ank=20250704-20250708190087

Styrelsen för

Diaverum International AB

Org nr 556858-6589

har härmed upprättat

Årsredovisning

för räkenskapsåret 1 januari - 31 december 2024

Innehåll: **sida**

Förvaltningsberättelse	**2**
Resultaträkning	**3**
Balansräkning	**4**
Noter med redovisningsprinciper och bokslutskommentarer	**6**
Underskrifter	**7**

Undertecknad styrelseledamot i Diaverum International AB intygar, dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultaträkningen och balansräkningen fastställts på årsstämma den 30 juni 2025. Årsstämman beslöt att godkänna styrelsens förslag till vinstdisposition.

Malmö 30/6 2025

Hans Abrahamsson

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Styrelsen för

Diaverum International AB

Org nr 556858-6589

har härmed upprättat

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för räkenskapsåret 1 januari - 31 december 2024

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Diaverum International AB

Org nr 556858-6589

Förvaltningsberättelse

Verksamheten

Allmänt om verksamheten
Företagets verksamhet består av att äga och förvalta, samt samordna de verksamheter som bedrivs i dotter- och koncernbolag.
Diaverum International AB, med säte i Malmö, ägs till 100% av Diaverum Holding AB, org.nr 556717-6150.

Väsentliga händelser under räkenskapsåret
Inga väsentliga händelser har inträffat under räkenskapsåret.

Bolaget har en kapitaltäckningsgaranti från koncernbolaget Diaverum AB som gäller t o m 2026-06-30.

Flerårsöversikt

	2024-01-01 *2024-12-31*	*2023-01-01* *2023-12-31*	*2022-01-01* *2022-12-31*	*2021-01-01* *2021-12-31*
Resultat efter finansiella poster	7 754 959	28 301 788	270 712	-71 481
Soliditet	99%	7%	78%	36%

Förslag till disposition beträffande bolagets vinst eller förlust

Till bolagsstämmans förfogande finns följande vinstmedel:

Balanserat resultat	48 354 254
Årets resultat	1 168 811 920
Totalt	1 217 166 174

Styrelsen föreslår att till förfogande stående vinstmedel, kronor 1 217 166 174, disponeras enligt följande:

Balanseras i ny räkning	1 217 166 174
Summa	1 217 166 174

Förändringar i eget kapital

	Aktie-kapital	Balanserat resultat	Årets resultat	Totalt
Belopp vid årets början	50 000	169 561 893	-156 724 004	12 887 889
Disposition enl årsstämmobeslut				
Balanseras i ny räkning		-156 724 004	156 724 004	-
Utdelning				-
Erhållna aktieägartillskott		35 516 365		35 516 365
Årets resultat			1 168 811 920	1 168 811 920
Belopp vid årets utgång	50 000	48 354 254	1 168 811 920	1 217 216 174

Vad beträffar företagets resultat och ställning i övrigt, hänvisas till efterföljande resultat- och balansräkningar med tillhörande bokslutskommentarer.

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Diaverum International AB

Org nr 556858-6589

Resultaträkning

Belopp i kr	*Not*	*2024-01-01 -2024-12-31*	*2023-01-01 -2023-12-31*
Rörelsekostnader			
Övriga externa kostnader		-68 493	-66 148
Övriga rörelsekostnader		-1 408	-359
Summa rörelsekostnader		-69 901	-66 507
Rörelseresultat		-69 901	-66 507
Finansiella poster			
Övriga ränteintäkter och liknande resultatposter	1	8 007 723	28 368 614
Nedskrivningar av finansiella anläggningstillgångar och kortfristiga placeringar		–	–
Räntekostnader och liknande resultatposter	2	-182 863	-319
Summa finansiella poster		7 824 860	28 368 295
Resultat efter finansiella poster		7 754 959	28 301 788
Bokslutsdispositioner			
Erhållna koncernbidrag		1 161 056 961	–
Lämnade koncernbidrag		–	-185 025 792
Summa bokslutsdispositioner		1 161 056 961	-185 025 792
Resultat före skatt		1 168 811 920	-156 724 004
Årets resultat		1 168 811 920	-156 724 004

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Diaverum International AB

Org nr 556858-6589

Balansräkning

Belopp i kr	*Not*	*2024-12-31*	*2023-12-31*
TILLGÅNGAR			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	3	55 696 916	50 092 154
Långfristiga fordringar hos koncernföretag	4	11 562 055	147 305 906
Summa finansiella anläggningstillgångar		67 258 971	197 398 060
Summa anläggningstillgångar		67 258 971	197 398 060
Omsättningstillgångar			
Kortfristiga fordringar			
Kortfristiga fordringar hos koncernföretag	5	1 161 532 056	-
Övriga fordringar		8	8
Summa kortfristiga fordringar		1 161 532 064	8
Kassa och bank			
Kassa och bank		-	527 444
Summa kassa och bank		–	527 444
Summa omsättningstillgångar		1 161 532 064	527 452
SUMMA TILLGÅNGAR		1 228 791 035	197 925 512

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Diaverum International AB

Org nr 556858-6589

Balansräkning

Belopp i kr	*Not*	*2024-12-31*	*2023-12-31*
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital (50 000 aktier)		50 000	50 000
Summa bundet eget kapital		50 000	50 000
Fritt eget kapital			
Balanserat resultat		48 354 254	169 561 893
Årets resultat		1 168 811 920	-156 724 004
Summa fritt eget kapital		1 217 166 174	12 837 889
Summa eget kapital		1 217 216 174	12 887 889
Kortfristiga skulder			
Skulder till koncernföretag		11 574 861	185 037 623
Summa kortfristiga skulder		11 574 861	185 037 623
SUMMA EGET KAPITAL OCH SKULDER		1 228 791 035	197 925 512

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Diaverum International AB

Org nr 556858-6589

Noter med redovisningsprinciper och bokslutskommentarer

Belopp i kr om inget annat anges

Redovisningsprinciper
Årsredovisningen har upprättats i enlighet med Årsredovisningslagen och Bokföringsnämnden allmänna råd BFNAR 2016:10 Årsredovisning i mindre företag (K2).

Fordringar och skulder i utländsk valuta
Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs.
Kassa- och bankmedel i utländsk valuta har värderats till balansdagens kurs.

Not 1 Övriga ränteintäkter och liknande resultatposter

	2024-01-01 -2024-12-31	*2023-01-01 -2023-12-31*
Ränteintäkter, koncernföretag	7 992 147	14 764
Ränteintäkter, övriga	15 576	28 353 350
Valutakursdifferens	–	500
	8 007 723	28 368 614

Not 2 Räntekostnader och liknande resultatposter

	2024-01-01 -2024-12-31	*2023-01-01 -2023-12-31*
Räntekostnader, koncernföretag	-182 856	–
Räntekostnader, övriga	–	–
Valutakursdifferens	-7	-319
	-182 863	-319

Not 3 Andelar i koncernföretag

	2024-12-31	*2023-12-31*
Ackumulerade anskaffningsvärden		
Vid årets början	50 092 154	50 092 154
Inköp	5 604 762	–
Försäljning	–	–
Nedskrivningar	–	–
Vid årets slut	55 696 916	50 092 154

Specifikation av bolagets innehav av aktier och andelar i koncernföretag

Dotterföretag / Org nr / Säte	*Andel i % 1)*	*2024-12-31 Redovisat värde*
Diaverum Russ LLC org nr 1117746608286, Moskva, Ryssland	100,0	1 000
DiaVita Shpk, org.nr L52305009L, Tirane, Albanien	100,0	50 034 952
Diaverum Kazakhstan Distribution LLP, org.nr 190840007321, Almaty, Kazakhstan	75,0	56 202
Nefros Asia LLP, org.nr , Kazakhstan	1,1	5 604 762
		55 696 916

Not 4 Långfristiga fordringar hos koncernföretag

	2024-12-31	*2023-12-31*
Förfaller senare än ett men innan fem år efter balansdagen		–
Koncernlån	11 562 055	147 305 906

Not 5 Kortfristiga fordringar hos koncernföretag

	2024-12-31	*2023-12-31*
Ackumulerade anskaffningsvärden		
Vid årets början, kortfristig	–	636 023 485
Tillkommande fordringar	1 161 532 056	-
Reglerade fordringar		-422 309 359
Omklassificeringar	–	-213 714 126
Vid årets slut	1 161 532 056	–

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Not 6 Moderföretag

Bolaget är ett dotterbolag och upprättar inte koncernredovisning med hänvisning till ÅRL 7:2. Diaverum International AB ingår i en koncern där M42 Ldt, org.nr 000008906, med säte i Abu Dhabi upprättar koncernredovisning.

Not 7 Väsentliga händelser efter räkenskapsårets slut

Inga väsentliga händelser har inträffat efter utgången av räkenskapsåret.

Den dag som framgår av min elektroniska underskrift

Signed by:
Hans Abrahamsson
BABFC7FB8DBE46E...
Hans Abrahamsson
Ordförande

Signed by:
Zoltan Szepesi
607FE40FEC4F47A...
Zoltan Szepesi

Signed by:
Andreas Fagher
91AFF6B888C04B4...
Andreas Fagher

Vår revisionsberättelse har lämnats den dag som framgår av vår elektroniska underskrift
Deloitte AB

DocuSigned by:
Jeanette Roosberg
105588FB246C403...
Jeanette Roosberg
Auktoriserad revisor

Bolagets resultat- och balansräkning blir föremål för fastställelse på ordinarie årsstämma.

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Deloitte.

REVISIONSBERÄTTELSE

Till bolagsstämman i Diaverum International AB
organisationsnummer 556858-6589

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Diaverum International AB för räkenskapsåret 2024-01-01 - 2024-12-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Diaverum International ABs finansiella ställning per den 31 december 2024 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Diaverum International AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Övriga upplysningar

Revisionen av årsredovisningen för föregående räkenskapsår har utförts av en annan revisor som lämnat en revisionsberättelse daterad 18 juni 2024 med omodifierade uttalanden i *Rapport om årsredovisningen*.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller på misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om beslut har fattats om att avveckla verksamheten.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet

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om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.

- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för Diaverum International AB för räkenskapsåret 2024-01-01 - 2024-12-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till moderbolaget enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Malmö, den dag som framgår av vår elektroniska underskrift

Deloitte AB

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Jeanette Roosberg
105588FB246C403...

Jeanette Roosberg
Auktoriserad revisor

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Envelope Sent	Hashed/Encrypted	2025-06-23 | 13:54
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Payment Events	**Status**	**Timestamps**

M42 LTD

Reports and consolidated financial statements
for the year ended 31 December 2024

M42 LTD

REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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Board of Directors' report
for the year ended 31 December 2024

The Board of Directors are pleased to present their report, together with the audited consolidated financial statements of M42 LTD (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2024.

Principal activities
The principal activity of the Company is to act as a holding company for the entities within the Group. The subsidiaries are primarily engaged in the operation of hospitals, medical centres, laboratories delivering precise, patient-centric, preventative care by harnessing medical and data-centric technologies, including genomics and AI (Artificial intelligence).

Results of operations
Total revenue for the year was USD 2,301 million (2023: USD 2,031 million). The Group reported a profit of USD 13 million for the year (2023: USD 50 million).

Major achievements

- Partnership with Mumtalakat to bring Amana Healthcare's long-term care and post-acute rehabilitation services to Bahrain.
- Acquisition of renal care clinics in Greece, Morocco, Kazakhstan and Brazil.
- Partnership with Presight to work with Jordan's Ministry of Digital Economy and Entrepreneurship and the Ministry of Health to drive digital transformation in Jordan's healthcare sector.
- Contract with UAE's Ministry of Defence on the Investment, Operations and Management Agreement to operate the Zayed Military Hospital, Al Batayeh, Sharjah.
- Expanded geographical footprint by adding 2 new countries of operations to 27 countries.
- Over 802,000 genome samples sequenced forming one of the world's most extensive genetic datasets; over 900,000 samples stored in Abu Dhabi Biobank.
- Generated 54% of EBITDA from international operations in 2024 vs 39% in 2023.
- Launch of new platform structure to drive decentralized decision making to optimize accountability and growth.

Directors
The Directors are as follows:

Chairman	Peng Xiao
Members	Waleed Al Muhairi
	Hasan Jasem Al Nowais
	Marty Edelman
	Michael Cleanis
	Xiaoping Zhang (cessation date – 29 November 2024)
	Frederik Johannes Thirion (appointment date – 29 November 2024)

So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware and they have taken all the steps that they ought to have taken as Directors in order to make ourselves aware of any relevant audit information and to establish that the Company's auditor are aware of that information.

On behalf of the Board of Directors

Peng Xiao
Chairman of the Board

Date: 7 October 2025
Place: Abu Dhabi, UAE

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF M42 LTD

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of M42 LTD (the "Company"), and its subsidiaries (together the "Group") which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year, 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 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") and the applicable requirements of Abu Dhabi Accountability Authority ("ADAA") Chairman Resolution No. 88 of 2021 Regarding Financial Statements Audit Standards for the Subject Entities. 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 Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") together with the other ethical requirements that are relevant to our audit of the Group's consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 the matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. This matter was 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 the matter.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF M42 LTD (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
Determination of the recoverable amount of goodwill and other intangible assets with indefinite useful lives	
Goodwill and other intangible assets with indefinite useful lives are carried in the consolidated statement of financial position and USD 2,392 million and USD 764 million. These assets, which arose from business combinations, comprise 53% of the total assets of the Group. IFRS Accounting Standards require management to determine if the recoverable amount of goodwill and other intangible assets with indefinite useful lives excessed their carrying amount, regardless of whether or not impairment indicators have been identified. The recoverable amount of an asset is defined as the higher of the fair value less costs of disposal or its value in use. The recoverable amount of the cash generating unit (CGU), to which the assets belong, is determined in cases where the asset does not generate cash flows on its own. An impairment charge is recognised in profit or loss when the recoverable amount is less than its carrying amount. Management recognized an impairment charge of USD 9 million during the year. The determination of the recoverable amount of the abovementioned assets requires management to apply significant judgements and make significant estimates. These include, but are not limited to, the following: • The allocation of the assets to CGUs; • Revenue and terminal value growth rates; and • Discount rates. We identified the determination of the recoverable amount of goodwill and intangible assets to be a key audit matter given the quantitative significance of the amount to the consolidated financial statements, the level of judgements applied and estimates made in determining the recoverable amount and the level of audit effort required. Refer to note 3 to the consolidated financial statements for the accounting policy and note 35 for further information related to this matter.	Our audit procedures to address the key audit matter included, but were not limited to, the following: We obtained an understanding of the process adopted by management to determine the recoverable amount of goodwill and other intangible assets with indefinite useful lives, including the key controls in this process. We assessed the abovementioned controls to determine if they had been appropriately designed and implemented. These controls included, inter alia, the following: • Controls over the accuracy and completeness of the impairment assessment models; and • Controls over management's annual preparation of the impairment assessment, including calculations performed and estimates applied. In addition, we also performed the following substantive audit procedures: • Evaluated whether the impairment model used by management to calculate the value in use of each cash-generating unit complies with the requirements stipulated in IFRS Accounting Standard; • Assessing the principles and methods used for determining the recoverable amounts of the CGU to which the goodwill is allocated and assessing that the methods used are in accordance with the requirements of IFRS Accounting Standards; • Engaged our internal valuation specialists to review the impairment model and discount rates calculated by management. Our procedures included assessing the data in the impairment model, including the discount rates; • Challenged the growth rates and the other key assumptions used in the impairment model;

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
	• Performed sensitivity analysis over the key estimates applied by management to ascertain the extent of change in those assumptions that either individually or collectively would be required for an additional impairment change; • Reperformed the mathematical accuracy of the impairment model; • Agreed the results of the impairment models to the amounts reported in the consolidated financial statements; and • Assessed the disclosures in the consolidated financial statements relating to this matter against the requirements of IFRS Accounting Standards.

Other Information

Management is responsible for the other information. The other information comprises the Director's report, which we obtained prior to the date of this auditor's report. The other information does not include the consolidated financial statements and our auditor's report thereon.

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 on the other information that we obtained prior to the date of this auditor's report, 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 as issued by the IASB and their presentation in accordance with Abu Dhabi Global Market ("ADGM") Companies Regulations 2020, Companies Regulations (International Accounting Standards) Rules 2015, 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.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF M42 LTD (continued)

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 and the applicable requirements of ADAA Chairman's Resolution No. 88 of 2021 Regarding financial statements Audit Standards for the Subject Entities 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 and the applicable requirements of ADAA Chairman's Resolution No. 88 of 2021 Regarding financial statements Audit Standards for the Subject Entities, we exercise professional judgement and maintain professional scepticism 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law and regulations preclude 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.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF M42 LTD (continued)

Report on Other Legal and Regulatory Requirements

As required by the provisions of the ADGM Companies Regulations 2020 and Companies Regulations (International Accounting Standards) Rules 2015, we report that:

- the consolidated financial statements of the Group have been prepared in accordance with the requirements of the said Rules and Regulations;
- adequate accounting records have been kept by the Group; and
- the Group's consolidated financial statements are in agreement with the accounting records.

Further, as required by the ADAA Chairman Resolution No. 88 of 2021 Regarding Financial Statements Audit Standards for the Subject Entities, we report, in connection with our audit of the consolidated financial statements for the year ended 31 December 2024, that 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 2024:

(i) Its Articles of Association which would materially affect its activities or its financial position as at 31 December 2024; and
(ii) Relevant provisions of the applicable laws, resolutions and circulars that have an impact on the Group's consolidated financial statements.

Deloitte & Touche (M.E.) LLP

Monah Adnan Abou Zaki
17 October 2025
Abu Dhabi
United Arab Emirates

Consolidated statement of financial position
As at 31 December 2024

	Notes	2024 *USD'000*	2023 *USD'000*
ASSETS			
Non-current assets			
Property and equipment	6	**734,852**	743,835
Right-of-use assets	7	**223,585**	213,115
Intangible assets	8	**3,442,895**	3,601,602
Investment in associates and joint ventures	9	**6,467**	6,295
Deferred tax assets	20	**20,206**	15,644
Term deposits	10	**-**	2,546
Other non-current assets		**4,717**	5,798
Total non-current assets		**4,432,722**	4,588,835
Current assets			
Trade and other receivables	12	**419,792**	508,811
Loan to related parties	11	**-**	95,211
Contract assets	13	**221,543**	203,229
Inventories	14	**79,042**	67,548
Current tax assets	20	**19,733**	15,098
Cash and bank balances	10	**758,731**	840,754
Total current assets		**1,498,841**	1,730,651
TOTAL ASSETS		**5,931,563**	6,319,486
EQUITY AND LIABILITIES			
Equity			
Share capital	15	**1**	1
Additional shareholders' contribution	16	**2,411,212**	2,392,213
Other reserves		**(63,568)**	16,857
Retained earnings		**590,161**	562,164
Total equity attributable to the Owner of the Company		**2,937,806**	2,971,235
Non-controlling interests	31	**137,505**	168,034
Total equity		**3,075,311**	3,139,269
LIABILITIES			
Non-current liabilities			
Employees' end of service benefits	17	**92,946**	83,840
Lease liabilities	18	**164,285**	166,380
Loans and borrowings	19	**1,286,677**	1,471,270
Deferred tax liabilities	20	**278,164**	293,174
Deferred government grant	33	**12,662**	-
Other non-current liabilities		**8,872**	3,762
Total non-current liabilities		**1,843,606**	2,018,426

Confidential

Consolidated statement of financial position *(continued)*

As at 31 December 2024

	Notes	2024 *USD'000*	2023 *USD'000*
Current liabilities			
Trade and other payables	21	**547,392**	639,708
Lease liabilities	18	**53,503**	38,107
Loans and borrowings	19	**300,530**	387,125
Current tax liabilities	20	**32,530**	15,693
Contract liabilities	22	**65,249**	81,158
Deferred government grant	33	**13,442**	-
Total current liabilities		**1,012,646**	1,161,791
Total liabilities		**2,856,252**	3,180,217
TOTAL EQUITY AND LIABILITIES		**5,931,563**	6,319,486

Peng Xiao
Chairman

Dimitris Moulavasilis
Group Chief Executive Officer

Zoltán Szepesi
Group Chief Financial Officer

The accompanying notes form an integral part of these consolidated financial statements.

Confidential

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2024

	Notes	2024 *USD'000*	2023 *USD'000*
Revenue	23	**2,301,446**	2,030,702
Cost of sales	24	**(1,648,250)**	(1,395,124)
Gross profit		**653,196**	635,578
General and administrative expenses	25	**(507,393)**	(442,677)
Provision for expected credit losses	12&13	**(50,418)**	(3,349)
Research and development expenses		**(1,377)**	(1,442)
Share of results from associates and joint ventures	9	**1,300**	1,097
Other income	26	**31,662**	44,153
Operating profit		**126,970**	233,360
Finance costs	27	**(118,329)**	(84,130)
Finance income	28	**33,174**	79,890
Profit for the year before zakat and income taxes		**41,815**	229,120
Zakat		**(30)**	(2,900)
Income taxes	20	**(28,339)**	(176,566)
Profit for the year		**13,446**	49,654
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurements of defined benefit plans	17	**1,023**	(1,577)
Related taxes	20	**(153)**	314
		870	(1,263)
Items that may be reclassified to profit or loss in subsequent periods			
Exchange difference on translation of foreign operations		**(99,425)**	16,857
Other comprehensive (loss) / income for the year, net of tax		**(98,555)**	15,594
Total comprehensive (loss) / income for the year		**(85,109)**	65,248
Profit for the year attributable to the:			
Owner of the Company		**26,479**	52,115
Non-controlling interests	31	**(13,033)**	(2,461)
		13,446	49,654
Total comprehensive (loss) / income for the year attributable to:			
Owner of the Company		**(72,078)**	67,708
Non-controlling interests		**(13,031)**	(2,460)
		(85,109)	65,248

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity
For the year ended 31 December 2024

	Share capital USD'000	*Additional shareholders' contribution USD'000*	*Other reserves USD'000*	*Retained earnings USD'000*	*Total equity attributable to the owners of the Company USD'000*	*Non-controlling interests USD'000*	*Total equity USD'000*
Balance at 1 January 2023	1	-	-	467,180	467,181	-	467,181
Capital introduced	1	-	-	-	1	-	1
Acquisition of subsidiaries *(note 5.2)*	-	2,307,210	-	-	2,307,210	245,307	2,552,517
Transfers from entities under common control (note 5.3)	(1)	1	-	55,578	55,578	-	55,578
Additional shareholders' contribution *(note 5.2(iv)(a))*	-	85,976	-	-	85,976	-	85,976
Comprehensive income							
Profit for the year	-	-	-	52,115	52,115	(2,461)	49,654
Other comprehensive income	-	-	16,857	(1,264)	15,593	1	15,594
Total comprehensive income	-	-	16,857	50,851	67,708	(2,460)	65,248
Acquisition of non-controlling interests *(note 5.2(iv))*	-	-	-	(11,411)	(11,411)	(74,570)	(85,981)
Dividend declared	-	-	-	-	-	(65)	(65)
Dividend paid *(note 31)*	-	-	-	-	-	(178)	(178)
Repayment of shareholder contribution *(note 16)*	-	(974)	-	-	(974)	-	(974)
Other movement	-	-	-	(34)	(34)	-	(34)
Balance at 1 January 2024	**1**	**2,392,213**	**16,857**	**562,164**	**2,971,235**	**168,034**	**3,139,269**
Additional shareholders' contribution	-	-	-	-	-	7,492	7,492
Comprehensive income							
Profit for the year	-	-	-	26,479	26,479	(13,033)	13,446
Other comprehensive (loss) / income	-	-	(99,425)	868	(98,557)	2	(98,555)
Total comprehensive (loss) / income	-	-	(99,425)	27,347	(72,078)	(13,031)	(85,109)
Issuance of ordinary B shares *(note 34&16)*	-	18,999	-	-	18,999	-	18,999
Equity-settled share-based payment *(note 34)*	-	-	19,000	-	19,000	-	19,000
Dividend declared	-	-	-	-	-	(23,934)	(23,934)
Dividend paid *(note 31)*	-	-	-	-	-	(190)	(190)
Other movement	-	-	-	650	650	(866)	(216)
Balance at 31 December 2024	**1**	**2,411,212**	**(63,568)**	**590,161**	**2,937,806**	**137,505**	**3,075,311**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of cash flows
For the year ended 31 December 2024

	Notes	2024 *USD'000*	2023 *USD'000*
Cash flows from operating activities			
Profit for the year		**13,446**	49,654
Adjustments for:			
Depreciation of property and equipment	6	**108,064**	83,847
Impairment of property and equipment	6	**3,264**	7,092
Depreciation of right-of-use assets	7	**54,523**	44,054
Impairment of right-of-use assets	7	**5,359**	-
Amortization of intangible assets	8	**57,808**	45,893
Impairment of intangible assets	8	**9,158**	96
Net gain on disposals of property and equipment		**(3,337)**	(1,048)
Net loss on disposals of intangibles		**2,247**	-
Net gain on disposal of subsidiaries		**(2,067)**	(87)
Provision for employees' end of service benefits	17	**21,247**	16,338
Provision for expected credit losses	12&13	**50,418**	3,349
(Reversal of) / provision for slow moving and obsolete inventories	14	**(7,168)**	1,871
Impairment of inventory	14	**-**	6,690
Share of results of associates and joint ventures	9	**(1,300)**	(1,097)
Gain on disposal of associate	9	**(6,511)**	(2,315)
Finance lease income		**-**	(236)
Finance income from banks	28	**(27,967)**	(33,538)
Mark-to-market loss		**504**	-
Government incentive towards impaired assets	33	**(37,483)**	(13,878)
Interest expense on term loans from banks	27	**107,563**	74,273
Finance cost on leases	27	**7,391**	4,142
Share based payment expense	34	**37,999**	-
Income tax expense	20	**28,339**	176,566
Lease termination cost		**-**	(15)
Other non-cash items		**-**	4,761
Operating cash flows before movements in working capital		**421,497**	466,412
Working capital changes			
Inventories		**(4,326)**	(319)
Trade and other receivables		**42,586**	281,808
Contract assets		**(18,314)**	(59,884)
Finance lease receivables		**-**	10,852
Trade and other payables		**(56,740)**	(65)
Contract liabilities		**(15,909)**	48,188
Cash generated from operations		**368,794**	746,992
Employees' end of service benefits paid	17	**(12,413)**	(13,142)
Finance cost paid on lease liabilities	27	**(7,391)**	(4,142)
Grants from government		**34,328**	-
Income taxes paid		**(27,833)**	(39,792)
Net cash flows generated from operating activities		**355,485**	689,916

Consolidated statement of cash flows (*continued*)

For the year ended 31 December 2024

	Notes	2024 *USD'000*	2023 *USD'000*
Cash flows from investing activities			
Acquisition of subsidiaries	5	**(18,163)**	(580,816)
Payments for purchase of property and equipment	6	**(131,275)**	(103,522)
Payments for purchase of intangible assets	8	**(15,024)**	(20,733)
Proceeds from sale of property and equipment		**5,814**	1,576
Repayment of loan by a related party		**73,347**	146,678
Acquisition of other financial assets		**-**	612
Maturity of term deposits		**2,546**	139,328
Loan to NCI shareholders		**-**	(21,864)
Proceeds from disposal of associates	26	**6,511**	3,021
Dividends received from investment in joint ventures	9	**1,144**	1,762
Interest received from banks		**27,967**	33,538
Net cash flows used in investing activities		**(47,133)**	(400,420)
Cash flows from financing activities			
Additional shareholders' contribution		**7,492**	**-**
Equity loan repayment to NCI shareholders		**-**	(974)
Dividends paid to non-controlling interests	31	**(190)**	(178)
Borrowings draw down	19	**18,389**	1,668,919
Overdraft draw down / (repaid)	19	**(58,996)**	60,472
Principal paid on lease liabilities		**(58,038)**	(47,205)
Borrowings repayment	19	**(187,964)**	(1,065,031)
Finance costs on borrowings		**(106,754)**	(71,982)
Net cash flows (used in) / generated from financing activities		**(386,061)**	544,021
Net (decrease) / increase in cash and cash equivalents		**(77,709)**	833,517
Cash and cash equivalents as at January 1 / inception		**840,754**	6,337
Effect on exchange rate fluctuations on cash held		**(4,314)**	900
Cash and cash equivalents at 31 December	10	**758,731**	840,754
Non-cash transactions			
Additional shareholder contribution in kind	5.2(iv)(a)	**-**	85,976
Acquisition of Mubadala Health Group	5.2	**-**	2,307,210
Transfer of end of service benefit from a related party	17	**1,485**	499

The accompanying notes form an integral part of these consolidated financial statements.

1. Company information and activities

M42 LTD (formerly known as GM Healthcare Ltd.) (the "Company") is registered in Abu Dhabi Global Market (ADGM) under license number 000008906 as a Private Company Limited by Shares. The Company was incorporated on 9 December 2022 (the "inception date"). The Group's parent company and controlling shareholder is Group 42 Holding Ltd (the "Parent"), a private company registered in Abu Dhabi Global Market.

The Company's registered address is 01, 14, Al Maqam Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates.

These consolidated financial statements include the financial performance, financial position and cash flows of the Company and its subsidiaries (collectively referred to as the "Group"). Please refer note 3 for the list of subsidiaries.

The principal activity of the Company is to act as a holding company for the entities within the Group. The subsidiaries primarily engaged in the operation of hospitals, medical centres, laboratories delivering precise, patient-centric, preventative care by harnessing medical and data-centric technologies, including genomics and AI.

The Company has made social contributions amounting to USD 2,723 thousand during the financial year ended 31 December 2024 (2023: USD Nil) (note 25). The average number of persons employed by the Group for the year ended 31 December 2024 are 17,571 (2023: 14,503).

2. Application of new and revised International Financial Reporting Standards (IFRS Accounting Standards) (IFRSs)

2.1 New and revised IFRSs applied with no material effect on the consolidated financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2024, have been adopted in these consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current

The Group has adopted the amendments to IAS 1, published in January 2020, for the first time in the current year. The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants

The group has adopted the amendments to IAS 1, published in November 2022, for the first time in the current year. The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

2. Application of new and revised International Financial Reporting Standards (IFRS Accounting Standards) (IFRSs) *(continued)*

2.1 New and revised IFRSs applied with no material effect on the consolidated financial statements *(continued)*

Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants (continued)

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements

The Group has adopted the amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments for the first time in the current year.

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The amendments contain specific transition provisions for the first annual reporting period in which the group applies the amendments. Under the transitional provisions an entity is not required to disclose:

- comparative information for any reporting periods presented before the beginning of the annual reporting period in which the entity first applies those amendments.
- the information otherwise required by IAS 7:44H(b)(ii)–(iii) as at the beginning of the annual reporting period in which the entity first applies those amendments.

Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

2. Application of new and revised International Financial Reporting Standards (IFRS Accounting Standards) (IFRSs) *(continued)*

2.2 New and revised IFRSs in issue but not yet effective

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 18 Presentation and Disclosures in Financial Statements	1 January 2027

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:

- it is a subsidiary (this includes an intermediate parent)
- it does not have public accountability, and
- its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

A subsidiary has public accountability if:

- its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or
- it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

2. Application of new and revised International Financial Reporting Standards (IFRS Accounting Standards) (IFRSs) *(continued)*

2.2 New and revised IFRSs in issue but not yet effective *(continued)*

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 19 Subsidiaries without Public Accountability: Disclosures (continued) Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements.	1 January 2027
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.	Effective date not yet decided by the regulator in the United Arab Emirates
IFRS S2 Climate-related Disclosures IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.	Effective date not yet decided by the regulator in the United Arab Emirates
Amendment to IAS 21— Lack of Exchangeability The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not. The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency. The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so. When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.	1 January 2025

2. Application of new and revised International Financial Reporting Standards (IFRS Accounting Standards) (IFRSs) *(continued)*

2.2 New and revised IFRSs in issue but not yet effective *(continued)*

New and revised IFRSs	Effective for annual periods beginning on or after
Amendment to IAS 21— Lack of Exchangeability (continued)	1 January 2025

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include:

- a spot exchange rate for a purpose other than that for which an entity assesses exchangeability.
- the first exchange rate at which an entity is able to obtain the other currency for the specified purpose after exchangeability of the currency is restored (first subsequent exchange rate).

An entity using another estimation technique may use any observable exchange rate – including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations and adjust that rate, as necessary, to meet the objective as set out above.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, the entity is required to disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	1 January 2026

The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments.

Annual improvements to IFRS Accounting Standards — Volume 11	1 January 2026

The pronouncement comprises the following amendments:

- IFRS 1: Hedge accounting by a first-time adopter
- IFRS 7: Gain or loss on derecognition
- IFRS 7: Disclosure of deferred difference between fair value and transaction price
- IFRS 7: Introduction and credit risk disclosures
- IFRS 9: Lessee derecognition of lease liabilities
- IFRS 9: Transaction price
- IFRS 10: Determination of a 'de facto agent'
- IAS 7: Cost method

The above stated new standards and amendments are not expected to have any significant impact on the consolidated financial statements of the Group.

There are no other applicable new standards and amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on the consolidated financial statements of the Group.

3. Summary of material accounting policies and estimates

Statement of compliance

The consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards (IFRS) as issued by International Accounting Standards Board (IASB) and the applicable requirements of Abu Dhabi Global Market ("ADGM") Companies Regulations 2020 (as amended), and Companies Regulations (International Accounting Standards) Rules 2015.

Basis of preparation

The consolidated financial statements have been prepared on the historical cost, except for the following:

- Contingent consideration assumed in a business combination – measured at fair value;
- Share based payment – measured at fair value; and
- Defined benefit plans – measured at fair value.

Historical cost is generally based on fair value of the consideration given in exchange for goods and services.

The Company's functional currency is United Arab Emirates Dirham ("AED"). These consolidated financial statements are presented in United States Dollar (USD) as required by the Abu Dhabi Global Market ("ADGM") Companies Regulations 2020. All financial information presented in USD has been rounded off to the nearest thousand, unless otherwise indicated.

Basis of consolidation

The consolidated financial statements incorporate the financial position and performance of the Company and its subsidiaries. Control is achieved when the Company:

- has the 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 affects its returns.

The Company 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.

When the Company has less than a majority of the voting rights of an investee, it considers that 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 Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company 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.

3. Summary of material accounting policies and estimates (*continued*)

Basis of consolidation (*continued*)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

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

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interest's proportionate share of the fair value of the acquiree's identifiable net assets.

The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interest even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount 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 and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in consolidated statement of profit or loss 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), less 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 (i.e. reclassified to consolidated statement of profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

Group Structure

The consolidated financial statements incorporates the financial position and performance of the Company and its subsidiaries as disclosed below:

Subsidiaries	*Country of incorporation*	*2024 %*	*2023 %*	*Principal activities*
M42 Corporate Ltd	UAE	100	-	Head Office activities
Mubadala Health entities				
Mubadala Health – Sole Proprietorship LLC	UAE	100	100	Holding Company
Abu Dhabi Spine Centre - L.L.C - O.P.C	UAE	100	100	Treatment of spinal injuries
Abu Dhabi Telemedicine Centre Sole Proprietorship LLC	UAE	100	100	Medical teleconsultation centre
Capital Medical Centre For Health Screening - L.L.C - O.P.C	UAE	100	100	Medical visa screening centre

3. Summary of material accounting policies and estimates (*continued*)

Basis of consolidation (*continued*)

Subsidiaries	*Country of incorporation*	*2024 %*	*2023 %*	*Principal activities*
Mubadala Health entities (continued)				
Health Point Hospital - L.L.C - O.P.C	UAE	100	100	Complex medical care
Health Point Hospital LLC Outpatient Pharmacy – Sole Proprietorship LLC	UAE	100	100	Complex medical care
Mamoura Health Investments L.L.C –	UAE	100	100	Healthcare investment Co (dormant)
National Reference Laboratory – Sole Proprietorship LLC	UAE	100	100	Laboratory services
Tawam Molecular Imaging Center - L.L.C - O.P.C	UAE	100	100	Leasing of medical complex, equipment
The Specialist Diabetes Treatment Research Centre (Imperial College London Diabetes Centre) – Sole Proprietorship LLC	UAE	100	100	Diabetes treatment and research centre
The Specialist Diabetes Treatment & Research Centre (ICLDC) – Mobile Health Unit – Sole Proprietorship LLC	UAE	100	100	Diabetes treatment and research centre
The Specialist Diabetes Treatment & Research Centre (Imperial College London Diabetes Centre) L.L.C - Outpatient Pharmacy - Sole Proprietorship L.L.C.	UAE	100	100	Diabetes treatment and research centre
Arza Healthcare Investments – LLC	UAE	99	99	Healthcare investment Co (dormant)
MIC Capital Management 27 RSC Ltd	UAE	100	100	Holding company for Amana
MIC Capital Management 28 RSC Ltd	UAE	100	100	Holding company for Amana
Amana Healthcare Medical and Rehabilitation Hospital LLC	UAE	100	100	Long term care centre
Amana Home Healthcare Centre LLC	UAE	100	100	Home healthcare services
Long Term Medical and Rehabilitation Hospital LLC	UAE	100	100	Long term care centre
Amana Village Healthcare LLC	UAE	100	100	Rehabilitation centre
Mubadala Health Medical and Surgical LLC	UAE	100	100	Complex medical care
One Hundred and Twenty Ninth Investment Company – Sole Proprietorship LLC	UAE	100	100	Holding Company
United Eastern Medical Services LLC	UAE	73.33	73.33	Holding Company
United Eastern Dental Medicine LLC	KSA	73.33	73.33	Medical services relating to dental care
UEM Properties LLC	UAE	73.33	73.33	Properties and real estate
Danat Al Emarat Hospital for Women & Children LLC	UAE	73.33	73.33	Multi-specialty for women and children
Danat Al Emarat Hospital Pharmacy LLC	UAE	73.33	73.33	Pharmacy relating to Danat Al Emarat
Danat Al Emarat Clinic for Women & Children L.L.C.	UAE	73.33	73.33	Medical clinic for women & children
HealthPlus Medical Services – Sole Proprietorship LLC	UAE	73.33	73.33	Medical services
HealthPlus Diabetic & Endocrinology Centre LLC	UAE	73.33	73.33	Centre for diabetes treatment
HealthPlus Family Health Centre LLC	UAE	73.33	73.33	Medical services for family health
HealthPlus Medical Laboratory LLC	UAE	73.33	73.33	Testing and laboratory services
HealthPlus Pharmacy LLC	UAE	73.33	73.33	Pharmacy relating to HealthPlus
HealthPlus Women's Health Centre LLC	UAE	73.33	73.33	Medical service for women
Moorfields Eye Hospital Centre L.L.C.	UAE	37.39	37.39	Medical services relating to eye care
Reproduction Consultant Centers Co. LLC (note 26)	KSA	-	51.34	In Vitro Fertilisation
Al Mutamaizah Medcare Healthcare Investment Co. L.L.C	UAE	73.33	73.33	Holding Company
ZSH Management Medical Services - L.L.C - S.P.C	UAE	100	-	Management of medical facilities
M42 Bahrain Holding W.L.L.	Bahrain	100	-	Holding Company for Bahrain Projects
Amana Bahrain W.L.L.	Bahrain	60	-	Medical Facility
Mubadala Health Bahrain W.L.L.	Bahrain	60	-	Medical Facility

3. Summary of material accounting policies and estimates (*continued*)

Basis of consolidation (*continued*)

Subsidiaries	*Country of incorporation*	*2024 %*	*2023 %*	*Principal activities*
G42 Healthcare entities				
G42 Healthcare AI Holding RSC LTD	UAE	100	100	Holding Company
Insights Pharmaceutical Research LLC	UAE	100	100	Contract research Organization
Insights Pharmaceutical Research LLC (Sole Proprietorship)	KSA	100	-	Contract research Organization
G42 Health Care Research Technology Projects LLC	UAE	100	100	Clinical trial sponsorship
G42 Healthcare Technology Solutions LLC	UAE	100	100	AI, Applied Science, Digital data platforms
G42 Health Care IPCO Holding RSC Ltd	UAE	100	100	Healthcare IP holding company
G42 Laboratory LLC	UAE	100	100	Multi-Omics, Diagnostics & Environmental Surveillance lab testing
G42 Environmental Sciences LLC	UAE	100	100	Environmental Laboratory Testing
G42 Medications Trading LLC	UAE	100	100	Distribution of pharma products and devices
G42 Health Care International Ventures Holding RSC Ltd	UAE	100	100	Holding Company
Abu Dhabi Health Data Services – Sole Proprietorship LLC (note 5.3)	UAE	100	100	Patient data services – Malaffi Platform
ADHDS Holdings RSC Ltd	UAE	100	-	Holding company
ADHDS International Limited	UAE	100	-	Holding company
Diaverum entities				
Diaverum SPV RSC Ltd	UAE	100	100	Holding Company
Diaverum KSA Holding SPV RSC Ltd	UAE	100	-	Holding Company
Diaverum Advanced for Medical Services Company	KSA	100	-	Dialysis Services and ancilliary services
Drumbeat BidCo AB	Sweden	100	100	Holding Company
Diaverum AB	Sweden	100	100	Holding Company
Diaverum Treasury AB	Sweden	100	100	Treasury Company
Diaverum Holding AB	Sweden	100	100	Dialysis services
d.VENTURES International AB	Sweden	100	100	Dialysis services
Diaverum Sweden AB	Sweden	100	100	Dialysis services
Diaverum International AB	Sweden	100	100	Dialysis services
Geallium Handels AB	Sweden	100	100	Dialysis services
Diaverum Romania Holding AB	Sweden	100	-	Holding Company
Diaverum Germany Holding AB	Sweden	100	-	Holding Company
Diaverum Russ LLC	Russia	100	100	Dialysis services
Ural Medical Centre LLC	Russia	100	100	Dialysis services
Diasan LLC	Russia	100	100	Dialysis services
Sphera Estate LLC	Russia	-	100	Dialysis services
Diaverum Deutschland GmbH	Germany	100	100	Dialysis services
MVZ Diaverum Erkelenz GmbH	Germany	100	100	Dialysis services
MVZ Diaverum Kleve GmbH	Germany	100	100	Dialysis services
Diaverum MVZ Am Neuen Garten GmbH	Germany	100	100	Dialysis services
Diaverum Betriebsgesellschaft Nordost GmbH	Germany	100	100	Dialysis services
MVZ Diaverum Remscheid GmbH	Germany	100	100	Dialysis services
MVZ Diaverum Prignitz GmbH	Germany	100	100	Dialysis services
MVZ Diaverum V GmbH	Germany	100	100	Dialysis services
Diaverum Betriebsgesellschaft Hamburg GmbH	Germany	100	100	Dialysis services
Diaverum (Hong Kong) Limited	China	100	100	Dialysis services
Diaverum Trading (Hong Kong) Limited	China	100	100	Dialysis services
Diaverum Guangzhou Medical Service Investment Ltd Co.	China	100	100	Dialysis services
Integrated Dialysis Facility (HK) Limited	China	100	100	Dialysis services
Wuhu Diaverum Hemodialysis Centre Company Ltd.	China	100	100	Dialysis services
Guangzhou Zengcheng Diaverum Dialysis Center Ltd.	China	100	100	Dialysis services
Ningguo Diaverum Hemodialysis Company Ltd.	China	100	100	Dialysis services

3. Summary of material accounting policies and estimates (*continued*)

Basis of consolidation (*continued*)

Subsidiaries	*Country of incorporation*	*2024 %*	*2023 %*	*Principal activities*
Diaverum entities (continued)				
Wuxi Liangxi Diaverum Hemodialysis Centre Company Ltd.	China	100	100	Dialysis services
Wuxi Xishan Diaverum Hemodialysis Centre Company Ltd.	China	100	100	Dialysis services
Guangzhou Huangpu Diaverum Dialysis Center Limited	China	100	100	Dialysis services
Metropoliten D.O.O.E.L	North Macedonia	100	100	Dialysis services
PZU Diamed Makedonija	North Macedonia	100	100	Dialysis services
DiaVita Shpk	Albania	100	100	Dialysis services
Nephromed Albania Shpk	Albania	100	100	Dialysis services
Livenfox S.A.	Uruguay	100	100	Dialysis services
Cofin S.A.	Uruguay	100	100	Dialysis services
Crani S.R.L.	Uruguay	100	100	Dialysis services
Ceter Ltda	Uruguay	100	100	Dialysis services
Intir S.R.L.	Uruguay	100	100	Dialysis services
Centro de Nefrología Renis Ltda	Uruguay	100	100	Dialysis services
Seine S.R.L.	Uruguay	100	100	Dialysis services
Senniad S.R.L.	Uruguay	100	100	Dialysis services
Unedi S.R.L.	Uruguay	100	100	Dialysis services
Diaverum Polska Sp. Z o. O.	Poland	100	100	Dialysis services
Nefros Asia LLP	Kazakhstan	100	100	Dialysis services
ID Senim LLP	Kazakhstan	100	100	Dialysis services
Prime clinic LLP	Kazakhstan	100	100	Dialysis services
Nefro Care LLP	Kazakhstan	100	100	Dialysis services
Diaverum Kazakhstan Distribution LLP	Kazakhstan	100	100	Dialysis services
Nephro Life Qaz LLP	Kazakhstan	100	100	Dialysis services
Diaverum Medical LLP	Kazakhstan	100	-	Medical services
Diaverum Distribution KG LLC	Kyrgyzstan	100	100	Dialysis services
Diaverum Holding SEA Pte Ltd	Singapore	100	100	Dialysis services
Diaverum Singapore Pte Ltd	Singapore	100	100	Dialysis services
Diaverum Malaysia Sdn Bhd	Malaysia	49	49	Dialysis services
Diaverum Subang Sdn Bhd	Malaysia	100	100	Dialysis services
Diaverum Malaysia Dialysis Sdn Bhd (formerly Diaverum Thomson Sdn Bhd)	Malaysia	100	100	Dialysis services
Ara Damansara Dialysis Sdn Bhd	Malaysia	-	52	Dialysis services
Diaverum Holding France S.A.S	France	100	100	Dialysis services
Diaverum Montereau S.A.S.	France	100	100	Dialysis services
Diaverum Angers S.A.S.	France	100	100	Dialysis services
Diaverum Mulhouse S.A.S.	France	100	100	Dialysis services
Diaverum Draguignan S.A.S.	France	100	100	Dialysis services
Diaverum Provence S.A.S.	France	100	100	Dialysis services
Diaverum Saint Denis	France	100	100	Dialysis services
Diaverum France GIE	France	100	100	Dialysis services
Diaverum Arabia Company Ltd	KSA	100	100	Dialysis services
Diaverum for Dialysis and Advanced Health services Company Ltd	KSA	100	100	Dialysis services
Diaverum Kft	Hungary	100	100	Dialysis services
Diaverum Hungary Kft	Hungary	100	100	Dialysis services
Diaverum Business Services Kft	Hungary	100	100	Dialysis services
UAB Diaverum Lietuva	Lithuania	100	100	Dialysis services
UAB Diaverum klinikos	Lithuania	100	100	Dialysis services
Centre d'Hémodialyse de Marrakech SARLAU	Morocco	100	100	Dialysis services
Centre d'Hémodialyse d'Agadir SARLAU	Morocco	100	100	Dialysis services
Centre d'Hémodialyse El Basma SARLAU	Morocco	100	100	Dialysis services
Centre de Néphrologie Hémodialyse de Meknès SARLAU	Morocco	100	100	Dialysis services
Diaverum Holding Maroc SASU	Morocco	100	-	Dialysis services
Centre de Néphrologie Hémodialyse Atlas	Morocco	100	-	Dialysis services
Diaverum Investimentos e Servicos Lda.	Portugal	100	100	Dialysis services
CMDR-Centro Medico de Doencas Renias, S.A.	Portugal	100	66.67	Dialysis services

3. Summary of material accounting policies and estimates (*continued*)

Basis of consolidation (*continued*)

Subsidiaries	*Country of incorporation*	*2024 %*	*2023 %*	*Principal activities*
Diaverum entities (continued)				
SPD – Sociedade Portuguesa De Diálise S.A.	Portugal	82.25	82.25	Dialysis services
DV-Dialises Do Vouga. Lda.	Portugal	100	95	Dialysis services
Hemo-atlântico – Centro de Hemodiálise do Atlântico S.A.	Portugal	100	100	Dialysis services
Pombaldial – Clínica de Diálise S.A.	Spain	100	100	Dialysis services
Diaverum Servicios Renales, S.L.	Spain	100	100	Dialysis services
Centro de Hemodiálisis del Sur S.A	Argentina	-	100	Dormant company
Instituto de Nefrolgía S.A.	Argentina	100	100	Dormant company
Diaverum Assistência Médica e Nefrológica Ltda	Brazil	100	100	Dialysis services
Nefroclinica Ltda	Brazil	100	100	Dialysis services
Instituto de Nefrologia de Mogi das Cruzes Ltd	Brazil	100	100	Dialysis services
Instituto de Nefrologia de Suzano Ltda	Brazil	100	100	Dialysis services
CNTT- Clinica de Nefrologia e Transplante Renal do Tatuapé Ltda	Brazil	100	100	Dialysis services
CNH – Centro de Nefrologia e Hipertensão Ltda.	Brazil	100	100	Dialysis services
INEDI Instituto de Nefrologia e Diálise Ltda.	Brazil	100	100	Dialysis services
CTN Clínica de Nefrologia Ltda	Brazil	100	100	Dialysis services
ACS Brasil Cirúrgica Ltda.	Brazil	-	100	Dialysis services
GS Nefrologia Ltda	Brazil	100	100	Dialysis services
Nephro Group Clinica de Dialise Ltda	Brazil	100	-	Dialysis services
Diaverum Italia S.r.l.	Italy	100	100	Dialysis services
Diaverum Holding UK Ltd	United Kingdom	100	100	Dialysis services
Diaverum UK Ltd	United Kingdom	100	100	Dialysis services
Diaverum Facilities Management Ltd	United Kingdom	100	100	Dialysis services
Diaverum Holding Chile S.P.A.	Chile	100	100	Dialysis services
Diaverum Servicios Renales Chile S.P.A.	Chile	100	100	Dialysis services
Servicios Medicos Cidial Limitada	Chile	100	100	Dialysis services
Servicios Medicos Medinefro Limitada	Chile	100	100	Dialysis services
Centro de Diálisis Villarrica Limitada	Chile	100	100	Dialysis services
Centro de Dialisis Apumanque Limitada	Chile	100	100	Dialysis services
Sociedad Medica Limitada (Lawen)	Chile	100	100	Dialysis services
Centro Médico de Diálisis Diaseal Limitada	Chile	100	100	Dialysis services
Diálisis Norte S.A.	Chile	100	100	Dialysis services
Diálisis Colina S.A.	Chile	100	100	Dialysis services
Dialisis del Valle Limitada	Chile	100	100	Dialysis services
Servicios Médicos Horizonte S.A	Chile	100	100	Dialysis services
Centro de Diálisis San Antonio Limitada	Chile	100	100	Dialysis services
Sociedad Médica Vitta SpA	Chile	100	100	Dialysis services
SC Diaverum Romania S.R.L.	Romania	100	100	Dialysis services
Diaverum Hellas S.A	Greece	100	100	Dialysis services
Attiko Haemodialysis M.E.P.E	Greece	100	100	Dialysis services
Alexia S.A.	Greece	100	-	Dialysis services
Nefrologiki S.A.	Greece	100	-	Dialysis services
Medifil Monada Chronias Aimokatharsis S.A.	Greece	100	-	Dialysis services

Associates and Joint Ventures	*Country of incorporation*	*2024 %*	*2023 %*	*Principal activities*
Al Muthamaizah Medcare Healthcare Investment Co. LLC (AMMHI)*	UAE	37.39	37.39	In Vitro Fertilisation
United Al Mashariq Medical Services LLC (UAMS)*	KSA	37.39	37.39	In Vitro Fertilisation
IMU Dialysis Sdn Bhd	Malaysia	40	40	Dialysis services
Diaverum Gulf LLC	Oman	35	35	Dialysis services

*Although the Group holds 37.39% of the share capital of AMMHI and UAMS through United Eastern Medical Services LLC in these joint ventures, as the relevant activities require unanimous consent along with other joint venture partners, these are treated as joint ventures.

3. Summary of material accounting policies and estimates (*continued*)

Business combination

Acquisition of businesses are accounted for using the acquisition method except for acquisition of entities under common control. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in the consolidated statement of profit or loss as incurred.

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

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in consolidated statement of profit or loss as a bargain purchase gain.

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 (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.
Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for from the acquisition date.

The Group applies the book value measurement method to all common control transactions. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the financial statements of the entities under common control. The components of equity of the acquired entities are added to the same components within the Group's equity. Any gain/loss arising is recognised directly in equity.

Goodwill

Goodwill is initially recognised and measured as set out above (business combination). Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the consolidated statement of profit or loss on disposal.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence and 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 is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. 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 results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5.

3. Summary of material accounting policies and estimates (*continued*)

Investments in associates and joint ventures (*continued*)

Under the equity method, an investment in an associate or a joint venture is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or joint venture.

When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in consolidated statement of profit or loss in the period in which the investment is acquired.

Revenue recognition

Revenue is measured at an amount that reflects the considerations to which an entity expects to be entitled in exchange for transferring goods and services to a customer, excluding amounts collected on behalf of third parties. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent.

The Group recognizes revenue from contracts with customers based on a five-step model as set out in IFRS 15.

When the Group satisfies a performance obligation by delivering the promised goods or 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. The Group classifies its contract assets and liabilities as current and non-current based on the timing and pattern of flow of economic benefits.

Revenue from medical services

Insured patients

Revenue is recognised based on the contract with the insurers net of denials (actual and estimated), discounts and time barred un-submitted claims. Transactions with insurers includes an amount of claims denials, which represents disallowance of claims due to technical or medical reasons. As the actual amount of denials may vary from the denial provisions, accordingly the amount of consideration may vary from what was originally claimed. This constitutes variable consideration under IFRS 15 and are recognised as revenue to the extent that it is highly probable that a reversal of revenue will not occur.

Uninsured patients

Uninsured comprise self-pay and sponsored patients.
Revenue is recognised based on the most likely value to be recovered from the patients and is recognised as revenue to the extent that it is highly probable that a reversal of revenue will not occur.

3. Summary of material accounting policies and estimates (*continued*)

Revenue recognition (*continued*)

Operational revenue from projects

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

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

For performance obligations satisfied at a point in time, the Group considers the general requirements of control (i.e. direct the use of asset and obtain substantially all benefits) and the following non-exhaustive list of indicators of transfer of control:

- Entity has present right to payment
- Customer has legal title
- Entity has transferred legal possession
- Customer has significant risk and rewards
- Customer has accepted the asset

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 and acceptance of the customer.

Laboratory services

Lab testing service revenue is recognized when the services are rendered and lab management service revenue is recognized as services are performed and it is probable that the economic benefits will flow to the Group.

Visa screening services

For medical screening services and occupational health services revenue is recognized at a point in time when the medical tests / screenings have been completed by the Group.

Government grants

Government grants are not recognised until there is a reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct, or otherwise acquire non-monetary assets are recognised as deferred government grant in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets. Government grants that are receivable as compensation for expenses already incurred or for the purpose of giving immediate financial support to the group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Property and equipment

Recognition and measurement
Items of property and equipment, except land, are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. As land has no determinable finite useful life, carrying amounts are not depreciated.

The cost of property and equipment is the purchase cost, together with any incidental expenses of acquisition. The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

3. Summary of material accounting policies and estimates (*continued*)

Property and equipment (*continued*)

Subsequent costs
The cost of replacing component of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in the consolidated statement of profit or loss and other comprehensive income.

Depreciation
Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method, on the following basis:

	Years
Building	18 – 50
Leasehold improvements and furniture and fixture	2 – 9
Medical equipment	3 – 15
IT and office equipment	2.5 – 8
Motor vehicles	2 – 5

Land is not depreciated.

Residual value is the net amount which the Group expects to obtain for an asset at the end of its useful life after deducting the expected costs of disposal.

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

Derecognition
An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit or loss.

Capital work-in-progress
Expenditure incurred on property and equipment which are not complete and ready for use at the reporting date are treated as capital work-in-progress. Depreciation is not provided on such assets until they are ready for their intended use and transferred to the appropriate asset category.

Intangible assets

Intangible assets acquired separately
Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives on the following basis:

	Years
Licenses	contract length of the license
Software	3 – 7

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination
Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3. Summary of material accounting policies and estimates (*continued*)

Intangible assets (*continued*)

Amortization
Amortization is recognised on a straight-line basis over their estimated useful lives on the following basis:

	Years
Goodwill	Indefinite
Tradename	Indefinite
Licenses	Indefinite
Customer relationships	5 - 20
Others	5 - 20

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Derecognition of intangible assets
An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in consolidated statement of profit or loss when the asset is derecognized.

Impairment of tangible and intangible assets excluding goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property and equipment, right of use assets and intangible assets (excluding goodwill) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in consolidated statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in consolidated statement of profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

3. Summary of material accounting policies and estimates (*continued*)

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials and, where applicable, direct labor costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

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 that 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 reporting date, considering 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 the effect of the time value of money is material).

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.

Contingent liabilities acquired in a business combination
Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with IAS 37 and the amount recognised initially less cumulative amount of income recognised in accordance with the principles of IFRS 15.

Employees' end of service benefits

Entities domiciled in UAE
Provision are made for the full amount of end of service benefits due to employees in accordance with the Group's policy, which is at least equal to the benefits payable in accordance with UAE Labor Law, for their period of service up to the end of reporting period.

Pension contributions are made in respect of UAE national employees to the UAE General Pension and Social Security Authority in accordance with the UAE Federal Law No. (2), 2000 for Pension and Social Security. Such contributions are charged to consolidated statement of profit or loss during the employees' period of service.

Entities domiciled outside the UAE
For the Group entities domiciled outside the UAE, provision for staff terminal benefits is made in accordance with the applicable provisions under the regulations prevalent in countries in which the respective entity operates. The Group companies operate various pension schemes.

The Group has both defined benefit and defined contribution schemes. A defined contribution plan is a plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The cost of defined contribution benefits is expensed as earned by employees. Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

3. Summary of material accounting policies and estimates (*continued*)

Employees' end of service benefits (*continued*)

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognised immediately in other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. When there is a plan amendment, curtailment or settlement occurs during the annual reporting period, the Group determines the current service cost for the remainder of the period after the plan amendment, curtailment, or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

For certain defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual, or voluntary basis. The Group has no further payment obligation once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Cash and cash equivalents

In the consolidated statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and term deposit) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above and form an integral part of the Group's cash.

Fair value measurement

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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would consider in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

3. Summary of material accounting policies and estimates (*continued*)

Fair value measurement (*continued*)

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in consolidated statement of profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

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

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

Financial instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.
Financial assets and financial liabilities are initially measured at fair value except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated statement of profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.
All recognised financial assets are measured subsequently at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets
Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; 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.

3. Summary of material accounting policies and estimates (*continued*)

Financial instruments (*continued*)

Financial assets (*continued*)

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).
Despite the foregoing, the Group may make the following irrevocable election / designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

i) Amortized cost and effective interest rate method

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.
The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

ii) Debt instruments classified as at FVTOCI

Debt instruments classified as at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these instruments as a result of foreign exchange gains and losses, impairment gains or losses and interest income calculated using the effective interest method are recognised in consolidated statement of profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in the consolidated

statement of profit or loss if these instruments had been measured at amortized cost. All other changes in the carrying amount of these instruments are recognised in other comprehensive income. When these instruments are derecognized, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to a consolidated statement of profit or loss.

iii) Equity instruments carried as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. The cumulative gain or loss is not reclassified to consolidated statement of profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in the consolidated statement of profit or loss in accordance with IFRS 9 unless the dividends clearly represent a recovery of part of the cost of the investment.
The Group designated all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition.

3. Summary of material accounting policies and estimates (*continued*)

Financial instruments (*continued*)

Financial assets (*continued*)

Classification of financial assets (*continued*)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

- Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognized the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in the consolidated statement of profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'finance income' line item.

Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses (ECL) on trade and other receivables (excluding advances to suppliers, VAT receivables and prepayments), contract assets, due from related parties and bank balances. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognizes lifetime ECL for trade and other receivables (excluding advances to suppliers, VAT receivables and prepayments), contract assets and due from related parties. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors specific to the debtors, general economic conditions 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.

For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

3. Summary of material accounting policies and estimates (*continued*)

Financial instruments (*continued*)

Financial assets (*continued*)

Impairment of financial assets (*continued*)

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is considered when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- the financial instrument has a low risk of default,
- the customer has a strong capacity to meet its contractual cash flow obligations in the near term, and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Group employs statistical models to analyze the data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Group.

3. Summary of material accounting policies and estimates (*continued*)

Financial instruments (*continued*)

Financial assets (*continued*)

Impairment of financial assets (*continued*)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, considering legal advice where appropriate. Any recoveries made are recognised in consolidated statement of profit or loss.

(v) Measurement and recognition of expected credit losses

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

IFRS 9 considers the calculation of ECL by multiplying the Probability of default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) adjusted by forward-looking information.

Details of these statistical parameters/inputs are as follows:

- The probability of default (PD) is an estimate of the likelihood of default over a given time horizon;
- The exposure at default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date;
- The loss given default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive; and
- Macroeconomic factors, forward looking information and multiple scenarios: IFRS 9 requires an unbiased and probability weighted estimate of credit losses by evaluating a range of possible outcomes that incorporates forecasts of future economic conditions.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Group recognizes an impairment gain or loss in consolidated statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a impairment loss on trade receivables account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve.

3. Summary of material accounting policies and estimates (*continued*)

Financial instruments (*continued*)

Financial assets (*continued*)

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when 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 recognizes 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 recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in consolidated statement of consolidated statement of profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to consolidated statement of profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to consolidated statement of profit or loss, but is transferred to retained earnings.

Financial liabilities and equity

Classification as debt or equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements 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 recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in consolidated statement of profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments

Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL
Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

3. Summary of material accounting policies and estimates (*continued*)

Financial liabilities and equity (*continued*)

Financial liabilities (*continued*)

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognised in the consolidated statement of profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in the consolidated statement profit or loss incorporates any interest paid on the financial liability.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in the consolidated statement of other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in consolidated statement of profit or loss. The remaining amount of change in the fair value of liability is recognised in consolidated statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in consolidated statement of other comprehensive income are not subsequently reclassified to consolidated statement of profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Group that are designated by the Group as at FVTPL are recognised in consolidated statement of profit or loss.

Financial liabilities measured subsequently at amortized cost
Financial liabilities that are not designated as FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Derecognition of financial liabilities
The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in consolidated statement of profit or loss.

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 realize the assets and settle the liabilities simultaneously. Income and expenses are offset in the consolidated statement of comprehensive income when it reflects the substance of the transaction or other event.

Derivative financial instruments
Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are recognized in the consolidated statement of profit or loss.

3. Summary of material accounting policies and estimates (*continued*)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognised in other comprehensive income and reclassified to consolidated statement of profit or loss when the qualifying asset impacts consolidated statement of profit or loss. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalized borrowing costs reflect the hedged interest rate. All other borrowing costs are recognised in consolidated statement of profit or loss in the period in which they are incurred.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates enacted or substantively enacted by the end of the reporting period.

Deferred tax
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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 profits will be available to allow all or part of the assets to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realized based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in consolidated statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3. Summary of material accounting policies and estimates (*continued*)

Taxation ***(continued)***

Offsetting
Current tax assets and current tax liabilities are offset only if the entities concerned have a legally enforceable right to set off the recognised amounts and intend either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A legally enforceable right to set off a current tax asset against a current tax liability normally exists when they relate to income taxes levied by the same taxation authority and the taxation authority permits the entities to make or receive a single net payment.

Deferred tax assets and deferred tax liabilities are offset only if the entities have a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the 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.

Foreign currencies

In preparing the consolidated financial statements of the Group, transactions in currencies other than the group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are 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 translated 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 consolidated statement of profit or loss in the period in which they arise except for:

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to consolidated statement of profit or loss on disposal or partial disposal of the net investment.
- exchange differences on transactions entered into to hedge certain foreign currency risks.
- exchange differences on foreign currency borrowings relating 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.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in a foreign exchange translation reserve in respect of that operation attributable to the owners of the Company are reclassified to consolidated statement of profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

3. Summary of material accounting policies and estimates *(continued)*

Leases

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.
Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures 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 significant event or change in circumstances resulting in 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 an unchanged 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 remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment of tangible and intangible assets excluding goodwill' policy.

3. Summary of material accounting policies and estimates *(continued)*

Leases *(continued)*

The Group as a lessee ***(continued)***

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

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 has not used this practical expedient. For a contract that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amount due from lessees under finance leases are recorded in the consolidated statement of financial position as receivables, being the amount equal to net investment in lease. The net investment in lease is the gross investment in lease less unearned finance income. The lease income earned are recognised in the consolidated statement of profit or loss based on pattern reflecting constant periodic return on the Group's net investment in lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.
When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

Assets and liabilities classified as held for sale

Non-current assets and disposal groups comprising assets and liabilities are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets and liabilities (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment properties or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on re measurement are recognised in consolidated statement profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property plant and equipment once classified as held for sale or distribution are not amortised or depreciated. In addition, equity accounting of associates or joint ventures ceases once classified as held for sale or distribution.

3. Summary of material accounting policies and estimates *(continued)*

Assets and liabilities classified as held for sale *(continued)*

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit or loss.

Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 34.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to shareholders' contribution.

4. Critical accounting judgements and key sources of estimation uncertainty

While applying the accounting policies as stated in note 3, 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 historical experience and other 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 period of the revision in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The significant judgments and estimate made by management are summarized as follows:

4.1 Critical judgments in applying the Group's accounting policies

The following are the critical judgments, apart from those involving estimations (see 4.2), that the management have made in the process of applying the Group's accounting policies and have the most significant effect on the amounts recognised in the consolidated financial statements.

Classification of additional shareholders' contribution

In the process of classifying additional shareholders' contribution, management has made various judgments to determine whether the balance, on initial recognition, is classified as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument. In making its judgment, management has considered the detail criteria and related guidance for the classification of financial instruments as set out in IAS 32, in particular, whether the instrument includes a contractual obligation to deliver cash or another financial asset to another entity and whether it may be settled in the Group's own equity instrument. Based on the criteria, management has concluded that additional shareholders' contribution should be classified under equity.

4. Critical accounting judgements and key sources of estimation uncertainty (*continued*)

4.1 Critical judgments in applying the Group's accounting policies (*continued*)

Joint control over investees

Note 3 describes that the Group account for investments in joint ventures although the ownership as follows:

Al Muthamaizah Medcare Healthcare Investment Co. LLC	37.39%
United Al Mashariq Medical Services LLC	37.39%

Although the group holds 37.39% of the share capital through United Eastern Medical Services LLC in these investees, as the relevant activities require unanimous consent along with other joint venture partners, these are treated as joint ventures.

Revenue from contract with customers

Revenues from contract with customers are measured at the fair value of consideration that is expected to be received for goods and services in the regular course of business. Determination of fair value of consideration includes adjustments of claim denials, discounts and time-barred un-submitted claims, which are deducted from the transaction price.
This requires management to use a number of assumptions and estimates with respect to the variable consideration within the transaction price. Accordingly, management considers the historical claims denials, ability to pay and other factors for each type of payer to estimate the transaction price.

Determination of performance obligations

With respect to revenue from contracts with customers, the Group concluded the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property under development mainly include design work, procurement of materials and development of the property. Generally, the Group is responsible for all of these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Group accounts for them as a single performance obligation because they are not distinct in the context of the contract. The Group uses those goods and services as inputs and provides a significant service of integrating them into a combined output for which the customer has contracted.

Impairment of financial assets

Under the expected credit loss model, the Group accounts for expected credit losses and changes in those expected credit losses at the end of each reporting period to reflect changes in credit risk since initial recognition of the financial assets. The Group measures the loss allowance at an amount equal to lifetime ECL for its financial instruments.

The Group measures the expected credit losses of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions.

The Group recognises lifetime ECLs for trade receivables using the simplified approach. To determine the expected credit losses, all trade receivables are classified into two categories:

- Category I – trade receivables from government of UAE and related companies
- Category II – trade receivables from private companies.

For Category I customers, the Group records specific provision and allowance for rejections. For Category II, the Group records both allowance for rejection and ECLs based on the provision matrix.

4. Critical accounting judgements and key sources of estimation uncertainty (*continued*)

4.1 Critical judgments in applying the Group's accounting policies (*continued*)

Determining lease term

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 (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Identifying whether an acquisition is a business or an asset

For acquisitions, the Group makes significant judgements to assess whether the assets acquired and liabilities assumed constitutes a business and whether it has acquired control of one or more assets. Where such an acquisition does not constitute a business, the acquisition is accounted for as an asset acquisition.

In making the assessment, the Group applies the definition of business under IFRS 3 which requires that, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

Fair value of identifiable assets and liabilities

As stated in Note 5, the identifiable assets acquired, and the liabilities assumed in business combination are recognised at their fair value. In estimating the fair value of an asset or a liability, the Group engaged third party valuation specialists to perform the valuation. The underlying assumptions and estimates in assessing the fair values are as detailed within Note 29.

Uncertain tax positions

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of geographical presence and complexity of tax rules in various geographies, differences may arise between the actual results and adjustments to tax income and expense already recorded. Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Assessing the recoverability of deferred income tax assets requires the Group to make assumptions related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

Determination of cash generating units

In making the assessment for impairment, assets that do not generate independent cash flows are allocated to an appropriate cash generating unit (CGU). Management applies its judgment in allocating assets that do not generate independent cash flows to appropriate CGUs. Management's judgment is primarily based on two considerations in identifying groups of assets that have independent cash flows:

Revenue separation: Are the streams of revenue derived from these groups of assets independent of one another.

Asset separation: Are assets operated together to such an extent that they do not generate independent revenue streams.
A CGU is identified consistently from period to period for the same assets of type of assets unless a change is justified. Subsequent changes to CGU allocation may impact carrying value and impairment loss of the respective assets.

4. Critical accounting judgements and key sources of estimation uncertainty (*continued*)

4.1 Critical judgments in applying the Group's accounting policies (*continued*)

Classification of properties

In the process of classifying properties, the Group makes judgments. Judgment is needed to determine whether a property qualifies as an investment property, property, and equipment and / or property held for resale. The Group develops criteria so that it can exercise that judgment consistently in accordance with the definitions of those asset categories. In making its judgment, the Group considers the detailed criteria and related guidance for the classification of properties as set out in IAS 2 *Inventories*, IAS 16 *Property, Plant and Equipment* and IAS 40 *Investment Properties*, in particular, the intended usage of property at the reporting date.

4.2 Key sources of estimation uncertainty

Impairment of investment in associates and joint ventures

In testing for impairment, the Group evaluates the specific investee's profitability, liquidity, solvency and ability to generate operating cash flows for the foreseeable future. Any shortfall between the estimated recoverable amount and the carrying value of investment is recognised as an expense in the consolidated statement of profit or loss.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value which necessarily involves making numerous estimates and assumptions regarding revenue growth, operating margins, appropriate discount rates and working capital requirements.

These estimates will likely differ from future actual results of operations and cash flows, and it is possible that these differences could be material.

The Group has conducted a sensitivity analysis of the impairment test by changing key assumptions used to determine the recoverable amount of cash-generating units to which goodwill is allocated. It concluded that any reasonably possible change in the key assumptions on which the recoverable amount of Goodwill is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related cash-generating units.

Impairment of property and equipment and intangible assets excluding goodwill

Property and equipment and intangible assets are assessed for impairment based on assessment of cash flows on individual cash generating units when there is indication of impairment. Cash flows are determined based on contractual agreements and estimations over the useful life of the assets and discounted using a range of discounting rates representing the rate of return on such cash generating units. The net present values are compared to the carrying amounts to assess any probable impairment. Management is satisfied that no impairment provision is necessary on property and equipment and intangible assets.

Useful lives and residual of property and equipment and intangible assets

Management reviews the estimated useful lives and residual values of property and equipment and, intangible asset at the end of each annual reporting period in accordance with IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*. Management determined that current year expectations do not differ from previous estimates based on its review.

Business combinations

Accounting for the acquisition of a business requires the allocation of the purchase price to the various identifiable assets and liabilities of the acquired business including intangible assets. For most assets and liabilities, the purchase price allocation is accomplished by recording the asset or liability at its estimated fair value.

4. Critical accounting judgements and key sources of estimation uncertainty (*continued*)

4.2 Key sources of estimation uncertainty (*continued*)

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 intangible assets and other assets and market multiples. The Group's management uses all available information to make these fair value determinations.

Calculation of ECL

The expected credit loss for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Percentage-of-completion

The Group uses the input method to recognise revenue for the efforts or inputs towards satisfaction of a performance obligation in accounting for its construction contracts. This is done by measuring the costs incurred to date relative to the total expected costs to be incurred (forecast final costs).

At each reporting date, the Group is required to estimate the stage of completion and costs necessary to complete its construction contracts. These estimates require the Group to make estimates of future costs to be incurred, based on work to be performed beyond the reporting date. These estimates also include the cost of potential claims by subcontractors and the cost of meeting outstanding contractual obligations to customers. Effects of any revision to these estimates are reflected when the estimates are revised. Factors such as delays in expected completion date, changes in the scope of work, changes in material prices, changes in labour and other costs, are included in the expected construction cost estimates.

Discount rate used for initial measurement of lease liability

The Group, as a lessee, measures a lease liability at the present value of the unpaid lease payments at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If not on initial recognition of the lease, the Group uses its incremental borrowing rate. Incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with similar security, the funds necessary to obtain an asset of a similar value to the right-of-use assets in a similar economic environment.

Allowance for slow moving and obsolete inventories

Inventories are held at a lower of cost and net realizable value. When inventories become old or obsolete, an estimate is made of their net realizable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence.

4. Critical accounting judgements and key sources of estimation uncertainty (*continued*)

4.2 Key sources of estimation uncertainty *(continued)*

Post-employment benefits

The cost and the present value of the defined benefit plans obligation are 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.

5. Business combinations

5.1 Acquisitions under IFRS 3 Business Combination in 2024

As of the effective dates, the Group acquired 100% stake in the following companies ("acquirees") for the below consideration.

Effective date	Acquiree	Consideration (USD'000)
1 January 2024	Alexia S.A. ('Alexia')	1,429
1 January 2024	Medifil Monada Chronias Aimokatharsis S.A. ('Medifil')	4,436
1 January 2024	Nefrologiki S.A. ('Nefrologiki')	7,837
10 May 2024	Centre de Néphrologie Hémodialyse Atlas ('Néphrologie')	4,007
13 September 2024	Nephro Group Clinica de Dialise Ltda ('Nephro Group')	1,556
3 November 2024	Diaverum Medical LLP ('Diaverum Medical')	11

The revenue and profit (loss) the acquirees have contributed to the Group from the date of acquisition are set out in the table below.

	Alexia USD'000	Medifil USD'000	Nefrologiki USD'000	Diaverum Medical USD'000	Néphrologie USD'000	Nephro Group USD'000	Total USD'000
Revenue	1,357	4,407	2,966	2	2,299	676	**11,707**
Profit/ (loss)	(228)	(234)	397	(84)	173	100	**124**

The acquisitions have been accounted for using the acquisition method of accounting, and accordingly, the identifiable assets acquired, and liabilities assumed, have been recognised at their respective fair values. The amounts recognised in respect of the fair values at the date of acquisition of the identifiable assets acquired and liabilities assumed are set out in the table below:

	Alexia USD'000	Medifil USD'000	Nefrologiki USD'000	Diaverum Medical USD'000	Néphrologie USD'000	Nephro Group USD'000	Total USD'000
Assets							
Property and equipment *(note 6)*	1,138	3,113	742	-	564	449	**6,006**
Intangible assets *(note 8)*	17	23	-	-	1	-	**41**
Right-of-use assets *(note 7)*	876	3,193	793	-	341	384	**5,587**
Other non-current assets	149	453	273	-	50	2	**927**
Trade and other receivables	568	1,649	1,007	-	675	214	**4,113**
Inventories	12	30	-	-	110	40	**192**
Cash and cash equivalents	43	88	288	-	611	83	**1,113**
Other current assets	449	55	168	27	60	12	**771**
Liabilities							
Loans and borrowings *(note 19)*	(105)	(398)	(169)	-	-	(727)	**(1,399)**
Lease liabilities *(note 18)*	(876)	(3,193)	(793)	-	(341)	(384)	**(5,587)**
Employees' end of service benefits *(note 17)*	(10)	(58)	-	-	-	-	**(68)**
Other non-current liabilities	(1,033)	(2,680)	(965)	-	-	-	**(4,678)**
Trade and other payables	(430)	(2,434)	(822)	(27)	(372)	(688)	**(4,773)**
Total identifiable net assets at fair value	**798**	**(159)**	**522**	-	**1,699**	**(615)**	**2,245**
Less: purchase consideration	(1,429)	(7,837)	(4,436)	(11)	(4,007)	(1,556)	**(19,276)**
Goodwill *(note 8)*	**(631)**	**(7,996)**	**(3,914)**	**(11)**	**(2,308)**	**(2,171)**	**(17,031)**

5. Business combinations *(continued)*

5.2 Acquisitions under IFRS 3 Business Combination in 2024 *(continued)*

	Alexia USD'000	Medifil USD'000	Nefrologiki USD'000	Diaverum Medical USD'000	Néphrologie USD'000	Nephro Group USD'000	Total USD'000
Analysis of cashflow on acquisition							
Total purchase consideration	1,429	7,837	4,436	11	4,007	1,556	**19,276**
Add: cash acquired on business combination	(43)	(88)	(288)	-	(611)	(83)	**(1,113)**
Net cash outflow on acquisition	**1,386**	**7,749**	**4,148**	**11**	**3,396**	**1,473**	**18,163**

Acquisitions under IFRS 3 Business Combination in 2023

i. Acquisition of Mubadala Health

On 20 December 2022, Group 42 Holding Ltd. (a 'shareholder') and ('Parent') and Mamoura Diversified Global Holding PJSC (a shareholder) signed a shareholder agreement to merge their respective healthcare businesses under a newly established holding company "M42 LTD" (formerly GM Healthcare Ltd) through issue of equity shares of M42 LTD.

As stipulated in the shareholder agreement, Group 42 Holding Ltd would contribute and transfer 100% equity of G42 Healthcare entities (note 3) to the Company in exchange for 55% equity in the Company and MDGH would contribute and transfer 100% equity of Mubadala Health entities (note 3) to the Company in exchange for 45% equity in the Company.

Effective 1 January 2023, G42 Healthcare AI Holding RSC Ltd (a subsidiary) ("accounting acquirer") acquired 100% in equity interest in Mubadala Health entities ("acquiree") (as listed in note 3) in an equity swap transaction settled in the form of newly issued shares in M42 LTD.

The Group recognised additional intangible assets of USD 468,620 thousand as a result of this acquisition which were not recognised by the entity acquired. These intangible assets include trade name, licenses, customer relationships and other intangible assets.

ii. Acquisition of Diaverum AB

Effective 11 April 2023, the Group acquired 100% stake in Diaverum AB ("Diaverum" / "acquiree") for a consideration of USD 1,245,740 thousand. Diaverum is a leading renal care provider operating in 23 geographies.

The Group recognised additional intangible assets of USD 656,231 thousand as a result of this acquisition which were not recognised by the entity acquired. These intangible assets include trade name, licenses, customer relationships and other intangible assets.

iii. Acquisition of Attiko Hemodialysis M.E.P.E

Effective 8 May 2023, the Group acquire 100% stake in in Attiko Hemodialysis M.E.P.E ("Diaverum Greece" / "acquiree"), for a consideration of USD 1,830 thousand. Diaverum Greece is a renal care provider operating in Greece.

5. Business combinations *(continued)*

5.2 Acquisitions under IFRS 3 Business Combination in 2023 *(continued)*

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

	Mubadala Health USD'000	Diaverum AB USD'000	Attiko Hemodialysis M.E.P.E. USD'000	Total USD'000
Assets				
Property and equipment (*note 6*)	419,107	269,228	1,191	689,526
Intangible assets (*note 8*)	475,411	671,313	8	1,146,732
Right-of-use assets (*note 7*)	62,140	155,037	1,822	218,999
Investments in associates and joint ventures	7,457	162	-	7,619
Non-current receivables	-	6,410	-	6,410
Finance lease receivables	10,616	-	-	10,616
Term deposits	141,874	-	-	141,874
Current tax assets	-	20,020	42	20,062
Trade and other receivables	231,139	226,400	816	458,355
Inventories	33,896	30,937	-	64,833
Due from related parties	8,436	-	-	8,436
Cash and cash equivalents	519,093	102,634	468	622,195
Liabilities				
Lease liabilities (*note 18*)	(58,986)	(155,461)	(282)	(214,729)
Employee's end of service benefits (*note 17*)	(55,879)	(19,602)	-	(75,481)
Loans and borrowings (*note 19*)	(163,376)	(1,016,288)	-	(1,179,664)
Due to related parties	(24,852)	-	-	(24,852)
Other non-current liabilities	-	(4,265)	-	(4,265)
Provision	-	(529)	(73)	(602)
Current tax liabilities	-	(152,587)	(277)	(152,864)
Trade and other payables	(199,568)	(186,204)	(1,369)	(387,141)
Net identifiable assets acquired	**1,406,508**	**(52,795)**	**2,346**	**1,356,059**
Less: existing non-controlling interest on acquisition	(239,171)	(6,136)	-	(245,307)
Less: purchase consideration	-	(1,245,740)	(2,346)	(1,248,086)
Less: additional shareholder's contribution in kind *(note 16)*	(2,307,210)	-	-	(2,307,210)
Goodwill *(note 8)*	**(1,139,873)**	**(1,304,671)**	**-**	**(2,444,544)**

iv. Transactions between owners

a) Increase in controlling stake in United Eastern Medical Services Group ('UEMS')

Effective 28 February 2023, the Group acquired 12.95% additional ownership interest in UEMS for a total consideration of USD 85,976 thousand. Total ownership interest after the acquisition of additional stake is 73.33%.

b) Increase in controlling stake in Abu Dhabi Telemedicine Center LLC

Effective 28 March 2023, the Group acquired 15% additional ownership interest in ADTC for a total consideration of USD 1 to increase the ownership interest to 100%.

5. Business combinations (*continued*)

5.2 Acquisitions under IFRS 3 Business Combination in 2023 *(continued)*

iv. Transactions between owners *(continued)*

c) Increase in controlling stake in certain Mubadala Health entities

Effective 23 June 2023, the Group acquired additional ownership interest of non-controlling interest in certain Mubadala Health entities as follows:

Entity Name	% Acquired
Abu Dhabi Spine Centre LLC	1%
Capital Medical Centre for Health Screening LLC	1%
Health Point Hospital LLC	1%
Mamoura Health Investments LLC	1%
National Reference Laboratory LLC	1%
Tawam Molecular Imaging Centre LLC	1%
The Specialist Diabetes Treatment and Research Centre LLC	0.01%

Subsequent to the above transaction, the Group owns 100% stake in the above entities.

The increase in shareholding of certain subsidiaries resulted in a decrease of non-controlling interest by USD 74,570 thousand for the year ended 31 December 2023.

	UEMS USD'000 12.95%	ADTC USD'000 15%	AMHI USD'000 19.6%	Mubadala Health entities USD'000 0.01% - 1%	Total USD'000
Carrying amount of non-controlling interests acquired	80,125	(1,242)	(238)	(4,075)	74,570
Consideration paid to non-controlling interests	(85,976)	-	(5)	-	(85,981)
Excess of consideration paid recognised as transaction between owners (recognized in retained earnings)	**(5,851)**	**(1,242)**	**(243)**	**(4,075)**	**(11,411)**

5. Business combinations (*continued*)

5.3 Business combination under common control

On 1 January 2023, Group 42 Holding Ltd (the "Shareholder") transferred its 100% ownership interest in Abu Dhabi Health Data Systems - Sole Proprietorship LLC to G42 Healthcare AI Holding RSC LTD, a fully owned subsidiary of the Group at its carrying value for a nil consideration.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed at carrying value are as set out in the table below:

	Abu Dhabi Health Data Systems USD'000
Assets	
Property and equipment (*note 6*)	6,236
Intangible assets (*note 8*)	4,146
Right-of-use assets (*note 7*)	597
Trade and other receivables	16,544
Due from related parties	208
Cash and cash equivalents	44,559
Liabilities	
Lease liabilities (*note 18*)	(419)
Employee's end of service benefits (*note 17*)	(1,458)
Contract liabilities	(3,612)
Due to related parties	(1,599)
Trade and other payables	(9,624)
Net assets transferred from related parties	**55,578**

6. Property and equipment

	Land USD'000	Buildings USD'000	Leasehold improvements and fixture USD'000	Medical equipment USD'000	IT and office equipment USD'000	Motor vehicles USD'000	Capital work-in-progress USD'000	Total USD'000
Cost								
As at 1 January 2024	25,965	289,804	193,691	231,323	61,528	3,481	43,681	849,473
Acquisition through business combinations *(note 5.1)*	-	-	2,597	2,492	792	125	-	6,006
Additions during the year	336	1,214	26,602	64,732	14,435	1,251	22,705	131,275
Disposals during the year	(403)	(5,499)	(7,939)	(16,069)	(3,802)	(2,301)	(154)	(36,167)
Transfer (to)/from related party	-	-	-	(104)	-	-	7	(97)
Transfer to intangibles *(note 8)*	-	-	-	-	-	-	(475)	(475)
Reclassification	(38)	8,071	18,815	4,979	210	(520)	(33,440)	(1,923)
Effect of movement in exchange rate	(215)	(1,830)	(14,505)	(18,161)	(4,334)	(480)	(1,103)	(40,628)
As at 31 December 2024	**25,645**	**291,760**	**219,261**	**269,192**	**68,829**	**1,556**	**31,221**	**907,464**
Accumulated depreciation and impairment								
As at 1 January 2024	1	9,412	25,154	52,691	18,177	203	-	105,638
Charge for the year	1	9,991	33,965	48,171	14,692	1,244	-	108,064
Impairment *(notes 24 and 35)*	-	-	1,462	1,516	286	-	-	3,264
Disposals during the year	-	(4,500)	(6,460)	(14,062)	(3,420)	(2,038)	-	(30,480)
Transfer from related party	-	-	-	(29)	-	-	-	(29)
Reclassification	-	-	98	(833)	(669)	(519)	-	(1,923)
Effect of movement in exchange rate	-	(870)	(168)	(8,681)	(1,848)	(355)	-	(11,922)
As at 31 December 2024	2	**14,033**	**54,051**	**78,773**	**27,218**	**(1,465)**	**-**	**172,612**
Net carrying amount at 31 December 2024	**25,643**	**277,727**	**165,210**	**190,419**	**41,611**	**3,021**	**31,221**	**734,852**

6. Property and equipment (*continued*)

	Land	Buildings	Leasehold improvements and furniture and fixture	Medical equipment	IT and office equipment	Motor vehicles	Capital work-in-progress	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Cost								
As at 1 January 2023	-	-	8,018	48,479	233	-	3,230	59,960
Acquisition through business combinations (*note 5.2(i)-(iii)*)	26,228	278,893	160,557	153,937	36,596	2,865	30,450	689,526
Transfers from entities under common control (*note 5.3*)	-	-	122	-	3,194	-	2,920	6,236
Additions during the year	-	9,319	16,054	33,005	25,403	1,528	18,213	103,522
Disposals during the year	(227)	-	(3,645)	(5,397)	(4,817)	(971)	48	(15,009)
Transfer to intangibles (*note 8*)	-	-	-	-	-	-	(320)	(320)
Reclassification	(86)	1,321	8,483	(2,279)	(382)	(60)	(9,896)	(2,899)
Effect of movement in exchange rate	50	219	4,111	3,706	777	119	(21)	8,961
Other movement	-	52	(9)	(128)	524	-	(943)	(504)
As at 31 December 2023	25,965	289,804	193,691	231,323	61,528	3,481	43,681	849,473
Accumulated depreciation and impairment								
As at 1 January 2023	-	-	3,898	20,776	162	-	-	24,836
Charge for the year	1	9,283	21,199	35,181	17,169	1,014	-	83,847
Disposals during the year	-	-	(3,600)	(5,246)	(4,740)	(895)	-	(14,481)
Impairment	-	-	1,205	256	5,631	-	-	7,092
Reclassification	-	(92)	(178)	(953)	(507)	-	-	(1,730)
Effect of movement in exchange rate	-	221	2,628	2,754	578	84	-	6,265
Other movement	-	-	2	(77)	(116)	-	-	(191)
As at 31 December 2023	1	9,412	25,154	52,691	18,177	203	-	105,638
Net carrying amount at 31 December 2023	25,964	280,392	168,537	178,632	43,351	3,278	43,681	743,835

Capital work-in-progress represents amounts paid for expansion / renovation of existing hospital / clinic buildings and supply / installation of medical equipment which are expected to be completed in 2025.

Property and equipment amounting to USD 276,738 thousand (2023: USD 277,814 thousand) is pledged against loans obtained by the Group from commercial banks (*note 19*).

6. Property and equipment (*continued*)

The depreciation charge has been allocated in the consolidated statement of profit or loss as follows:

	2024 ***USD'000***	2023 *USD'000*
Cost of sales (*note 24*)	**88,848**	66,007
General and administrative expenses (*note 25*)	**19,200**	17,821
Research and development expenses	**16**	19
	108,064	83,847

The impairment charge has been allocated in the consolidated statement of profit or loss as follows:

	2024 ***USD'000***	2023 *USD'000*
Cost of sales (*notes 24 and 35*)	**3,264**	256
General and administrative expenses (*note 25*)	**-**	6,836
	3,264	7,092

7. Right-of-use assets

The Group leases several assets with approximate lease terms ranging from 2 to 15 years (2023: 2 to 15 years). Set out below are the carrying amounts and movement of right-of-use assets:

	2024 **USD'000**	2023 USD'000
Cost		
At 1 January	**252,523**	10,129
Acquired through business combinations (*note 5.1/5.2 (i)-(iii)*)	**5,587**	218,999
Transfers from entities under common control *(note 5.3)*	**-**	597
Addition for the year	**80,598**	33,157
Disposal during the year	**(26,572)**	(16,926)
Effect of movement in exchange rate	**(22,615)**	6,457
Other movement	**(209)**	110
At 31 December	**289,312**	252,523
Accumulated depreciation and impairment		
At 1 January	**39,408**	5,070
Charge for the year	**54,523**	44,054
Impairment *(notes 24 and 35)*	**5,359**	-
Disposal/termination during the year	**(20,872)**	(14,039)
Effect of movement in exchange rate	**(12,691)**	3,634
Other movement	**-**	689
At 31 December	**65,727**	39,408
Net carrying amount	**223,585**	213,115

The depreciation charge has been allocated in the consolidated statement of profit or loss as follows:

	2024 ***USD'000***	2023 *USD'000*
Cost of sales (*note 24*)	**42,171**	34,020
General and administrative expenses (*note 25*)	**12,352**	10,034
	54,523	44,054

8. Intangible assets

	Goodwill USD'000	Tradename USD'000	Licenses USD'000	Customer relationships USD'000	Software USD'000	Other intangibles USD'000	Total USD'000
Cost							
As at 1 January 2024	2,461,205	743,374	59,132	215,650	31,322	136,521	**3,647,204**
Acquisition through business combinations *(note 5.1)*	17,031	-	-	-	41	-	**17,072**
Additions during the year	-	-	29	-	7,641	7,354	**15,024**
Disposals during the year	(2,222)	-	(491)	-	(473)	(602)	**(3,788)**
Transfer from property and equipment (*note 6*)	-	-	-	-	475	-	**475**
Effect of movement in exchange rate	(83,757)	(30,184)	(152)	(5,449)	(399)	(6,626)	**(126,567)**
Other movement	-	-	35	-	(174)	-	**(139)**
As at 31 December 2024	**2,392,257**	**713,190**	**58,553**	**210,201**	**38,433**	**136,647**	**3,549,281**
Accumulated amortization and impairment							
As at 1 January 2024	-	-	-	17,264	8,615	19,723	**45,602**
Charge for the year	-	-	-	20,051	7,740	30,017	**57,808**
Impairment *(notes 24 and 35)*	-	-	8,702	-	456	-	**9,158**
Disposals during the year	-	-	(491)	-	(437)	(602)	**(1,530)**
Effect of movement in exchange rate	-	-	(138)	(1,441)	(247)	(2,826)	**(4,652)**
As at 31 December 2024	-	-	**8,073**	**35,874**	**16,127**	**46,312**	**106,386**
Net carrying amount at 31 December 2024	**2,392,257**	**713,190**	**50,480**	**174,327**	**22,306**	**90,335**	**3,442,895**

8. Intangible assets (*continued*)

	Goodwill USD'000	Tradename USD'000	Licenses USD'000	Customer relationships USD'000	Software USD'000	Other intangibles USD'000	Total USD'000
Cost							
As at 1 January 2023	-	-	-	-	3,127	-	3,127
Acquisition through business combinations (*note 5.2 (i)-(iii)*)	2,444,544	734,093	59,088	213,929	8,003	131,619	3,591,276
Transfers from entities under common control (*note 5.3*)	-	-	-	-	2,311	1,835	4,146
Additions during the year	-	-	38	-	16,615	4,080	20,733
Disposals during the year	-	-	-	-	(62)	(5,271)	(5,333)
Transfer to/from property and equipment (*note 6*)	-	-	-	-	1,174	(854)	320
Reclassification	-	-	-	-	(20)	3,131	3,111
Effect of movement in exchange rate	16,661	9,281	6	1,721	174	2,179	30,022
Other movement	-	-	-	-	-	(198)	(198)
As at 31 December 2023	2,461,205	743,374	59,132	215,650	31,322	136,521	3,647,204
Accumulated amortization and impairment							
As at 1 January 2023	-	-	-	-	2,041	-	2,041
Charge for the year	-	5	-	17,018	6,417	22,453	45,893
Disposals during the year	-	-	-	-	(62)	(5,271)	(5,333)
Impairment	-	-	-	-	96	-	96
Reclassification	-	-	-	-	(11)	1,947	1,936
Effect of movement in exchange rate	-	-	327	246	138	594	1,305
Other movement	-	(5)	(327)	-	(4)	-	(336)
As at 31 December 2023	-	-	-	17,264	8,615	19,723	45,602
Net carrying amount at 31 December 2023	2,461,205	743,374	59,132	198,386	22,707	116,798	3,601,602

The amortization charge has been allocated in the consolidated statement of profit or loss as follows:

	2024 USD (000)	2023 USD (000)
Cost of sales *(note 24)*	**4,172**	740
General and administrative expenses *(note 25)*	**53,636**	45,153
	57,808	45,893

Impairment charge of USD 9,158 thousand (2023: Nil) has been allocated to cost of sales in the consolidated statement of profit or loss *(note 24)*.
Impairment charge of nil (2023: USD 96 thousand) has been allocated to general and administrative expenses in the consolidated statement of profit or loss *(note 25)*.

8. Intangible assets (*continued*)

Goodwill

Mubadala Health
Goodwill allocated to the various CGUs (Amana, ICLDC, Healthpoint, etc.) as at 31 December 2024 amounted to USD 1,137,650 thousand (2023: USD 1,139,873 thousand).

As at 31 December 2024, an annual impairment review of goodwill was performed. The estimated recoverable amount exceeded the carrying value and hence no impairment has been recorded.

The recoverable amount has been computed based on value in use approach derived from financial projections made for a five-year period plus a terminal value thereafter. The methodology used for the estimation of fair value less cost to sell was Discounted Cash Flow ("DCF"). Value in use was determined by discounting cash flows and was based on the following key assumptions:

- Financial projections: The financial projections were based on the five-year approved business plan
- Terminal value: The terminal value was computed using the perpetual growth rate assumed at 0 – 4% (2023: 0 - 4%)
- Discount rate: The discount rate represents the current market assessment of the risks specific to each Group and has been estimated according to the Weighted Average Cost of Capital ("WACC") calculated at 9 – 10.5% (2023: 10.8 – 12.04%)
- EBITDA exit multiple: The last twelve months EBITDA exit multiple assumed at 12.6x (2023: 12.6x)

Diaverum
Goodwill allocated to the Diaverum Group as at 31 December 2024 amounted to USD 1,254,607 thousand (2023: USD 1,304,671 thousand).

As at 31 December 2024, an annual impairment review of goodwill was performed. The estimated recoverable amount exceeded the carrying value and hence no impairment has been recorded.

The recoverable amount has been computed based on value in use approach derived from financial projections made for a five-year period plus a terminal value thereafter. The methodology used for the estimation of fair value less cost to sell was Discounted Cash Flow ("DCF"). Value in use was determined by discounting cash flows and was based on the following key assumptions:

- Financial projections: The financial projections were based on the five-year approved business plan
- Terminal value: The terminal value was computed using the perpetual growth rate assumed at 3% (2023: 3%)
- Discount rate: The discount rate represents the current market assessment of the risks specific to each Group and has been estimated according to the Weighted Average Cost of Capital ("WACC") calculated at 10% (2023: 9.1%)
- EBITDA exit multiple: The last twelve months EBITDA exit multiple assumed at 12.6x (2023: 12.6x)

Based on sensitivity analysis performed by the Group management, a possible change in any of the above key assumptions would not materially impact the recoverable amount as at reporting date, hence no material impact on the goodwill recognised in the consolidated financial statements as at 31 December 2024 and 31 December 2023.

9. Investment in associates and joint ventures

Investment in associates and joint ventures are classified in the consolidated statement of financial position as follows:

Investment in associates

Movement in the balance of investment in associates is as follows:

	2024 USD'000	2023 USD'000
At 1 January	-	-
Acquisition through business combinations (*note 5.1/5.2 (i)-(iii)*)	-	388
Add: share of profit / (loss)	-	267
Add: effect of movement in exchange rate	-	51
Less: disposals	-	(706)
At 31 December	-	-

9. Investment in associates and joint ventures (*continued*)

Investment in associates (*continued*)

On 22 September 2023, the Group entered into a sale and purchase agreement for sale of its 10% stake in Zihipp Limited for a consideration of USD 3,021 thousand. This transaction was completed in October 2023. This transaction has resulted in the recognition of a gain in profit or loss, calculated as follows:

	2023 USD '000
Proceeds of disposal	**3,021**
Less: carrying amount of investment on the date of disposal	**(706)**
	2,315

In 2024, further consideration amounting to USD 6,511 thousand was received for the said sale which has been recognized as other income *(note 26)*.

Summarized financial statements in respect of the Group's material associate is set out below. The summarized financial statements below present amounts shown in the associates' financial statements (not adjusted for the percentage ownership of the Group) prepared in accordance with IFRSs.

	Zihipp Limited	
	2024 USD'000	2023 USD'000
Revenue	**-**	2,970
Profit for the year	**-**	2,666
Total comprehensive income for the year	**-**	2,666
Group's share of profit	**-**	267

Investment in joint ventures

Movement in the balance of investment in joint ventures is as follows:

	2024 USD'000	2023 USD'000
At 1 January	**6,295**	-
Acquisition through business combinations (*note 5.1/5.2 (i)-(iii)*)	**-**	7,231
Add: share of profit	**1,300**	830
Add: share of other comprehensive income	**11**	-
Less: dividends received	**(1,144)**	(1,762)
Effect of movement in exchange rate	**5**	(4)
At 31 December	**6,467**	6,295

Summarized financial information in respect of the Group's material joint ventures is set out below. The summarized financial statements below present amounts shown in the associates' financial statements (not adjusted for the percentage ownership of the Group) prepared in accordance with IFRSs.

Summarized statement of profit or loss and other comprehensive income

	2024				
USD'000	Al Muthamaizah Medcare Healthcare Investment Co. LLC	United Al Mashariq Medical Services LLC	IMU Dialysis Sdn Bhd	Diaverum Gulf LLC	Total
Revenue	(124)	14,790	414	-	15,080
Profit/(loss) for the year	(147)	3,071	36	(71)	2,889
Total comprehensive income/(loss) for the year	(147)	3,071	26	(15)	2,935
Group's share of profit/(loss)	**-**	**1,311**	**14**	**(25)**	**1,300**

9. Investment in associates and joint ventures (*continued*)

Investment in joint ventures (*continued*)

Summarized statement of financial position

	2024				
USD'000	Al Muthamaizah Medcare Healthcare Investment Co. LLC	United Al Mashariq Medical Services LLC	IMU Dialysis Sdn Bhd	Diaverum Gulf LLC	Total
Non-Current assets	1,966	1,600	161	-	3,727
Current assets	170	4,098	284	-	4,552
Non-Current liabilities	(2,410)	(304)	(58)	-	(2,772)
Current liabilities	(6,150)	(799)	(87)	-	(7,036)
Net assets	(6,424)	4,595	300	-	(1,529)
Group ownership interest	37.39%	37.39%	40.0%	35.0%	
Group's share of net assets	-	1,718	120	-	1,838
Fair value uplift on account of purchase price allocation	-	4,629	-	-	4,629
Total Group's share of net assets	**-**	**6,347**	**120**	**-**	**6,467**

	2023				
USD'000	Al Muthamaizah Medcare Healthcare Investment Co. LLC	United Al Mashariq Medical Services LLC	IMU Dialysis Sdn Bhd	Diaverum Gulf LLC	Total
Non-Current assets	2,098	3,326	64	-	5,488
Current assets	2,034	2,484	309	44	4,871
Non-Current liabilities	(2,414)	(212)	(1)	-	(2,627)
Current liabilities	(7,996)	(1,524)	(52)	(3)	(9,575)
Net assets	(6,278)	4,074	320	41	(1,843)
Group ownership interest	37.39%	37.39%	40.0%	35.0%	
Group's share of net assets	-	1,524	128	14	1,666
Fair value uplift on account of purchase price allocation	-	4,629	-	-	4,629
Total Group's share of net assets	**-**	**6,153**	**128**	**14**	**6,295**

10. Cash and bank balances

	2024	2023
	USD'000	USD'000
Cash in hand	**451**	385
Cash at bank (current accounts)	**237,963**	606,330
Term deposits – current		
- with maturity less than 90 days	**519,375**	233,084
- with maturity more than 90 days	**942**	955
Cash and bank balances	**758,731**	840,754
Term deposits – non-current	**-**	2,546
	758,731	843,300

10. Cash and bank balances (*continued*)

Term deposits are held by UAE local banks and carry interest at prevailing market rates.

Balances with banks are assessed to have low credit risk since they are highly regulated by the central banks of the respective countries. Accordingly, the Group estimates the loss allowance on balances with banks at an amount equal to 12-month ECL. None of the balances with banks are past due and taking into account the historical default experience and the current credit ratings of the bank. No impairment loss allowances are provided on balances with banks. Cash at bank of USD 641,702 thousand (2023: USD 672,322 thousand) pertains to banks which are related parties (note 30).

11. Loan to related parties

On 1 January 2023, the Company and Group 42 Holding Ltd ("the Parties") entered into a shareholder loan agreement whereby the Company has made available to G42 a term loan facility for USD 220,025 thousand. The loan carries an interest of 5% per annum. As per the agreed terms of repayment, the outstanding amount as at 31 December 2024 is nil (2023: USD 73,347 thousand). In 2024, the said loan was repaid as per the agreed contractual terms in cash.

Further, a subsidiary of the Group, United Eastern Medical Services LLC entered into a shareholder loan agreement in 2023 to make available a loan of USD 80,987 thousand to its shareholders. As 31 December 2024, the loan amount attributable to the non-controlling interest shareholder amounts to nil (2023: USD 21,864 thousand). This loan does not bear any interest and is repayable at the discretion of the shareholders. In 2024, the said loan was set off against dividends declared and payable to the non-controlling interest shareholder.

These are presented in the consolidated statement of financial position under current assets. Refer note 30 for details of related party transactions.

12. Trade and other receivables

	2024	2023
	USD'000	USD'000
Trade receivables	**376,298**	357,768
Allowance for expected credit losses	**(53,812)**	(39,572)
Provision for volume discounts	**(7,377)**	-
	315,109	318,196
Prepaid expenses	**26,544**	32,899
Advances and deposits	**14,467**	59,584
VAT receivables	**13,797**	10,981
Other receivables	**49,875**	87,151
	419,792	508,811

Included in trade and other receivables amount of USD 248,511 thousand (2023: USD 221,451 thousand) pertains to related parties (note 30).

Movements in the expected credit losses for trade and other receivables is as follows:

	2024	2023
	USD'000	USD'000
At 1 January	**39,572**	1,496
Acquired through business combination	**-**	36,699
Provisions made during the year	**12,169**	3,349
Reversal / written off during the year	**(677)**	(2,125)
Effect of movement in exchange rate	**2,748**	153
At 31 December	**53,812**	39,572

12. Trade and other receivables (*continued*)

The ageing of trade receivables are as follows:

	Total USD'000	Current USD'000	1 – 30 days USD'000	31 – 60 days USD'000	61 – 90 days USD'000	> 90 days USD'000
31 December 2024						
Expected credit loss rate	**14%**	**0%**	**1%**	**1%**	**1%**	**40%**
Estimated total gross carrying amount at default	**376,298**	**174,924**	**36,642**	**22,008**	**11,040**	**131,684**
Expected credit loss	**(53,812)**	**(22)**	**(253)**	**(182)**	**(89)**	**(53,266)**
	322,486	**174,902**	**36,389**	**21,826**	**10,951**	**78,418**

	Total USD'000	Current USD'000	1 – 30 days USD'000	31 – 60 days USD'000	61 – 90 days USD'000	> 90 days USD'000
31 December 2023						
Expected credit loss rate	11%	0%	0%	0%	0%	37%
Estimated total gross carrying amount at default	357,768	166,925	21,281	31,177	31,501	106,884
Expected credit loss	(39,572)	(114)	(88)	(95)	(89)	(39,186)
	318,196	166,811	21,193	31,082	31,412	67,698

13. Contract assets

	2024 USD'000	2023 USD'000
Contract assets	**259,792**	203,229
Allowance for expected credit losses	**(38,249)**	-
	221,543	203,229

Contract assets primarily relates to the Group's right on consideration for goods and services provided but not billed at the reporting date.

The Group measures the ECL allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the respective industries.

Movements in the expected credit losses for trade and other receivables is as follows:

	2024 USD'000	2023 USD'000
At 1 January	**-**	-
Provisions made during the year	**38,249**	-
At 31 December	**38,249**	-

Net contract assets of USD 25,745 thousand (2023: USD 52,818 thousand) pertain to related parties (note 30).

14. Inventories

	2024 USD'000	2023 USD'000
Medical supplies	**64,242**	62,696
Other consumables	**18,924**	16,180
	83,166	78,876
Less: Allowance for slow moving and obsolete inventories	**(4,124)**	(11,328)
	79,042	67,548

The movement of provision for slow moving and obsolete inventories during the year is as follows:

	2024 USD'000	2023 USD'000
At 1 January	**11,328**	512
Acquisition through business combination	**-**	2,355
(Reversal) / charge for the year *(note 24)*	**(7,168)**	1,871
Impairment of inventory *(note 24)*	**-**	6,690
Write-off during the year	**(36)**	(100)
At 31 December	**4,124**	11,328

15. Share capital

In 2024, the shareholders resolve to increase the ordinary shares of the Company class A from 1,000 to 100,000 Shares and change the par value of the share capital from USD 1 per share to USD 0.01 per share.

In 2024, new class of shares comprising up to 8,689 B ordinary shares of USD 1.00 per share each was introduced pursuant to the introduction of a share-based payment scheme. During the year, 444 B ordinary shares were issued under the share-based payment scheme of the Company. Refer note 34 for details of the share-based payment scheme.

2024	**No. of shares**	**%**	**Issued and paid-up capital USD**
A ordinary shares			
Group 42 Holding Limited	**55,000**	**54.8**	**550**
Mamoura Diversified Global Holding PJSC	**45,000**	**44.8**	**450**
B ordinary shares			
Key management personnel of the Company	**444**	**0.4**	**444**
	100,444	**100**	**1,444**

2023	No. of shares	%	Issued and paid-up capital USD
Group 42 Holding Limited	550	55	550
Mamoura Diversified Global Holding PJSC	450	45	450
	1,000	100	1,000

16. Additional shareholder's contribution

	2024	2023
	USD'000	USD'000
At 1 January	**2,392,213**	-
Issuance of B ordinary shares *(Note 34)*	**18,999**	-
Acquisition of subsidiaries (*Note 5.2(i-iii)*)	-	2,307,210
Additional contribution during the year *(note 5.2(iv)(a))*	-	85,976
Repayment	-	(974)
Other adjustment	-	1
At 31 December	**2,411,212**	2,392,213

Additional shareholders' contribution is only payable at the discretion of the Company and will not be called for any repayment in future. Hence, this amount has been classified as equity.

Excess of grant date fair value and exercise price of B ordinary shares exercised during the year pursuant to the share-based payment scheme is recognized as a part of additional shareholders' contribution (refer note 34).

Additional contribution in 2023 pertains to amounts received from shareholders to fund the increase of stake in UEMS (refer note 5.2 (iv)(a)).

17. Employees' end of service benefits

	2024	2023
	USD'000	USD'000
At 1 January	**83,840**	1,475
Acquisition through business combinations (*note 5.1/5.2 (i)-(iii)*)	**68**	75,481
Transfers from entities under common control (*note 5.3*)	-	1,458
Included in profit or loss		
Provisions during the year	**20,270**	15,642
Past service cost	-	(17)
Interest cost	**977**	713
Total	**21,247**	16,338
Included in other comprehensive income		
Remeasurement gain	-	(168)
Actuarial (gain) / loss arising from:		
Demographic assumptions	**(412)**	1,212
Financial assumptions	**(601)**	210
Experience adjustments	**(10)**	323
Effect of movement in exchange rates	**(258)**	154
Total	**(1,281)**	1,731
Others		
Benefits paid	**(12,413)**	(13,142)
Transfer from a related party	**1,485**	499
At 31 December	**92,946**	83,840

17. Employees' end of service benefits (*continued*)

The Group sponsors defined benefit arrangements in a number of territories and long service award in France. These are:

	2024 USD'000	2023 USD'000
Defined benefit plans – United Arab Emirates	**68,157**	61,107
Defined benefit plans – Saudi Arabia	**21,242**	18,783
Defined benefit plans – France	**2,056**	2,258
Defined benefit plans – Italy	**926**	1,136
Defined benefit plans – Other	**292**	273
Subtotal	**92,673**	83,557
Liabilities for long service award–leave - France	**273**	283
	92,946	83,840

Saudi Arabia
Saudi Arabia employees are eligible for an End of Service Benefit ("EOSB") calculated on the salary when ending the employment. This is payable to them on cessation of employment on all grounds except for misconduct, negligence, or incompetence. In the case of the company terminating an employee's service for the reasons other than misconduct, negligence, or incompetence, their benefit entitlement is half a month's salary for each year of service thereafter. In the case of an employee resigning with more than two years' service, their benefit entitlement under the EOSB is as follows:

- between two and five years' service: one third of the benefit that would otherwise be paid to them on termination;
- between five and ten years' service: two thirds of the benefit that would otherwise be paid to them on termination;
- for service of more than ten years: 100% of the benefit that would otherwise be paid to them on termination.

At 31 December 2024, the weighted average duration of the defined benefit obligation was 7.6 years (2023: 5.1 years). In 2025, the Group expects to pay USD 2,182 thousand in contributions to its defined benefit plans in Saudi Arabia.

France
In France, the Group provides mandatory retirement arrangement Indemnepart départ a la retraite ("IDR"), whereby a lump sum payment is made to employees on retirement. The lump sum is a service-related proportion of final salary. The arrangement is unfunded. The lump sums paid on retirement are defined by the Collective Bargaining Agreement of the Chemical Industry for one of the French entities and by the Collective Bargaining Agreement of Clinics for the other French entities. A portion of salary is also paid as a lump sum award made on completion of period of long service (on every 5 years anniversary of service completed between ten and forty years) for certain employees, an anniversary payment plan/jubilee. At 31 December 2024, the weighted average duration of the defined benefit obligation was 12 years (2023: 10 years). In 2025, the Group expects to pay USD 104 thousand in contributions to its defined benefit plans in France.

Italy
In Italy, the Group provides statutory defined benefit leaving service indemnities, Trattamento di Fine Rapporto ("TFR"). Employees receive a lump sum payment on termination of their employment for any reason (including retirement). TRF benefits accrued before 1 January 2007 are unfunded and reported on the balance sheet with payment for these benefits occurring when employees leave. With effect from 1 January 2007, employees were allowed to choose to either divert their TRF accrual to an external pension fund or to the Italian Social Security Institute ("INPS"). Under both options, TRF benefits accrued from 1 January 2007 are paid on a defined contribution basis with no additional liabilities arising from these benefits.

Actuarial assumptions
The following were the principal actuarial assumptions at the reporting date

	2024		
	France	**Italy**	**Saudi Arabia**
Discount rate	**3.4%**	**2.9%**	**5.3%**
Future salary increase	**2.5%**	**2.0%**	**4.9%**
Withdrawal rates	**6.5 - 13.6%**	**4%**	**9.3%**

17. Employees' end of service benefits (*continued*)

	2023		
	France	Italy	Saudi Arabia
Discount rate	3.9%	3.3%	4.7%
Future salary increase	2.5 - 3.0%	3.0%	4.7%
Withdrawal rates	10%	4%	15.3%

Assumptions regarding future mortality are based on published statistics and mortality tables for each respective country.

Sensitivity analysis

The table below indicates the sensitivity assumption changes. Holding all other assumptions constant, any change to the below actuarial assumptions, would have affected the defined benefit obligation by percentages shown below:

	2024	
Effect in USD thousand	**Increase**	**Decrease**
Discount rate (1% movement)	**(7.58)**	**8.62**
Salary increase (1% movement)	**8.93**	**(8.00)**
Withdrawal rates (1% movement)	**(0.83)**	**0.73**

	2023	
Effect in USD thousand	Increase	Decrease
Discount rate (1% movement)	(8.70)	9.90
Salary increase (1% movement)	10.20	(9.10)
Withdrawal rates (1% movement)	(1.10)	0.10

18. Lease liabilities

Movement in lease liabilities is as follows:

	2024	2023
	USD'000	USD'000
At 1 January	**204,487**	4,257
Acquisition through business combinations (*note 5.1/5.2 (i)-(iii)*)	**5,587**	214,729
Transfers from entities under common control *(note 5.3)*	**-**	419
Additions during the year	**80,598**	33,157
Finance cost on lease liabilities *(note 27)*	**7,391**	4,142
Payments during the year	**(65,429)**	(51,347)
Termination	**(3,855)**	(3,617)
Effect of movement in exchange rates	**(9,618)**	2,747
Other movement	**(1,373)**	-
At 31 December	**217,788**	204,487

18. Lease liabilities (*continued*)

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

	2024 **USD'000**	2023 USD'000
Current	**53,503**	38,107
Non-current	**164,285**	166,380
At 31 December	**217,788**	204,487

The Group does not face any significant liquidity risk with regard to their lease liabilities. Lease liabilities are monitored within the Company's treasury function. Refer note 29 for maturity analysis of lease liabilities.

19. Loans and borrowings

The Group has obtained bank loans and borrowings from local and foreign banks to finance the business acquisitions and working capital requirements.

	2024 **USD'000**	2023 USD'000
Loans and borrowings comprise of:		
Non-current liabilities		
Term loans from banks	**1,269,021**	1,471,267
Other non-current loans	**17,656**	3
	1,286,677	1,471,270
Current liabilities		
Term loans from banks	**292,349**	317,702
Current loans from credit institutions	**8,176**	61,151
Bank overdraft	**5**	8,272
	300,530	387,125
	1,587,207	1,858,395

The borrowings are classified in the consolidated statement of financial position as follows:

	2024 **USD'000**	2023 USD'000
Current	**300,530**	387,125
Non-current	**1,286,677**	1,471,270
	1,587,207	1,858,395

Movement in loans and borrowings is as follows:

	2024 **USD'000**	2023 USD'000
At 1 January	**1,858,395**	-
Acquisition through business combination (*note 5.1/5.2 (i)-(iii)*)	**1,399**	1,179,664
Additions during the year	**18,389**	1,668,919
Repayments during the year	**(187,964)**	(1,065,031)
Change in bank overdraft	**(58,996)**	60,472
Amortized prepaid borrowing cost	**2,160**	(13,168)
Effect of movement in exchange rates	**(46,176)**	27,539
At 31 December	**1,587,207**	1,858,395

19. Loans and borrowings (*continued*)

Terms and conditions of the outstanding loans were as follows:

	Currency	Interest rate	Year of maturity	Carrying amount USD'000
AED term loan	AED	EIBOR + margin	2028	**730,976**
EUR term loan	EUR	EURIBOR + margin	2028	**697,651**
UEMS term loan	AED	EIBOR + margin	2027	**132,743**
Romania investment loan	EUR	EURIBOR + margin	2029	**16,623**
Saudi Arabia current loan	SAR	SAIBOR + margin	2025	**8,173**
Romania current loan	EUR	EURIBOR + margin	2025	**1,039**
Chile current loan	CLP	4.22%	2025	**2**
				1,587,207

The AED term loan and EUR term loan are secured as follows:

- 1st ranking mortgage over Healthpoint Hospital Building and The Specialist Diabetes Treatment Research Centre (Imperial College London Diabetes Centre – 'ICLDC') land and buildings;
- Assignment of the property all risk insurance policy for ICLDC and Healthpoint;
- Assignment of the Borrower's and Guarantors DAMAN insurance, DOH, ADQCC, DoE and ADEO receivables;
- Assignment of all POS proceeds;

The UEMS term loan is secured as follows:

- 1st ranking over Danat Al Emarat Hospital land and buildings.
- Assignment of property all risk insurance policy for Danat Al Emarat Hospital for Women and Children.
- Assignment of certain Daman & ADNIC insurance receivables.
- Assignment of all POS proceeds.
- Pledge over DSRA and Collection Account.

Financial covenants

As at 31 December 2024, the Group is in compliance with the covenant requirements on all borrowings except for one borrowing related to a subsidiary of the Group. The subsidiary is not in compliance with the requirements on net debt to EBITDA ratio, gearing ratio, facility service coverage ratio and profit service coverage ratio as per the facility agreement of the said borrowing. Borrowing amounting to USD 132,743 thousand is classified as a current liability.

Unutilized credit facilities

As at 31 December 2024, the Group had unused credit revolving facilities of USD 320,415 thousand (2023: USD 204,221 thousand).

Loans and borrowings of USD 1,494,999 thousand (2023: USD 1,712,386 thousand) are from banks which are related parties (note 30).

20. Income taxes

a) Amounts recognized in consolidated statement of profit or loss

	2024 USD'000	2023 USD'000
Current tax		
Charge for the year	**40,383**	27,204
Adjustments in respect of current income tax of previous years	**42**	-
	40,425	27,204
Deferred tax		
Relating to origination and reversal of temporary differences	**(12,086)**	149,362
	(12,086)	149,362
Total	**28,339**	176,566

b) Amounts recognized in other comprehensive income

	2024 USD'000	2023 USD'000
Remeasurement of defined benefit liability / (asset)	**153**	(314)
Total	**153**	(314)

c) Recognized current tax assets and liabilities

	2024 USD'000	2023 USD'000
Current tax assets	**19,733**	15,098
Current tax liabilities	**32,530**	15,693

d) Reconciliation of current tax asset / (liabilities) (net)

	2024 USD'000	2023 USD'000
At 1 January	**(594)**	-
Additions through business combination	**744**	(6,708)
Charge for the year – recognized in profit or loss	**(40,425)**	(27,204)
Payments made	**27,833**	33,393
Effect of movement in exchange rates	**(355)**	(76)
At 31 December	**(12,797)**	(595)

20. Income taxes (*continued*)

e) Recognized deferred tax assets and liabilities

31 December 2024	**Net USD'000**	**Deferred tax asset USD'000**	**Deferred tax liability USD'000**
Property and equipment	**570**	4,386	(3,816)
Intangible assets	**(120,972)**	161	(121,133)
Lease liabilities	**319**	3,529	(3,210)
Employee benefits	**4,808**	4,808	-
Provisions	**60**	98	(38)
Other items	**2,015**	2,742	(727)
Carry forward losses	**5,168**	5,168	-
Relating to enactment of UAE corporate tax*	**(149,926)**	-	(149,926)
Deferred tax assets / (liabilities)	**(257,958)**	**20,892**	**(278,850)**
Set-off tax	**-**	(686)	686
Net deferred tax assets / (liabilities)	**(257,958)**	**20,206**	**(278,164)**

31 December 2023	Net USD'000	Deferred tax asset USD'000	Deferred tax liability USD'000
Property and equipment	3,108	3,997	(889)
Intangible assets	(139,735)	-	(139,735)
Lease liabilities	3,733	3,733	-
Employee benefits	4,373	4,373	-
Provisions	86	125	(39)
Other items	2,992	3,424	(432)
Carry forward losses	496	496	-
Relating to enactment of UAE corporate tax*	(152,583)	-	(152,583)
Deferred tax assets / (liabilities)	(277,530)	16,148	(293,678)
Set-off tax	-	(504)	504
Net deferred tax assets / (liabilities)	(277,530)	15,644	(293,174)

* This relates to the initial recognition of deferred tax liabilities in respect of historical Purchase Price Allocation (PPA) adjustments. While the PPA adjustments relate to corporate transactions completed in prior accounting periods, the deferred tax liability arises due to the introduction of the UAE corporate tax (CT) Law in the UAE, and on the basis that the entities to which those PPA adjustments are attributed should be subject to UAE CT in the future.

f) Reconciliation of deferred tax asset / (liabilities) (net)

	2024 USD'000	2023 USD'000
At 1 January	**(277,530)**	-
Additions through business combination	**-**	(126,094)
Charge for the year – recognized in profit or loss	**12,086**	(149,362)
Charge for the year – recognized in OCI	**(153)**	314
Effect of movement in exchange rates	**7,639**	(2,388)
At 31 December	**(257,958)**	(277,530)

20. Income taxes (*continued*)

g) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	2024 USD'000	2023 USD'000
Tax losses	**219,365**	408,600
Deductible temporary differences	**14,381**	16,149
	233,746	424,749

Tax losses carried forward
Tax losses for which no deferred tax asset was recognized expire as follows:

	2024		2023	
	Expiring Year	**USD'000**	Expiring Year	USD'000
1 year	2025	**2,529**	2024	2,856
2-5 years	2026 - 2030	**18,537**	2025 – 2029	20,125
6-10 years	2031 - 2035	**676**	2030 – 2034	24,481
> 10 years	2036 - onwards	**-**	2035 – onwards	333
	Indefinite	**197,623**	Indefinite	360,805
		219,365		408,600

Deductible temporary differences
Deductible temporary differences for which no deferred tax asset was recognized expire as follows:

	2024		2023	
	Expiring Year	**USD'000**	Expiring Year	USD'000
1 year	2025	**-**	2024	-
2-5 years	2026 - 2030	**13,707**	2025 – 2029	15,432
6-10 years	2031 - 2035	**-**	2030 – 2034	-
> 10 years	2036 - onwards	**-**	2035 – onwards	-
	Indefinite	**674**	Indefinite	717
		14,381		16,149

h) Reconciliation of effective tax rate

	2024		2023	
	%	**USD'000**	%	USD'000
Profit for the year before income taxes		**41,815**		229,120
Tax using parent company's tax rate	**9%**	**3,763**	0%	-
Effect of higher tax rates of subsidiaries operating in foreign jurisdiction	**48.1%**	**20,125**	10.5%	23,983
Non-deductible expenses	**14.7%**	**6,135**	0%	-
Income not subject to tax	**(1.2%)**	**(507)**	0%	-
Share of results of associates and joint ventures	**(0.3%)**	**(118)**	0%	-
Relating to enactment of UAE corporate tax	**-**	**-**	66.6%	152,583
Others	**(2.5%)**	**(1,059)**	0%	-
	67.8%	**28,339**	77.1%	176,566

20. Income taxes (*continued*)

i) Corporate income tax – UAE CT and Pillar Two

UAE Corporate tax

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal corporate tax (CT) regime in the UAE.

The Cabinet of Ministers Decision No. 116 of 2023 specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000 and a rate of 0% on qualifying income of free zone entities.

The Company and its UAE subsidiaries are subject to the provisions of the UAE CT Law with effect from 1 January 2024.

International Tax Reform - Pillar Two model rules

The Organisation for Economic Co-operation and Development ("OECD") has published the Pillar Two Anti Global Base Erosion Rules ("GloBE Rules"), which includes a minimum 15% tax rate by jurisdiction ("Pillar Two"). Various countries have enacted or intend to enact tax legislation to comply with Pillar Two rules. On 9 December 2024, the UAE announced, it will implement a "Domestic Minimum Top-up Tax" (DMTT) effective from 1 January 2025.

The Group will be conducting a comprehensive assessment to analyse the potential impact of the Pillar Two income tax. The assessment is expected to be completed during the year 2025. The Group's current tax expense/(income) related to Pillar 2 Income is USD 207 thousand for the entities of the Group operating in the jurisdiction where Pillar 2 Rules are already implemented.

On 6 February 2025, the UAE released the legislation introducing a Domestic Minimum Top-up Tax ("DMTT") for multinational enterprises ("MNEs"), through the publication of Cases, Provisions, Conditions, Rules, Controls, and Procedures on the Imposition of Top-up Tax on Multinational Enterprises which is applicable from 1 January 2025. For the current year, the taxable income of the Group for UAE CT Law purposes will be subject to the rate of 9% corporate tax.

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

21. Trade and other payables

	2024	2023
	USD'000	USD'000
Trade payables	**218,742**	187,750
Accruals	**231,007**	332,714
Indirect taxes payable	**17,632**	31,510
Interest payable	**3,100**	2,291
Other payables	**76,911**	85,443
	547,392	639,708

The average credit period on the purchase of goods is 90 days (2023:90 days). The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame. No interest is charged on trade and other payables. Included in trade and other payables amount of USD 79,152 thousand (2023: USD 101,037 thousand) pertains to related parties (note 30).

22. Contract liabilities

	2024 USD'000	2023 USD'000
Contract liabilities	**65,249**	81,158

The above amount mainly represents deferred revenue arising from one major contract. This contract has performance obligations (unsatisfied or partially unsatisfied) having aggregated value of USD 54,010 thousand (2023: USD 73,042) which is expected to be recognised as revenue over the remaining tenor of this contract.

23. Revenue

	2024 USD'000	2023 USD'000
Revenue by activity:		
Medical services	**1,726,900**	1,474,181
Operational revenue from projects	**371,001**	359,347
Laboratory services	**182,718**	168,455
Visa screening services	**38,131**	36,693
Trading revenue	**1,388**	996
Gross revenue	**2,320,138**	2,039,672
Less: provision for rejections	**(24,495)**	(17,547)
Less: provision for volume discounts	**(7,377)**	-
Net revenue	**2,288,266**	2,022,125
Other revenue		
Finance lease income	**-**	236
Other revenue	**13,180**	8,341
Total revenue	**2,301,446**	2,030,702
Timing of revenue recognition:		
Services transferred at the point in time	**1,648,924**	1,363,558
Services transferred over time	**652,522**	667,144
	2,301,446	2,030,702

Transaction price allocated to unsatisfied or partly satisfied obligations are as follows:

	2024 USD'000	2023 USD'000
Operational revenue from Projects	**870,434**	872,000

38% of the transaction price allocated to the unsatisfied and / or partially unsatisfied contracts as of the year ended 2024 is expected to be recognised as revenue in 2025 (2023: 33%).

23. Revenue (*continued*)

Geographical concentration of revenue:

	2024 USD'000	2023 USD'000
United Arab Emirates	**1,265,979**	1,278,368
Kingdom of Saudi Arabia	**196,817**	152,385
Spain	**115,081**	85,000
France	**92,915**	69,457
Portugal	**91,662**	68,956
Romania	**91,251**	64,970
United Kingdom	**70,548**	45,671
Poland	**50,836**	37,129
Germany	**49,503**	37,065
Brazil	**44,689**	29,478
Kazakhstan	**41,648**	30,996
Italy	**35,389**	26,912
Chile	**22,244**	17,339
Uruguay	**23,587**	16,832
Others	**109,297**	70,144
	2,301,446	2,030,702

24. Cost of sales

	2024 USD'000	2023 USD'000
Staff cost	**790,262**	659,995
Medical cost	**470,292**	389,245
Laboratory supplies	**93,801**	100,884
Depreciation of property and equipment *(note 6)*	**88,848**	66,007
IT costs	**65,536**	36,415
Housekeeping and maintenance	**45,382**	37,711
Depreciation of right-of-use assets *(note 7)*	**42,171**	34,020
Reference laboratory testing	**12,956**	8,632
Impairment of intangible assets *(note 8)*	**9,158**	-
Impairment of right of use asset *(note 7)*	**5,359**	-
Impairment of property and equipment *(note 6)*	**3,264**	256
Amortization of intangible assets *(note 8)*	**4,172**	740
Impairment of inventory (note 14)	**-**	6,690
Government incentive towards inventories *(note 33)*	**(32,221)**	-
Government incentive towards depreciation *(note 33)*	**(2,279)**	-
Government incentive towards operating expenses *(note 33)*	**(1,852)**	-
Government incentive towards impaired assets *(note 33)*	**-**	(6,946)
(Reversal of)/additional provision for slow moving and obsolete inventories *(note 14)*	**(7,168)**	1,871
Others	**60,569**	59,604
	1,648,250	1,395,124

25. General and administrative expenses

	2024 USD'000	2023 USD'000
Staff cost *	**288,814**	202,928
IT, facilities, finance, etc.	**54,463**	59,178
Amortization of intangible assets *(note 8)*	**53,636**	45,153
Legal and professional fees **	**46,748**	66,706
Depreciation of property and equipment *(note 6)*	**19,200**	17,821
Advertising and marketing	**15,341**	17,774
Depreciation of right-of-use assets *(note 7)*	**12,352**	10,034
Impairment of property and equipment *(note 6)*	**-**	6,836
Impairment of intangible assets *(note 8)*	**-**	96
Government incentive towards impaired assets *(note 33)*	**-**	(6,932)
Penalties and fines	**4**	681
Government incentive towards operating expenses *(note 33)*	**(1,032)**	-
Government incentive towards depreciation *(note 33)*	**(99)**	-
Others ***	**17,966**	22,402
	507,393	442,677

* Includes share-based payment expenses amounting to USD 37,999 thousand, (2023: USD Nil) (refer note 34).
**Legal and professional fees include audit fees and non-assurance fees amounting to USD 2,922 thousand and USD 195 thousand, respectively (2023: audit fees and non-assurance fees amounted to USD 466 thousand and USD 95 thousand, respectively).
*** Includes social contributions made during the year amounting to USD 2,723 thousand (2023: USD Nil) (refer note 1).

26. Other income

	2024 USD'000	2023 USD'000
Gain on sale of associate *(note 9)*	**6,511**	2,315
Subsidies and income from health authorities	**6,079**	4,201
Reconciliation settlement from Daman and other payors	**3,367**	7,762
Gain on sale of property and equipment	**3,337**	1,048
Governance and other support services income	**2,970**	-
Clinic-related other income	**2,177**	1,235
Insurance compensation	**1,563**	5
Laboratory services and clinical studies	**1,456**	1,417
Reversal of provisions	**169**	17,217
Change in fair value contingent consideration	**-**	321
Others *	**4,033**	8,632
	31,662	44,153

* On 18 February 2024, the Group sold its 51.34% stake in Reproduction Consultants Center LLC for a total consideration of USD 6,295 thousand. The carrying value of the net assets of the said subsidiary as on the date of the sale was USD 4,228 (including goodwill of USD 2,222 thousand), resulting in a gain of USD 2,067 thousand which is recognised as other income during the year.

27. Finance costs

	2024 USD'000	2023 USD'000
Finance costs on loans and borrowings	**107,563**	74,273
Finance costs on lease liabilities *(note 18)*	**7,391**	4,142
Net foreign exchange loss	**2,030**	5,499
Others	**1,345**	216
	118,329	84,130

28. Finance income

	2024 USD'000	2023 USD'000
Finance income on term deposits	**27,967**	33,538
Finance income on loan to shareholder	**3,807**	7,590
Net foreign exchange gain	**47**	1,460
Realised gain on flexi forward contracts	**-**	37,302
Others	**1,353**	-
	33,174	79,890

29. Financial instruments and risk management

a. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and liabilities.

	Carrying amount				
31 December 2024 USD'000	**Mandatory at fair value through profit & loss**	**Financial assets measured at amortised cost**	**Other financial liabilities**	**Total**	**Fair Value**
Financial receivables measured at fair value					
Contingent consideration	-	-	-	-	-
Financial assets not measured at fair value					
Non-current receivables	-	4,717	-	**4,717**	-
Trade receivables	-	130,938	-	**130,938**	-
Receivables from related parties	-	274,257	-	**274,257**	-
Contract assets	-	195,798	-	**195,798**	-
Term deposits	-	942	-	**942**	-
Cash and cash equivalents	-	757,338	-	**757,338**	-
Total	-	**1,363,990**	-	**1,363,990**	-
Financial liabilities measured at fair value					
Contingent consideration	(6,181)	-	-	**(6,181)**	(6,181)
Total					
Financial liabilities not measured at fair value					
Loans and borrowings	-	(1,587,207)	-	**(1,587,207)**	-
Trade payables	-	-	(449,745)	**(449,745)**	-
Payables to related parties	-	-	(79,152)	**(79,152)**	-
Total	-	**(1,587,207)**	**(528,897)**	**(2,116,104)**	-

29. Financial instruments and risk management

a. Accounting classifications and fair values (*continued*)

31 December 2023 USD'000	Carrying amount Mandatory at fair value through profit & loss	Financial assets measured at amortised cost	Other financial liabilities	Total	Fair Value
Financial receivables measured at fair value					
Contingent consideration	315	-	-	315	315
Total	315	-	-	315	315
Financial assets not measured at fair value					
Non-current receivables	-	5,798	-	5,798	-
Trade receivables	-	243,480	-	243,480	-
Loan to related parties	-	95,211	-	95,211	-
Receivables from related parties	-	221,451	-	221,451	-
Contract assets	-	203,229	-	203,229	-
Term deposits	-	3,501	-	3,501	-
Cash and cash equivalents	-	839,799	-	839,799	-
Total	-	1,612,469	-	1,612,469	-
Financial liabilities measured at fair value					
Contingent consideration	(12,349)	-	-	(12,349)	(12,349)
Total	(12,349)	-	-	(12,349)	(12,349)
Financial liabilities not measured at fair value					
Loans and borrowings	-	(1,858,395)	-	(1,858,395)	-
Trade payables	-	-	(506,218)	(506,218)	-
Payables to related parties	-	-	(101,037)	(101,037)	-
Total	-	(1,858,395)	(607,255)	(2,465,650)	-

Fair value hierarchy

Financial instruments carried at fair value are valued according to the following three levels:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within level 1 that are observable for the assets or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data.

31 December 2024 **USD'000**	Level 1	Level 2	Level 3	Total
Contingent consideration receivables	-	-	-	-
Contingent consideration liabilities	-	-	(6,181)	(6,181)
	-	-	(6,181)	(6,181)

31 December 2023 USD'000	Level 1	Level 2	Level 3	Total
Contingent consideration receivables	-	-	315	315
Contingent consideration liabilities	-	-	(12,349)	(12,349)
	-	-	(12,034)	(12,034)

29. Financial instruments and risk management (*continued*)

b. Measurement of fair value

The following table shows the valuation techniques used for measuring level 2 and 3 fair values.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
Contingent consideration	Discounted cash flow: The valuation model considers the present value of expected payment (+/-), discounted using a risk adjusted discount rate. The expected payment (+/-) is determined by considering the possible scenarios depending on the disposal business/business combination. It can vary between forecasted revenue, EBITDA or other factors, the amount to be paid and the probability of each scenario.	Risk-adjusted discount rates: 4.7% EBITDA margin. Annual revenue growth.	The estimated fair value would increase if: - The annual leave growth rate were higher. - The EBITDA margin were higher. - The risk-adjusted discount rate were lower. Generally, a change in the annual revenue growth rate is accompanied by a directionally similar change in EBITDA margin.

Contingent consideration

The table shows reconciliation from the opening to the closing balance.

	Receivables		Liabilities	
USD'000	**2024**	2023	**2024**	2023
Opening balance	**315**	-	**12,349**	-
Acquisition through business combination	**-**	696	**3,934**	13,931
Settlements	**(315)**	-	**(9,659)**	(3,775)
Recognised in the consolidated statement of other comprehensive income				
Change in fair value	**-**	(381)	**409**	1,412
Interest expense	**-**	-	**286**	440
Effect of movement in exchange rates	**-**	-	**(1,138)**	341
	-	315	**6,181**	12,349

c. Financial risks management

The Group's principal financial liabilities comprise term loans, lease liabilities, accruals, amounts due to related parties, contract liabilities, trade payables and other payables. The Group has various financial assets such as trade receivables, contract assets, due from related parties, other receivables, bank balances and term deposits.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk, and liquidity risk.

29. Financial instruments and risk management (*continued*)

c. Financial risks management (*continued*)

Interest rate risk
Interest rate risk arises from the possibility that changes in interest rates will affect the value of financial instruments.

The Group is exposed to interest rate risks on its interest-bearing term loans and bank deposits.

The following table demonstrates the sensitivity of the consolidated statement of comprehensive income to reasonably possible changes in interest rates, with all other variables held constant. There is no impact on the Group's equity.

	Increase (decrease) in basis points	**Effect on income for the year ended 31 December 2024** USD'000	Effect on income for the year ended 31 December 2023 USD'000
AED	100	8,679	9,700
AED	(100)	(8,679)	(9,700)
EUR	100	7,304	8,209
EUR	(100)	(7,304)	(8,209)
SAR	100	85	599
SAR	(100)	(85)	(599)
RON	100	184	-
RON	(100)	(184)	-

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties. For the Group, credit risk principally arises from trade and other receivables.

Cash and cash equivalents
The Group held bank balances in various currencies, with a balance amounting to USD 757,338 thousand at 31 December 2024 (USD 839,414 thousand at 31 December 2023), which represents its maximum credit exposure on these assets. The bank balances are held with banks which have reputable credit ratings.

Exposure to credit risk
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows:

	2024 USD'000	2023 USD'000
Bank balances *(note 10)*	**757,338**	839,414
Term deposits *(note 10)*	**942**	3,501
Non-current receivables	**4,717**	5,798
Trade and other receivables	**130,938**	243,480
Loan to related parties *(note 11)*	**-**	95,211
Contract assets *(note 13)*	**183,294**	203,229
Due from related parties	**274,256**	221,451
	1,351,485	1,612,084

29. Financial instruments and risk management (*continued*)

c. Financial risks management (*continued*)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. The Group limits its liquidity risk by ensuring that operational cash flows are available and place term deposits. Trade payables are normally settled within 90 days from the date of the receipt of invoice.

The table below summarizes the maturities of the Group's financial liabilities at 31 December 2024 and 31 December 2023, based on contractual payment dates and current market interest rates.

		Contractual cash flow		
31 December 2024	**Carrying amount USD'000**	**Total USD'000**	**Less than 1 year USD'000**	**Greater than 1 year USD'000**
Loans and borrowings *(note 19)*	1,587,207	1,685,538	329,523	1,356,015
Contingent consideration	6,181	6,390	4,705	1,685
Lease liabilities *(note 18)*	217,788	283,675	61,793	221,882
Due to related parties	79,152	79,152	79,152	-
Trade and other payables	449,745	449,745	449,745	-
	2,340,073	**2,504,500**	**924,918**	**1,579,582**

		Contractual cash flow		
31 December 2023	Carrying amount USD'000	Total USD'000	Less than 1 year USD'000	Greater than 1 year USD'000
Loans and borrowings *(note 19)*	1,858,395	2,038,736	438,187	1,600,549
Contingent consideration	12,349	12,645	9,757	2,888
Lease liabilities *(note 18)*	204,487	258,415	52,045	206,370
Due to related parties	101,037	101,037	101,037	-
Trade and other payables	506,218	506,218	506,218	-
	2,682,486	2,917,051	1,107,244	1,809,807

Currency risk – translation risk

This risk arises when consolidating foreign operations that do not have AED / USD as their functional currencies. The Group's policy is to not hedge these investments.

Sensitivity analysis

A movement of USD as indicated below, against various currencies as at reporting date would have increased / decreased the net investments as shown below. This analysis assumes that all other variables remain constant and is based on foreign currency exchange rate variance against USD of + / - 5%.

	2024		2023	
		Impact on		
USD'000	**Net investment**	**Equity arising from exchange rate fluctuation**	Net investment	Impact on Equity arising from exchange rate fluctuation
EUR	**1,166,877**	**58,344**	1,152,599	63,658
RON	**88,920**	**4,280**	110,959	5,548
SAR	**73,803**	**3,552**	77,090	3,854
BRL	**66,231**	**3,188**	72,636	3,632
PLN	**38,019**	**1,830**	38,688	1,934
SGD	**37,266**	**1,794**	37,245	1,862
SEK	**68,805**	**3,311**	15,982	799
Others	**144,906**	**6,974**	81,148	4,058

30. Related party transactions and balances

Related Party disclosures include associate companies, major shareholders, directors and other key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Management approves prices and terms of payment for these transactions and these are carried out at mutually agreed rates.

The Group, in the ordinary course of business, enter into transactions, with other business enterprises or individuals that fall within the definition of related parties contained in International Accounting Standard 24. The Group has a related party relationship with the Government of Abu Dhabi, directors and executive officers (including business entities over which they can exercise significant influence, or which can exercise significant influence over the Group).

The Company is partially owned by a Government of Abu Dhabi owned entity. The Group has elected to use the exemption under IAS 24 'Related Party Disclosures' for Government related entities on disclosing transactions and related outstanding balances with government related parties owned by the Government of Abu Dhabi and entities it owns and controls. The Group provides services in the normal course of business to entities owned and controlled by the Government of Abu Dhabi. The Group has significant transactions and maintains significant balances with these related parties, which arise from commercial transactions. Transaction with related parties included in the consolidated financial statements includes the following:

	2024	2023
	USD'000	USD'000
Revenue		
Entities under common control	**3,350**	-
Associated entities	**892,997**	790,248
	896,347	790,248
Purchases of goods and services		
Entities under common control	**70,411**	53,833
Associated entities	**60,435**	38,434
	130,846	92,267
Other income		
Parent and shareholder	**45,905**	53,833
Associated entities	**2,544**	38,434
	48,449	92,267
Additional shareholder's contribution		
Shareholder	**-**	85,976
Loans provided to / (repaid by) related parties		
Parent company and shareholder	**(77,174)**	(146,678)
Non-controlling shareholder in a subsidiary	**(21,864)**	21,864
	(99,038)	(124,814)
Transfer of employees' end of service benefits		
Entities under common control	**1,485**	499

30. Related party transactions and balances (*continued*)

The Group maintains significant balances with related parties which arise from commercial transactions as follows

	2024 USD'000	2023 USD'000
Amounts due from related parties		
Included under trade and other receivables		
Entities under common control	**8,669**	104,868
Associated entities	**196,640**	116,516
Parent company and shareholder	**43,135**	-
Shareholder	**67**	67
	248,511	221,451
Included in contract assets		
Associated entities	**25,745**	52,818
	25,745	52,818
Loans to related parties		
Parent company and shareholder	-	73,347
Non-controlling shareholder in a subsidiary	-	21,864
	-	95,211
Amounts due to related parties		
Included under trade and other payables		
Entities under common control	**40,823**	76,939
Associated entities	**38,329**	24,098
	79,152	101,037
Included in lease liabilities		
Associated entities	**826**	2,154
	826	2,154

Cash at bank of USD 641,702 thousand (2023: USD 672,322 thousand) pertains to banks which are related parties (note 10).

Loans and borrowings of USD 1,494,999 thousand (2023: USD 1,712,386 thousand) are from banks which are related parties (note 19) .

Compensation of key management personnel

The remuneration of key management personnel during the year were as follows:

	2024 USD'000	2023 USD'000
Salaries and short-term benefits	**9,925**	11,469
Post-employment benefits	**1,736**	1,736
Share-based payments (note 34)	**37,999**	-
	51,681	13,205

On 1 January 2023, the Group acquired 100% of the issued share capital of a subsidiary from the Parent Company at a consideration of nil (note 5.3).

31. Non-controlling interest

The following subsidiaries/subgroups have material NCI:

	Location	Ownership interest held by NCI	
		2024	2023
Portugal subgroup	Portugal	**17.75%**	5-33%
Malaysia subgroup	Malaysia	**0%**	25%
United Eastern Medical Services LLC	United Arab Emirates	**26.67%**	26.67%

The following is a summarized financial statements on the Group's non-controlling interest. It is prepared in accordance with IFRS, modified for fair value adjustments on acquisition. The information is before intercompany eliminations in the group.

2024	**Portugal subgroup USD'000**	**Malaysia subgroup USD'000**	**United Eastern Medical Services LLC USD'000**	**Total USD'000**
Summarized consolidated statement of financial position				
Current assets	22,368	-	53,988	76,356
Current liabilities	(1,037)	-	(179,712)	(180,749)
Net current assets (liabilities)	21,331	-	(125,724)	(104,393)
Non-current assets	3,900	-	381,538	385,438
Non-current liabilities	(1,749)	-	(13,076)	(14,825)
Net non-current assets	2,151	-	368,462	370,613
Net assets	23,482	-	242,738	266,220
Non-controlling interest (NCI)*	4,355	-	133,150	137,505

2024	**Portugal subgroup USD'000**	**Malaysia subgroup USD'000**	**United Eastern Medical Services LLC USD'000**	**Total USD'000**
Summarized consolidated statement of comprehensive income				
Revenue	6,307	-	153,153	159,460
Profit (loss) for the year	1,904	-	(46,329)	(44,425)
Other comprehensive income	-	-	-	-
Total comprehensive income (loss)	1,904	-	(46,329)	(44,425)
Profit allocated to NCI	310	-	(13,343)	(13,033)
Dividends paid to NCI	190	-	-	190

2023	Portugal subgroup USD'000	Malaysia subgroup USD'000	United Eastern Medical Services LLC USD'000	Total USD'000
Summarized consolidated statement of financial position				
Current assets	38,524	2	180,164	218,690
Current liabilities	6,073	-	191,711	197,784
Net current assets (liabilities)	32,451	2	(11,547)	20,906
Non-current assets	2,041	-	175,169	177,210
Non-current liabilities	1,818	-	13,547	15,365
Net non-current assets	223	-	161,622	161,845
Net assets	32,674	2	150,075	182,751
Non-controlling interest (NCI)*	6,306	1	161,727	168,034

31. Non-controlling interest (*continued*)

2023	Portugal subgroup USD'000	Malaysia subgroup USD'000	United Eastern Medical Services LLC USD'000	Total USD'000
Summarized consolidated statement of comprehensive income				
Revenue	8,013	5	189,279	197,297
Profit (loss) for the year	2,866	50	(9,764)	(6,848)
Other comprehensive income	-	2	-	2
Total comprehensive income (loss)	2,866	52	(9,764)	(6,846)
Profit allocated to NCI	346	24	(2,831)	(2,461)
Dividends paid to NCI	178	-	-	178

**NCI is calculated after PPA adjustments*

32. Contingencies and commitments

The Group has the following contingent liabilities and commitments outstanding at 31 December:

	2024 USD'000	2023 USD'000
Contractual capital commitments	**35,495**	22,875
Bank and other guarantees	**145,391**	74,280
	180,886	97,155

Bank and other guarantees have been issued in the normal course of business.

33. Government grants

Deferred government grant

Deferred government grant arises on purchase of equipment and inventory as a result of an incentive of USD 26,104 thousand received as a reimbursement to the Group as part of a government's initiative to enhance its artificial intelligence capabilities.

This income is be recognized in the consolidated statement of profit or loss on a straight-line basis over the useful life of the related equipment or on consumption of the related inventory. During the year an amount of USD 34,599 thousand is recognized in the consolidated statement of profit or loss. There are no unfulfilled conditions or other contingencies attached to this incentive.

Grant income on operational expenditure

During the year, the Group recognized reimbursement of expenses of USD 2,884 thousand as a result of an incentive as part of a government's initiative to enhance its artificial intelligence capabilities. There are no unfulfilled conditions or other contingencies attached to this incentive.

In December 2023, government grant of USD 13,878 thousand was recognized as part of a government's initiative to enhance the Company's artificial intelligence capabilities through the replacement of legacy infrastructure with upgraded hardware and software products. As a result, the legacy assets were impaired and an equivalent amount of grant was recognized.

33. Government grants (*continued*)

The government grant income has been allocated as follows:

	2024	2023
	USD'000	USD'000
Government incentive towards depreciation and impairment of property and equipment (note 24 and 25)	**2,378**	7,092
Government incentive towards impaired intangible assets (note 8)	**-**	96
Government incentive towards operating expenses (note 24 and 25)	**2,884**	-
Government incentive towards inventories (note 24)	**32,221**	6,690
	37,483	13,878

The movement in deferred government grant is as follows:

	2024	2023
	USD'000	USD'000
At 1 January	**-**	-
Additions during the year	**63,587**	-
Government grant income recognized during the year	**(37,483)**	-
At 31 December	**26,104**	-

Deferred government grant is classified in the consolidated statement of financial position as follows:

	2024	2023
	USD'000	USD'000
Current	**13,442**	-
Non-current	**12,662**	-
	26,104	-

34. Share-based payments

On 21 December 2024, the Group granted equity-settled share-based payments to certain entitled key management personnel to purchase B ordinary shares in the Company. The said scheme is effective from 1 January 2023.

The key terms and conditions related to the grant are as follows; these options are to be settled by issuance of shares.

Grant date	**Number of B ordinary shares**	**Vesting conditions**
21 December 2024	1,781	Service and non-market performance conditions over 4 years from the effective date

Of the above, 444 B ordinary shares were vested and issued in 2024. The Group recognized additional shareholder contribution of USD 18,999 thousand towards the shares that were vested and issued in 2024 (notes 15 and 16). For the remaining shares that are expected to vest, the Group recognized USD 19,000 thousand as other reserves.

The key inputs used in the measurement of fair values at grant date of the equity-settled share-based payments are as follows:

	Tranche 1 & 2	**Tranche 3**	**Tranche 4**
Fair value at grant date (USD'000)	43	38	55
Exercise price (USD)	1	1	1
Illiquidity discount	10%	10%	10%
EV / EBITDA	12.6x	12.6x	12.6x

In 2024, the Group recognized an expense of USD 37,999 thousand towards the said share-based payment scheme in the statement of profit or loss.

35. Impairment

As at 31 December 2024, the management carried out impairment testing of one of its CGUs as required by IAS 36 *Impairment of Assets*. The carrying value of the CGU exceeded the estimated recoverable amount and hence an impairment loss has been recorded.

The recoverable amount has been computed based on value in use approach derived from financial projections made for a five-year period plus a terminal value thereafter. The methodology used for the estimation of fair value less cost to sell was Discounted Cash Flow ("DCF").

Value in use was determined by discounting cash flows and was based on the following key assumptions:

- Financial projections: The financial projections were based on the five-year approved business plan.
- Terminal value: The terminal value was computed using the perpetual growth rate assumed at 4%.
- Discount rate: The discount rate represents the current market assessment of the risks specific to each Group and has been estimated according to the Weighted Average Cost of Capital ("WACC") calculated at 8.95%.
- EBITDA exit multiple: The last twelve months EBITDA exit multiple assumed at 12.6x.

The table below summarizes the combined value in use of the assets that incurred impairment as at 31 December 2024 along with the amount of impairment.

	Property and equipment USD'000	**Intangible assets USD'000**	**Right of use assets USD'000**	**Total USD'000**
Carrying value	**12,482**	**10,448**	**20,496**	**43,426**
Impairment loss	**(3,264)**	**(9,158)**	**(5,359)**	**(17,781)**
	9,218	**1,290**	**15,137**	**25,645**

The impairment loss has been allocated in the statement of profit or loss as follows:

	2024 USD'000	2023 USD'000
Cost of sales *(note 24)*	**17,781**	**-**
	17,781	**-**

36. Subsequent events

In January 2025, the Company, through its subsidiary, acquired 2 renal clinics in Germany for a consideration of USD 5,115 thousand.

In March 2025, the Company, through its subsidiary, acquired stake in a renal clinic in Malaysia for a consideration of USD 577 thousand.

In April 2025, the Company, through its subsidiary, divested its stake held in United Al Mashariq Medical Services LLC for a consideration of USD 6,325 thousand.

In May 2025, the Company acquired a minority stake in a longevity biotech company for a consideration of USD 10,000 thousand.

In May 2025, the Company, through its subsidiary, acquired stake in a renal clinic in Brazil for a consideration of USD 1,317 thousand.

In May 2025, the Company, through its subsidiary, acquired stake in a renal clinic in Portugal for a consideration of USD 6,717 thousand.

In May 2025, one of the subsidiaries of the Company received an unfavorable judgement on a legal case. Potential payout arising from this judgement exceeds the carrying value of the liability by USD 2,861 thousand. An appeal has been filed against the judgement in June 2025.

36. Subsequent events (*continued*)

In July 2025, one of the subsidiaries of the Company entered into a sale and purchase agreement to sell its 73.33% stake in In Vitro Fertilisation and related businesses in exchange for 26.67% of UEMS plus cash consideration. This transaction is expected to be completed in Q4 2025.

In July 2025, the Company, through its subsidiary, acquired stake in a renal clinic in Brazil for a consideration of USD 12,227 thousand.

37. Authorization of the consolidated financial statements

The consolidated financial statements were approved by the Board of Directors and authorized for issue on 7 October 2025.