. Exchange differences arising are recognised in equity.

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.

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. 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.

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.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- a) Financial assets at amortised cost;
- b) Financial assets at fair value through OCI with recycling of cumulative gains and losses;
- c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition; and
- d) Financial assets at fair value through profit or loss.

The Group has the following financial assets:

Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- a) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- b) 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.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Financial assets continued

Financial assets at amortised cost continued

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 the consolidated statement of profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes trade and other receivables, contract assets, due from related parties and cash and bank balances.

Financial assets at fair value through OCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; 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.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in consolidated statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to consolidated statement of profit or loss.

The Group's debt instruments at fair value through OCI includes investments in quoted debt instruments and managed funds included under other non-current financial assets.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under *IAS 32 Financial Instruments: Presentation* and are not held-for-trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to consolidated statement of profit or loss. Dividends are recognised as other income in the consolidated statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

This category includes quoted and unquoted equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on quoted and unquoted equity investments are recognised under investment and other income in the consolidated statement of profit or loss when the right of payment has been established.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments 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).

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Financial assets continued

Impairment of financial assets continued

For trade receivables, due from related parties and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers 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

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset.

Equity instruments and financial liabilities

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

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 trade and other payables, due to related parties, lease liabilities, non-controlling interests put option liability and borrowings.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss; and
- Financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

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. The Group has not designated any financial liability as at fair value through profit or loss.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Equity instruments and financial liabilities continued

Financial liabilities at amortised cost

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in consolidated statement of 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 of profit or loss.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Value added tax (“VAT”)

Expenses and assets are recognised net of the amount of VAT, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority; in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- 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.

Fair value measurement

The Group measures financial instruments such as financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss at fair value at each consolidated statement of financial position date.

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an 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 CGU's fair value less costs of disposal and its value in use. The recoverable amount 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. When 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 of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a reasonable period to project future cash flows.

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU'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 periods. Such reversal is recognised in the consolidated statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and term deposits with original maturity of three and less than 3 months, net of outstanding bank overdrafts (if any) as they are considered an integral part of the Group's cash management.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Employee benefits

i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

An accrual is made for estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the end of the reporting period and is classified as current liability.

ii) Defined contribution plan

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further contributions.

Pension contributions in respect of UAE national employees are made to the UAE General Pension and Social Security Authority in accordance with UAE Federal Law No. (2) of 2000 for Pension and Social Security. The pension scheme is administered by the Government of Abu Dhabi through the Abu Dhabi Retirement Pensions and Benefits Fund. Contributions are expensed in the consolidated statement of profit or loss as the related service is rendered.

Pension contributions for other GCC national employees are made in accordance with Circular No. (3) of 2007 issued by the General Authority of Pension and Social Security or the applicable pension laws of the respective GCC countries. Contributions are recognised as an expense in the consolidated statement of profit or loss in the period in which the related service is provided.

Contributions to defined contribution retirement benefit schemes for UK employees are expensed as they fall due. Payments made to state-managed retirement benefit schemes are accounted for as defined contribution plans where the Group's obligations are equivalent to those of a defined contribution scheme.

For employees in Greece, the Group's obligation is limited to the payment of employer contributions to the relevant social insurance funds. Contributions payable are recognised as a liability after deducting amounts paid, and accrued contributions are recognised as an expense in the consolidated statement of profit or loss.

iii) Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group operates defined benefit plan for end-of-service benefits related to its UAE and Greece employees in accordance with the applicable provisions of UAE Federal Labour Law and Greek Law 2112/1920 and Law 4093/2012 respectively. These benefits are mainly unfunded. The Group also has pension plan benefits to employees in the United Kingdom. The plan is administered by GHG (DB) Pension Trustees Limited, an independent trustee in the United Kingdom.

As per respective employee laws, the entitlement is calculated based on employees' cumulative periods of service and basic salaries at the end of their employment. The Group's net obligation in respect of defined benefit plans is calculated by estimating the future benefits earned by employees for service in the current and prior periods and discounting those benefits to their present value. The calculation is performed periodically by a qualified actuary using the projected unit credit method.

Past service costs are recognised in the consolidated statement of profit or loss when the plan amendment occurs. Where benefits vest immediately, the expense is recognised immediately; otherwise, it is recognised on a straight-line basis over the average period until the benefits become vested. Actuarial gains and losses arising from remeasurements are recognised in other comprehensive income.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Contingencies

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Investment income

Investment income mainly comprises interest income/profit and realised gains and losses on sale of investments classified as available for sale.

Dividend distribution

Dividend distribution to the Shareholders is recognised as a liability in the consolidated financial statements in the year in which the dividends are declared and approved by the Shareholders.

Current versus non-current classification

The Group presents assets and liabilities in the 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 be sold or consumed in the 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.

A liability is classified as current when:

- It is expected to be settled in the 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 terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Group classifies all other liabilities as non-current.

Insurance contracts

Definition and classification

The Group issues contracts with insurance risk. The Group does not issue contracts that transfer only financial risks.

Insurance contracts are contracts under which the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Group uses judgement to assess whether a contract transfers insurance risk (that is if there is a scenario with commercial substance in which the Group has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Insurance contracts continued

Definition and classification continued

In the normal course of business, the Group uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss.

The Group does not have any self-insurance policies that need to be excluded from the scope of IFRS 17. The Group does not write any investment contracts with discretionary participation features or insurance contracts with direct participation features. The Group does not have any contracts that contain embedded derivatives, distinct investments, or service components that need to be unbundled and accounted for under other IFRSs.

Unit of account

The Group manages insurance contracts issued by product type. All insurance contracts within a product line represent a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) starting 1 January and ending 31 December of the respective year.

Each cohort is classified under one of the following groups of contracts:

- Contracts that are onerous at initial recognition;
- Contracts that at initial recognition have no significant possibility of becoming onerous subsequently; and
- A group of remaining contracts.

This level of granularity determines sets of contracts.

The Group uses underwriting/pricing review exercise and combined/loss ratio analysis in order to define onerosity. Significant judgement is used to assess the onerosity of the set of contracts.

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. The Group has split reinsurance contracts into portfolio based on the product types which are covered by reinsurance contracts. For the Enhanced product, the Group has a quota share treaty while for the Basic product, the Group has an arrangement with the Department of Health.

The benefits to which the Group is entitled under its reinsurance contracts held are recognised as reinsurance assets. These assets consist of balances due from reinsurers.

Applying the grouping requirements to reinsurance contracts held, the Group classifies reinsurance contracts held and concluded within a calendar year (annual cohorts) into:

- contracts for which there is a net gain at initial recognition, if any;
- contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and
- remaining contracts in the portfolio, if any.

This level of granularity determines sets of contracts for reinsurance contracts.

For all reinsurance contracts net gain or net loss is assessed at the same level as direct insurance contracts using underwriting/pricing review exercise and combined/loss ratio analysis.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Insurance contracts continued

Recognition and derecognition

Groups of insurance contracts issued are initially recognized from the earliest of the following:

- the beginning of the coverage period; the date when the first payment from the policyholder is due or actually received, if there is no due date; and
- when the Group determines that a group of contracts becomes onerous.

Reinsurance contracts held are recognized as follows:

- A group of reinsurance contracts held that provide proportionate coverage is recognized at the later of the beginning of the coverage period of the group and the initial recognition of any underlying insurance contract, unless the Group entered into the reinsurance contract held at or before the date when an onerous group of underlying contracts is recognized, in which case the reinsurance contract held is recognized at the date the entity recognizes an onerous group of underlying insurance contracts.
- All other groups of reinsurance contracts held are recognized from the beginning of the coverage period of the group of reinsurance contracts held; unless the Group entered into the reinsurance contract held at or before the date when an onerous group of underlying contracts is recognized prior to the beginning of the coverage period of the group of reinsurance contracts held, in which case the reinsurance contract held is recognized at the same time as the group of underlying insurance contracts is recognized.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria. The composition of the groups is not reassessed in subsequent periods.

When an insurance contract is modified by the Group as a result of an agreement with the counterparties or due to a change in regulations, the Group treats changes in cash flows caused by the modification as changes in estimates of the Free Cash Flows (FCFs), unless the conditions for the de-recognition of the original contract are met.

The Group de-recognizes the original contract and recognizes the modified contract as a new contract if any of the following conditions are present:

- If the modified terms had been included at contract inception and the Group would have concluded that the modified contract is not within the scope of IFRS 17, results in different separable components, results in a different contract boundary or belongs to a different group of contracts.
- The original contract represents an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa.
- The original contract was measured under the PAA, but the modification means that the contract no longer meets the eligibility criteria for that approach.
- When an insurance contract accounted for under the PAA is derecognized, adjustments to remove related rights and obligations to account for the effect of the derecognition result in the following amounts being charged immediately to profit or loss.
- If the contract is extinguished, any net difference between the derecognized part of the Liabilities for Remaining Coverage (LRC) of the original contract and any other cash flows arising from extinguishment.
- If the contract is transferred to the third party, any net difference between the derecognized part of the LRC of the original contract and the premium charged by the third party.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Insurance contracts continued

Recognition and derecognition continued

If the original contract is modified resulting in its derecognition, any net difference between the derecognized part of the LRC and the hypothetical premium that the entity would have charged if it had entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

Measurement approach

The Group elects to measure all insurance contracts under the PAA where eligible to do so. Contracts written by the Group that have a coverage period of one year or less are automatically eligible for the PAA. Currently, all insurance contracts are eligible and thus measured under the PAA.

The Group elects to measure all reinsurance contracts under the PAA where eligible to do so. For all the groups of contracts within the portfolio, the LRC measured under the PAA and the General Measurement Approach (GMA) were projected over the lifetime of the contracts, considering different reasonable scenarios, to determine if the differences were significant. The Group has found that for all these contracts the PAA provided a reasonable approximation of the GMA and were thus eligible for measurement under the PAA.

Contract boundaries

The Group uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts. Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation ends when:

- The Group has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or
- both of the following criteria are satisfied:
 1. The Group has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
 2. the pricing of premiums up to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

In assessing the practical ability to reprice, risks transferred from the policyholder to the Group, such as insurance risk and financial risk, are considered; other risks, such as lapse or surrender and expense risk, are not included.

Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognized when those contracts meet the recognition criteria.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Group that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or in which the Group has a substantive right to receive insurance contract services from the reinsurer.

The contract boundary of the treaty business of the Group which is written on a risk attaching basis includes the reinsurer's share of all the cash flows of all contracts that attach during the term of the treaty.

Measurement of expenses

The Group has defined acquisition expenses as the costs of selling, underwriting and starting/issuing a group of insurance contracts as per the Standard requirements. The Group had defined acquisition costs as attributable to a contract (or group of contracts) if the cost is incurred to acquire a specific contract or portfolio of contracts (as opposed to new business in general).

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Insurance contracts continued

Measurement of expenses continued

The Group had defined all other expenses as maintenance expenses. The Group had defined maintenance costs as attributable if they could not have been avoided if the contract had not been entered into.

Cash flows that are not directly attributable to a portfolio of insurance contracts are recognized in other operating expenses as incurred.

The Group performs regular expense studies and uses judgement to determine the extent to which fixed and variable overheads are directly attributable to fulfilling insurance and reinsurance contracts.

Where estimates of expenses-related cash flows are determined at the portfolio level or higher, they are allocated to groups of contracts on a systematic basis. The Group allocates these using relevant proxies. Similar methods are consistently applied to allocate expenses of a similar nature.

The Group does not pay (or recognize a liability, applying a standard other than IFRS 17) directly attributable acquisition costs before a group of insurance contracts is recognized. As such, no pre-recognition acquisition costs assets have been established.

Initial and subsequent measurement – group of contracts measured under the PAA

For insurance contracts issued measured under the PAA, on initial recognition, the Group measures the LRC at the amount of premiums received, less any acquisition cash flows paid. Insurance acquisition cash flows allocated to a group are deferred and recognized over the coverage period of contracts in a group.

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

- Increased for premiums received in the period;
- Decreased for insurance acquisition cash flows paid in the period;
- Decreased for the amounts of expected premium receipts recognized as insurance revenue for the services provided in the period; and
- Increased for the amortization of insurance acquisition cash flows in the period recognized as insurance service expenses.

The Group does not adjust the remaining coverage for reinsurance contracts held for the effect of the time value of money, because reinsurance premiums are due and expected to be paid within a year of the coverage provided associated with each premium.

For groups of reinsurance contracts, the Group recognizes reinsurance expenses related to the premium ceded based on the same earning pattern as the underlying contract. This is because where reinsurance is on risk attaching basis, risk pattern would be based on the individual contracts earning (actual risk) pattern.

The Group adjusts the remaining coverage for reinsurance contracts held for the effect of the risk of reinsurer's non-performance.

If facts and circumstances indicate that a group of insurance contracts measured under the PAA is onerous on initial recognition or becomes onerous subsequently, the Group increases the carrying amount of the LRC to the amounts of the FCF determined under the GMA with the amount of such an increase recognized in insurance service expenses, and a loss component is established for the amount of the loss recognized. Subsequently, the loss component is remeasured at each reporting date as the difference between the amounts of the FCF determined under the GMA relating to the future service and the carrying amount of the LRC without the loss component.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Insurance contracts continued

Initial and subsequent measurement – group of contracts measured under the PAA continued

When a loss is recognized on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group, the carrying amount of the asset for remaining coverage for reinsurance contracts held measured under the PAA is increased by the amount of income recognized in consolidated statement of profit or loss and a loss recovery component is established or adjusted for the amount of income recognized. The referred income is calculated by multiplying the loss recognized on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Group expects to recover from the reinsurance contract held that are entered into before or at the same time as the loss is recognized on the underlying insurance contracts.

Changes in the loss recovery component are not disaggregated between income and expenses from reinsurance contracts held and reinsurance finance income or expenses for the effect of the time value of money and financial risk as the underlying loss components, which are all measured under the PAA, are not adjusted for the effect of the time value of money and financial risk.

Reinsurance contracts held – loss recovery component

A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognized when a loss component is set up for the group of onerous underlying insurance contracts.

This amount is calculated by multiplying the loss recognized on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Group expects to recover from the reinsurance contracts held that are entered into before or at the same time as the loss is recognized on the underlying insurance contracts. When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Group applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

Subsequently, the loss-recovery component is adjusted to reflect changes in the loss component of an onerous group of underlying insurance contracts. The loss recovery component is further adjusted, if required, to ensure that it does not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Group expects to recover from the group of reinsurance contracts held.

The loss-recovery component determines the amounts that are presented as a reduction of incurred claims recovery from reinsurance contracts held and are consequently excluded from the reinsurance expenses determination.

Estimates and assumptions

Best estimate cash flows

Cash flows within the boundary of an insurance contract are those that relate directly to the fulfillment of the contracts. At gross level, the main cash flows include:

- Cash Inflows (premiums, recoveries on past and future claims); and
- Cash Outflows (claims, commission, expenses).

Future cash flows within the contract boundary which are to be included in the IFRS 17 valuation are those that relate directly to the fulfillment of the existing insurance contract. In short, these cash flows comprise premiums and premium receivables, claims acquisition, claims handling and administrative costs, transaction based taxes or tax payments on behalf of the client (where the Group does not act as an agent), potential recoveries and attributable overhead costs, and other expenses, all within the boundary of the corresponding contract.

All the cash flows as described above must be best estimate cash flows after removing any margin for prudence or management margins.

The cash flows as described are not adjusted for present value using discount rates as these are expected to be paid/received within 12 months from the date of incurrence.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Insurance contracts continued

Estimates and assumptions continued

Best estimate cash flows continued

The claims and Unallocated Loss Adjustment Expenses (ULAE) cash flows need to be adjusted and multiplied with risk adjustment percentage and the corresponding amount shall be added while computing FCFs.

The reinsurance cash flows will be calculated in a similar way like insurance cash flows with the following additional considerations to be taken:

- Reinsurance Level of Aggregation may not be aligned completely with the gross level.
- The Group does not have cashflows contingent to claims.
- The Group does not expect any probability of default of reinsurer.

Other cash flows, which need to be considered, are:

- Costs of providing benefits in kind;
- Potential cash inflows from claim recoveries, as long as they have not been recognized as a separate asset;
- Transaction-based taxes and levies that arise directly from existing insurance contracts or are attributable to them; and
- Payments to (or on behalf of) a policyholder resulting from derivatives that are not separated from the contracts (if applicable).

Discount rates

The bottom-up approach is used to derive the discount rate for all contracts within the scope of IFRS 17, where applicable. Under this approach, the discount rate is determined as the risk-free yield, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an ‘illiquidity premium’).

The three-step approach to derive discount rates has been highlighted below:

- Credit risk premium component is removed from the asset yields of the reference portfolio;
- The illiquidity risk premium is then derived using the risk-free rates and the rates computed in above step; and
- Subsequently, the bottom-up approach is used by adding this illiquidity premium to the risk-free base curve in order to arrive at the “point-in-time” locked-in interest rate curve.

Currently, all the premiums written by the Group are received within 12 months from the policy start date, so there are no contracts with significant financing component or credit facilities. Hence, there is no requirement of discounting the LRC under PAA.

Similarly, most of the claims are settled within 12 months from the date of incurrence. Hence, there is no requirement of discounting the Liability for Incurred Claims (LIC) under PAA.

In the future, if the Group has policies with claims pattern exceeding one year then the Group shall use the discount rate computed under the bottom-up approach to determine the impact of discounting.

Risk Adjustment (RA) for non-financial risk

The RA for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Insurance contracts continued

Estimates and assumptions continued

Risk Adjustment (RA) for non-financial risk continued

For LIC, the Group measures volatility of reserves using a combination of the Mack Method for most periods and the volatility of past expectations vs. actuals for recent periods and reconciliations. The current calculations would be aggregated from the current reserving segmentation to derive the RA at the portfolio level decided under level of aggregation.

For LRC, the Group has decided to use volatility in past ultimate loss ratio expectations vs. actuals to estimate the RA on unexpired business.

The profitable groups which are either automatically eligible for PAA or decided to be run using PAA based on the results of PAA eligibility run at the portfolio level will not require an explicit RA on LRC. Currently, all groups are PAA eligible. The RA for all groups of contracts is 65% confidence level.

The Group does not disaggregate changes in the RA between insurance service result and insurance finance income or expenses.

For reinsurance contracts the Group uses the same approach to calculate the RA as for the insurance contracts.

Taxation

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts 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 recognized directly in equity is recognized in equity and not in the consolidated statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Taxation continued

Deferred tax continued

The carrying amount of deferred 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 tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside consolidated statement of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in consolidated statement of profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognized firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment; and
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Derivative financial instruments continued

Cash flow hedge

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in firm commitments. The ineffective portion relating to foreign currency contracts is recognised as other expense.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

Own shares held by the liquidity provider

The Company's own equity instruments that are reacquired (own shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the consolidated statement of profit or loss on the purchase, sale, issue, or cancellation of the Company's own equity instruments.

Any consideration paid or received in respect of own shares is recognised directly in equity. Where own shares are subsequently reissued, any difference between the consideration received and the carrying amount of the own shares is recognised directly in equity, within share premium or another appropriate equity component.

Own shares may be acquired and held by the Company or by other entities within the consolidated group.

4 KEY SOURCES OF ESTIMATION OF UNCERTAINTY AND CRITICAL ACCOUNTING JUDGMENTS

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

While applying the accounting policies as stated in note 3, the management of the Group has made certain judgments, estimates and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the year of the revision in which the estimate is revised if the revision affects only that period, or in the year of the revision and future periods if the revision affects both current and future periods.

4 KEY SOURCES OF ESTIMATION OF UNCERTAINTY AND CRITICAL ACCOUNTING JUDGMENTS continued

Key sources of estimation of uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

Business combinations

Accounting for the acquisition of a business requires the allocation of the purchase price to the various assets and liabilities of the acquired business. For most assets and liabilities, the purchase price allocation is accomplished by recording the asset or liability at its estimated fair value. Determining the fair value of assets acquired and liabilities assumed requires judgment by management and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates, the useful lives of assets and market multiples. The Group's management uses all available information to make these fair value determinations.

Classification of investment in Ardent Health as investment in financial assets

Significant influence is presumed to exist when the Group holds 20% or more of the voting power of investee. In July 2024, and due to the issuance of new shares in a public offering, the Group's share in Ardent got diluted from 26.05% to 21.20% and as a result the Group ceased to have board representation on Ardent's Board of Directors.

The Group has determined that it lost significant influence over Ardent when it lost its board representation and the power to participate in the financial and operating policy decisions of Ardent subsequent to the listing of Ardent shares in New York Stock Exchange.

Useful lives of property, right of use assets and equipment and intangible assets

The Group's management determines the estimated useful lives of its property and equipment, right of use assets, and intangible assets for calculating depreciation and amortisation respectively. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation and amortisation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Provision for expected credit losses (ECL) of trade and other receivables (including government receivables), due from related parties and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables, other receivables, government receivables, due from related parties and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type, time value of money, and rating etc.).

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. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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.

As of 31 December 2025, gross trade receivables and other receivables (including government receivables), due from related parties, and contract assets were AED 10,228,945 thousand with provision for expected credit losses of AED 1,329,356 thousand (2024: AED 7,985,656 thousand with provision for expected credit losses of AED 582,786 thousand). Any difference between the amounts collected in future periods and the amounts expected to be received will be recognised in the consolidated statement of profit or loss.

4 KEY SOURCES OF ESTIMATION OF UNCERTAINTY AND CRITICAL ACCOUNTING JUDGMENTS continued

Key sources of estimation of uncertainty continued

Allowance for slow moving inventories

Inventories are stated at the lower of cost or net realisable value. Adjustments to reduce the cost of inventory to its net realisable value, if required, are made at the product level for estimated excess, obsolescence, or impaired balances. Factors influencing these adjustments include changes in demand, technological changes, physical deterioration, and quality issues. Based on these factors, management has identified inventory items as slow and non-moving to calculate the allowance for slow moving and obsolete inventories. Revisions to the allowance for slow moving inventories would be required if the outcome of these indicative factors differ from the estimates.

As of 31 December 2025, inventories amounted to AED 1,543,072 thousand and allowance for slow moving inventories were AED 126,610 thousand (2024: AED 1,296,530 thousand and allowance for slow moving inventories were AED 112,953 thousand).

Impairment assessment of non-financial assets

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 of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a Discounted Cash Flow (DCF) 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 performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Assets classified under property and equipment, intangible assets with finite lives and right-of-use assets are assessed for impairment based on the assessment of cash flows on individual cash-generating units when there is an indication that those assets have suffered an impairment loss. Goodwill and intangible assets with indefinite lives are assessed for impairment annually.

During the year, the Group conducted impairment assessments on certain non-financial assets and recorded a net reversal of impairment loss of AED 43,361 thousand with respect to its property and equipment, right-of-use assets and intangible assets. (2024: impairment loss AED 65,839 thousand). The impairment assessments in the current year and prior year were determined by reference to a discounted cash flow method, using a pre-tax discount rate of 8.00% (2024: 7.50%).

(Reversal of impairment loss) / impairment loss for the year has been allocated in the consolidated statement of profit or loss as follows:

	2025 AED '000	2024 AED '000
Property and equipment (note 7)	(11,272)	55,069
Right-of-use assets (note 8)	(48,291)	10,748
Intangible assets (note 9)	<u>16,202</u>	<u>22</u>
	<u>(43,361)</u>	<u>65,839</u>

Employees' end of service benefits

The cost and the present value of the defined benefit plans obligation are generally determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and voluntary termination rate. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All significant assumptions and assets are reviewed at each reporting date.

4 KEY SOURCES OF ESTIMATION OF UNCERTAINTY AND CRITICAL ACCOUNTING JUDGMENTS continued

Key sources of estimation of uncertainty 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).

Determining the lease term of contracts with renewal options

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 several 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.

5 BUSINESS COMBINATIONS

5.1 Acquisition of subsidiaries

a) Acquired during the year:

During the year, the Group acquired the following entities, which was accounted for using the acquisition method under IFRS 3 Business Combination:

Hellenic Healthcare S.a.r.l.

Effective 1 October 2025, Pure Health Capital Holdings Greece1 LTD acquired a 60% equity interest in Hellenic Healthcare S.a.r.l. and its subsidiaries (“HHG”), for a consideration equivalent to AED 3,492,703 thousand (EUR 808,434 thousand). HHG is a limited liability company, registered and incorporated in Luxemburg and is engaged in provision of hospitalisation and integrated healthcare services in Greece and Cyprus. From the date of acquisition, HHG contributed revenue and net profit after tax to the Group, amounting to AED 741,660 thousand and AED 31,991 thousand respectively. If the acquisition had taken place at the beginning of the year, HHG would have contributed revenue and net loss after tax to the Group amounting to AED 2,829,242 thousand and AED 55,790 thousand respectively.

Maieutiki Gynekologiki Kliniki Evangelismos Limited

Effective 1 December 2025, Hellenic Healthcare Holding 6 (Cyprus) Limited acquired a 100% equity interest in Maieutiki Gynekologiki Kliniki Evangelismos Limited and its subsidiaries (“MGKE”), for a consideration equivalent to AED 178,617 thousand (EUR 41,794 thousand). MGKE is a limited liability company, registered and incorporated in Cyprus and is engaged in provision of healthcare services. From the date of acquisition, MGKE contributed revenue and net profit after tax to the Group, amounting to AED 6,454 thousand and AED 949 thousand respectively. If the acquisition had taken place at the beginning of the year, MGKE would have contributed revenue and net profit after tax to the Group amounting to AED 69,078 thousand and AED 15,811 thousand respectively.

Diagnostiko Ergastirio Samou Medical Single Member SA

Effective 31 December 2025, Health Spot By HHG Single Member SA acquired a 70% equity interest in Diagnostiko Ergastirio Samou Medical Single Member SA (“DESM”), for a consideration equivalent to AED 1,496 thousand (EUR 350 thousand). DESM is a limited liability company, registered and incorporated in the Greece and is engaged in provision of healthcare services. If the acquisition had taken place at the beginning of the year, DESM would have contributed revenue and net loss after tax to the Group amounting to AED 25 thousand and AED 93 thousand respectively.

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

5 BUSINESS COMBINATIONS continued

5.1 Acquisition of subsidiaries continued

a) Acquired during the year continued

The provisional fair values of the net identifiable assets and liabilities as at the date of acquisition were as follows:

	<i>Note</i>	<i>Hellenic Healthcare S.a.r.l</i> <i>AED '000</i>	<i>Maieutiki Gynekologiki Kliniki Evangelismos Limited</i> <i>AED '000</i>	<i>Diagnostiko Ergastirio Samou Ikarias Medical Single Member SA</i> <i>AED '000</i>	<i>Total</i> <i>AED '000</i>
Assets					
Property and equipment	6	3,733,271	105,105	123	3,838,499
Right-of-use assets	8	165,174	2,631	150	167,955
Intangible assets	9	1,494,121	20,684	2,025	1,516,830
Investment property	7	4,398	-	-	4,398
Investment in associates and joint ventures	10	97,205	-	-	97,205
Investments in financial assets	11	65,689	663	-	66,352
Inventories		90,688	1,879	-	92,567
Due from related parties		20,079	-	-	20,079
Trade and other receivables		1,085,794	10,048	2	1,095,844
Deferred tax asset	20	8,065	507	-	8,572
Cash and bank balances		432,062	23,863	1,736	457,661
Total assets		7,196,546	165,380	4,036	7,365,962
Liabilities					
Borrowings	18	3,234,627	-	1,387	3,236,014
Lease liabilities	19	165,174	2,631	150	167,955
Deferred tax liabilities	20	634,036	12,029	-	646,065
Employees' end of service benefits	21	47,020	-	-	47,020
Non-controlling interests put option liability	17	163,081	-	-	163,081
Trade payables and other liabilities		1,373,392	12,708	452	1,386,552
Income tax payable	20	36,428	1,747	-	38,175
Due to related parties		30,382	14	-	30,396
Total liabilities		5,684,140	29,129	1,989	5,715,258
Net assets acquired		1,512,406	136,251	2,047	1,650,704
Add: non-controlling interests		1,585	-	-	1,585
Total identifiable net assets		1,513,991	136,251	2,047	1,652,289
Proportionate share of identifiable net assets acquired		908,395	136,251	1,434	1,046,080
Goodwill arising on acquisition	9	2,584,308	42,366	62	2,626,736
Purchase consideration		3,492,703	178,617	1,496	3,672,816
Non-controlling interest on acquisition		604,011	-	613	604,624

The net assets recognised are based on a provisional assessment of their fair values as at the respective acquisition dates. The Group will finalise the purchase price allocation exercise for the acquisitions during 2026.

The Group has recognised intangible assets of AED 1,516,830 thousand as a result of the aforementioned acquisitions, which comprise mainly of brand, operating licenses and customer contract. Further, the Group has also recognised an uplift in the fair value of property and equipment amounting to AED 96,344 thousand.

The Group has recognised property and equipment at its fair value using the depreciated replacement cost and market approaches.

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

5 BUSINESS COMBINATIONS continued

5.1 Acquisition of subsidiaries continued

a) Acquired during the year continued

Further, the fair values of right-of-use assets are determined using the incremental borrowings rate prevailing in the market at acquisition date adjusted for favorable / unfavorable market terms.

Goodwill of AED 2,626,736 thousand arising from the acquisitions comprises largely the value of expected synergies arising from the acquisitions, which are not separately recognised.

The fair value measurement is based on significant inputs that are not observable in the market, which IFRS 13 "Fair Value Measurement" refers to as level 3 inputs. The fair value estimate is based on:

- Assumed discount rates of 9.6% and
- A terminal value calculated based on long-term sustainable growth rate for the industry of 2%, which has been used to determine income for the future years.

Analysis of cashflows on acquisitions is as follows:

	<i>Hellenic Healthcare S.a.r.l</i> AED '000	<i>Maieutiki Gynekologiki Kliniki Evangelismos Limited</i> AED '000	<i>Diagnostiko Ergastirio Samou Ikarias Medical Single Member SA</i> AED '000	<i>Total</i> AED '000
Net cash acquired on business combination	432,062	23,863	1,736	457,661
Cash paid for the acquisition	<u>(3,492,703)</u>	<u>(161,550)</u>	<u>(1,496)</u>	<u>(3,655,749)</u>
Acquisition of operating business - net of cash acquired (included in cash flows from investing activities)	(3,060,641)	(137,687)	240	(3,198,088)
Transaction costs of the acquisition (included in cash flows from operating activities)	<u>(31,538)</u>	<u>(810)</u>	<u>(427)</u>	<u>(32,775)</u>
Net cash acquired on acquisition	<u>(3,092,179)</u>	<u>(138,497)</u>	<u>(187)</u>	<u>(3,230,863)</u>

* For the acquisition of MGKE, out of total purchase consideration of AED 178,617 thousand, AED 161,550 thousand has been settled and balance AED 17,067 thousand is expected to be paid.

b) Acquired during the previous year

During the year 2024, the Group acquired the following entities.

Circle Health Holdings Limited

Effective 1 January 2024, Pure Health UK Bidco LTD acquired a 100% equity interest in Circle Health Holdings Limited and its subsidiaries ("Circle Health"), for a consideration of AED 3,457,741 thousand (GBP 742,009 thousand). Circle Health is a limited liability company, registered and incorporated in the United Kingdom ("UK") and is engaged in provision of hospitalisation and integrated healthcare services. From the date of acquisition, Circle Health contributed revenue and net profit after tax to the Group, amounting to AED 6,005,870 thousand and AED 121,406 thousand respectively for the year ended 31 December 2024.

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

5 BUSINESS COMBINATIONS continued

5.1 Acquisition of subsidiaries continued

b) Acquired during the previous year continued

Sheikh Shakbout Medical City LLC

Effective 1 February 2024, Abu Dhabi Health Services Company – PSC acquired a 100% equity interest in Sheikh Shakbout Medical City LLC (“SSMC”), for a consideration of AED 2,599,497 thousand. SSMC is a limited liability company, registered and incorporated in the Emirate of Abu Dhabi and is engaged in provision of hospitalisation services. From the date of acquisition, SSMC contributed revenue and net profit after tax to the Group, amounting to AED 2,132,446 thousand and AED 126,001 thousand respectively. If the acquisition had taken place at the beginning of the year 2024, SSMC would have contributed revenue and net profit after tax to the Group amounting to AED 2,232,358 thousand and AED 35,166 thousand respectively for the year ended 31 December 2024.

The fair values of the net identifiable assets and liabilities as at the date of acquisition were as follows:

	Notes	Circle Holdings Limited AED '000	Sheikh Shakbout Medical City LLC* AED '000	Total AED '000
Assets				
Property and equipment	6	1,465,594	482,042	1,947,636
Right-of-use assets	8	9,343,205	557,985	9,901,190
Intangible assets	9	594,005	505,146	1,099,151
Investment in associates and joint ventures	10	29,040	-	29,040
Sub-lease receivables		2,490	-	2,490
Inventories		91,345	152,590	243,935
Due from related parties		8,918	-	8,918
Contract assets		-	196,586	196,586
Trade and other receivables		492,832	705,004	1,197,836
Deferred tax asset	20	178,378	8,861	187,239
Indemnification asset		115,432	-	115,432
Cash and bank balances		188,034	1,089,733	1,277,767
Total assets		12,509,273	3,697,947	16,207,220
Liabilities				
Borrowings	18	709,639	-	709,639
Lease liabilities	19	9,944,486	557,985	10,502,471
Deferred tax liabilities	20	659,859	52,909	712,768
Employees' end of service benefits	21	-	95,578	95,578
Other liabilities		5,286	4,996	10,282
Trade and other payables		1,065,547	324,269	1,389,816
Income tax payable	20	717	-	717
Due to related parties		4,213	37,788	42,001
Total liabilities		12,389,747	1,073,525	13,463,272
Net assets acquired		119,526	2,624,422	2,743,948
Less: non-controlling interests		(13,804)	-	(13,804)
Proportionate share of identifiable net assets acquired				
Goodwill arising on acquisition	9	105,722	2,624,422	2,730,144
Bargain purchase gain arising on acquisition		3,352,019	-	3,352,019
Purchase consideration		3,457,741	2,599,497	6,057,238

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

5 BUSINESS COMBINATIONS continued

5.1 Acquisition of subsidiaries continued

b) Acquired during the previous year continued

Purchase consideration includes the below:

	<i>Circle Health Holdings Limited AED '000</i>	<i>Sheikh Shakbout Medical City LLC AED '000</i>	<i>Total AED '000</i>
Cash paid for the acquisition (i)	3,457,741	550,806	4,008,547
Shareholder contribution (ii)	-	2,048,691	2,048,691
Total	<u>3,457,741</u>	<u>2,599,497</u>	<u>6,057,238</u>

(i) The cash paid for the acquisition of Circle Health was net of the amount transferred from the cash flow hedge reserve of AED 9,936 thousand upon the settlement of the foreign exchange forward contract.

The cash paid for the acquisition of SSMC represented the cash paid by the Group to acquire 25% of the shares of SSMC from a third party.

(ii) The shareholder contribution represented 75% of the economic rights in the equity of SSMC transferred from a shareholder for no consideration. In prior year, the shareholder contribution was calculated at AED 2,048,691 thousand on the basis of provisional assessment of the fair value of the 75% ownership in SSMC and was recorded in merger and other reserves. During the year, the fair value assessment was completed, which resulted in the reduction of shareholder contribution to AED 1,642,207 thousand and the total purchase consideration to AED 2,193,013 thousand.

** Prior year acquisition recognised on provisional assessment of fair values:*

During the year, the purchase price allocation (PPA) for the acquisition of SSMC was completed which resulted in the following adjustments to the provisional amounts reported in the 2024 consolidated financial statements:

- Increase in the fair values of each of the right-of-use assets and the corresponding lease liabilities by AED 528,832 thousand.
- Decrease in the fair value of the intangible assets relating to the favourable lease contract by AED 446,687 thousand.
- Decrease in the deferred tax liabilities of AED 40,202 thousand.
- Decrease in the merger and other reserve by AED 406,485 thousand.

The above adjustments are not material to the prior year's consolidated financial statements and accordingly were posted in the current year's consolidated statement of financial position and consolidated statement of changes in equity under other equity movement.

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

5 BUSINESS COMBINATIONS continued

5.1 Acquisition of subsidiaries continued

b) Acquired during the previous year continued

The Group had recognised an indemnification asset of AED 115,432 thousand (GBP 24,700 thousand) at fair value which pertained to the reimbursement of the expenses related to one of the hospitals which was not operational at the date of acquisition as well as the provision for a claim raised by one of the acquiree's patient.

The Group had recognised intangible assets of AED 1,099,151 thousand as a result of the aforementioned acquisitions, which comprise mainly of brand, favorable lease contract and consultant relationships. Further, the Group had also recognised an uplift in the fair value of property and equipment amounting to AED 210,266 thousand. Upon the completion of the purchase price allocation of SSMC, the recognized intangible assets were reduced to AED 22,960 thousand.

The Group had recognized property and equipment at its fair value using the depreciated replacement cost and market approaches.

Further, the fair values of right-of-use assets were determined using the incremental borrowings rate prevailing in the market at acquisition date adjusted for favorable / unfavorable market terms.

Goodwill of AED 3,352,019 thousand arising from the acquisitions comprised largely the value of expected synergies arising from the acquisitions, which were not separately recognised.

The fair value measurement was based on significant inputs that were not observable in the market, which IFRS 13 "Fair Value Measurement" refers to as level 3 inputs. The fair value estimate was based on:

- Assumed discount rates of 7.3% to 9.3%; and
- A terminal value calculated based on long-term sustainable growth rate for the industry 2%, which has been used to determine income for the future years.

Analysis of cashflows on acquisitions was as follows:

	<i>Circle Health Holdings Limited AED '000</i>	<i>Sheikh Shakbout Medical City LLC AED '000</i>	<i>Total AED '000</i>
Net cash acquired on business combination	188,034	1,089,733	1,277,767
Cash paid for the acquisition	<u>(3,457,741)</u>	<u>(550,806)</u>	<u>(4,008,547)</u>
Acquisition of operating business			
- net of cash acquired (included in cash flows from investing activities)	(3,269,707)	538,927	(2,730,780)
Transaction costs of the acquisition (included in cash flows from operating activities)	<u>(25,450)</u>	<u>-</u>	<u>(25,450)</u>
Net cash acquired on acquisition	<u>(3,295,157)</u>	<u>538,927</u>	<u>(2,756,230)</u>

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

5 BUSINESS COMBINATIONS continued

5.1 Acquisition of subsidiaries continued

c) Acquisition of assets

Meridian Hospital Advanced Imaging Centre Limited

During the year, the Group acquired an additional 50% equity interest in Meridian Hospital Advanced Imaging Centre Limited (“Meridian”), for a consideration of AED 8,390 thousand increasing its total shareholding to 100%. As a result of this transaction, the Group obtained control over the entity. The Group’s previously held 50% equity interest, which was classified as an investment in joint venture, was derecognised.

This transaction has been accounted for as asset acquisition as follows.

		<i>Meridian Hospital Advanced Imaging Centre Limited AED'000</i>
Fixed assets and other assets acquired		10,861
Less: consideration paid		<u>10,861</u>
		<u><u><u>=</u></u></u>

Purchase consideration includes the below:

		<i>AED'000</i>
Cash paid for the acquisition		8,390
Previously held equity interest		
transferred from investment in joint venture		<u>2,471</u>
		<u><u><u>=</u></u></u>

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

5 BUSINESS COMBINATIONS continued

5.2 Disposal of subsidiaries during the previous year

Yas Clinic Group Sole Proprietorship LLC and Abu Dhabi Stem Cells Center Sole Proprietorship LLC

Effective 1 April 2024, the Group disposed its 100% equity interest in Yas Clinic Group Sole Proprietorship LLC and Abu Dhabi Stem Cells Center Sole Proprietorship LLC, to related parties at an agreed consideration of AED 40,191 thousand. The disposal of equity interest was aligned with the Group's strategy to streamline operations and reallocate resources towards synergies.

	<i>Yas Clinic Group Sole Proprietorship LLC</i>	<i>Abu Dhabi Stem Cells Center Sole Proprietorship LLC</i>	<i>Total AED '000</i>
<i>Note</i>			
Assets			
Property and equipment	6	376,573	439,875
Right-of-use assets	8	10,002	11,935
Intangible assets	9	3,204	5,004
Inventories		22,868	5,035
Due from related parties		159,538	47,001
Contract assets		30,282	216
Trade and other receivables		46,338	11,983
Cash and bank balances		32,270	30,474
Total assets	681,075	161,744	842,819
Liabilities			
Loans and borrowings	18	288,362	288,362
Lease liabilities	19	11,189	12,984
Employees' end of service benefits	21	3,766	5,299
Trade and other payables		66,186	47,173
Due to related parties		326,001	56,624
Total liabilities	695,504	107,125	802,629
Net (liabilities) / assets disposed off	(14,429)	54,619	40,190
Consideration receivable (note 25)			40,190
Gain / (loss) at disposal			=

Analysis of cash flow from the disposal of subsidiaries:

	<i>Yas Clinic Group Sole Proprietorship LLC</i>	<i>Abu Dhabi Stem Cells Center Sole Proprietorship LLC</i>	<i>Total AED '000</i>
	<i>AED '000</i>		
Cash received on disposal			
Cash sold as part of the disposal	(32,270)	(30,474)	(62,744)
Net cash outflow on date of derecognition	(32,270)	(30,474)	(62,744)

The results of the operations of the above-mentioned disposed subsidiaries were not segregated on the face of the consolidated statement of profit or loss, as the amounts are insignificant.

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

6 PROPERTY AND EQUIPMENT

	<i>Land</i> AED '000	<i>Freehold property</i> AED '000	<i>Leasehold improvements</i> AED '000	<i>Medical equipments</i> AED '000	<i>Furniture & fixtures</i> AED '000	<i>Office equipments</i> AED '000	<i>Motor vehicles</i> AED '000	<i>Computer & IT equipment</i> AED '000	<i>Capital work in progress</i> AED '000	<i>Total</i> AED '000
Cost:										
At 1 January 2024	-	735,274	363,861	2,768,033	493,155	206,543	65,457	951,215	116,814	5,700,352
Acquired through business combinations (note 5.1)	-	811,670	-	858,131	26,262	17,231	-	110,590	123,752	1,947,636
Additions	-	101,596	47,728	188,953	18,013	18,401	1,772	23,572	377,494	777,529
Transfer	-	65,674	113,306	17,991	3,019	(1,484)	1,368	10,177	(210,051)	-
Transfer to intangible assets (note 9)	-	(338)	-	-	-	-	-	-	(4,523)	(4,861)
Written-off	-	-	-	-	(452)	-	-	(607)	(715)	(1,774)
Disposal	-	(4,138)	(163)	(94,985)	(37,062)	(5,903)	(11)	(41,546)	-	(183,808)
Disposal of a subsidiary (note 5.2)	-	(279,577)	(58,123)	(133,176)	(14,211)	-	(1,956)	(8,693)	(49,121)	(544,857)
Foreign exchange movement	-	(14,629)	-	(7,669)	(441)	-	-	(1,434)	(3,711)	(27,884)
At 31 December 2024	-	<u>1,415,532</u>	<u>466,609</u>	<u>3,597,278</u>	<u>488,283</u>	<u>234,788</u>	<u>66,630</u>	<u>1,043,274</u>	<u>349,939</u>	<u>7,662,333</u>
At 1 January 2025	-	1,415,532	466,609	3,597,278	488,283	234,788	66,630	1,043,274	349,939	7,662,333
Acquired through business combinations (note 5.1)	1,428,216	1,652,684	78,873	498,359	60,825	1,769	4,492	11,111	102,170	3,838,499
Additions *	5,883	10,355	123,188	287,433	18,768	7,711	1,922	74,362	411,731	941,353
Transfer	7,271	178,182	84,305	87,586	9,016	(589)	-	(29,961)	(335,810)	-
Transfer to intangible assets (note 9)	-	-	-	-	-	-	-	(76,049)	-	(76,049)
Transfer from right-to-use assets (note 8)	-	-	-	131	-	-	-	-	-	131
Written-off	-	-	-	(2,624)	-	-	-	(178)	-	(2,802)
Disposals	-	-	-	(53,533)	(2,103)	(2,790)	(79)	(13,892)	(781)	(73,178)
Foreign exchange movement	(2,013)	<u>70,015</u>	<u>(159)</u>	<u>37,506</u>	<u>1,925</u>	<u>(3)</u>	<u>(10)</u>	<u>7,607</u>	<u>10,561</u>	<u>125,429</u>
At 31 December 2025	<u>1,439,357</u>	<u>3,326,768</u>	<u>752,816</u>	<u>4,452,136</u>	<u>576,714</u>	<u>240,886</u>	<u>72,955</u>	<u>1,016,274</u>	<u>537,810</u>	<u>12,415,716</u>

* Includes an amount of AED 2,471 thousand recorded as asset acquisition against derecognition of a joint venture.

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

6 PROPERTY AND EQUIPMENT continued

	<i>Land</i> AED '000	<i>Freehold property</i> AED '000	<i>Leasehold improvements</i> AED '000	<i>Medical equipments</i> AED '000	<i>Furniture & fixtures</i> AED '000	<i>Office equipments</i> AED '000	<i>Motor vehicles</i> AED '000	<i>Computer & IT equipment</i> AED '000	<i>Capital work in progress</i> AED '000	<i>Total</i> AED '000
Accumulated depreciation and impairment:										
At 1 January 2024	-	420,037	93,514	2,151,742	472,024	126,822	45,627	728,420	-	4,038,186
Charge for the year	-	73,133	49,991	337,874	23,064	44,901	4,896	90,660	-	624,519
Reclassifications	-	4,390	-	(5,564)	(1,322)	(1,060)	-	3,556	-	-
Transfer to intangible assets (note 9)	-	(338)	-	-	-	-	-	-	-	(338)
Written-off	-	-	-	-	(396)	-	-	(303)	-	(699)
Disposals	-	(1,249)	(163)	(94,559)	(36,759)	(5,892)	(11)	(41,471)	-	(180,104)
Disposal of a subsidiary (note 5.2)	-	(18,749)	(24,220)	(46,881)	(8,463)	-	(1,158)	(5,511)	-	(104,982)
Impairment during the year (note 27)	-	7,176	-	3,505	47	-	-	79	(59)	10,748
Foreign exchange movement	-	(879)	-	(926)	(77)	-	-	(338)	1	(2,219)
At 31 December 2024	-	483,521	119,122	2,345,191	448,118	164,771	49,354	775,092	(58)	4,385,111
At 1 January 2025	-	483,521	119,122	2,345,191	448,118	164,771	49,354	775,092	(58)	4,385,111
Charge for the year	-	98,614	70,028	357,699	25,172	37,576	5,123	101,494	-	695,706
Reversal of impairment during the year (note 27)	-	(7,403)	-	(3,717)	(152)	-	-	-	-	(11,272)
Transfer to intangible assets (note 9)	-	-	-	-	-	-	-	(39)	-	(39)
Transfer from right-to-use assets (note 8)	-	-	-	60	-	-	-	-	-	60
Written-off	-	-	-	(2,624)	-	-	-	-	-	(2,624)
Disposals	-	-	-	(46,267)	(2,006)	(1,835)	(68)	(12,678)	-	(62,854)
Foreign exchange movement	-	9,637	(340)	4,018	336	(434)	2	1,238	58	14,515
At 31 December 2025	-	584,369	188,810	2,654,360	471,468	200,078	54,411	865,107	-	5,018,603
Carrying amount:										
At 31 December 2025	1,439,357	2,742,399	564,006	1,797,776	105,246	40,808	18,544	151,167	537,810	7,397,113
At 31 December 2024	-	932,011	347,487	1,252,087	40,165	70,017	17,276	268,182	349,997	3,277,222

During the year, Group disposed of property and equipment with a net carrying amount of AED 10,324 thousand against proceeds of AED 22,558 thousand accordingly, a gain of AED 12,234 thousand was recognised in the consolidated statement of profit or loss (note 29).

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

6 PROPERTY AND EQUIPMENT continued

Depreciation charge for the year has been allocated and disclosed in the consolidated statement of profit or loss as follows:

	2025 AED'000	2024 AED'000
Cost of sales (note 26)	382,627	339,850
General and administrative expenses (note 27)	<u>313,079</u>	<u>284,669</u>
	<u>695,706</u>	<u>624,519</u>

7 INVESTMENT PROPERTY

	2025 AED'000	2024 AED'000
Cost:		
At 1 January	6,239	6,239
Acquired through business combination (note 5.1)	4,398	-
Foreign exchange movement	<u>(9)</u>	<u>-</u>
At 31 December	<u>10,628</u>	<u>6,239</u>
Accumulated depreciation:		
At 1 January	4,142	3,543
Charge for the year	<u>627</u>	<u>599</u>
At 31 December	<u>4,769</u>	<u>4,142</u>
Net book value at 31 December	<u>5,859</u>	<u>2,097</u>

Depreciation charge for the year has been allocated and disclosed in the consolidated statement of profit or loss as follows:

	2025 AED'000	2024 AED'000
Cost of sales (note 26)	587	587
General and administrative expenses (note 27)	<u>40</u>	<u>12</u>
	<u>627</u>	<u>599</u>

The investment property represents leasehold property situated at Jumeirah lake tower, Dubai, United Arab Emirates and municipality of Nicosia, Cyprus. The Group's investment property comprises of offices and residential apartments, which are leased out during the current year. The Group earned rental income of AED 537 thousand (2024: AED 366 thousand) from investment property. The Group did not incur any material operating expenses during the year.

The fair value of the investment property as at 31 December 2025 is AED 12,544 thousand (2024: AED 9,050 thousand). The Group's investment property was valued by independent external valuer having recognised professional qualification and recent experience in the locations and segments of the investment property valued. The valuation of the Group's investment property was determined using the investment (income capitalization) method whereby the rental income is capitalized at an appropriate yield reflecting current market conditions. The fair value measurement falls under level 3 in the fair value measurement hierarchy.

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

8 RIGHT-OF-USE ASSETS

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	2025 AED '000'	2024 AED '000'
Cost:		
At 1 January	11,018,566	1,407,721
Acquired through business combinations (note 5.1)	167,955	9,901,190
Adjustment on finalisation of the purchase price allocation relating to prior year business combinations (note 5.1)	528,832	-
Additions	1,201,675	413,336
Depreciation charge during the year	(837,351)	(628,598)
Reversal / (impairment) charge during the year (note 27)	48,291	(55,069)
Modification and termination	(118,075)	133,940
Disposal of subsidiaries (note 5.2)	-	(11,935)
Transfer to property and equipment (note 6)	(71)	-
Foreign exchange movement	661,547	(142,019)
At 31 December	12,671,369	11,018,566

The Group entered into lease agreements with tenure ranging from 2 - 107 years for the land and buildings and medical equipment, which are discounted using an incremental borrowing rate of 4.1% - 6.08%.

Depreciation charge has been recognised in the consolidated statement of profit or loss as follows:

	2025 AED '000'	2024 AED '000'
Cost of sales (note 26)	801,285	618,375
General and administrative expenses (note 27)	36,066	10,223
	837,351	628,598

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

9 INTANGIBLE ASSETS AND GOODWILL

	Computer software and others AED '000	Customer relationships and contracts AED '000	Brand AED '000	Goodwill AED '000	Favorable lease contract AED '000	Trade license AED '000	Trademarks AED '000	Capital work in progress AED '000	Total AED '000
Cost:									
At 1 January 2024	1,073,491	865,182	1,358,157	1,342,106	877,308	11,000	964	34,215	5,562,423
Acquired through business combinations (note 5.1)	45,334	322,462	261,708	3,352,019	469,647	-	-	-	4,451,170
Additions	93,356	-	-	-	-	-	-	83,856	177,212
Transfers	19,725	-	-	-	-	-	-	(19,725)	-
Transfer from property and equipment (note 6)	338	-	-	-	-	-	-	4,523	4,861
Disposal of a subsidiary (note 5.2)	(9,674)	-	-	-	-	-	(964)	-	(10,638)
Foreign exchange movement	(263)	(4,986)	(4,047)	(51,983)	-	-	-	-	(61,279)
At 31 December 2024	<u>1,222,307</u>	<u>1,182,658</u>	<u>1,615,818</u>	<u>4,642,142</u>	<u>1,346,955</u>	<u>11,000</u>	<u>-</u>	<u>102,869</u>	<u>10,123,749</u>
At 1 January 2025	1,222,307	1,182,658	1,615,818	4,642,142	1,346,955	11,000	-	102,869	10,123,749
Acquired through business combinations (note 5.1)	57,422	14,658	760,305	2,626,736	-	678,412	-	6,033	4,143,566
Adjustment on finalisation of the purchase price allocation relating to prior year business combinations (note 5.1)	-	-	-	-	(446,687)	-	-	-	(446,687)
Additions	92,898	-	-	-	-	11,326	-	76,000	180,224
Transfers	72,642	1,734	-	-	-	9,760	-	(84,136)	-
Transfer from property and equipment (note 6)	76,049	-	-	-	-	-	-	-	76,049
Written-off	(698)	-	-	-	-	(10,994)	-	(2,497)	(14,189)
Foreign exchange movement	1,321	23,314	17,481	237,727	-	(1,452)	-	1,112	279,503
At 31 December 2025	<u>1,521,941</u>	<u>1,222,364</u>	<u>2,393,604</u>	<u>7,506,605</u>	<u>900,268</u>	<u>698,052</u>	<u>-</u>	<u>99,381</u>	<u>14,342,215</u>

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

9 INTANGIBLE ASSETS AND GOODWILL continued

	Computer software and others AED '000	Customer relationships and contracts AED '000	Brand AED '000	Goodwill AED '000	Favorable lease contract AED '000	Trade license AED '000	Trademarks AED '000	Capital work in progress AED '000	Total AED '000
Accumulated amortisation and impairment:									
At 1 January 2024	985,537	77,578	6,247	-	109,664	-	486	-	1,179,512
Charge for the year	60,856	96,864	18,140	-	130,782	-	34	-	306,676
Impairment during the year (note 27)	22	-	-	-	-	-	-	-	22
Transfer from property and equipment (note 6)	338	-	-	-	-	-	-	-	338
Disposal of subsidiaries (note 5.2)	(5,114)	-	-	-	-	-	(520)	-	(5,634)
Foreign exchange movement	(214)	(695)	(259)	-	-	-	-	-	(1,168)
At 31 December 2024	<u>1,041,425</u>	<u>173,747</u>	<u>24,128</u>	<u>-</u>	<u>240,446</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,479,746</u>
At 1 January 2025	1,041,425	173,747	24,128	-	240,446	-	-	-	1,479,746
Charge for the year	108,018	99,431	18,555	-	49,081	66	-	-	275,151
Impairment during the year (note 27)	-	16,225	-	-	-	-	-	-	16,225
Reclassifications	(6,080)	(151)	-	-	-	6,231	-	-	-
Transfer from property and equipment (note 6)	39	-	-	-	-	-	-	-	39
Written-off	(501)	-	-	-	-	(2,599)	-	-	(3,100)
Foreign exchange movement	1,014	3,598	1,217	-	-	2	-	-	5,831
At 31 December 2025	<u>1,143,915</u>	<u>292,850</u>	<u>43,900</u>	<u>-</u>	<u>289,527</u>	<u>3,700</u>	<u>-</u>	<u>-</u>	<u>1,773,892</u>
Carrying amount:									
At 31 December 2025	<u>378,026</u>	<u>929,514</u>	<u>2,349,704</u>	<u>7,506,605</u>	<u>610,741</u>	<u>694,352</u>	<u>99,381</u>	<u>12,568,323</u>	
At 31 December 2024	<u>180,882</u>	<u>1,008,911</u>	<u>1,591,690</u>	<u>4,642,142</u>	<u>1,106,509</u>	<u>11,000</u>	<u>-</u>	<u>102,869</u>	<u>8,644,003</u>

9 INTANGIBLE ASSETS continued

Amortisation charge has been recognised in the consolidated statement of profit or loss as follows:

	2025 AED '000	2024 AED '000
Cost of sales (note 26)	<u>120,456</u>	178,848
General and administrative expenses (note 27)	<u>154,695</u>	127,828
	<u>275,151</u>	<u>306,676</u>

Brand

Brand represents future economic benefits in the form of future business linked with the brand names of subsidiaries acquired in various business combinations and meet the criteria for recognition as intangible assets under IAS 38.

Customer and consultants relationships and contracts

These represent long term non-cancellable contracts with customers and non-contractual relationships which were acquired in various business combinations and meet the criteria for recognition as intangible assets under IAS 38.

Trade and operating licenses

Trade license includes license of an acquired subsidiary, National Insurance Company PJSC (“Daman”), that allows them to carry out insurance related activities. The license has an indefinite useful life.

Operating licenses include hospital operating licenses of an acquired subsidiary, Hellenic Healthcare S.a.r.l. (“HHG”), that are the regulatory approvals that permit a hospital or healthcare facility to operate, where the economic relevance of these licenses within HHG arises from the regulatory regime under which they were granted.

Favorable lease contract

Lease benefits represents the future economic benefits in the form of favorable lease arrangements the Group acquired in business combinations. These represent leases of hospitals, medical centers and retail shops having a useful life of 10 years.

Goodwill

Goodwill primarily comprises sales growth, new customers, assembled workforce and expected synergies arising from the acquisitions. Goodwill is allocated to respective cash generating units.

During the year ended 31 December 2025, the Group performed its annual impairment assessments of goodwill, brand and licenses with indefinite useful lives using the discounted cashflow model approach to calculate the value in use for the respective cash generating units. For the purpose of the impairment testing, goodwill was allocated to the respective cash generating units based on the respective enterprise values. The Group has assessed that the recoverable amounts of the cash generating units exceed their carrying values and so no impairment loss is required to be recognised against goodwill at the reporting date. Following key assumptions were used in the discounted cashflow review:

- Terminal growth rate: 2% - 3%
- Inflation rate: 2% - 5%
- Discount rate: 7.5% - 9.9%

The recoverable amounts of the CGUs are most sensitive to the discount rate used for the value-in-use calculation. A change in discount rate by 1% would result in a reduction in the excess of the recoverable amounts over the carrying values of the CGUs (including allocated goodwill) by a range of 15% to 51%, without resulting in an impairment loss.

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES

Details of Group's investment in associates and joint venture are as follows:

<i>Name of entities</i>	<i>Principal activities</i>	<i>Place of incorporation and operation</i>	<i>Ownership interest</i>		<i>Carrying value</i>	
			2025	2024	2025	2024
Associates:						
Three Shires Hospital LLP	Healthcare	UK	50%	50%	12,341	18,575
Vanes Limited	Healthcare	Cyprus	40. %	-	52,843	-
Cloudevo Web Services SA	Cloud services	Greece	40. %	-	45,587	-
A.C. Positron Diagnostics LTD	Healthcare	Cyprus	14.20%	-	12	-
					<u>110,783</u>	<u>18,575</u>
Joint ventures:						
Meriden Hospital Advanced Imaging Centre Limited *	Healthcare	UK	-	50%	-	4,127
BMI Imaging Clinic Limited	Healthcare	UK	50%	50%	19,702	13,593
BMI Southend Private Hospital Limited	Healthcare	UK	50%	50%	2,828	3,215
Circle Harmony Health Limited (China)	Healthcare	China	50%	50%	891	830
					<u>23,421</u>	<u>21,765</u>
					<u>134,204</u>	<u>40,340</u>

* During the year, the Group obtained control over Meridian Hospital Advanced Imaging Centre Limited, through acquiring the remaining 50% ownership interest. Accordingly, the investment in a joint venture was derecognized.

Movement in investment in associates and joint ventures in the consolidated statement of financial position is as follows:

	2025 AED'000	2024 AED'000
At 1 January	40,340	1,865,185
Acquired through business combinations (note 5.1)	97,205	29,040
Share of net profit for the year	20,190	81,655
Derecognition of joint venture	(2,471)	-
Dividends received	(23,675)	(6,571)
Share of other comprehensive loss for the year	-	(779)
Reclassification to investments carried at fair value through other comprehensive income*	-	(1,927,505)
Foreign exchange movement	<u>2,615</u>	<u>(685)</u>
At 31 December	<u>134,204</u>	<u>40,340</u>

* In July 2024, Ardent Health Partners, Inc. ("Ardent") issued new shares of common stock through a public offering upon listing on the New York Stock Exchange (NYSE). As a result of this issuance, the Group's ownership interest in Ardent was diluted from 26.05% to 21.20% of the common stock and the Group ceased to have board representation on Ardent's Board of Directors resulting in loss of significant influence. A net gain of AED 56,332 thousand was recorded upon loss of significant influence, under equity method, calculated as follows:

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

	2024 AED'000
Fair value of retained investment (note 11.2)	1,987,416
Carrying value of the investment in associate	<u>(1,927,505)</u>
	59,911
Other comprehensive loss reclassified to profit or loss	<u>(3,579)</u>
Net gain on loss of significant influence of an associate	<u>56,332</u>

Summarized financial information of the assets, liabilities and profit of the associate and joint venture as at 31 December is as follows:

	2025 AED'000	2024 AED'000
Assets and liabilities:		
Assets	536,388	140,791
Liabilities	<u>(296,458)</u>	<u>(60,110)</u>
Net assets	239,930	80,681
Group's share of net assets	<u>134,204</u>	<u>40,340</u>
Carrying amount	<u>134,204</u>	<u>40,340</u>
Revenues and profit for the year:		
Revenue for the year	<u>229,028</u>	<u>12,688,219</u>
Net profit for the year	<u>48,119</u>	<u>279,336</u>
Group's share of net profit for the year	<u>20,190</u>	<u>81,655</u>

11 INVESTMENTS IN FINANCIAL ASSETS

	2025 AED'000	2024 AED'000
Investments at fair value through profit or loss (note 11.1)	2,124	270,584
Investments at fair value through other comprehensive income (note 11.2)	1,772,296	2,009,691
Investments carried at amortised cost (note 11.3)	<u>2,053,800</u>	<u>568,001</u>
	<u>3,828,220</u>	<u>2,848,276</u>

Geographic concentration of investments is as follows:

	2025 AED'000	2024 AED'000
Inside UAE	1,997,822	547,497
Outside UAE	<u>1,830,398</u>	<u>2,300,779</u>
	<u>3,828,220</u>	<u>2,848,276</u>

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

11 INVESTMENTS IN FINANCIAL ASSETS continued

11.1 Investments carried at fair value through profit or loss

	2025 AED'000	2024 AED'000
Quoted equity securities	34	269,088
Unquoted debt instruments - bonds	400	-
Unquoted equity securities	<u>1,690</u>	<u>1,496</u>
	<u><u>2,124</u></u>	<u><u>270,584</u></u>

Movement in investments carried at fair value through profit or loss during the year is as follows:

	2025 AED'000	2024 AED'000
At 1 January	270,584	351,369
Acquired through business combinations (note 5.1)	429	-
Purchased during the year	5,615	-
Changes in fair value (note 29)	43,903	11,843
Disposal during the year	(318,601)	(92,474)
Foreign exchange movement	<u>194</u>	<u>(154)</u>
At 31 December	<u>2,124</u>	<u>270,584</u>

11.2 Investments carried at fair value through other comprehensive income

	2025 AED'000	2024 AED'000
Quoted securities – equities	1,114,002	2,008,390
Quoted debt instruments - bonds	592,221	-
Unquoted securities – managed funds	<u>66,073</u>	<u>1,301</u>
At 31 December	<u>1,772,296</u>	<u>2,009,691</u>

The Group has elected to designate its investments in financial instruments, including equity securities and bonds, as fair value through other comprehensive income (FVOCI). The Group believes that recognising short-term fluctuations in the fair value of these investments in profit or loss would not be consistent with its strategy of holding these investments for long-term purposes and realising their performance potential over time.

Movement in investment carried at fair value through other comprehensive income during the year is as follows:

	2025 AED'000	2024 AED'000
At 1 January	2,009,691	266,305
Reclassified from investment in associates and joint ventures (note 10)	-	1,987,416
Purchased during the year	673,184	121,319
Acquired through business combinations (note 5.1)	65,901	-
Changes in fair value	(897,062)	(65,027)
Disposals	(77,935)	(300,324)
Foreign exchange movement	<u>(1,483)</u>	<u>2</u>
At 31 December	<u>1,772,296</u>	<u>2,009,691</u>

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

11 INVESTMENTS IN FINANCIAL ASSETS continued

11.3 Investment carried at amortized cost

	2025 AED'000	2024 AED'000
Debt instruments	<u>2,053,800</u>	<u>568,001</u>
	<u>2,053,800</u>	<u>568,001</u>

Debt instruments are stated at amortised cost using the effective interest rate method.

Movement in investment in financial assets carried at amortised cost is as follows:

	2025 AED'000	2024 AED'000
At 1 January	568,001	-
Acquired through business combinations (note 5.1)	22	-
Purchased during the year	1,521,173	568,633
Amortisation during the year	1,324	(240)
Disposal	(35,890)	(204)
Provision for expected credit losses	(830)	(188)
At 31 December	<u>2,053,800</u>	<u>568,001</u>

12 INVENTORIES

	2025 AED '000	2024 AED '000
Medical supplies and spare parts	1,543,072	1,296,530
Less: allowance for slow moving inventories	<u>(126,610)</u>	<u>(112,953)</u>
	<u>1,416,462</u>	<u>1,183,577</u>

Movement in allowance for slow moving inventories during the year is as follows:

	2025 AED '000	2024 AED '000
At 1 January	112,953	282,498
Acquired through business combinations	1,824	12,902
Charge for the year (note 27)	15,014	3,039
Written-off for the year	(4,234)	(185,063)
Disposal of subsidiaries	-	(228)
Foreign exchange movement	<u>1,053</u>	<u>(195)</u>
At 31 December	<u>126,610</u>	<u>112,953</u>

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

13 TRADE RECEIVABLES AND OTHER ASSETS

	2025 AED '000	2024 AED '000
Trade receivables	4,599,871	1,984,564
Less: allowance for expected credit losses	<u>(800,539)</u>	<u>(140,463)</u>
Net trade receivables	3,799,332	1,844,101
Other receivables	2,100,324	2,049,854
Allowance for expected credit losses for other receivables	(452,326)	(361,646)
Prepayments	227,125	228,516
Government funded programs receivables	120,608	957,689
Allowance for expected credit losses for government funded programs receivables	(15,943)	(15,943)
Advances to suppliers	88,430	55,208
Indemnification asset	76,988	113,647
Margin and other deposits	18,692	18,557
Sub-lease receivables	4,255	7,210
VAT receivable	-	29,647
	<u>5,967,485</u>	<u>4,926,840</u>

Trade receivables and other assets are presented in the consolidated statement of financial position as follows:

	2025 AED '000	2024 AED '000
Non-current	44,764	84,037
Current	<u>5,922,721</u>	<u>4,842,803</u>
	<u>5,967,485</u>	<u>4,926,840</u>

Movement in the allowance for expected credit losses against trade receivables during the year is as follows:

	2025 AED '000	2024 AED '000
At 1 January	140,463	83,565
Acquired through business combinations	621,031	35,186
Charge for the year (note 27)	42,115	68,794
Transfer to other receivables	-	(15,229)
Written-off	(2,585)	(25,273)
Disposal of subsidiaries	-	(6,190)
Foreign exchange movement	<u>(485)</u>	<u>(390)</u>
At 31 December	<u>800,539</u>	<u>140,463</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

13 TRADE RECEIVABLES AND OTHER ASSETS continued

Movement in the allowance for expected credit losses against other receivables during the year is as follows:

	2025 AED '000	2024 AED '000
At 1 January	361,646	152,274
Acquired through business combinations	26,628	28,042
Charge for the year (note 27)	204,640	205,049
Reversal for the year	(97,452)	-
Transfer from trade receivables	-	15,229
Written-off	(43,078)	(38,948)
Foreign exchange movement	<u>(58)</u>	<u>-</u>
At 31 December	<u>452,326</u>	<u>361,646</u>

Movement in the allowance for expected credit losses against government funded programs receivables is follows:

	2025 AED '000	2024 AED '000
At 1 January	15,943	14,306
Charge for the year (note 27)	<u>-</u>	<u>1,637</u>
At 31 December	<u>15,943</u>	<u>15,943</u>

The Group measures the loss allowance for trade receivables and other receivable at an amount equal to lifetime ECL. The expected credit losses on financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

	Total AED'000	Not past due AED'000	<30 days AED'000	31-60 days AED'000	61-120 days AED'000	121-360 days AED'000	> 360 days AED'000
31 December 2025							
Expected credit loss rate		0.05%	0.42%	1.04%	3.55%	11.69%	62.33%
Estimated total gross carrying amount at default	4,599,871	2,115,250	521,031	134,389	134,315	524,187	1,170,699
Lifetime expected credit losses	800,539	1,131	2,212	1,394	4,763	61,292	729,747
30 December 2024							
Expected credit loss rate		0.27%	0.36%	0.47%	0.91%	6.42%	31.67%
Estimated total gross carrying amount at default	1,984,564	244,625	460,804	155,822	390,313	389,192	343,808
Lifetime expected credit losses	140,463	649	1,663	733	3,553	24,971	108,894

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

14 CASH AND BANK BALANCES

	2025 AED '000	2024 AED '000
Cash on hand	3,449	4,255
Bank balances	3,936,665	6,305,462
Term deposits	3,005,984	4,471,144
Restricted cash and fixed deposits	706,255	1,171,715
Margins against bank guarantees	56,450	28,737
Allowance for expected credit losses on cash and bank balances	<u>(2,853)</u>	<u>(3,060)</u>
 Cash and bank balances	 <u>7,705,950</u>	 <u>11,978,253</u>
Less:		
Term deposits (original maturity of more than 3 months)	(2,519,226)	(1,989,122)
Margins against bank guarantees	(56,450)	(28,737)
Restricted fixed deposits	(60,860)	(30,452)
Restricted cash *	<u>(645,395)</u>	<u>(1,141,263)</u>
 Deposits and other balances	 <u>(3,281,931)</u>	 <u>(3,189,574)</u>
Cash and cash equivalents	<u>4,424,019</u>	<u>8,788,679</u>

* Restricted cash comprises of:

- bank balances representing fines collected on behalf of the Department of Health – Abu Dhabi amounting to AED 3,026 thousand (2024: AED 4,962 thousand);
- funds received from the Department of Health amounting to AED 562,350 thousand pertaining to medical claims of governmental health fund management programs not yet paid to medical providers (2024: AED 1,047,265 thousand); and
- funds received from the Department of Health amounting to AED 80,019 thousand for strategic procurement (2024: AED 89,036 thousand).

Fixed term deposits are placed with local financial institutions, denominated in UAE Dirham and carry interest at an effective rate ranging from 0.08% to 5.00% per annum (2024: 3.88% to 5.60%).

Movement in the allowance for expected credit losses against cash and bank balances during the year is as follows:

	2025 AED '000	2024 AED '000
At 1 January	3,060	10,392
Reversal for the year (note 27)	(220)	(7,284)
Disposal of subsidiaries	-	(45)
Foreign exchange movement	<u>13</u>	<u>(3)</u>
 At 31 December	 <u>2,853</u>	 <u>3,060</u>

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

15 SHARE CAPITAL, OWN SHARES, MERGER AND OTHER RESERVES

15.1 Share Capital

	2025 AED '000	2024 AED '000
<i>Authorised and issued</i> 11,111,111,111 shares with par value of AED 1/- each	<u>11,111,111</u>	<u>11,111,111</u>

15.2 Own shares held by the liquidity provider

During the year, the Company entered into the arrangement with a licensed third-party liquidity provider on the Abu Dhabi Securities Exchange to provide liquidity enhancement services.

As of 31 December 2025, own shares held by the liquidity provider under the liquidity provision arrangement have a carrying amount of AED 2,385 thousand. During the year, loss of AED 285 thousand (2024: AED nil) with respect to the arrangement was recorded in the retained earnings.

15.3 Merger and other reserves

As per the shareholder's resolution passed during the year, an amount of AED 1,642,207 thousand has been transferred from merger and other reserves to retained earnings.

16 STATUTORY RESERVE

In accordance with UAE Federal Law No. (32) of 2021, as amended, and the Company's Articles of Association, the Company has established a statutory reserve by appropriation of 10% of profit for each year until the reserve equals 50% of the share capital. This reserve is not available for distribution except as stipulated by the Law.

17 NON-CONTROLLING INTERESTS PUT OPTION LIABILITY

The Group has granted cash settled put options to the non-controlling interests (NCI) in two subsidiaries, allowing the NCI to sell their shares to the Group at future dates for prices determined in accordance with future performance measures. At 31 December 2025, the Group recognised financial liabilities for the present value of the options estimated exercise prices and derecognised the NCI, with the difference between the put liabilities and the NCI recorded directly in equity.

Movement in the non-controlling interests put option liability during the year is as follows:

	2025 AED '000	2024 AED '000
At 1 January	-	-
Put option granted during the year	2,656,752	-
Acquired through business combinations (note 5.1)	163,081	-
Remeasurement of liability	3,661	-
Foreign exchange movement	<u>(321)</u>	<u>-</u>
At 31 December	<u>2,823,173</u>	<u>-</u>

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

17 NON-CONTROLLING INTEREST PUT OPTION LIABILITY continued

The impact of the recognition of the NCI put option liability on the consolidated statement of changes in equity is as follows:

	2025 AED '000	2024 AED '000
Put option granted during the year	2,656,752	-
Remeasurement of liability as of the end of the year	3,661	-
NCI derecognized as of the end of the year	<u>(614,105)</u>	-
Difference charged to retained earnings	<u>2,046,308</u>	<u>-</u>

18 BORROWINGS

Movement in borrowings during the year was as follows:	2025 AED '000	2024 AED '000
At 1 January	1,860,243	289,590
Term loan draw-down*	175,226	1,845,000
Transaction cost paid	-	(14,660)
Acquired through business combinations (note 5.1)	3,236,014	709,639
Repayments	(2,091,596)	(797,129)
Interest expense for the year (note 29)	75,129	113,247
Disposal of subsidiaries (note 5.2)	-	(288,362)
Foreign exchange movement	<u>(6,434)</u>	<u>2,918</u>
At 31 December	<u>3,248,582</u>	<u>1,860,243</u>

* During the year, the Group made early settlement of the previously drawn portion of a loan facility amounting to AED 1,845,000 thousand. Additionally, the Group paid the accrued interest as of the early settlement date amounting to AED 48,086 thousand. As at the reporting date, the remaining unutilized portion of the facility amounts to AED 500,000 thousand.

Borrowings are presented in the consolidated statements of financial position as follows:

	2025 AED '000	2024 AED '000
Non-current portion	2,833,556	1,834,039
Current portion	<u>415,026</u>	<u>26,204</u>
	<u>3,248,582</u>	<u>1,860,243</u>

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

18 BORROWINGS continued

Profile of the bank borrowings during the year was as follows:

<i>Annual interest rate</i>	<i>Maturity</i>	<i>2025</i>		<i>2024</i>		<i>Purpose</i>	<i>Security</i>
		<i>AED '000</i>	<i>AED '000</i>	<i>Instalments</i>	<i>AED '000</i>		
3m EIBOR+1.1%	January 2027	-	1,845,000	On maturity		Financing acquisition	Secured against corporate guarantee provided by the Group and its certain operating subsidiaries
1.5 % p.a.	December 2029	9,124	8,577	On maturity		Working capital support	Un-secured
6m EURIBOR + 2%	November 2030	2,918,750	-	Annual		Refinancing of existing indebtedness, working capital support and financing acquisitions	Secured by a pledge over the shares of certain operating subsidiaries of the Group
3m EURIBOR + 1.75%	April 2037	194,026	-	Quarterly		Refinancing the capital expenditure	Secured against mortgages and corporate guarantees of certain operating subsidiaries of the Group
EURIBOR +1.9%	January 2026	73,287	-	Balloon		Bridge Financing	Secured by a pledge over the shares and corporate guarantee of certain operating subsidiaries of the Group
3m EURIBOR + 1.75%	March 2036	14,708	-	Quarterly		Financing for capital expenditure	Secured against mortgages and corporate guarantees of certain operating subsidiaries of the Group
EURIBOR + 2%	January 2026	12,933	-	Balloon		Working capital support and letter of guarantee issuance	Un-secured
3m EURIBOR + 2.75%	November 2037	8,071	-	Quarterly		Financing for capital expenditure	Secured against mortgages and corporate guarantees of certain operating subsidiaries of the Group
3m EURIBOR + 2.75%	October 2030	3,612	-	Quarterly		Financing for capital expenditure	Secured against mortgages and corporate guarantees of certain operating subsidiaries of the Group

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

18 BORROWINGS continued

<i>Annual interest rate</i>	<i>Maturity</i>	<i>AED '000</i>	<i>2024</i>		<i>Purpose</i>	<i>Security</i>
			<i>AED '000</i>	<i>Instalments</i>		
6m EURIBOR + 2.35%	February 2026	6,806	-	Half yearly	Financing of working capital	Secured against corporate guarantee provided certain operating subsidiaries of the Group
3m EURIBOR + 2.75%	September 2032	2,134	-	Quarterly	Financing for capital expenditure	Secured against mortgages and corporate guarantees of certain operating subsidiaries of the Group
EURIBOR + 2.35%	February 2026	1,315	-	Half yearly	Financing of working capital	Secured against corporate guarantee provided certain operating subsidiaries of the Group
3m EURIBOR +3.25%	July 2026	387	-	Quarterly	Financing of working capital	Secured against person guarantees
3m EURIBOR + 3.35%	January 2026	3,429	-	Balloon	Working capital support	Secured against mortgages and corporate guarantees of certain operating subsidiaries of the Group
Total		<u>3,248,582</u>	<u>1,853,577</u>			

As of 31 December 2025, Group has outstanding loans denominated in foreign currencies, comprising EUR 751,440 thousand and GBP 1,847 thousand, which are equivalent to AED 3,239,457 thousand and AED 9,124 thousand, respectively.

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19 LEASE LIABILITIES

	2025 AED '000	2024 AED '000
At 1 January	12,512,093	1,666,289
Acquired through business combinations (note 5.1)	167,955	10,502,471
Adjustment on finalisation of the purchase price allocation relating to prior year business combinations (note 5.1)	528,832	-
Additions	1,199,975	415,997
Lease modification and cancellations	(152,710)	160,685
Interest expense for the year (note 28)	777,558	712,032
Payments	(791,527)	(774,193)
Disposal of subsidiaries (note 5.2)	-	(12,984)
Foreign exchange movement	733,809	<u>(158,204)</u>
At 31 December	<u>14,975,985</u>	<u>12,512,093</u>

Lease liabilities are presented in the consolidated statements of financial position as follows:

	2025 AED '000	2024 AED '000
Non-current	14,475,008	12,205,124
Current	500,977	<u>306,969</u>
	<u>14,975,985</u>	<u>12,512,093</u>

20 INCOME TAX EXPENSE

	2025 AED '000	2024 AED '000
<i>The tax charge / (credit) is based on the profit for the period and comprises of:</i>		
Current tax charge:		
Income tax @ 9% (UAE operations)	215,868	183,680
Current period	3,718	-
Prior year tax	90,555	-
Domestic minimum top-up tax (UAE operations)	34,671	560
Income tax @ 25% (UK operations)	8,262	-
Current period	12,415	-
Prior year	3,441	-
Income tax @ 22% (Greece Operations)	368,930	184,240
Income tax @ 12.5% (Cyprus Operations)		
Total current tax		

20 INCOME TAX EXPENSE continued

	2025 AED '000	2024 AED '000
Deferred tax benefit:		
Relating to origination and reversal of temporary differences		
UAE operations	(24,247)	(35,128)
UK operations		
Current period	(119,749)	(87,076)
Prior year	(5,387)	-
Greece operations	2,053	-
Cyprus operations	414	-
Total deferred tax benefit	<u>(146,916)</u>	<u>(122,204)</u>
Total tax expense for the year	<u>222.014</u>	<u>62,036</u>

Tax charge to other comprehensive income for the year comprises as follows:

	2025 AED '000	2024 AED '000
Current tax charge:		
Fair value gains on equity investments	1,754	2,055
Remeasurement (loss)/gain on defined benefits plans	(1,555)	6,063
Foreign exchange gain	41,047	-
Related to other items	<u>-</u>	<u>(1,311)</u>
Total current tax	<u>41,246</u>	<u>6,807</u>
Deferred tax:		
Fair value gains on investments carried at fair value through OCI	<u>3,604</u>	<u>-</u>
Total tax charge for the year	<u>44,850</u>	<u>6,807</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

20 INCOME TAX EXPENSE continued

The reconciliation of tax expense to accounting profit before tax is as follows:

	2025 AED '000	2024 AED '000
Accounting profit before tax	<u>2,242,115</u>	<u>1,777,761</u>
Tax at the domestic rate of 9%	201,790	159,998
Adjusted for:		
Income taxable at the rate of 0%	(135)	(22,424)
Exempt income	(8,081)	(6,333)
Non-deductible expenses	28,686	831
Reassessment of deferred tax	(50,968)	-
Prior period expense, net	6,593	-
Domestic minimum top-up tax	90,555	-
Non-absorbable losses of disposed subsidiaries	-	3,438
Effect of higher tax rate applicable to foreign operations	(45,572)	(65,611)
Others	<u>(854)</u>	<u>(7,863)</u>
Tax expense	<u>222,014</u>	<u>62,036</u>

Movement in net income tax payable is as follows:

	2025 AED '000	2024 AED '000
At 1 January	182,910	-
Acquired through business combinations (note 5.1)	38,175	717
Tax charge to profit or loss for the year	368,930	184,240
Tax charge to other comprehensive income for the year	41,246	6,807
Taxes paid and withheld at source	(241,124)	-
Realization of taxable losses of a subsidiary	(14)	(8,861)
Others	-	28
Foreign exchange movement	<u>(10,326)</u>	<u>(21)</u>
At 31 December	<u>379,797</u>	<u>182,910</u>

20 INCOME TAX EXPENSE continued

Movement in net deferred tax liabilities is as follows:

	2025 AED '000	2024 AED '000
At 1 January	825,154	418,698
Net deferred tax liabilities acquired through business combinations	637,493	525,528
Realization of taxable losses of subsidiary	14	8,861
Adjustment on finalisation of the purchase price allocation relating to prior year business combinations (note 5.1 b)	(40,202)	-
Reversal of temporary differences	(143,313)	(122,204)
Foreign exchange movement	24,731	(5,729)
At 31 December	<u>1,303,877</u>	<u>825,154</u>

Deferred tax liabilities / assets are presented in the consolidated statement of financial position as follows:

	2025 AED '000	2024 AED '000
Deferred tax liabilities	1,797,000	1,025,139
Less: deferred tax asset	(493,123)	(199,985)
	<u>1,303,877</u>	<u>825,154</u>

As at reporting date, deferred tax asset and liabilities comprises of:

	2025 AED '000	2024 AED '000
<i>Deferred Tax Assets</i>		
Tax losses	287,546	162,764
Timing differences related to provisions	189,215	37,221
Others	16,362	-
	<u>493,123</u>	<u>199,985</u>
<i>Deferred tax liabilities</i>		
Goodwill	120,790	120,790
Intangible assets (excluding goodwill)	510,285	418,881
Right-of-use assets	479,422	281,253
Accelerated depreciation for tax purposes	196,035	111,556
Land, buildings and other assets	482,086	55,651
Other temporary differences	8,382	37,008
	<u>1,797,000</u>	<u>1,025,139</u>

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

21 NET DEFINED BENEFITS LIABILITIES

	2025 AED '000	2024 AED '000
Defined benefit plan, UAE and Greece*	1,620,581	1,506,422
Defined benefit plan, UK	-	-
	<u>1,620,581</u>	<u>1,506,422</u>

a) Defined benefit plan, UAE and Greece

The movement in net defined benefits liabilities during the year is as follows:

	2025 AED '000	2024 AED '000
At 1 January	1,506,422	1,413,143
Acquired through business combinations (note 5.1)	47,020	95,578
Charge for the year	240,247	227,257
Actuarial loss / (gains) recognised in other comprehensive income (i)	17,877	(67,368)
Payments	(190,869)	(156,889)
Disposal of subsidiaries (note 5.2)	-	(5,299)
Foreign exchange movement	<u>(116)</u>	<u>-</u>
At 31 December	<u>1,620,581</u>	<u>1,506,422</u>

(i) The actuarial valuation of the present value of the defined benefit obligations was carried out at 31 December 2025 and 2024 by an actuary registered in the UAE and Greece. The present value of defined benefit obligations and the related current and past service cost were measured using the projected unit credit method.

The provision is recognised based on the following significant assumptions:

	2025 AED'000	2024 AED'000
Average period of employment (years)	2.8 - 8.2	3.1 - 9.1
Average annual rate of salary increase (percentage)	2 - 2.1%	2.0%
Average annual voluntary termination rate (percentage)	1.67% - 8%	8.0%
Discount rate (percentage)	2.7 - 4.75%	5.3%

Demographic assumptions for mortality, withdrawal and retirement were used in valuing the liabilities and benefits under the plan. Because of the nature of the benefit, which is a lump sum payable on exit due to any cause, a combined single rate has been used.

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

21 NET DEFINED BENEFITS LIABILITIES continued

Charge for the year ended 31 December 2025 includes current service cost of AED 170,883 thousand and net interest cost of AED 69,364 thousand (2024: AED 165,086 thousand and AED 62,171 thousand), respectively.

Actuarial losses recognised in other comprehensive income includes the following:

	2025 AED'000	2024 AED'000
Actuarial gain arising from experience adjustments	20,618	30,583
Actuarial (loss) / gain arising from changes in financial assumptions	<u>(38,495)</u>	<u>36,785</u>
	<u>(17,877)</u>	<u>67,368</u>

The weighted average duration of the defined benefit obligation is 5 years. The mortality rates for ages 18 to 59 range between 0.24 to 3.23 deaths per thousand of population (2024: 0.24 to 3.23).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

<i>Actuarial assumptions:</i>	2025 <i>Increase</i> AED'000	2025 <i>Decrease</i> AED'000	2024 <i>Increase</i> AED'000	2024 <i>Decrease</i> AED'000
Discount rate (0.5%)	(38,585)	40,708	(34,889)	36,649
Annual rate of salary increment (0.5%)	41,481	(39,643)	37,827	(36,165)
Voluntary termination rate (2%)	17,326	(21,903)	22,949	(27,622)

* As at 31 December 2025, this item includes a defined benefit plan in Greece amounting to AED 15,559, which is showing net of plan assets of AED 1,962 thousand. The plan assets comprise of a bank balance and the plan pertain to post employment healthcare benefits for one of the subsidiary in Cyprus.

21 NET DEFINED BENEFITS LIABILITIES continued

b) Defined benefit plan, UK

Defined benefit schemes

The Group sponsors a funded defined benefit pension plan for qualifying UK employees, the General Healthcare Group Limited Pension and Life Assurance Plan. The Plan is administered by GHG (DB) Pension Trustees Limited, an independent trustee. The Trustee is required by law to act in the interest of all relevant beneficiaries and are responsible for the investment policy for the assets and the day-to-day administration of the benefits.

Under the Plan, employees are entitled to annual pensions on retirement at age 65 for each year of service. The Plan is closed to future accrual. The level of benefits accrued by members is based on the length of their pensionable service and their pensionable salaries at the earlier of the date on which they left the Plan or the date at which the Plan closed to the future accrual of benefits.

Profile of the plan

The Defined Benefit Obligation (DBO) includes benefits for former employees and current pensioners. The benefits under the Plan were secured by way of an insurance contract with Aviva in 2020, at which point about 63% of the liabilities were attributable to deferred pensioners and 37% to current pensioners. The membership data used for this project are projected from those as at the latest funding valuation of 30 September 2021, at which point 50% of the liabilities were attributable to each of the deferred pensioners and the in-payment pensioners.

The Plan duration is an indicator of the weighted-average time until benefit payments are made. For the Plan as a whole, the duration is approximately 12 years.

Risks associated with the plan

The Plan has now sold most of its assets and entered into an annuity contract with Aviva. As such, many of the risks it was previously exposed to have been removed. Investment, inflation and longevity risk are removed as Aviva are contractually obliged to fund members' benefits in the future. However, the Trustee still retains the legal responsibility to pay members' benefits to each individual member.

Funding requirements

UK legislation requires that pension Plans are funded prudently. The last funding valuation of the Plan was carried out by a qualified actuary as at 30 September 2021 and showed a surplus of AED 17,291 thousand. Now that the buy-in is complete, the Group is no longer paying deficit contributions. The Plan is expected to transition to buy-out in the near future and there will be no need for actuarial valuations in the future.

Reporting at 31 December 2025

The liabilities of the Scheme were valued as at 30 September 2021, using a data extract provided by the administrators for the purposes of valuing the benefits secured under the insurance contract. These results were projected to the valuation date of 31 December 2025 allowing for changes in market conditions, and differences in the financial and demographic assumptions. The present value of the Defined Benefit Obligation was measured using the projected unit credit method. The directors consider they have a right to any surplus asset on the final settlement of all scheme liabilities but have not recognised an asset for this surplus as this is not considered material to the consolidated financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

21 NET DEFINED BENEFITS LIABILITIES continued

b) Defined benefit plan, UK continued

Reporting at 31 December 2025 continued

The movement in present value of obligation and fair value of scheme assets during the year is as follows:

	2025 AED'000	2024 AED'000
<i>Present value of obligation</i>		
At beginning of the year	314,918	
Acquired through business combinations	-	368,460
Interest cost	17,663	16,104
Actuarial loss / (gain)	16,022	(42,084)
Benefit payments	(20,582)	(21,225)
Foreign exchange movement	<u>23,375</u>	<u>(6,337)</u>
At end of the year	<u>351,396</u>	<u>314,918</u>
<i>Fair value of scheme assets</i>		
At beginning of the year	344,282	
Acquired through business combinations	-	400,682
Interest income	19,362	17,554
Actuarial gain / (loss)	15,746	(43,877)
Benefit payments	(20,582)	(21,225)
Administration expenses	(2,992)	(1,924)
Foreign exchange movement	<u>25,499</u>	<u>(6,928)</u>
At end of the year	<u>381,315</u>	<u>344,282</u>

Asset classes of scheme assets

The Plan assets are invested in the following asset classes. All invested assets have a quoted market value in an active market. None of the assets are invested in the Group's financial instruments or in property occupied by, or other assets used by, the Group.

	2025 AED'000	2024 AED'000
<i>Asset classes of scheme assets</i>		
Cash instruments and sterling deposits	28,512	27,735
Cash at bank	1,407	1,629
Annuity contract	<u>351,396</u>	<u>314,918</u>
At end of the year	<u>381,315</u>	<u>344,282</u>

The reconciliation to the amount shown on the consolidated statement of financial position is as follows:

	2025 AED'000	2024 AED'000
Present value of obligation	(351,396)	(314,918)
Fair value of scheme assets	381,315	344,282
Unrecognised portion of scheme assets	<u>(29,919)</u>	<u>(29,364)</u>
Net surplus / (deficit) recognised	<u>-</u>	<u>-</u>

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

21 NET DEFINED BENEFITS LIABILITIES continued

b) Defined benefit plan, UK continued

Asset classes of scheme assets continued

The net amount recognised in reserves is as follows:

No amounts have been recognised in the consolidated statement of profit or loss for the current or prior year. The administration expenses for the plan are settled by the scheme and are therefore not recognised within the consolidated statement of profit or loss.

	2025 AED'000	2024 AED'000
Actuarial (loss) gain on scheme obligations	(16,022)	42,084
Actuarial gain (loss) on scheme assets	15,746	(43,877)
Movement in unrecognised pension surplus	<u>3,268</u>	<u>3,717</u>
Actuarial gain on defined benefit pension schemes	2,992	1,924
Net effect in reserves arising from movements on future scheme commitment	<u>(2,992)</u>	<u>(1,924)</u>
	=	=

The principal assumptions used to calculate the liabilities under IAS 19 are as follows:

Mortality rate

Pensioner life expectancy assumed as at 31 December is based on the S2P tables with scaling factors of 103% for male deferred pensions, 100% for male current pensioners, 91% for female deferred pensioners and for 89% for female current pensioners. Future improvements in longevity are assumed in line with the CMI 2023 projection model with a smoothing factor of 7 and a long-term rate of improvement of 1.25% pa. Samples of the ages to which pensioners are assumed to live are as follows:

	2025	2024
Life expectancy for male currently aged 65	85.6	86.1
Life expectancy for female currently aged 65	88.1	89.1
Life expectancy at 65 for male currently aged 45	54.4	87.1
Life expectancy at 65 for female currently aged 45	55.6	90.4

Sensitivity to key assumptions

The key assumptions used for IAS 19 are: discount rate, inflation and mortality. If different assumptions were used, this could have a material effect on the identical values placed on the liabilities and the insured asset. The sensitivity of the results to these assumptions is set out below.

	2025 Change AED'000	2025 New value AED'000	2024 Change AED'000	2024 New value AED'000
<i>Following a 0.25% decrease in the discount rate:</i>				
DBO at 31 December 2025	2,953	348,442	9,695	324,617
Surplus at 31 December 2025	-	<u>29,919</u>	-	29,364
<i>Following a 0.25% increase in the inflation assumption:</i>				
DBO at 31 December 2025	7,053	344,343	6,110	320,798
Surplus at 31 December 2025	-	<u>29,919</u>	-	29,364
<i>Following a one year increase in life expectancy:</i>				
DBO at 31 December 2025	677	350,719	11,816	326,738
Surplus at 31 December 2025	-	<u>29,919</u>	-	29,364

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

21 NET DEFINED BENEFITS LIABILITIES continued

c) Defined contribution plan

Defined contribution scheme

The Group operates defined contribution retirement benefit schemes for all its qualifying employees.

	2025 AED '000	2024 AED '000
Total contribution costs charged to the income statement	<u>289,348</u>	<u>279,748</u>

22 TRADE PAYABLES AND OTHER LIABILITIES

	2025 AED '000	2024 AED '000
Trade payables	4,023,497	1,651,143
Accrued expenses (note 22.2)	3,181,823	3,274,971
Other payables	969,962	229,576
Advances from customers (note 22.1)	695,713	685,918
Government funded programs payables	585,684	1,574,209
Unearned income	161,335	167,152
Liabilities relating to hospitals under management (note 22.4)	99,337	82,541
Deferred government grants	80,347	180,596
Withholding tax payable	44,375	-
VAT payable	12,014	-
Fines collected on behalf of Department of Health - Abu Dhabi (note 22.3)	3,026	4,962
	<u>9,857,113</u>	<u>7,851,068</u>

Trade payables and other liabilities are presented in the consolidated statement of financial position as follows:

	2025 AED '000	2024 AED '000
Non-current	483,271	186,640
Current	<u>9,373,842</u>	<u>7,664,428</u>
	<u>9,857,113</u>	<u>7,851,068</u>

- 22.1 Advances from customers includes an amount of AED 536,587 thousand (2024: AED 565,994 thousand) received from a customer in relation to the purchase and supply of medical supplies.
- 22.2 Included in accrued expenses is a net amount of AED 711,318 thousand (2024: AED 540,906 thousand) payable to hospitals in the Northern Emirates. In addition, an amount of AED 2,072,230 thousand (2024: AED 2,202,849 thousand) relates to accruals against inventories and services received but not invoiced by the suppliers.
- 22.3 In accordance with Circular no. (35) issued by Department of Health - Abu Dhabi (DOH) in 2010, all insurance companies licensed in health insurance field in the Emirate of Abu Dhabi, should collect fines from the violators of health insurance system on behalf of DOH, upon issuance and renewal of their insurance policies.
- 22.4 This represents employees end of service benefits payable to hospital employees.

23 REINSURANCE CONTRACT ASSETS AND INSURANCE CONTRACT LIABILITIES

a) Reinsurance contract assets

	<i>Amounts recoverable on incurred claims</i>			
	<i>Liabilities for remaining coverage AED'000</i>	<i>Estimates of the present value of future cash flows AED'000</i>	<i>Risk adjustment (RA) AED'000</i>	<i>Total AED'000</i>
Reinsurance contract assets as at 1 January 2025	(436,046)	1,909,676	53,221	1,526,851
Allocation of reinsurance premiums (i)	(2,675,671)	-	-	(2,675,671)
Amounts recoverable from reinsurers for incurred claims (i) and (ii)	-	3,298,108	42,132	3,340,240
Net (expense) / income from reinsurance contracts held	(2,675,671)	3,298,108	42,132	664,569
Reinsurance commission expense (i)	104,221	-	-	104,221
Total changes in the consolidated statement of profit or loss	(2,571,450)	3,298,108	42,132	768,790
Cash flows:				
Premiums paid	2,454,368	-	-	2,454,368
Amounts received (ii)	-	(3,163,646)	-	(3,163,646)
Total cash flows	2,454,368	(3,163,646)	-	(709,278)
Reinsurance contract assets as at 31 December 2025	(553,128)	2,044,138	95,353	1,586,363
Reinsurance contract assets as at 1 January 2024	(212,877)	1,503,141	40,634	1,330,898
Allocation of reinsurance premiums (i)	(2,366,085)	-	-	(2,366,085)
Amounts recoverable from reinsurers for incurred claims (i) and (ii)	-	3,376,706	12,587	3,389,293
Net (expense) / income from reinsurance contracts held	(2,366,085)	3,376,706	12,587	1,023,208
Reinsurance commission expense (i)	229	-	-	229
Total changes in the consolidated statement of profit or loss	(2,365,856)	3,376,706	12,587	1,023,437
Cash flows:				
Premiums paid	2,142,687	-	-	2,142,687
Amounts received (ii)	-	(2,970,171)	-	(2,970,171)
Total cash flows	2,142,687	(2,970,171)	-	(827,484)
Reinsurance contract assets as at 31 December 2024	(436,046)	1,909,676	53,221	1,526,851

(i) Allocation of reinsurance premiums, amounts recoverable from reinsurers for incurred claims and reinsurance commission expense have been presented under cost of sales in the consolidated statement of profit or loss.

(ii) This includes receivables from the Government of Abu Dhabi in respect of insurance policies issued under the Basic product.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

23 REINSURANCE CONTRACT ASSETS AND INSURANCE CONTRACT LIABILITIES

b) Insurance contract liabilities

	<i>Liabilities for incurred claims</i>			
	<i>Liabilities for remaining coverage AED'000</i>	<i>Estimates of the present value of future cash flows AED'000</i>	<i>Risk adjustment (RA) AED'000</i>	<i>Total AED'000</i>
Insurance contract liabilities as at 1 January 2025	900,071	2,217,415	115,153	3,232,639
Insurance contract revenue *	(6,951,427)	-	-	(6,951,427)
Insurance service expenses **	214,517	6,266,058	88,147	6,568,722
Insurance service result	(6,736,910)	6,266,058	88,147	(382,705)
Total changes in the consolidated statement of profit or loss	(6,736,910)	6,266,058	88,147	(382,705)
Cash flows:				
Premiums received	7,154,665	-	-	7,154,665
Claims and other expenses paid	-	(5,831,639)	-	(5,831,639)
Insurance acquisition cash flows	(217,420)	-	-	(217,420)
Total cash flows	6,937,245	(5,831,639)	-	1,105,606
Insurance contract liabilities as at 31 December 2025	1,100,406	2,651,834	203,300	3,955,540
Insurance contract liabilities as at 1 January 2024	764,337	1,725,216	74,346	2,563,899
Insurance contract revenue *	(6,112,400)	-	-	(6,112,400)
Insurance service expenses **	159,173	5,699,907	40,807	5,899,887
Insurance service result	(5,953,227)	5,699,907	40,807	(212,513)
Total changes in the consolidated statement of profit or loss	(5,953,227)	5,699,907	40,807	(212,513)
Cash flows:				
Premiums received	6,250,436	-	-	6,250,436
Claims and other expenses paid	-	(5,207,708)	-	(5,207,708)
Insurance acquisition cash flows	(161,475)	-	-	(161,475)
Total cash flows	6,088,961	(5,207,708)	-	881,253
Insurance contract liabilities as at 31 December 2024	900,071	2,217,415	115,153	3,232,639

* Insurance revenue has been presented under health insurance revenue in the consolidated statement of profit or loss.

** Insurance claim expenses have been presented under cost of sales in the consolidated statement of profit or loss.

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24 RELATED PARTIES

The Group, in the ordinary course of business, entered into a variety of transactions at agreed terms and conditions, with companies, entities or individuals that fall within the definition of “related parties” as defined in IAS 24 - *Related Party Disclosures*. Related parties comprise the shareholders, key management staff and business entities related to them, companies under common ownership and/or common management and control, their partners and key management personnel. Pricing policies and terms of these transactions are approved by the Group’s management and the transactions with the related parties are based on agreements.

For the year ended 31 December 2025, the Group has not recorded any impairment of receivables relating to amounts due from related parties. (2024: AED nil).

The following are the balances arising on transactions with related parties:

	2025 AED '000	2024 AED '000
<i>Due from related parties:</i>		
Other related parties*	<u>1,651,594</u>	<u>1,178,168</u>
<i>Due to related parties:</i>		
Other related parties	121,529	78,142
Key management personnel**	- <u>533,317</u>	<u>533,317</u>
	<u>121,529</u>	<u>611,459</u>
Balances with financial institutions	5,430,982	8,982,591
Investments in financial assets	950,984	177,717
Loan from a financial institution	-	1,851,741
Right of use assets	2,835,062	1,729,528
Lease liabilities	3,897,411	2,251,181

* This includes an amount of AED 40,190 thousand receivable on disposal of subsidiaries (note 5.2). The consideration receivable represents the amount that was agreed between the parties.

** During the year, an amount of AED 490,848 thousand has been paid as full settlement of the outstanding balance of AED 533,317 thousand payable to one of the key management personnel. The remaining amount of AED 42,469 thousand has been recorded as other income (note 29).

Balances related to deferred government mandates, government funded programs receivables, government funded programs payables, and fines collected on behalf of Department of Health – Abu Dhabi, are disclosed in note 13, note 22 and note 23, respectively.

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24 RELATED PARTIES continued

Transactions with related parties during the year are as follows:

	2025 AED '000	2024 AED '000
Expenses incurred by the Group on behalf of related parties	209,625	400,969
Goods sold and services rendered to related parties	1,419,349	840,732
Goods purchased and services received from related parties	83,268	137,660
Other income	40,125	86,625
Bank charges	18,847	17,069
Interest expense	41,517	113,247
Interest income	139,898	183,107
Bank borrowings (net)	-	1,830,340
Sale of subsidiaries (note 5.2)	-	40,190
Finance cost - Leases	404,534	100,334
Depreciation - Leases	182,910	163,575
Payment of borrowings	1,845,000	-
Dividend paid	350,408	-
<i>Key management remuneration:</i>		
Salary and other benefits	41,184	28,045
Board of Directors remuneration	8,775	-

25 REVENUE

	2025 AED '000	2024 AED '000
<i>Type of goods or service</i>		
Hospital and other healthcare related services (i)	18,827,834	17,971,453
Diagnostic services	259,212	325,331
Health insurance services (ii)	7,419,627	6,528,210
Procurement and supply of medical related products	763,532	868,251
Technology services and others	41,757	154,997
	<u>27,311,962</u>	<u>25,848,242</u>
<i>Timing of revenue recognition:</i>		
Revenue at a point in time	11,575,257	11,845,484
Revenue over time	15,736,705	14,002,758
	<u>27,311,962</u>	<u>25,848,242</u>

Pure Health Holding PJSC

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25 REVENUE continued

The geographical information of revenues generated is as follows:

	2025 AED '000	2024 AED '000
Within UAE	20,112,328	19,842,372
Outside UAE	7,199,634	6,005,870
	<u>27,311,962</u>	<u>25,848,242</u>

- (i) This includes a contract that the Group has, to operate and manage hospitals and healthcare facilities on behalf of “The Committee for Follow-Up on Implementing Initiatives for H.H. The President of UAE”.
- (ii) This includes management and administration fees, to operate Government funded programs amounting to AED 454,896 thousand for year ended 31 December 2025 (2024: AED 415,810 thousand).

Contract assets balance is as follows:

	2025 AED '000	2024 AED '000
Contract assets	1,796,058	1,815,381
Allowance for expected credit losses on contract asset	(60,548)	(64,734)
Net contract assets	<u>1,735,510</u>	<u>1,750,647</u>

Movement in the allowance for expected credit losses of contract assets is as follows:

	2025 AED '000	2024 AED '000
At 1 January	64,734	55,472
Charge for the year (note 27)	88	9,262
Reversal for the year	(4,274)	-
At 31 December	<u>60,548</u>	<u>64,734</u>

Contract assets are presented in the consolidated statement of financial position as follows:

	2025 AED '000	2024 AED '000
Current	<u>1,735,510</u>	<u>1,750,647</u>

Pure Health Holding PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

26 COST OF SALES

	2025 AED '000	2024 AED '000
Inventory consumed	4,441,775	4,247,312
Salaries, allowances and benefits	5,411,000	5,459,145
Hospitals management services	1,644,597	2,006,118
Insurance claims expenses	5,757,822	4,924,196
Outsourcing and purchased services	1,805,027	1,230,394
Depreciation of property and equipment (note 6)	382,627	339,850
Amortisation of intangible assets (note 9)	120,456	178,848
Depreciation of right-of-use assets (note 8)	801,285	618,375
Depreciation of investment property (note 7)	587	587
Other direct cost of goods sold	<u>214,062</u>	<u>197,544</u>
	<u>20,579,238</u>	<u>19,202,369</u>

27 GENERAL AND ADMINISTRATIVE EXPENSES

	2025 AED '000	2024 AED '000
Salaries, allowances and benefits	2,544,695	2,667,950
Depreciation of property and equipment (note 6)	313,079	284,669
Depreciation of investment property (note 7)	40	12
Depreciation of right-to-use assets (note 8)	36,066	10,223
Amortisation of intangible assets (note 9)	154,695	127,828
(Reversal) / impairment of property and equipment (note 6)	(11,272)	10,748
Impairment of intangible assets (note 9)	16,225	22
(Reversal) / Impairment charge of right-of-use assets (note 8)	(48,291)	55,069
Allowance for slow moving inventories (note 12)	15,014	3,039
Allowance for expected credit losses of trade receivable (note 13)	42,115	68,794
Allowance for expected credit losses of other receivables (note 13)	204,640	205,049
Allowance for expected credit loss of government funded programs receivables (note 13)	-	1,637
Allowance for expected credit loss of contract asset (note 25)	88	9,262
Reversal for allowance of expected credit loss for cash and banks (note 14)	(220)	(7,284)
Utilities and communication	240,296	198,533
Outsourcing and purchased services	84,778	292,346
Business travel	51,102	52,788
Office expenses	134,622	112,496
IT support expenses	187,716	57,120
Insurance expenses	62,192	49,413
Consulting and professional services expenses	388,802	278,583
Other expenses	<u>192,144</u>	<u>197,501</u>
	<u>4,608,526</u>	<u>4,675,798</u>

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28 FINANCE COSTS

	2025 AED '000	2024 AED '000
Interest expense on leases (note 19)	777,558	712,032
Interest expense on borrowings (note 18)	75,129	113,247
Others	<u>12,161</u>	<u>22,355</u>
	<u>864,848</u>	<u>847,634</u>

29 OTHER INCOME, NET

	2025 AED '000	2024 AED '000
Interest income	325,495	285,492
Gain on disposals of property and equipment (note 6)	12,234	444
Gain on cancellation of lease	799	-
Dividend income	14,817	18,554
Net gain on loss of significant influence of an associate (note 10)	-	56,332
Rental income	23,869	8,570
Change in fair value of financial assets carried at fair value through profit or loss (note 11.1)	43,903	11,843
Grant income to operating expenditures	437,423	87,434
Grant income related to capital expenditures	43,494	15,265
Management incentive reversal (note 24)	42,469	-
Training, courses and internship	16,338	-
Miscellaneous income	<u>124,998</u>	<u>124,068</u>
	<u>1,085,839</u>	<u>608,002</u>

30 BASIC EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the year attributed to the owners of the Company by the weighted average number of shares outstanding during the year, as follows:

	2025	2024
Profit attributed to owners of the Company (AED '000)	<u>2,002,108</u>	<u>1,711,640</u>
Weighted average number of shares (shares in thousands) (note 15)	<u>11,110,950</u>	<u>11,111,111</u>
Basic and diluted earnings per share for the year (AED)	<u>0.18</u>	<u>0.15</u>

The weighted average number of shares takes into account the weighted average effect of changes in own shares held by the liquidity provider during the year (note 15.1 & 15.2).

31 CONTINGENT LIABILITIES AND COMMITMENTS

	2025 AED '000	2024 AED '000
Letters of guarantee	<u>222,197</u>	<u>147,128</u>
Capital and purchase commitments	<u>1,383,066</u>	<u>1,589,577</u>

The Group is defendant on certain legal cases. The outcome of these cases is dependent on occurrence / non-occurrence of uncertain future events. The Group has taken a provision of AED 225,255 thousand against those legal cases, which in the view of the Group's management is adequate to cover any future liabilities that may arise.

32 FAIR VALUE MEASUREMENT

While the Group prepares its financial information under the historical cost convention modified for measurement to fair value of investments carried at fair value. In the opinion of management, the estimated fair values of financial assets and liabilities that are not carried at fair value in the consolidated financial statements are not materially different from their carrying values.

Fair value hierarchy

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2025

32 FAIR VALUE MEASUREMENT continued

Fair value hierarchy continued

The table below analyses financial instruments measured at fair value at the end of the reporting year, by the level in the fair value hierarchy into which the fair value measurement is categorised. Fair value measurements are categorised in its entirety in the same fair value level and that such level is determined based on the lowest level of input used in the measurement.

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
At 31 December 2025				
Investments				
Investments at fair value through profit or loss (note 11.1)	34	400	1,690	2,124
Investment at fair value through comprehensive income (note 11.2)	<u>1,706,223</u>	<u>-</u>	<u>66,073</u>	<u>1,772,296</u>
	<u>1,706,257</u>	<u>400</u>	<u>67,763</u>	<u>1,774,420</u>
At 31 December 2024				
Investments				
Investments at fair value through profit or loss (note 11.1)	269,088	-	1,496	270,584
Investment at fair value through comprehensive income (note 11.2)	<u>2,008,390</u>	<u>-</u>	<u>1,301</u>	<u>2,009,691</u>
	<u>2,277,478</u>	<u>-</u>	<u>2,797</u>	<u>2,280,275</u>

Movement in level 3 for investments at fair value through profit or loss is as follows:

	2025 AED '000	2024 AED '000
At 1 January	1,496	2,937
(Loss) / gain from change of fair value of investments	-	(1,305)
Foreign exchange movement	<u>194</u>	<u>(136)</u>
At 31 December	<u>1,690</u>	<u>1,496</u>

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32 FAIR VALUE MEASUREMENT continued

Fair value hierarchy continued

Movement in level 3 for investments at fair value through other comprehensive income is as follows:

	2025 AED '000	2024 AED '000
At 1 January	1,301	12,310
Additions due acquisition	65,862	4,182
Disposal	(1,301)	(16,184)
Gain from change of fair value of investments	-	993
Foreign exchange movement	211	-
At 31 December	66,073	1,301

33 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	At fair value through profit or loss AED'000	At fair value through OCI AED'000	Amortised cost AED'000	Total AED'000
<i>At 31 December 2025</i>				
<i>Financial assets:</i>				
Investments (note 11)	2,124	1,772,296	2,053,800	3,828,220
Reinsurance contract assets (note 23)	-	-	1,586,363	1,586,363
Cash & bank balances (note 14)	-	-	7,705,950	7,705,950
Margin deposit (note 13)	-	-	18,692	18,692
Trade receivables (note 13)	-	-	3,799,332	3,799,332
Other receivables	-	-	1,685,476	1,685,476
Sub-lease receivables (note 13)			4,255	4,255
Government funded programs receivables (note 13)	-	-	104,665	104,665
Due from related parties (note 24)	-	-	1,651,594	1,651,594
Contract assets (note 25)	-	-	<u>1,735,510</u>	<u>1,735,510</u>
	<u>2,124</u>	<u>1,772,296</u>	<u>20,345,637</u>	<u>22,120,057</u>
<i>Financial liabilities:</i>				
Insurance contract liabilities (note 23)	-	-	3,955,540	3,955,540
Trade payables (note 22)	-	-	4,023,497	4,023,497
Fines collected on behalf of Department of Health - Abu Dhabi (note 22)	-	-	3,026	3,026
Other payables (note 22)	-	-	969,962	969,962
Borrowings (note 18)	-	-	3,248,582	3,248,582
Due to related parties (note 24)	-	-	121,529	121,529
Lease liabilities (note 19)	-	-	14,975,985	14,975,985
Non-controlling interests put option liability			2,823,173	2,823,173
Government funded programs payables (note 22)	-	-	<u>585,684</u>	<u>585,684</u>
	<u>—</u>	<u>—</u>	<u>30,706,978</u>	<u>30,706,978</u>

33 FINANCIAL ASSETS AND FINANCIAL LIABILITIES continued

	At fair value through profit or loss AED'000	At fair value through OCI AED'000	Amortised cost AED'000	Total AED'000
<i>At 31 December 2024</i>				
<i>Financial assets:</i>				
Investments (note 11)	270,584	2,009,691	568,001	2,848,276
Reinsurance contract assets (note 23)	-	-	1,526,851	1,526,851
Cash & bank balances (note 14)	-	-	11,978,253	11,978,253
Margin deposit (note 13)	-	-	18,557	18,557
Trade receivables (note 13)	-	-	1,844,101	1,844,101
Other receivables	-	-	1,801,855	1,801,855
Sub-lease receivables (note 13)			7,210	7,210
Government funded programs receivables (note 13)	-	-	941,746	941,746
Due from related parties (note 24)	-	-	1,178,168	1,178,168
Contract assets (note 25)	-	-	1,750,647	1,750,647
	<u>270,584</u>	<u>2,009,691</u>	<u>21,615,389</u>	<u>23,895,664</u>
<i>Financial liabilities:</i>				
Insurance contract liabilities (note 23)	-	-	3,232,639	3,232,639
Trade payables (note 22)	-	-	1,651,143	1,651,143
Fines collected on behalf of Department of Health - Abu Dhabi (note 22)	-	-	4,962	4,962
Other payables (note 22)	-	-	229,576	229,576
Borrowings (note 18)	-	-	1,860,243	1,860,243
Due to related parties (note 24)	-	-	611,459	611,459
Lease liabilities (note 19)	-	-	12,512,093	12,512,093
Government funded programs payables (note 22)	-	-	1,574,209	1,574,209
	<u>-</u>	<u>-</u>	<u>21,676,324</u>	<u>21,676,324</u>

For the purpose of the above disclosure, non-financial assets amounting to AED 355,065 thousand as at 31 December 2025 (2024: AED 313,371 thousand) were excluded from trade and other receivables and non-financial liabilities amounting to AED 4,274,944 thousand as at 31 December 2025 (2024: AED 4,391,178 thousand) were excluded from trade and other payables.

The Group considers that the carrying amounts of financial assets and financial liabilities recorded in the consolidated financial statements approximate their fair values.

34 FINANCIAL RISK MANAGEMENT

34.1 FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group is also responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are meant to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group is exposed to the following risks related to financial instruments – credit risk, liquidity risk, market risk (including foreign exchange risk, interest rate risk and equity price risk) and insurance risk.

34 FINANCIAL RISK MANAGEMENT continued

34.2 CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts, as considered appropriate.

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor, and market confidence and to sustain future development of the business. The Group monitors the return on capital, which the Group defines as net profit divided by total shareholders' equity.

The Group finances its operations through equity, borrowings, and management of working capital with view of maintaining an appropriate mix between various source of finance to minimize risk. Capital comprises of share capital, share premium, statutory reserve, fair value reserve, own shares held by the liquidity provider, merger and other reserve, currency translation reserve, and retained earnings and is measured at AED 18,301,296 thousand as at 31 December 2025 (2024: AED 19,714,189 thousand).

34.3 CREDIT RISK MANAGEMENT

Credit risk is managed on Group basis, except for credit risk relating to trade receivables, policy holders receivables and related party balances. Each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. Individual risk limits are based on management's assessment on a case-by-case basis. The utilisation of credit limits is regularly monitored. The Group's policy is to place cash and cash equivalents with reputable banks and financial institutions.

As of 31 December 2025, the credit exposure against five customers accounted for 48% of the total credit risk exposure and the expected credit losses of those five customers, were AED 56,240 thousand (2024: AED 75,772 thousand).

The tables below detail the credit quality of the Group's financial assets, contract assets, as well as the Group's maximum exposure to credit risk.

	Notes	12 month or lifetime ECL	Gross carrying amount AED '000	Allowance / impairment amount AED '000	Net carrying amount AED '000
<i>At 31 December 2025</i>					
Trade receivables	13	Lifetime ECL	4,599,871	(800,539)	3,799,332
Other receivables	13	Lifetime ECL	2,100,324	(452,326)	1,647,998
Contract assets	25	Lifetime ECL	1,796,058	(60,548)	1,735,510
Reinsurance contract asset	23	12-month ECL	1,586,363	-	1,586,363
Due from related parties	24	Lifetime ECL	1,651,594	-	1,651,594
Debt Instruments	11.3	Lifetime ECL	2,053,800	-	2,053,800
Cash and bank balances	14	12-month ECL	7,708,802	(2,852)	7,705,950
<i>At 31 December 2024</i>					
Trade receivables	13	Lifetime ECL	1,984,564	(140,463)	1,844,101
Other receivables	13	Lifetime ECL	2,049,854	(361,646)	1,688,208
Contract assets	25	Lifetime ECL	1,815,381	(64,734)	1,750,647
Reinsurance contract asset	23	12-month ECL	1,526,851	-	1,526,851
Due from related parties	24	Lifetime ECL	1,178,168	-	1,178,168
Debt Instruments	11.3	Lifetime ECL	568,189	(188)	568,001
Cash and bank balances	14	12-month ECL	11,981,313	(3,060)	11,978,253

34 FINANCIAL RISK MANAGEMENT continued

34.4 LIQUIDITY RISK MANAGEMENT

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. 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. The management uses different methods, which assists it in monitoring cash flow requirements and optimising the return on investments. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligation; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The ultimate responsibility for liquidity risk management rests with the Directors of the Company, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium, and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The maturity profile of the financial liabilities at the end of the reporting period based on existing contractual repayment arrangements was as follows:

	<i>On demand</i> AED'000	<i>Less than 3 months</i> AED'000	<i>3 to 12 months</i> AED'000	<i>1 to 5 years</i> AED'000	<i>More than 5 years</i> AED'000	<i>Total</i> AED'000
<i>At 31 December 2025</i>						
Insurance contract liabilities (note 23)		3,955,540	-	-	-	3,955,540
Trade payables (note 22)	609,361	2,011,228	1,402,908	-	-	4,023,497
Fines collected on behalf of Department of Health - Abu Dhabi (note 22)		3,026	-	-	-	3,026
Other payables	378,291	49,426	158,005	483	-	586,205
Bank borrowings	76,715	11,690	444,136	3,099,842	203,212	3,835,595
Due to related parties (note 24)	121,529	-	-	-	-	121,529
Lease liabilities	526,394	212,906	1,195,043	6,082,001	18,138,339	26,154,683
Non-controlling interests put option liability	-	-	-	-	2,823,173	2,823,173
Government funded programs payables (note 22)		585,684	-	-	-	585,684
Total	<u>2,301,000</u>	<u>6,240,790</u>	<u>3,200,092</u>	<u>9,182,326</u>	<u>21,164,724</u>	<u>42,088,932</u>
<i>At 31 December 2024</i>						
Insurance contract liabilities (note 23)	-	3,232,639	-	-	-	3,232,639
Trade payables (note 22)	302,558	1,092,617	255,968	-	-	1,651,143
Fines collected on behalf of Department of Health - Abu Dhabi (note 22)	-	4,962	-	-	-	4,962
Other payables	-	218,093	-	-	-	218,093
Bank borrowings	-	-	103,960	1,931,895	-	2,035,855
Due to related parties (note 24)	-	611,459	-	-	-	611,459
Lease liabilities	3,375	176,034	699,848	3,814,020	17,441,480	22,134,757
Government funded programs payables (note 22)	-	1,574,209	-	-	-	1,574,209
Total	<u>305,933</u>	<u>6,910,013</u>	<u>1,059,776</u>	<u>5,745,915</u>	<u>17,441,480</u>	<u>31,463,117</u>

34 FINANCIAL RISK MANAGEMENT continued

34.5 MARKET RISK

(a) *Foreign currency risk*

Assets are typically funded in the same currency as that of the business being transacted to eliminate exchange exposures. The Group is exposed to currencies not denominated in USD or AED, as the latter is pegged to the UAE Dirham. Further, management believes that there is a minimal risk of significant losses due to exchange rate fluctuations in its UAE operations as most of its monetary assets and liabilities are denominated in UAE Dirhams. The Group exposure with respect to its subsidiary in the UK and Greece is as follows:

	2025 AED'000	2024 AED'000
Impact of 5% increase / decrease in the exchange rate on the Group's OCI for the year (increase/decrease)	<u>308,418</u>	<u>225,006</u>

(b) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates. Policies for managing interest rate risk relating to its variable interest borrowings are established and followed by the Group.

For the purpose of sensitivity analysis, a change of 100 basis points in interest rates would have increased/(decreased) the profit by the amounts shown below. This analysis assumes that all other variables remain constant.

	2025 AED'000	2024 AED'000
100 basis points increased	(32,486)	(18,602)
100 basis points decreased	32,486	18,602

34 FINANCIAL RISK MANAGEMENT continued

34.5 MARKET RISK continued

c) Equity price risk

Equity price risk is the risk that the fair values of equities change as the result of changes in the levels of equity indices and the value of individual stocks. The equity price risk exposure arises from the Group's investment portfolio.

The following table estimates the sensitivity to a possible change in equity markets on the Group's total comprehensive income, with all other variables held constant. The effect of changes in equity prices is expected to be equal and opposite to the effect of the increases shown.

	<i>Changes in variables</i>	<i>31 December 2025</i>	<i>31 December 2024</i>
		<i>impact on profit AED'000</i>	<i>impact on profit AED'000</i>
<i>Market index</i>			
Abu Dhabi Securities Exchange	5%	<u><u>-</u></u>	<u><u>8,199</u></u>
Dubai Financial Market	5%	<u><u>-</u></u>	<u><u>5,256</u></u>
Others	5%	<u><u>84</u></u>	<u><u>75</u></u>
<i>Market index</i>			
New York Securities Exchange	5%	<u><u>49,102</u></u>	<u><u>100,333</u></u>
Swiss Exchange	5%	<u><u>538</u></u>	<u><u>87</u></u>
Abu Dhabi Securities Exchange and others	5%	<u><u>35,672</u></u>	<u><u>5,420</u></u>

The limitations in the above sensitivity analyses include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's view of possible near-term market changes that cannot be predicted with any certainty, and the assumption that all indices move in an identical fashion.

34.6 INSURANCE RISK

The Group's underwriting business is based entirely within the UAE. The principal risk the Group faces under insurance contracts is that the actual claims and benefit payments or the timing thereof differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

34 FINANCIAL RISK MANAGEMENT continued

34.6 INSURANCE RISK continued

The above risk exposure is mitigated by diversification across a portfolio of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as through the use of reinsurance arrangements.

Reinsurance ceded contracts do not relieve the Group from its obligations to policyholders. The Group remains liable to its policyholders for the portion reinsured to the extent that any reinsurer does not meet the obligations assumed under the reinsurance agreements. The reinsurance strategy of the Group is designed to protect exposures to individual risks and events based in current risk exposures through cost effective insurance agreements.

Frequency and amounts of claims

The frequency and amounts of claims can be affected by several factors. The Group underwrites health insurance business, based on different health insurance products. Some products are subsidised product by the Government of Abu Dhabi. In the case of loss ratio being more than a 100% on the net risk premiums, the Group requests the government of Abu Dhabi to provide a subsidy to cover the losses. In the case of the loss ratio being less than 100% on the net risk premium, the Group is liable to transfer the excess to a specific account (Government Claim Cap).

These are regarded as short-term insurance contracts as claims are normally advised and settled within one year of the insured event taking place. This helps to mitigate insurance risk.

Managing reinsurance risk

In common with other insurance companies, in order to minimise financial exposure arising from large insurance claims, the Group, in the normal course of business, enters into arrangements with other parties for reinsurance purposes. Such reinsurance arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth.

To minimise its exposure to significant losses from reinsurer insolvencies, the Group evaluates the financial condition of its reinsurer and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurers.

Sources of uncertainty in the estimation of future claim payments

Claims on insurance contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, certain claims are settled over a long period of time and element of the claims provision includes incurred but not reported claims (IBNR).

In estimating the liability for the cost of reported claims not yet paid, the Group considers information on the cost of settling claims with similar characteristics in previous periods.

The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims' exposures. However, given the uncertainty in establishing claims provisions, it is possible that the final outcome will prove to be different from the original liability established.

Where possible, the Group adopts multiple techniques to estimate the required level of provisions. This provides a greater understanding of the trends inherent in the experience being projected. The projections given by the various methodologies also assist in estimating the range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and the extent of the development of each accident year.

In calculating the estimated cost of unpaid claims (both reported and not), the Group's estimation techniques are a combination of loss-ratio-based estimates and an estimate based upon actual claims experience using predetermined formulae where greater weight is given to actual claims experience as time passes.

35 SEGMENT ANALYSIS

Information regarding the Group's operating segments is set out below in accordance with IFRS 8 Operating Segments. IFRS 8 requires operating segments to be identified based on internal reports about components of the Group that are regularly reviewed by the management of the Group, to allocate resources to the segment and to assess its performance. Operating segments are identified based on streams of revenue.

For the year ended 31 December 2025, the Group's reportable segments under IFRS 8 are therefore as follows:

- **Hospital and other healthcare related services:** The Group provides general healthcare related operations, including hospitalisation, clinical, isolation / quarantine, pharmacies, vaccinations and other healthcare related services by operating and managing various hospitals and healthcare centers in the UAE, UK, Greece, and Cyprus providing a host of general as well as multi-specialty healthcare services.
- **Diagnostic services:** The Group operates laboratories in the UAE, providing laboratory management, diagnostic, visa testing and screening services.
- **Health insurance services:** The Group provides health insurance solutions in the UAE.
- **Procurement and supply of medical related products:** The Group supplies a wide range of medical equipment, reagents, and consumables to various customers including hospitals, clinics, and laboratories in the UAE.
- **Technology services and others:** The Group provides information technology related services and healthcare solutions in the UAE.

35 SEGMENT ANALYSIS continued

The revenue split between the above-mentioned segments and their operating profits are set out below:

	<i>Hospital and other Related Services</i> AED '000	<i>Diagnostic services</i> AED '000	<i>Health insurance services</i> AED '000	<i>Procurement and supply of medical related products</i> AED '000	<i>Technology services and others</i> AED '000	<i>Adjustments, eliminations and others</i> AED '000	<i>Total</i> AED '000
<i>For the year ended 31 December 2025</i>							
<i>Revenue and results:</i>							
Segment revenues	20,523,905	1,139,116	7,758,182	5,360,247	654,232	(8,123,720)	27,311,962
Operating expenses	(15,382,042)	(604,297)	(6,756,351)	(4,879,480)	(487,027)	7,529,959	(20,579,238)
General administration and selling & distribution expenses	(4,075,085)	(195,583)	(379,325)	(224,721)	(92,894)	235,818	(4,731,790)
Finance costs	(1,003,194)	(8,978)	(4,444)	(2,364)	(883)	155,015	(864,848)
Share of profit from associates and joint ventures	20,190	-	-	-	-	-	20,190
Other income, net	931,212	70,071	293,826	16,031	10,370	(235,671)	1,085,839
Income tax	(51,255)	(51,120)	(109,393)	(33,599)	(10,680)	34,033	(222,014)
Net profit for the year	963,731	349,209	802,495	236,114	73,118	(404,566)	2,020,101
Depreciation, impairment and amortisation	1,384,065	42,700	56,675	17,373	38,967	225,717	1,765,497
Interest income	(228,523)	(585)	-	(12,055)	-	149,677	(91,486)
Finance costs	1,003,194	8,978	4,444	2,364	883	(155,015)	864,848
Income tax	51,255	51,120	109,393	33,599	10,680	(34,032)	222,015
EBITDA for the year	3,173,722	451,422	973,007	277,395	123,648	(218,219)	4,780,975
<i>As at 31 December 2025</i>							
<i>Segment assets and liabilities:</i>							
Segment assets	56,490,962	3,243,706	9,307,658	4,652,272	1,000,964	(17,533,987)	57,161,575
Segment liabilities	36,421,801	1,461,754	5,693,879	4,363,350	864,044	(9,964,725)	38,840,103

35 SEGMENT ANALYSIS continued

	<i>Hospital and other related services</i> AED '000	<i>Diagnostic services</i> AED '000	<i>Health insurance services</i> AED '000	<i>Procurement and supply of medical related products</i> AED '000	<i>Technology services and others</i> AED '000	<i>Adjustments, eliminations and others</i> AED '000	<i>Total</i> AED '000
<i>For the year ended 31 December 2024</i>							
<i>Revenue and results:</i>							
Segment revenues	19,653,470	1,056,466	6,837,661	5,204,263	468,570	(7,372,188)	25,848,242
Operating expenses	(13,917,919)	(542,596)	(6,094,317)	(4,650,040)	(364,427)	6,366,930	(19,202,369)
General administration and selling & distribution expenses	(4,474,208)	(228,119)	(385,694)	(196,942)	(60,524)	610,427	(4,735,060)
Finance costs	(1,082,093)	(10,737)	(5,322)	(3,467)	(103)	254,088	(847,634)
Share of profit from associates and joint ventures	81,655	-	-	-	-	-	81,655
Gain on bargain purchase on acquisition of a subsidiary	24,925	-	-	-	-	-	24,925
Other income, net	685,550	4,695	227,090	12,451	639	(322,423)	608,002
Income tax	(2,709)	(25,984)	(53,559)	(34,320)	(5,818)	60,354	(62,036)
Net profit for the year	<u>968,671</u>	<u>253,725</u>	<u>525,859</u>	<u>331,945</u>	<u>38,337</u>	<u>(402,812)</u>	<u>1,715,725</u>
Depreciation and amortisation	1,253,391	36,748	59,858	14,855	9,289	252,090	1,626,231
Interest income	(351,189)	-	-	(5,176)	-	223,408	(132,957)
Finance costs	1,082,093	10,737	5,322	3,467	103	(254,088)	847,634
Income tax	<u>2,709</u>	<u>25,984</u>	<u>53,559</u>	<u>34,320</u>	<u>5,818</u>	<u>(60,354)</u>	<u>62,036</u>
EBITDA for the year	<u>2,955,675</u>	<u>327,194</u>	<u>644,598</u>	<u>379,411</u>	<u>53,547</u>	<u>(241,756)</u>	<u>4,118,669</u>
<i>As at 31 December 2024</i>							
<i>Segment assets and liabilities:</i>							
Segment assets	<u>43,171,211</u>	<u>2,791,256</u>	<u>8,803,534</u>	<u>3,549,603</u>	<u>474,970</u>	<u>(10,215,749)</u>	<u>48,574,825</u>
Segment liabilities	<u>32,354,273</u>	<u>1,156,936</u>	<u>6,008,138</u>	<u>2,996,097</u>	<u>409,669</u>	<u>(14,086,538)</u>	<u>28,838,575</u>

36 DIVIDEND

On 9 April 2025, the shareholders of the Group approved the cash dividend distribution equivalent to 20% of the Group's net profit for the year ended 2024, which amounts to AED 343,145 thousand (3.09 fils per share) (2024: nil).

In addition, a subsidiary of the Group paid cash dividend of AED 7,263 thousand to its non-controlling shareholders during the year.

37 COMPARATIVE INFORMATION

Certain comparative figures have been reclassified, wherever necessary, to conform to the presentation adopted in the current year consolidated financial statements. Such reclassification has no impact on previously reported profit or equity of the Group.