Initiation Report

July 29 2024

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Pure Health Holding

Pioneering strategic health ventures within and beyond the UAE.

- **Pure Health is the largest vertically integrated healthcare group in the UAE, running the only payor provider model through a cross-category platform covering hospitals, labs, insurance, pharmacies and procurement, with a sizeable and growing footprint in the UK and the US. The group is majority-owned and backed by the Government of Abu Dhabi through key entities including ADQ, Alpha Dhabi Holding and IHC.**
- **The group drives c.90% and c.85% of its revenues and EBITDA from hospitals and health insurance in FY 24-26e, with a growing P&L from procurement as Rafed expands its private customer base beyond Pure Health operations.**
- **We initiate coverage with a Core Buy rating (2% weight reducing DIB) at a FVE of AED 6.10/share, implying 50%+ upside reflecting the group's multidimensional growth prospects (mandatory insurance in the Northern Emirates, UAE brownfield expansions, rising mix of self payors in the UK).**

Leveraging advantages that stem from its public ownership structure: Beyond the operation of key public sector assets including the UAE's healthcare safety net SEHA and national insurance provider Daman, the group enjoys contracts exclusivity (Thiqa, Basic portfolio in Abu Dhabi, ABMs and Non-ABMs), and access to funding and resources for future expansions, in addition to cross selling opportunities (potential extension from a monoliner health insurance to include P&C insurance) to a wide array of key UAE companies.

Group net revenues to grow at 17% CAGR in FY 23-29e: We run granular forecasts across Pure Health's five distinct verticals, with upside risk to our numbers should the group expand its addressable market beyond current services (P&C insurance, retail pharmacies), and successfully lead further M&A activities. Recently acquired SSMC and recently launched STMC (combined c.33% of SEHA bed count) to drive local hospitalization growth in the medium-term, in parallel supported by rising occupancy rates thanks to higher patient traffic at existing network.

Introduction of mandatory insurance in the Northen Emirates, expected in 2025, unlocks potential for c.1.2m new members (Emirati citizens + expats). Daman could potentially target opportunities in the government-funded schemes and the employer-funded market. Daman reports steady market share gains (up from 23% in 2020 to c.27% in 2024) with estimated 9.8% CAGR in GWPs outpacing 6.1% increase in addressable market in 2020-24e.

Growing international footprint through active M&A: Circle Health, the group's second largest acquisition to date after SEHA, is poised for 5% revenue CAGR on our conservative estimates, amid rising demand for private healthcare in the UK. Furthermore, significant minority share in Ardent (recently listed on NYSE, trading 33.2x P/E) adds over 30 US hospitals and 200 care sites to Pure Health's network.

We value the health conglomerate through two valuation exercises, assigning a 50% weight to each of the (i) group DCF approach and (ii) SotP of each of the five verticals using relative valuation based on a combination of forward EV/EBITDA and P/B, and arrive at a weighted EV of AED 72.5bn for the group. We discount net debt of c.AED 6.6bn (AED 14.7bn in borrowings including lease liabilities, vs. AED 8bn in cash as of Q1 24A), add AED 1.86bn from Ardent (market value of 21.5% stake). Our calculations result in a total equity value of AED 67.8bn or AED 6.10/share, with upside potential from future M&A.

Pure Health's recent increase in free float could pave the way for an MSCI inclusion, with an estimated USD199m inflows (21.7 DTT) if included in the November rebalance. The stock's ffmcap (20.1% FF, per ADX data) is currently close to the meeting the size inclusion requirements as it is 2.5% below the current cut-off, and 3.5% below our new estimated cut-off. We note that the stock's ffmcap was above the current cut-off at the first day of the tracking period for the August rebalance hence if the cut-off does not increase, Pure Health could be included at the upcoming August rebalance (our conviction that the cut-off will increase is high).

Core BUY **AED 6.10**

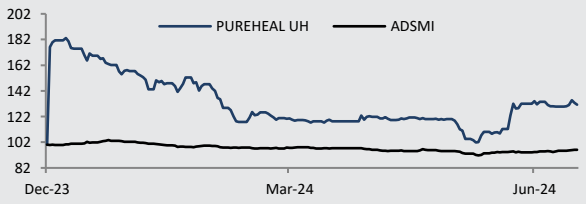
Healthcare and Pharmaceuticals / UAE

Bloomberg code	PUREHEAL UH
Market index	ADSMI
Target Price	6.10
Upside (%)	54%

Market data	**7/26/2024**
Last closing price	3.97
52 Week range	3.3-6.1
Market cap (AED m)	44,111
Market cap (USD m)	12,019
Average Daily Traded Value (AED m)	33.0
Average Daily Traded Value (USD m)	8.9
Free float (%)	53%

Year-end (local m)	2023	2024e	2025e	2026e
Revenues	16,399	28,138	31,146	33,896
EBITDA	2,437	4,341	5,258	6,355
Net income	965	2,050	2,782	3,748
EPS	0.09	0.18	0.25	0.34
P/E (current price)	45.7	21.5	15.9	11.8
BVPS	1.4	1.6	1.8	2.1
P/B (current price)	2.75	2.51	2.23	1.93
EV/EBITDA (x)	20.7	11.6	9.6	7.9
Div. yield (%)	0.7	1.3	1.3	1.4
FCF margin (%)	12.7	(7.1)	9.6	11.7
Net Debt/EBITDA (x)	(3.5)	2.0	1.2	0.6
Net Debt/Capital (%)	(0.5)	0.3	0.2	0.1
Interest cover (x)	12.5	3.3	4.0	5.2
RoAA (%)	3.7	5.4	5.8	7.4
RoAE (%)	7.0	12.2	14.9	17.6
RoIC (%)	5.4	6.3	8.4	10.4

Price Performance



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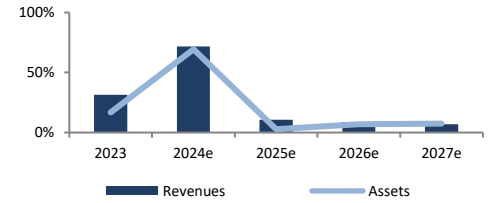
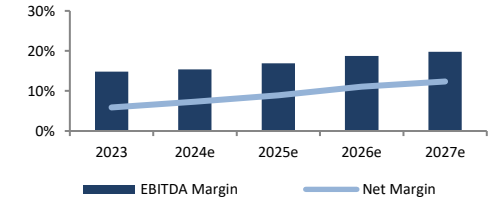
Abacus

Arqaam Capital Fundamental Data

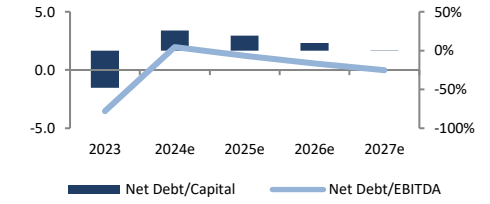
Profitability



Growth



Gearing



Pure Health Holding

Year-end	2022	2023	2024e	2025e	2026e	2027e
Financial summary						
Reported EPS	0.33	0.09	0.18	0.25	0.34	0.40
Diluted EPS	0.33	0.09	0.18	0.25	0.34	0.40
DPS	0.28	0.03	0.05	0.05	0.06	0.06
BVPS	1.02	1.45	1.58	1.78	2.06	2.41
Weighted average shares	5,556	11,111	11,111	11,111	11,111	11,111

Year-end	2022	2023	2024e	2025e	2026e	2027e
Valuation metrics						
P/E (x) (current price)	11.9	45.7	21.5	15.9	11.8	9.8
P/E (x) (target price)	18.2	70.2	33.0	24.4	18.1	15.1
EV/EBITDA (x) (current price)	11.9	20.7	11.6	9.6	7.9	7.0
EV/EBITDA (x) (target price)	17.1	29.7	16.7	13.8	11.4	10.1
EV/FCF (x)	12.9	24.2	(25.2)	16.8	12.7	10.7
Free cash flow yield (%)	8.9	4.7	(4.6)	6.8	9.0	10.7
Dividend yield (%)	6.9	0.7	1.3	1.3	1.4	1.5

Year-end	2022	2023	2024e	2025e	2026e	2027e
Growth (%)						
Revenues		31.3	71.6	10.7	8.8	7.0
EBITDA		(42.5)	78.1	21.1	20.9	12.8
EBIT		(61.8)	94.5	32.6	28.2	17.8
Net income		(74.1)	112.5	35.7	34.7	19.6

Year-end	2022	2023	2024e	2025e	2026e	2027e
Margins (%)						
EBITDA	33.9	14.9	15.4	16.9	18.7	19.8
EBIT	30.9	9.0	10.2	12.2	14.4	15.8
Net	29.8	5.9	7.3	8.9	11.1	12.4

Year-end	2022	2023	2024e	2025e	2026e	2027e
Returns (%)						
RoAA	30.9	3.7	5.4	5.8	7.4	8.2
RoAE	65.6	7.0	12.2	14.9	17.6	18.1
RoIC	28.4	5.4	6.3	8.4	10.4	11.5
FCF margin	31.5	12.7	(7.1)	9.6	11.7	13.0

Year-end	2022	2023	2024e	2025e	2026e	2027e
Gearing (%)						
Net debt/Capital	(38.5)	(47.8)	25.8	19.3	9.6	(0.5)
Net debt/Equity	(45.0)	(53.6)	48.7	32.8	15.3	(0.8)
Interest cover (x)	86.5	12.5	3.3	4.0	5.2	6.3
Net debt/EBITDA (x)	(1.2)	(3.5)	2.0	1.2	0.6	-

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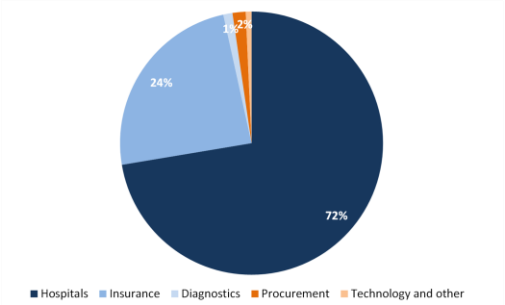
Abacus *Arqaam Capital Fundamental Data*

Company profile

Pure Health is the largest vertically integrated healthcare group in the UAE with a cross-category platform covering hospitals, clinics, diagnostics, insurance, pharmacies, research, health tech, procurement along with more recently, an international footprint in the US with a significant minority in Ardent (30 hospital network, and 4th largest private acute care hospital operator across the US) and Circle Health, the largest private hospital network across the UK with a network of 51 hospitals.

Group Operational Highlights		
Hospitals	Clinics	Labs
100+	300+	147+
Employees	Members insured	Annual claims processed
56,000+	3m+	50m+

Revenue mix (Q1 24A)



Ownership & Management

Major Shareholders	%
Q Health (ADQ)	40.5
Alpha Dhabi Holding	24.9
International Holding Company	6.5
AH Capital	5.6

Management	
Chairman	Hamad Abdulla Mohamed Alshorafa Alhammadi
Founder & MD	Farhan Malik
CEO	Shaista Asif
CFO	Manzoor Ahmad

Pure Health Holding

Year-end	2022	2023	2024e	2025e	2026e	2027e
Income statement (AEDm)						
Sales revenue	12,486	16,399	28,138	31,146	33,896	36,261
SG&A	(8,631)	(14,927)	(25,274)	(27,350)	(29,029)	(30,526)
EBIT	**3,855**	**1,472**	**2,864**	**3,797**	**4,866**	**5,734**
Net interest income(expense)	(45)	(117)	(858)	(956)	(941)	(906)
Associates/affiliates	-	25	100	108	117	127
Exceptionals/extraordinaries	-	-	-	-	-	-
Other pre-tax income/(expense)	475	4	153	122	98	-
Profit before tax	**4,286**	**1,384**	**2,259**	**3,071**	**4,141**	**4,956**
Taxes	-	(419)	(209)	(289)	(393)	(474)
Other post-tax income/(expense)	-	-	-	-	-	-
Net profit (group)	**4,286**	**965**	**2,050**	**2,782**	**3,748**	**4,482**
Minorities	(567)	-	-	-	-	-
Net profit (parent)	**3,718**	**965**	**2,050**	**2,782**	**3,748**	**4,482**
Arqaam adjustments (including dilution)	-	-	-	-	-	-
Arqaam Net profit	**3,718**	**965**	**2,050**	**2,782**	**3,748**	**4,482**

Year-end	2022	2023	2024e	2025e	2026e	2027e
Balance sheet (AEDm)						
Cash and equivalents	7,003	10,560	6,971	7,355	9,905	12,997
Receivables	5,947	4,681	12,657	13,883	14,969	15,864
Inventories	600	741	1,434	1,543	1,622	1,694
Tangible fixed assets	3,364	3,070	16,887	16,512	16,180	15,965
Other assets including goodwill	7,191	9,123	9,760	9,748	9,742	9,759
Total assets	**24,105**	**28,175**	**47,710**	**49,040**	**52,418**	**56,278**
Payables	5,841	4,964	8,461	9,275	9,943	10,584
Interest bearing debt	1,903	1,956	15,514	13,831	13,405	12,786
Other liabilities	5,031	5,198	6,183	6,183	6,183	6,183
Total liabilities	**12,774**	**12,118**	**30,159**	**29,289**	**29,532**	**29,553**
Shareholders equity	11,331	16,057	17,552	19,751	22,886	26,725
Minorities	-	-	-	-	-	-
Total liabilities & shareholders equity	**24,105**	**28,175**	**47,710**	**49,040**	**52,418**	**56,278**

Year-end	2022	2023	2024e	2025e	2026e	2027e
Cash flow (AEDm)						
Cashflow from operations	**4,186**	**2,531**	**(640)**	**3,812**	**4,824**	**5,650**
Net capex	(258)	(449)	(1,367)	(810)	(864)	(925)
Free cash flow	**3,928**	**2,082**	**(2,007)**	**3,002**	**3,960**	**4,725**
Equity raised/(bought back)	-	3,619	-	-	-	-
Dividends paid	(3,058)	(300)	(556)	(583)	(612)	(643)
Net inc/(dec) in borrowings	(58)	(239)	2,481	(1,079)	143	(84)
Other investing/financing cash flows	-	-	-	-	-	-
Net cash flow	**4,799**	**3,188**	**(3,588)**	**384**	**2,549**	**3,092**
Change in working capital	(242)	202	(5,172)	(519)	(498)	(326)

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Investment thesis

Pure Health Holding operates a cross-category healthcare platform generating more than AED 16.4bn in annual revenues (FY 23A) from hospitals, clinics, diagnostics, insurance, pharmacies, procurement, and technology units. The group reports AED 8bn in cash and equivalents (Q1 24A), to be actively deployed in the medium-term to further expand its local and global reach beyond Circle Health (leading UK private healthcare provider, fully owned) and Ardent Health Services (4th largest acute care hospital operator in the US, successfully listed on NYSE).

Unique positioning through public ownership structure with major shareholders ADQ, Alpha Dhabi and International Holding Company (IHC) owning a combined c.72% share of the group. Beyond the operation of key public sector assets including the UAE's healthcare safety net SEHA and national insurance provider Daman, the group enjoys contracts exclusivity (Thiqa, Basic portfolio in Abu Dhabi, Activity and Non Activity Based Mandates), and access to funding and resources for future expansions, in addition to cross selling opportunities (extension from a monoliner health insurance players to being able to expand and include P&C insurance to its portfolio) to a wide array of key UAE companies by virtue of its ownership structure.

Exhibit 1: Material contracts with the public sector

Subsidiary	Counterparty	Contract/Relationship
Daman	Abu Dhabi Government	Exclusive partner of the government of Abu Dhabi to administer health funds including Thiqa (UAE Nationals), Abu Dhabi Basic (low-income expats), Activity-Based Mandates (for specialized programs), International Patient Care and the UAE Armed Forces.
SEHA	Abu Dhabi Government	- Healthcare services extended to Daman, Thiqa, Basic, and Enhanced among others. - Activity Based Mandates (ABM): Abu Dhabi Government's no-cost health insurance initiative which includes 9 defined mandates encompassing critical emergencies, vaccinations and specialized services among others. - Non-Activity Based Mandates (NABM): The Abu Dhabi Government stipulates 7 key mandates, encompassing critical healthcare services, operating blood banks, supporting medical education and fulfilling other specified responsibilities.
One Health	UAE Government	Support with various federal programs such as the Emirati Genome Program, by supplying the required equipment and reagents.
Pure Health Medical Supplies	UAE Government	Through subsidiaries including Pure Lab, Union 71, One Health, The Medical Office, Rafed, and Dawak Healthcare Supplies among others.
Pure CS IT Infrastructure	UAE Government	- Building the UAE's National Unified Medical Records - Providing advanced cargo and passenger information systems to UAE Authorities

Source: Company Data, Arqaam Capital Research

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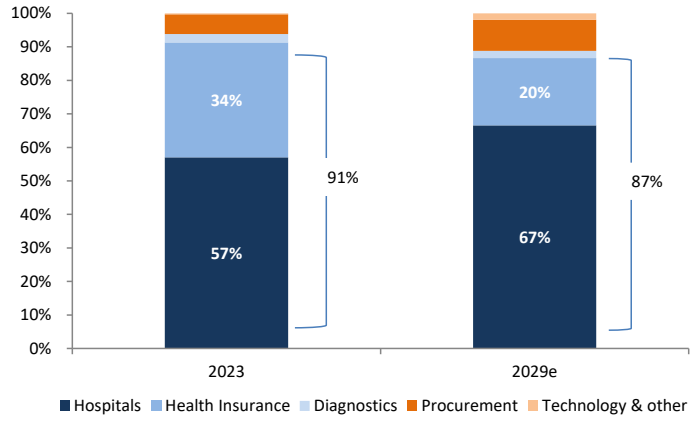
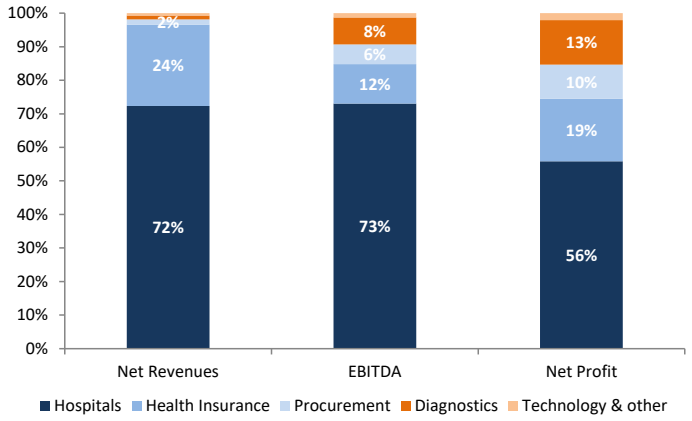
We run granular forecasts across Pure Health's five distinct verticals, with upside risk to our numbers should the group expand its addressable market beyond current services (P&C insurance, retail pharmacies), and successfully lead further M&A activities.

Exhibit 2: Hospitals and Health Insurance remain the primary revenue contributors…



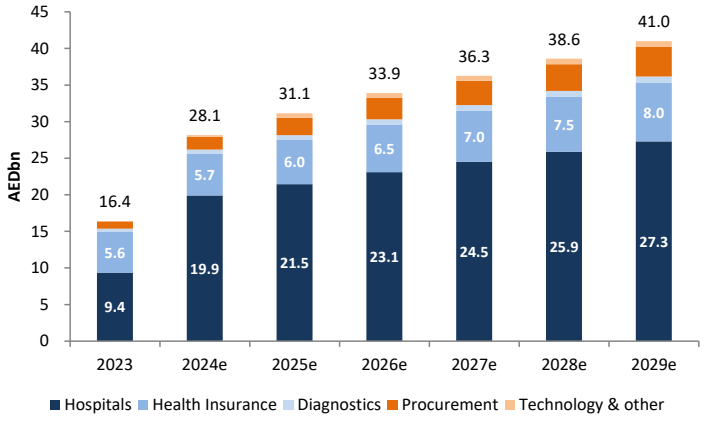
Source: Company Data, Arqaam Capital Research

Exhibit 3: …generating c.95% and c.75% of group top and bottom line in Q1 24A



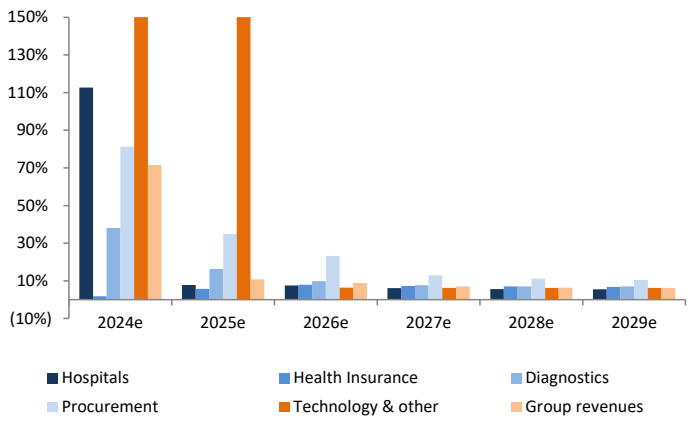
Source: Company Data, Arqaam Capital Research

Exhibit 4: Group net revenues to grow at 17% CAGR in FY 23-29e…



Source: Company Data, Arqaam Capital Research

Exhibit 5: …with FY 24e growth driven by the consolidation of Circle Health and SSMC in the hospitals segment



Source: Company Data, Arqaam Capital Research

The hospitalization segment encompasses a diverse portfolio of healthcare providers, locally including SEHA (largest hospital platform in the UAE with c.3.9k licensed beds, and flagship facilities SKMC, SSMC, STMC offering room for greenfield/brownfield expansions within each medical city), with the global portfolio currently spanning across the UK and the US through Circle Health and Ardent Health Services respectively.

Recently acquired SSMC and recently launched STMC (combined c.33% of SEHA bed count) to drive local growth in the medium-term, in parallel supported by rising occupancy rates thanks to higher inpatient and outpatient traffic at existing network.

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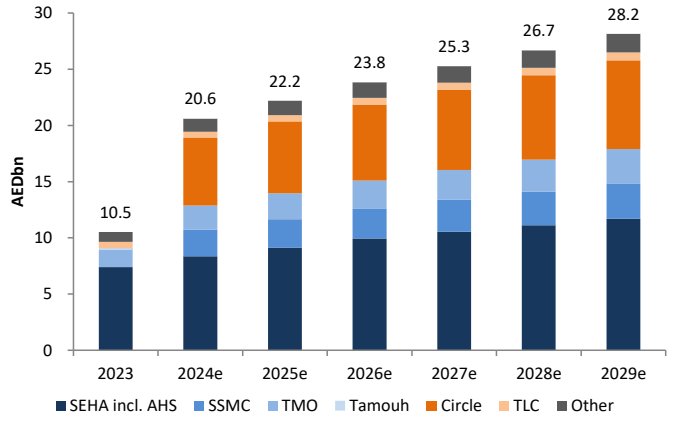
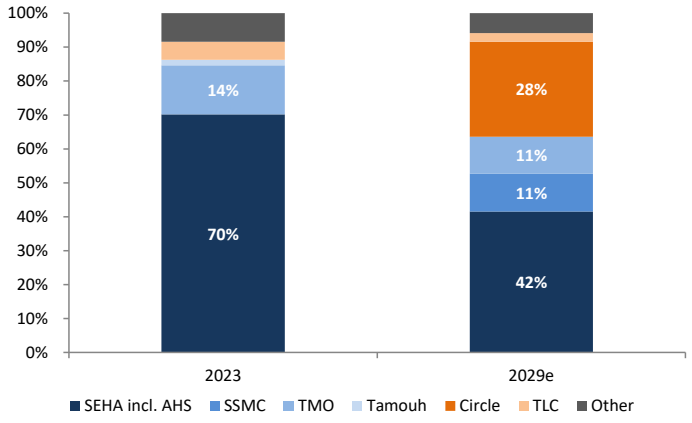
Exhibit 6: Segment gross revenues expand at 18% CAGR…



Source: Company Data, Arqaam Capital Research

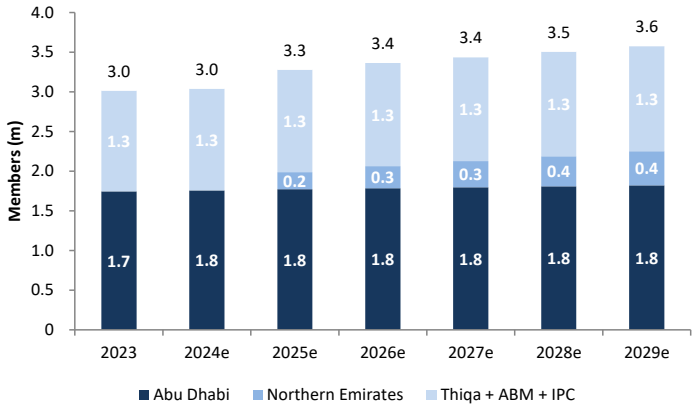
Exhibit 7: …primarily driven by the full consolidation of Circle and SSMC, along with ramp up at existing network



Source: Company Data, Arqaam Capital Research

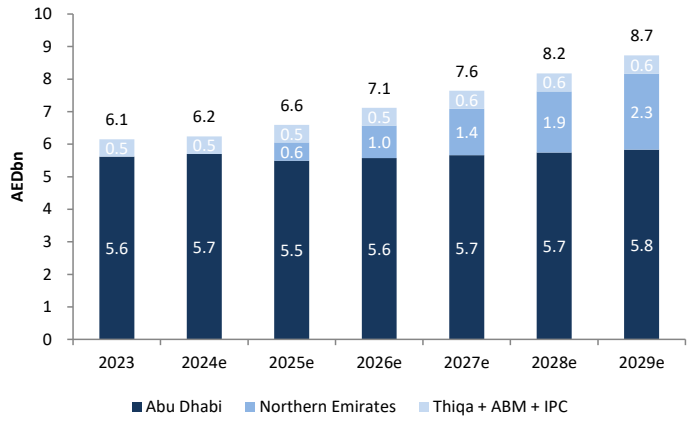
Introduction of mandatory insurance in the Northen Emirates, expected in 2025 unlocks potential for c.1.2m new members (Emirati citizens + expats). Daman could potentially target opportunities in the government-funded schemes and the employer-funded market. Daman reports steady market share gains (up from 23% in 2020 to c.27% in 2024) with estimated 9.8% CAGR in GWPs outpacing 6.1% increase in addressable market in 2020-24e.

Exhibit 8: We pencil in c.7% contribution from newly insured members with the implementation of mandatory insurance in the Northern Emirates starting 2025…



Source: Company Data, Arqaam Capital Research

Exhibit 9: …and conservatively forecast 6% CAGR in insurance revenues in FY 23-29e



Source: Company Data, Arqaam Capital Research

We value the health conglomerate through two valuation exercises, assigning a 50% weight to each of the (i) group DCF approach and (ii) SotP of each of the five verticals using relative valuation based on a combination of forward EV/EBITDA and P/B, and arrive at a weighted EV of AED 72.5bn for the group. We discount net debt of c.AED 6.6bn (AED 14.7bn in borrowings including lease liabilities, vs. AED 8bn in cash as of Q1 24A), add AED 1.86bn from Ardent (market value of 21.5% stake). Our calculations result in a total equity value of AED 67.8bn or AED 6.10/share, with upside potential from future M&A.

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Value in the aggregate and distinct verticals

- In addition to the benefits of its ownership structure, size, scale and expertise by virtue of exclusive government mandates, favorable lease terms, and continued public sector funding of soft infrastructure, group management has had an instrumental role in carving out and restructuring SEHA units including the pharmacy and procurement businesses, in addition to pooling and launching a fully integrated technology unit through PureCS providing IT solutions, cybersecurity and advanced AI technologies to the larger group including Circle Health in the UK.
- We assign a 50% weight to each of the two valuation exercises we run for the health conglomerate including a (i) group DCF approach and (ii) SotP of each of the five verticals using relative valuation based on a combination of forward EV/EBITDA and P/B, and arrive at a weighted EV of AED 72.5bn for the group.
- We discount net debt of c.AED 6.6bn (AED 14.7bn in borrowings including lease liabilities, vs. AED 8bn in cash as of Q1 24A), add AED 1.86bn from Ardent (market value of 21.5% stake). Our calculations result in a total equity value of AED 67.8bn or AED 6.10/share.
- PureHealth's current market price of AED 3.97/share implies 18.7x FY 24-25e P/E and 10.6x EV/EBITDA.

Exhibit 10: Pure Health Valuation (AEDm)

Pure Health Valuation	Enterprise Value (AEDm)	Weight (%)	EV contribution (AEDm)
DCF (consolidated)	77,904	50.0%	38,952
RV (SotP)	67,047	50.0%	33,524
Group Enterprise value		**100.0%**	**72,476**
Borrowings (holding)			(14,656)
Cash (holding)			8,049
Associates- Ardent			1,860
Associates- Other			33
Equity Value			**67,762**
NOSH			11,111
Equity value per share (AED)			**6.10**
CMP			3.97
Upside/downside %			54%

Implied multiples	**FY 24e**	**FY 25e**	**FY 26e**	**FY 27e**	**FY 28e**	**FY 29e**
EV/EBITDA	16.7	13.8	11.4	10.1	9.1	8.4
P/E	33.0	24.4	18.1	15.1	13.0	11.5
P/B	3.9	3.4	3.0	2.5	2.2	1.9

Current multiples	**FY 24e**	**FY 25e**	**FY 26e**	**FY 27e**	**FY 28e**	**FY 29e**
EV/EBITDA	11.6	9.6	7.9	7.0	6.4	5.8
P/E	21.5	15.9	11.8	9.8	8.4	7.5
P/B	2.5	2.2	1.9	1.7	1.4	1.2

Source: Arqaam Capital Research

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Discounted Cash Flow

- **Our DCF model uses an explicit forecast period of FY 24-29e, discounting at a WACC of 10.6% (Rf 5.3%, EMRP 7.2%, Re 12.5%, Rd 6.2%), and assigning a perpetual growth rate of 4%, taking into account the demographics of the markets PH operates in (UAE, UK and US).**
- **We forecast WC to remain in the range of 18-20% of revenues along with maintenance CapEx at c.2.6% of revenues, assuming expansion CapEx at SEHA is funded by the public sector.**
- **We arrive at an enterprise value of AED 77.9bn, implying 16.4x FY 24-25e EV/EBITDA for the group (17.9x FY 24e, 14.8x FY 25e).**

Exhibit 11: Pure Health DCF Valuation (AEDm)

Year-end	FY 24e	FY 25e	FY 26e	FY 27e	FY 28e	FY 29e
EBIT (1-τ)	**2,600**	**3,440**	**4,405**	**5,186**	**5,888**	**6,498**
Depreciation & Amortization	1,476	1,461	1,488	1,432	1,420	1,442
EBITDA	**4,076**	**4,901**	**5,893**	**6,618**	**7,308**	**7,940**
Working Capital Changes	(5,172)	(519)	(498)	(326)	(280)	(240)
Operating Cash Flow	(1,096)	4,382	5,395	6,292	7,028	7,700
Purchase of PPE	**(1,367)**	**(810)**	**(864)**	**(925)**	**(984)**	**(1,046)**
Free Cash Flow to Firm	**(2,463)**	**3,572**	**4,531**	**5,367**	**6,043**	**6,654**
Discount Factor using WACC at 10.4%	0.96	0.87	0.78	0.71	0.64	0.58
PV of Visible FCFF	(1,000)	3,095	3,549	3,801	3,870	3,853
Terminal Value						60,734

Equity Valuation		**WACC parameters**	
PV of Visible FCFF	17,170	Rf	5.3%
PV of Terminal Value	60,734	EMRP	7.2%
Enterprise Value	**77,904**	Adjusted Beta	1.0
		Cost of Equity	**12.5%**
		Marginal tax rate	9.8%
		Cost of Debt	6.2%
		D/C (market)	30.0%
		WACC	**10.6%**
		Perpetual growth	4.0%

Source: Arqaam Capital Research

Relative Valuation

- **Defining peer sets for the group's various health verticals can be complex given different growth, business models and regulatory circumstances amongst other factors.**
- **Nevertheless, in an attempt to draw comparisons, we use a combination of forward EV/EBITDA and P/B multiples of select regional and global peers in respective segments.**
- **We arrive at a consolidated enterprise value of AED 67bn after applying a 10% group discount to the SotP valuation. This implies 14.1x FY 24-25e EV/EBITDA for the group (15.4 FY 24e, 12.8x FY 25e).**

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Exhibit 12: Key peers- Pure Health primary operating verticals

Key peers	
Hospitals	Burjeel, AlHammad, Sulaiman Habib, Dallah, Middle East Healthcare, Mouwasat, Care, Soliman Fakeeh, Spire Healthcare, HCA, Tenet, Universal Health Services
Insurance	Bupa Arabia, ADNIC, Sukoon Insurance, Dubai Insurance, Orient Insurance, Tawuniya
Diagnostics	IDH, LabCorp, Quest Diagnostics, Fresenius, RadNet, Fleury
Procurement	Mckesson Corp, Cencora, Cardinal Health, Henry Schein, Sinopharm, Amplifon, Guangzhou, Galenica

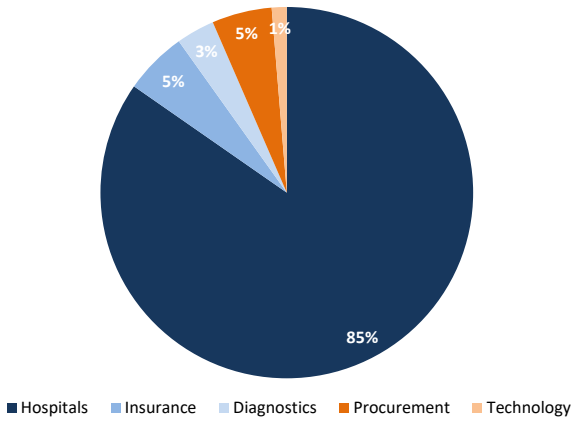
Source: Arqaam Capital Research

Exhibit 13: Pure Health Relative Multiples Valuation (AEDm)

SotP on RV	Enterprise Value (AEDm)	% of total	EBITDA 24-25e (AEDm)	BV Q1 24e (AEDm)	P/B 24A	EV/EBITDA 24-25e
Hospitals	63,100	84.7%	3,709	9,889		17.0x
Insurance	4,071	5.5%	472	2,343	2.8x	
Diagnostics	2,484	3.3%	260	1,449		9.6x
Procurement	3,875	5.2%	422	262		9.2x
Technology	968	1.3%	81	27		12.0x
Adjustments & Eliminations			(144)	*4,121*		
Group Enterprise value	**74,497**	**100.0%**	**4,799**	**18,090**		
Group discount	(10%)					
Group Enterprise value (post discount)	**67,047**					

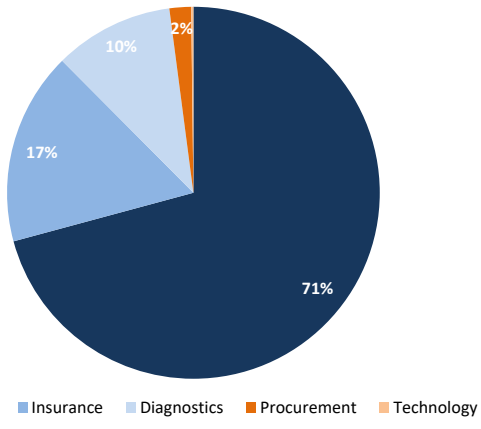
Source: Arqaam Capital Research

Exhibit 14: EV Contribution



*Source: Arqaam Capital Research *excl. Ardent*

Exhibit 15: BV Contribution (Q1 24A)



Source: Arqaam Capital Research

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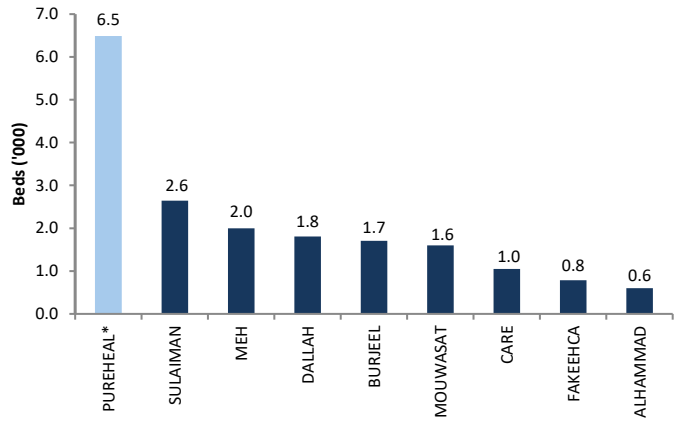
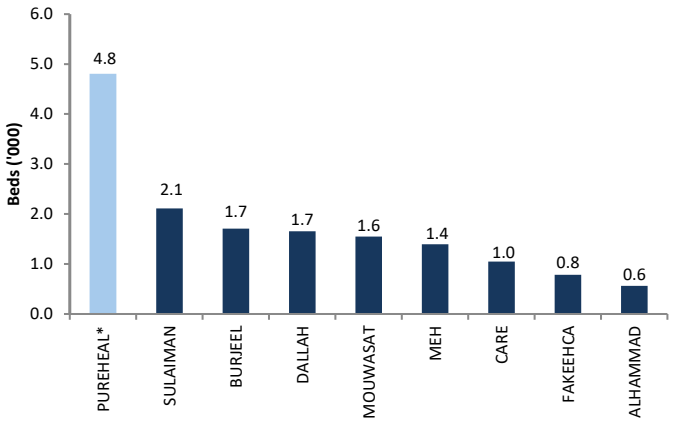
KPIs in peer context

Exhibit 16: Pure Health's hospital segment runs the largest licensed…



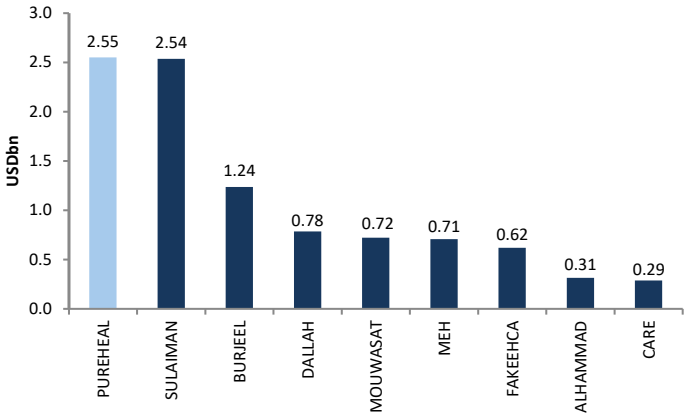
*Source: Company data, Arqaam Capital Research *excl. Ardent*

Exhibit 17: …and operational bed network among GCC listed peers



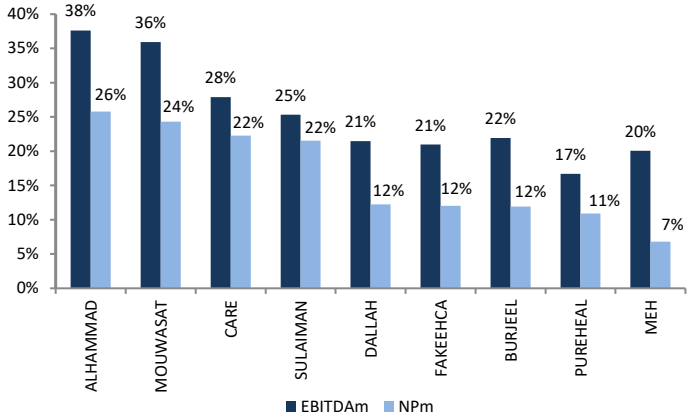
*Source: Company data, Arqaam Capital Research *excl. Ardent*

Exhibit 18: Group top line from hospitals in line with that of Sulaiman Habib (FY 23A)



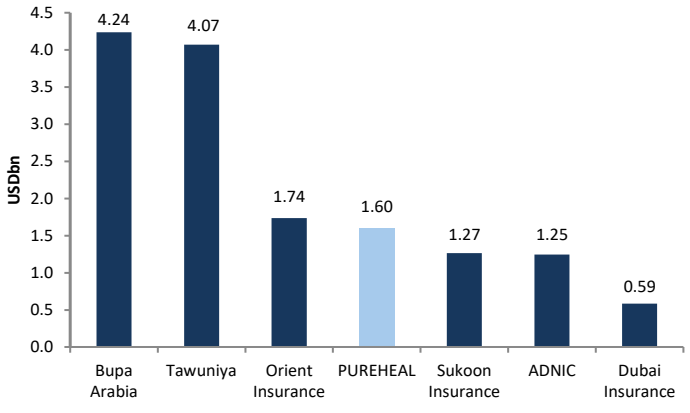
Source: Company data, Arqaam Capital Research

Exhibit 19: We see room for improvement in Pure Health hospitals' average profitability metrics



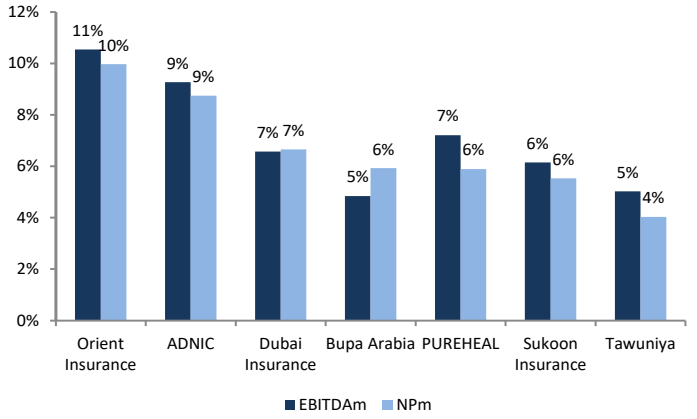
Source: Company data, Arqaam Capital Research

Exhibit 20: Pure Health insurance revenues vs. regional peers (FY 23A)



Source: Company Data, Arqaam Capital Research

Exhibit 21: EBITDAm and NPm in regional context (FY 23A)



Source: Company Data, Arqaam Capital Research

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Unique positioning through public ownership structure

- **Pure Health Group is backed by the government of Abu Dhabi through major shareholders ADQ, Alpha Dhabi and International Holding Company (IHC) owning a combined c.72% share of the group.**
- **Beyond the operation of key public sector assets including the UAE's healthcare safety net SEHA and national insurance provider Daman, the group enjoys contracts exclusivity (Thiqa, Basic portfolio in Abu Dhabi, Activity and Non Activity Based Mandates), and access to funding and resources for future expansions, in addition to cross selling opportunities (extension from a monoliner health insurance players to being able to expand and include P&C insurance to its portfolio) to a wide array of key UAE companies by virtue of its ownership structure.**
- **Rafed and The Life Corner, which were carved out of SEHA and are 100% owned subsidiaries of Pure Health have expanded their addressable market by providing services to third parties whilst continuing to serve the wider Pure Health Group.**
- **The Group's cybersecurity division, The Shield, provides centralized protection of both domestic and international assets including Circle Health in the UK.**

Exhibit 22: Material contracts with the public sector

Subsidiary	Counterparty	Contract/Relationship
Daman	Abu Dhabi Government	Exclusive partner of the government of Abu Dhabi to administer health funds including Thiqa (UAE Nationals), Abu Dhabi Basic (low-income expats), Activity-Based Mandates (for specialized programs), International Patient Care and the UAE Armed Forces.
SEHA	Abu Dhabi Government	- Healthcare services extended to Daman, Thiqa, Basic, and Enhanced among others. - Activity Based Mandates (ABM): Abu Dhabi Government's no-cost health insurance initiative which includes 9 defined mandates encompassing critical emergencies, vaccinations and specialized services among others. - Non-Activity Based Mandates (NABM): The Abu Dhabi Government stipulates 7 key mandates, encompassing critical healthcare services, operating blood banks, supporting medical education and fulfilling other specified responsibilities.
One Health	UAE Government	Support with various federal programs such as the Emirati Genome Program, by supplying the required equipment and reagents.
Pure Health Medical Supplies	UAE Government	Through subsidiaries including Pure Lab, Union 71, One Health, The Medical Office, Rafed, and Dawak Healthcare Supplies among others.
Pure CS IT Infrastructure	UAE Government	- Building the UAE's National Unified Medical Records - Providing advanced cargo and passenger information systems to UAE Authorities

Source: Company Data, Arqaam Capital Research

Aligning objectives with economic transformation targets, public health goals and health equity: ADQ, Pure Health's largest shareholder and one of the UAE's several sovereign wealth funds, targets to be the lead investor driving the country's economic transformation towards diversifying the nation's sources of income beyond oil, with a focus on knowledge-based industries. PureHealth, which had branded itself as a scientific innovation and clinical hub focused on longevity, emerged as a national champion running massive COVID-19 operations during the pandemic. In January 2022, ADQ merged its health-care subsidiaries SEHA and Daman with Alpha Dhabi's Pure Health Medical Supplies, creating a footprint of more than 25 hospitals, 100+ clinics and 143 laboratories in the UAE.

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Crown jewels SEHA, TLC and Daman fully acquired in return for newly issued shares in Pure Health: Effective October 2022, Pure Health Holding entered into an agreement to acquire 100% ownership interest in SEHA, TLC (combined consideration of AED 4.58bn) and Daman (AED 1.65bn) in addition to a 27% non-controlling interest in Pure Health Medical Supplies (PHMS, AED 3.59bn to acquire NCI), for a total consideration of AED 9.8bn, being the fair value of the 225m newly issued shares in the group. As a result of these acquisitions, the group recognized (i) AED 3.1bn in intangible assets, which comprise mainly of brand, contract relationships, licenses and favorable lease contracts and (ii) AED 262m in Goodwill comprising largely of the value of expected synergies arising from the consolidation of these assets.

Exhibit 23: Business combinations under common control

Date	Company	Stake	Consideration	About
Jan-22	Pure Health Medical Supplies	63%	No consideration	Healthcare technology and management services
Jan-22	Tamouh Healthcare	100%	No consideration	Health services enterprises and tourist services investment and management
Feb-22	GenQore	90%	AED 2	Trading of cosmetic and medical related items
Oct-22	SEHA and TLC	100%	AED 4.58bn	SEHA- Management of healthcare establishments, implementation of policies and strategies TLC- Pharmacy management services
Oct-22	Daman	100%	AED 1.65bn	Health Insurance
Oct-22	Pure Health Medical Supplies	27%	AED 3.59bn	Healthcare technology and management services
Oct-23	Pure Capital Investment	100%	No consideration	Technology and related services
Oct-23	Pure CS Investment	100%	No consideration	Healthcare IT infrastructure

Source: Company Data, Arqaam Capital Research

Public ownership promotes (i) equitable access to healthcare services, ensuring that all segments of the population receive necessary medical care. And (ii) **Regulatory and policy integration** where decision-making processes can be more efficient when aligned with government priorities, leading to faster implementation of health programs. This is reflected through:

- **Health Fund Management:** Administered by Daman, including Thiqa (for UAE Nationals), Abu Dhabi Basic (for low-income expatriates), International Patient Care, and UAE Armed Forces.
- **Activity and Non Activity-Based Mandates**: Primarily reported in the P&L under "Government grant income". These mandates cover critical healthcare services to ensure essential medical services are provided to all individuals, including underserved communities and/or in remote regions. The services include specialized treatments, emergency care, vaccinations, and support for chronic and infectious diseases, and blood banks, among other specified services.

Access to funding and resources: The group is strategically positioned to capitalize on stable funding and infrastructure investment from the government directed towards healthcare infrastructure, advanced medical technologies, and research and development. We see further sizeable room for greenfield and brownfield investments, and hence upside risk to our estimates, in each of Sheikh Khalifa Medical City (SKMC, currently 9% of group bed count) and Sheikh Shakhbout Medical City (SSMC, 11% of group bed count) among others.

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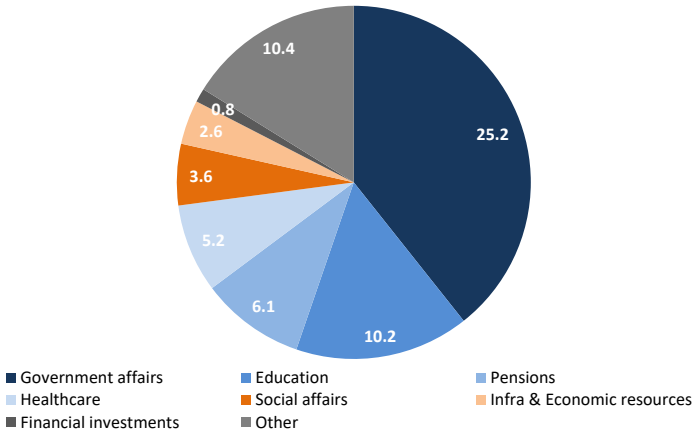
UAE setting standards in global healthcare

- **Addressable pool of policyholders to expand by c.1.2m new members as employer-paid health insurance becomes mandatory nationwide starting 2025.**
- **Enhanced government health budget (+8% y/y to 8% of federal expenditures in 2024) supports growth of digital health and further accelerates progress towards universal health coverage.**
- **Other trends and initiatives- public-private collaborations, pharmaceutical self-sufficiency, proactive, personalized and accessible care through Health-Tech, and medical tourism.**

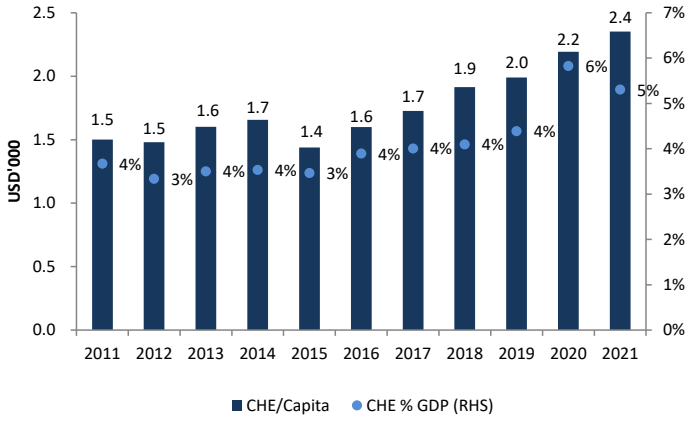
The UAE accounts for 25% of healthcare spending in the GCC: World-class healthcare is a key pillar of the Abu Dhabi Economic Vision 2030 and the UAE Vision 2071. Enhanced government budgets are directed towards improving quality of care and addressing current disparities in resources, particularly the shortage of doctors and hospital beds per capita.

Exhibit 24: The UAE allocates c.8% of its 2024 federal budget to healthcare



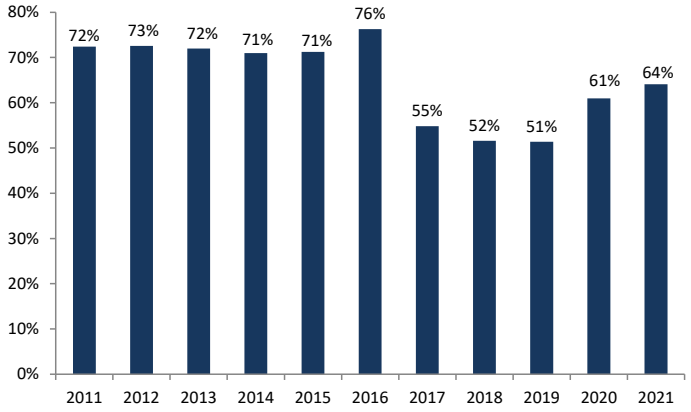
Source: MoF, Arqaam Capital Research

Exhibit 25: UAE healthcare spend grew at a 5% CAGR in 2011-21, up from 4% to c.5% of GDP in 2021



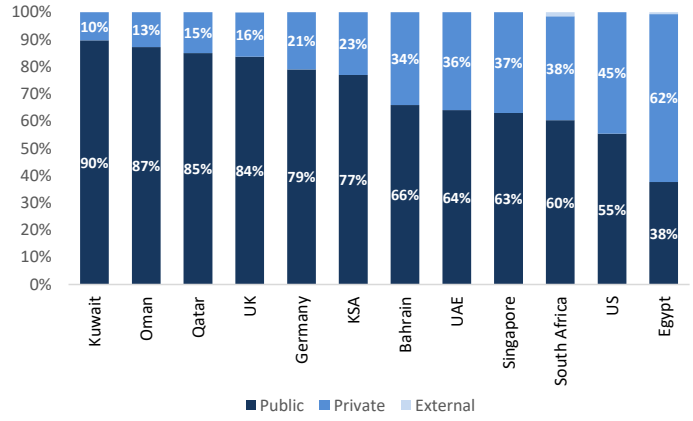
Source: WHO, Arqaam Capital Research

Exhibit 26: UAE public sector spending % CHE on rise again since 2019, up to 64% in 2021…



Source: WHO, Arqaam Capital Research

Exhibit 27: …but remains lower vs. GCC countries averaging c.80% of total healthcare spend



Source: WHO, Arqaam Capital Research

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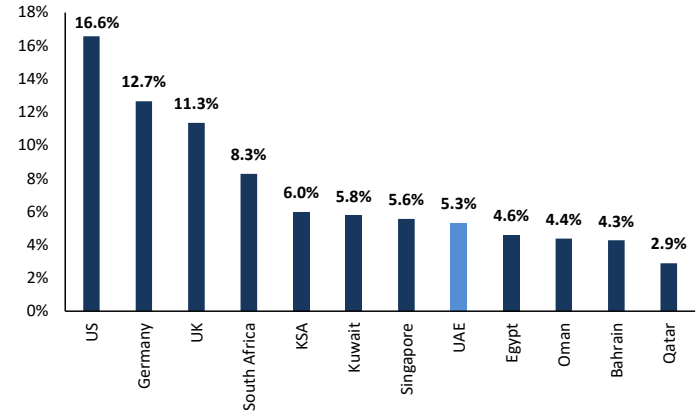
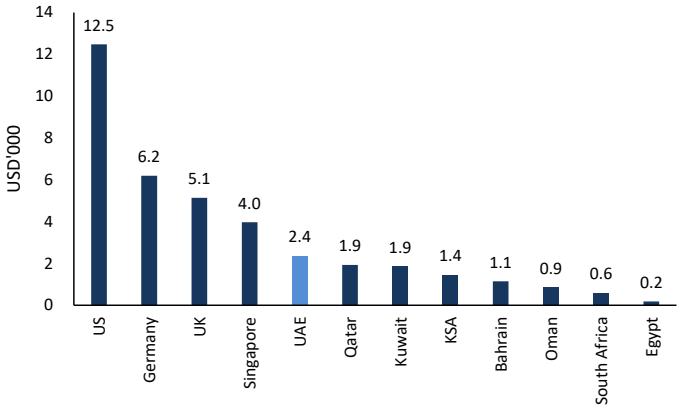
Exhibit 28: CHE as % of GDP



Source: WHO, Arqaam Capital Research

Exhibit 29: CHE per capita (2021)



Source: WHO, Arqaam Capital Research

Sustainable funding for healthcare innovation through an initiative launched by the Department of Health in Abu Dhabi (DoH) mobilizing contributions from the private sector and the community to address various health challenges, focusing on priority areas such as cancer, rare diseases, infectious diseases, and AI-based research. Through research partnerships and community engagement, the project aims to elevate healthcare services in Abu Dhabi, aligning with the Abu Dhabi Economic Vision 2030.

Exhibit 30: Abu Dhabi Healthcare in numbers

Abu Dhabi Healthcare Network	
Hospitals	65+
Inpatient beds	8,900+
Clinics	770+
Medical Centers	1,520+
Pharmacies	95+

Source: Arqaam Capital Research

Healthcare for all citizens

Mandatory health insurance for expatriates has yet to reach every emirate in the UAE: Abu Dhabi was the first emirate to fully implement mandatory health insurance for expats in 2005, providing a basic level of coverage for all employees and their families. Dubai followed with full implementation of mandatory insurance over 3 phases starting Feb 2014 and ending Jun 2016. Three programs are covered under this law: Thiqa for nationals, Basic Insurance, and Enhanced Insurance. The national Emirati population in Abu Dhabi and Dubai has access to comprehensive health insurance paid by the Emirate through the Thiqa program in Abu Dhabi and the Enaya program in Dubai, although they may also participate in employer plans. These programs significantly improved access to healthcare by providing all residents with health cards, facilitating their utilization of healthcare services.

Sharjah, the UAE's third most populated emirate, is a primary beneficiary of the New Mandatory insurance scheme in the Northern Emirates, expected to come into effect in January

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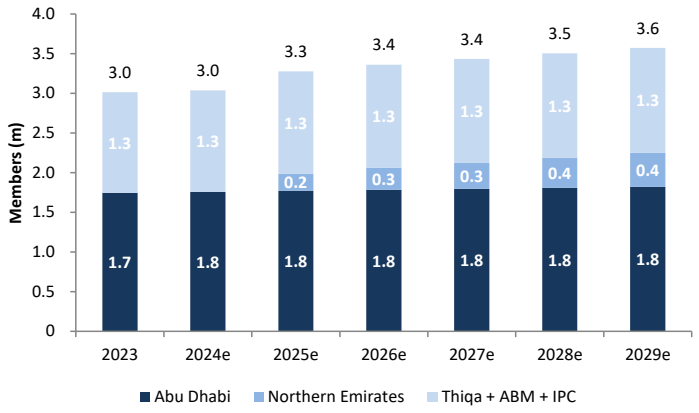
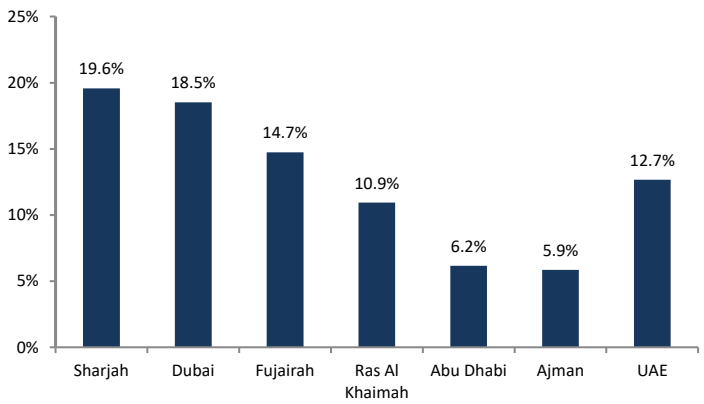
2025. Beyond Dubai and Abu Dhabi, the Cabinet announced a new mandatory insurance scheme in March earlier this year, which will extend coverage to Northern Emirates starting January 1, 2025. Under this new scheme, employers will be legally responsible for bearing the insurance costs for their employees. The enforcement mechanism will link healthcare coverage with visa issuance or renewal, following existing practices in Abu Dhabi and Dubai, where visas are contingent upon valid health coverage. Employers in Abu Dhabi face fines ranging from AED 300 to AED 500 per month per individual for non-compliance.

Exhibit 31: Rollout of Mandatory Insurance in the Northern Emirates boosts Daman insured members starting 2025



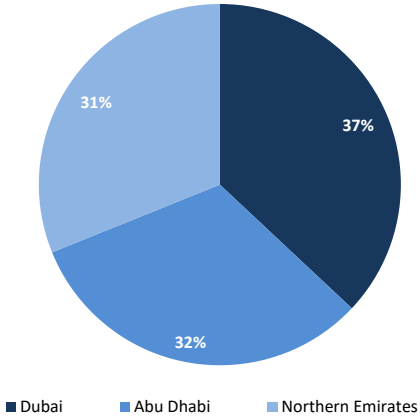
Source: Company Data, Arqaam Capital Research

Exhibit 32: Gross Written Premiums FY 12-22A CAGR



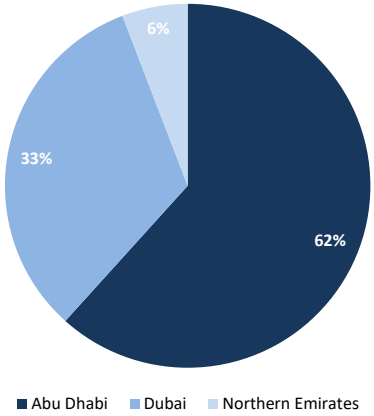
Source: UAE Central Bank Annual Insurance Statistical Reports, Arqaam Capital Research

Exhibit 33: UAE Population by Emirate (2022)



Source: Dubai Statistics Center, Emirates News Agency (WAM) Fujairah Statistics Centre, Arqaam Capital Research

Exhibit 34: Health GWP by Emirate (2022)



Source: Central Bank of the UAE (CBUAE), Arqaam Capital Research

New law enhances workforce stability and reduces turnover: While coverage details (i.e. minimum benefits, eligibility, and dependent coverage, phased implementation based on employer size as in AD and Dubai) under the mandatory insurance mandate are yet to be disclosed, employees are guaranteed to enjoy health security and medical coverage that is expected to be similar to that offered under Dubai's and Abu Dhabi's plans. Employers will be required to pay for health insurance plans for their employees upon renewal of their residency permits.

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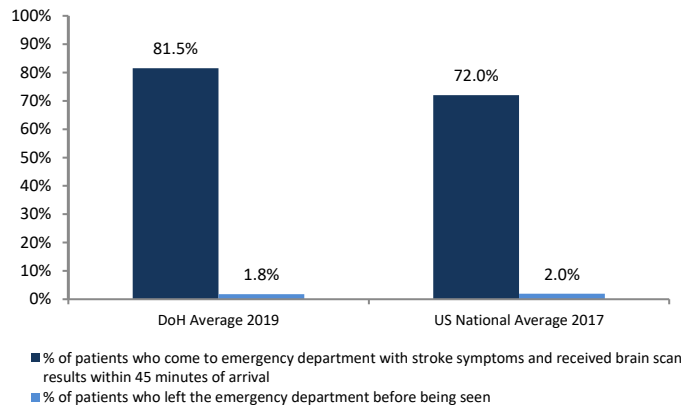
The mandate represents significant progress towards positioning the UAE as a global leader in healthcare provision, with c.70% of its population (i.e. Dubai and Abu Dhabi) already covered by medical insurance, having access to diverse healthcare services and facilities within the nation. We expect the implementation of mandatory insurance next year to shape the competitive landscape within the insurance sector as providers compete for market share, accommodating a larger policyholder pool in a newly augmented market.

Primary care in increasing focus to relieve mounting costs and alleviate pressure on specialist and emergency medical facilities: The current tertiary healthcare system creates multiple inefficiencies, from long waiting periods to overcrowded hospitals and staff shortages. Patients have the option to visit a general practitioner or a specialist at a full-service hospital regardless of the severity of their case. In addition, direct access to specialist services raises the cost of healthcare for both the government and private insurers, as patients shop for services and seek advice from a number of specialists. The shift from tertiary to primary healthcare, observed across multiple developed economies, creates multiple advantages, such as better-managed patient flow and improved staff per patient ratios, as only patients with severe conditions can go to hospitals. Healthcare regulators and insurers are adjusting policy terms and conditions to require patients to access primary care services and obtain appropriate referrals from primary gateway providers before approving fees.

Quality and safety at the forefront of healthcare

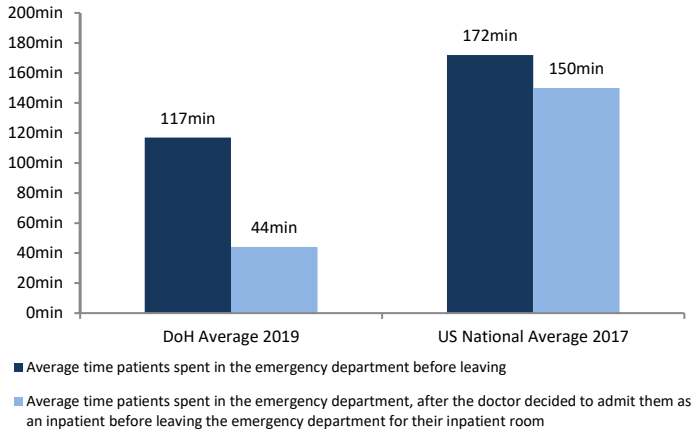
On average, Abu Dhabi facilities fare significantly better in patient safety and clinical effectiveness KPIs vs. their US counterparts: Patient safety is a healthcare discipline focused on reducing the incidence and impact of adverse events while maximizing patient recovery. Clinical effectiveness involves utilizing evidence-based practices, developing a skilled and competent workforce, providing timely and accessible services, ensuring appropriate treatment locations, and achieving optimal health outcomes. All DoH-licensed Abu Dhabi hospitals are required to submit quarterly reporting on patient safety sub-domains (adverse events, complications, and readmissions) and clinical effectiveness metrics (readmissions and mortality rates). Additionally, all primary healthcare service providers must report on the prevention and early detection of diseases such as cancer and diabetes. They must also report on clinical effectiveness and efficiency, addressing aspects such as mental health, including conditions like depression.

Exhibit 35: UAE vs. US- Effectiveness…



Source: DoH, Arqaam Capital Research

Exhibit 36: …and timeliness of emergency care



Source: DoH, Arqaam Capital Research

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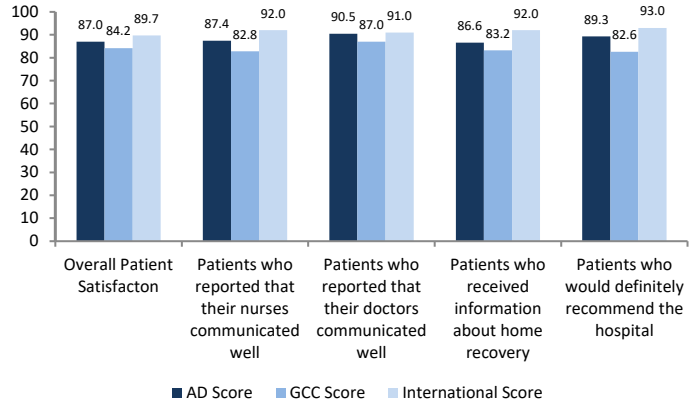
Improved healthcare quality and patient safety through comprehensive quality frameworks and stringent regulations. In 2014, the Department of Health (DoH) in Abu Dhabi introduced the Jawda program. Jawda, meaning "quality" in Arabic, focuses on four key domains: effectiveness of care, patient safety, patient-centered care, and timeliness of care. By establishing benchmarks and monitoring clinical outcomes, the program enabled both public and private healthcare providers to enhance their quality assurance processes and prioritize patient care. Within approximately four years of its implementation, Jawda achieved significant improvements in the healthcare system, including a 50% reduction in cardiac arrests outside critical care areas, a 31% reduction in pressure ulcers, a 50% reduction in primary emergency C-sections, a 7% reduction in perinatal mortality, a 20% reduction in unplanned readmissions, a 60% reduction in surgical complications, a 40% reduction in falls, and shorter waiting times.

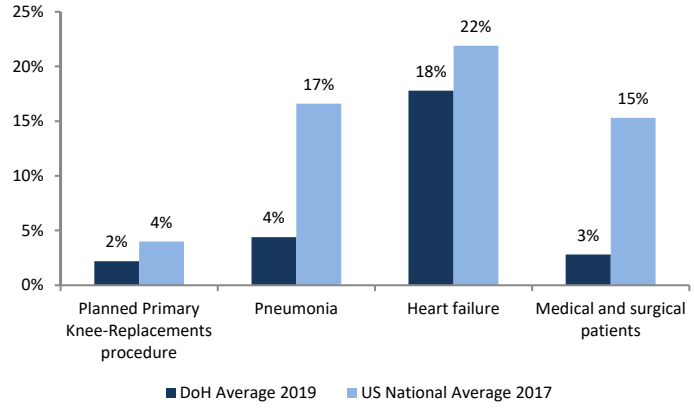
Muashir, the Abu Dhabi Healthcare Quality Index was introduced in 2018 by the DoH to further enhance healthcare quality: Muashir ranks healthcare facilities based on mathematical and statistical evaluations across 9 criteria including: **(i) clinical care outcomes** to ensure patient safety and the effectiveness of the treatment provided, **(ii) correct claims** to ensure that the services provided to the patients are properly documented and claimed, **(iii) healthcare regulations assurance** to ensure patient safety and hospitals' readiness to serve patients within the best international standards, **(iv) patient happiness** to monitor patients' access to health services and their satisfaction, **(v) patient voice** to ensure that patient rights and values are preserved at all stages of care, **(vi) quality assurance certificate** to ensure patient safety by verifying the accuracy of quality data reported by the healthcare provider, **(vii) research & innovation** to encourage health facilities to engage in research and innovation to improve quality, patient safety, and patient experience, **(viii) safe workplace** to provide a safe environment for patients, their attendants, and medical staff , and **(ix) staff happiness** to ensure medical staff satisfaction, which allows them to provide higher quality medical services, resulting in better healthcare outcomes for patients.

Exhibit 37: Patient safety and satisfaction score



Source: DoH, Arqaam Capital Research

Exhibit 38: Unplanned 30-day all-cause hospital readmission rate for patients with:



Source: DoH, Arqaam Capital Research

After assessing these criteria, healthcare facilities are ranked from "good" (the lowest rank) to "outstanding" (the highest rank). Facilities achieving top scores in Muashir demonstrate alignment with global best practices and excellence in various areas, including patient safety, care effectiveness, timeliness, patient satisfaction, efficiency, and sustainability.

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Exhibit 39: Muashir 2019 Ranking: PHH Hospitals vs. Peer Hospitals in Abu Dhabi, Al Ain, and Dhafrah

Muashir Performance 2019	Tawam Hospital	Sheikh Khalifa Medical City	Al Ain Hospital	Al Rahba Hospital	Corniche Hospital	Al Wagan Hospital	CLEVELAND CLINIC AD LLC	Burjeel Hospital LLC	MEDICLINIC HOSPITALS L.L.C. Abu Dhabi Airport Rd	MEDICLINIC HOSPITALS L.L.C. Al Ain	Madinat Zayed Hospital
Clinical Care Outcomes	✓✓✓	✓✓✓✓	✓✓✓	✓✓	✓✓	✓	✓✓✓✓✓	✓✓	✓	✓	✓
Correct Claims	✓✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓✓✓	✓✓✓✓	✓✓✓✓	✓✓✓✓	✓✓✓	✓✓✓	✓✓✓
Healthcare Regulations Assurance	✓✓✓✓	✓✓✓✓✓	✓✓✓✓✓	✓✓✓✓	✓✓✓✓✓	✓✓✓✓	✓✓✓✓	✓✓✓✓	✓✓✓	✓✓✓✓	✓✓✓✓✓
Patient Happiness	✓✓✓✓	✓✓✓✓	✓✓✓✓	✓✓✓✓	✓✓✓✓✓	✓	✓✓✓✓✓	✓✓✓✓✓	✓✓✓✓✓	✓✓✓✓✓	✓✓✓✓✓
Patient Voice	✓✓✓✓	✓✓✓✓	✓✓✓✓	✓✓✓✓✓	✓✓✓	✓✓✓✓✓	✓✓✓✓	✓✓✓	✓✓✓	✓✓✓✓	✓
Quality Assurance Certificate	✓✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓	✓✓✓✓✓	✓✓✓✓✓	✓✓✓	✓✓	✓✓✓✓	✓✓
Research & Innovation	✓✓✓✓	✓✓✓✓	✓✓	✓	✓	✓	✓✓✓✓✓	✓	✓✓✓	✓	✓
Safe Workplace	✓✓✓✓✓	✓✓✓✓✓	✓✓✓✓	✓✓✓	✓✓✓✓	✓✓✓✓	✓✓✓	✓✓✓✓	✓✓✓✓	✓	✓✓✓
Staff Happiness	✓✓✓✓	✓✓✓✓	✓✓✓✓	✓✓✓	✓✓✓✓	✓✓✓✓	✓✓✓✓✓	✓✓✓✓	✓✓✓✓✓	✓✓✓	✓✓✓✓
Overall Ranking	**Except.**	**Outstanding**	**Except.**	**Excellent**	**Excellent**	**V.good**	**Outstanding**	**Excellent**	**Excellent**	**Excellent**	**Excellent**

Source: DoH, Arqaam Capital Research
**✓:Good,✓✓:Very good,✓✓✓:Excellent,✓✓✓✓:Exceptional,✓✓✓✓✓:Outstanding*

Pharmaceutical self-sufficiency

UAE investing heavily in boosting local manufacturing as it still imports c.80% of its pharmaceutical products: The UAE Ministry of Health unveiled plans for 34 local pharmaceutical plants, expecting the industry's value to rise from AED 9.5bn to AED 25bn by 2025. The country also plans to grow its pharmaceutical export market by c.15% in 2021-2025 to c.USD 297m.

Significant growth opportunities in Pharmaceuticals, Biotechnology, and Life Sciences: Abu Dhabi is strategically diversifying its economy by investing in capital-intensive, export-oriented sectors within healthcare, such as Pharmaceuticals, Biotechnology & Life Sciences, complementing the development of the sector. Abu Dhabi's strategy includes leveraging international relationships to finance substantial investments in research and development (R&D) and enhancing capabilities in critical areas like intellectual property rights, trade agreements, drug testing, and marketing.

Emirates Drug Corporation (EDC) established in 2023, replacing the Ministry of Health and Prevention (MOHAP) for the regulation of pharmaceuticals and medical devices- aiming to position the UAE as a global hub for pharmaceutical and medical industries. The establishment operates independently and has legal, administrative, and financial autonomy. Its main responsibilities encompass (i) managing and regulating various medical products within the UAE, such as pharmaceuticals, healthcare products, medical devices, and more. (ii) It also oversees pharmaceutical research, clinical trials, and experiments, ensuring compliance with international standards. (iii) The establishment issues licenses for medical product-related activities, approves and registers medical products, establishes pricing systems, tracks product distribution, and manages strategic medicine stockpiles. (iv) It also formulates policies, strategies, and legislation in collaboration with relevant health authorities while maintaining data protection and security standards.

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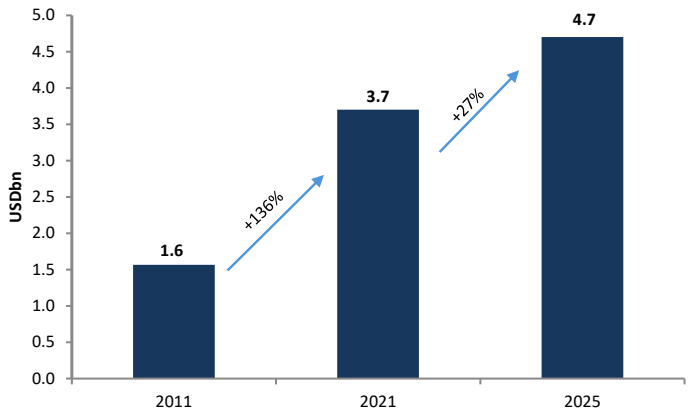
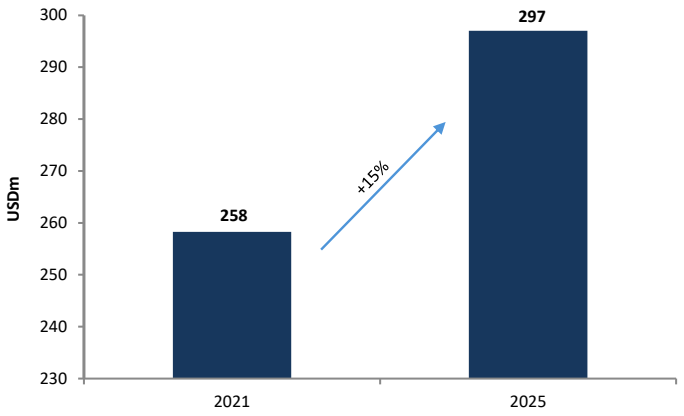
Exhibit 40: UAE Local Pharmaceutical Market expected to triple in 2011-2025



Source: ADQ, Arqaam Capital Research

Exhibit 41: UAE Pharmaceutical Export Market projected to grow by 15% in 2021-2025

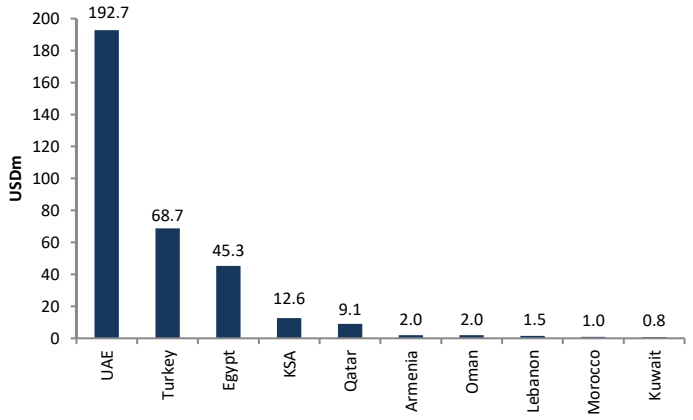


Source: ADQ, Arqaam Capital Research

AI reshaping healthcare

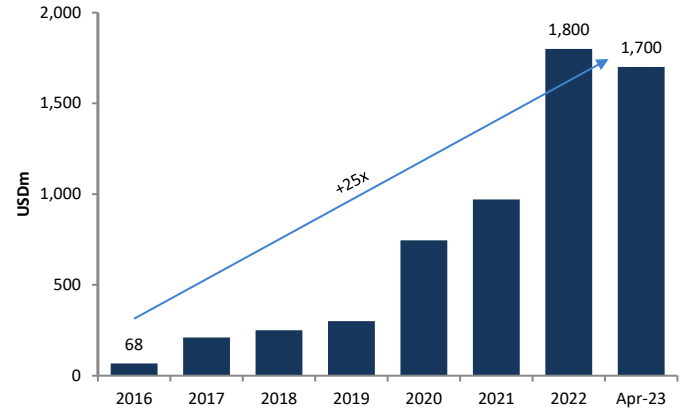
The UAE represents c.75% of all MENA VC health-tech funding with over 250 health-tech startups in the UAE raised USD 460m from 2009 through September 2023.

Exhibit 42: UAE tops MENA Healthtech VC Investments in 2018-2022



Source: Dealroom.co, Arqaam Capital Research

Exhibit 43: Combined Value of MENA Healthtech Companies up 25x since 2016



Source: Dealroom.co, Arqaam Capital Research

The UAE National Strategy for Artificial Intelligence 2031 promotes artificial intelligence adoption in healthcare for innovation-driven transformation. In February 2024, the Ministry of Health and Prevention (MoHAP) established a strategic partnership with AI71, a leading AI firm. This collaboration signifies a steppingstone for UAE healthcare toward innovation as AI71's advanced AI model, RAZI71, will integrate into the country's healthcare infrastructure, transforming patient care and enabling healthcare professionals. This collaboration seeks to advance proactive healthcare management, enhance clinical decision-making support systems, and elevate patient monitoring using cutting-edge AI solutions. It aligns with the UAE National Strategy for Artificial Intelligence, reinforcing the nation's position as an AI leader and fostering a knowledge-based economy. It highlights the government's commitment to achieving efficiency,

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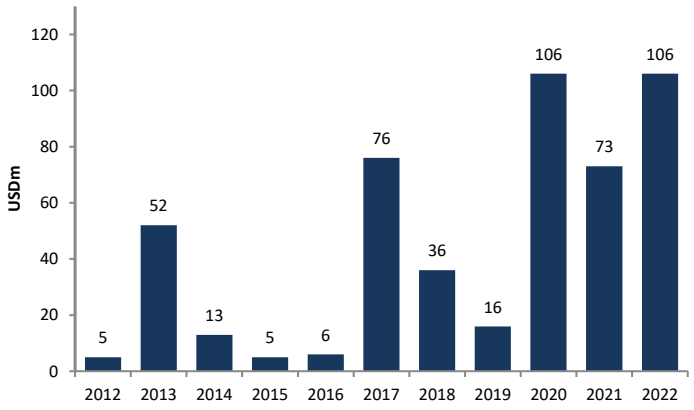
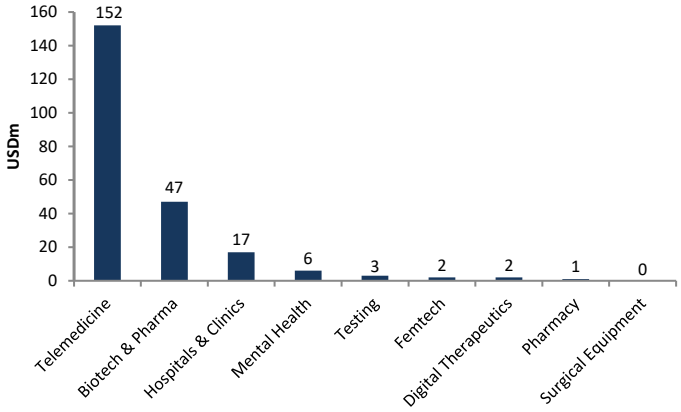
sustainability, and outstanding care in the healthcare sector, as well as leveraging AI technologies for future progress in line with the economic growth targets of the UAE 2031 vision.

Exhibit 44: MENA Healthtech investments grew at c.36% CAGR since 2012…



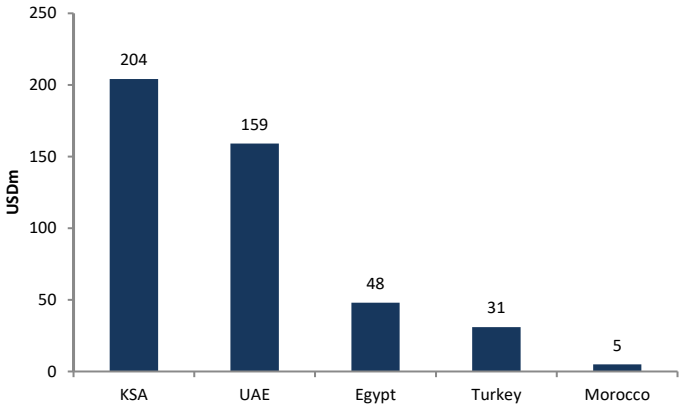
Source: Dealroom.co, Arqaam Capital Research

Exhibit 45: …with telemedicine accounting for the lion's share of funding (2018-2022)



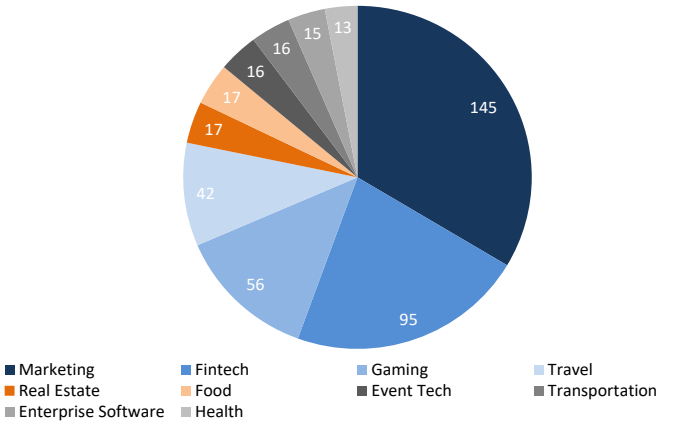
Source: Dealroom.co, Arqaam Capital Research

Exhibit 46: Top MENA Countries for VC Investment (Q1 2024)



Source: Dealroom.co, Arqaam Capital Research

Exhibit 47: MENA Leading Industries by VC Investment (Q1 2024)



Source: Dealroom.co, Arqaam Capital Research

Hub for Medical tourism

UAE ranked among the fastest-growing medical tourism industries, driven by (i) medical specialization, in fields including orthopedics, gynecology, pediatric, dental, fertility, cosmetic, among others. Comprehensive treatment packages and efficient services like timely treatment access contribute to positive outputs and enhance a destination's reputation as a reliable healthcare provider. (ii) branding, via targeted promotional campaigns, collaborations with international healthcare institutions and travel agencies, and online presence through websites and social media platforms which improve reach for potential medical tourists. As well as (iii) offering a blend of medical services and cultural experiences, providing a holistic wellness experience for tourists, despite competition from other destinations attracting price-sensitive

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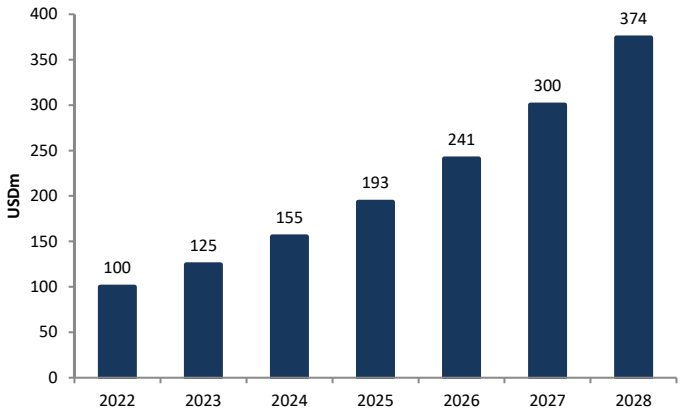
medical tourists. The UAE's world-class healthcare offering is further supported by ongoing regulatory advancements, as well as enhancement in transportation system.

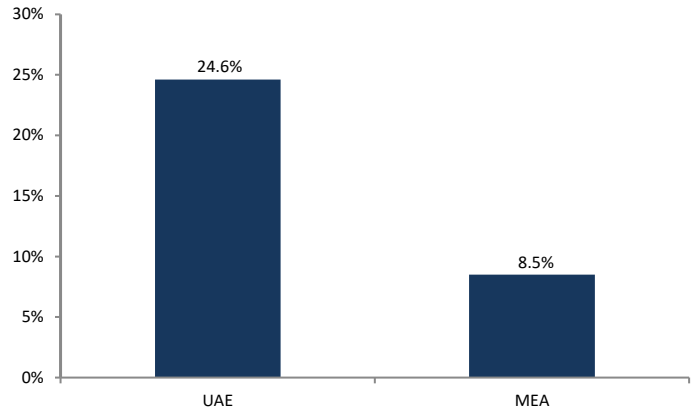
Abu Dhabi to grow visitors by 60%+ to c.39m by 2030 (7% CAGR in 2023-30) through strategic developments in the travel and tourism sector as part of its Tourism Strategy 2030, led by the Department of Culture and Tourism – Abu Dhabi (DCT). The emirate was ranked 9th globally in the 2020-2021 Medical Tourism Index, following initiatives such as the Abu Dhabi Medical Tourism e-portal launched in 2018. The e-portal serves as a comprehensive digital platform for Abu Dhabi's visitors, offering a wide range of medical services and facilities, including access to 40 healthcare facilities and over 287 medical treatment packages, in addition to unique services such as medical tourism insurance packages, visa services, and the ability to smoothly book appointments.

Exhibit 48: UAE Medical Tourism anticipated to grow at 25% CAGR in 2023-28e…



Source: TechSci Research, Arqaam Capital Research

Exhibit 49: …outpacing c.9% 5-year CAGR in MEA



Source: TechSci Research, Arqaam Capital Research

Other government initiatives include the Department of Health's new Tawteen (The National Program for Emiratization) targets within the healthcare sector, introduced in June 2023.

In alignment with the Ministry of Human Resources and Emiratization's (MOHRE) previous Emiratization initiatives, DoH published Circular No. (2023/107) categorizing healthcare facilities by their Tawteen percentages and setting targets to be achieved in two phases: (i) by December 2023 (Exhibit 50) and (ii) by December 2024, aiming at increasing the engagement of nationals in the healthcare workforce. Six months following the circular, the DoH successfully surpassed expectations by attracting 1,200 national healthcare professionals to Abu Dhabi's healthcare sector, indicating robust 12% y/y growth and exceeding 2023 targets. In February 2024, DoH issued Circular No. (2024/27) which added more context to the targets to be implemented by healthcare facilities based on their number of employees (Exhibits 51 & 53). Additionally, the Ministry of Health and Prevention (MOHAP) and the DoH are collaboratively engaged with the Emirati Talent Competitiveness Council (ETCC) and are working to qualify 10,000 Emiratis over a five-year period. This initiative goes hand in hand with the DoH's new target for Abu Dhabi's healthcare industry, which seeks to employ 5,000 UAE citizens by the end of 2025. These efforts are geared towards increasing local participation and fostering growth within the private sector (Exhibit 52).

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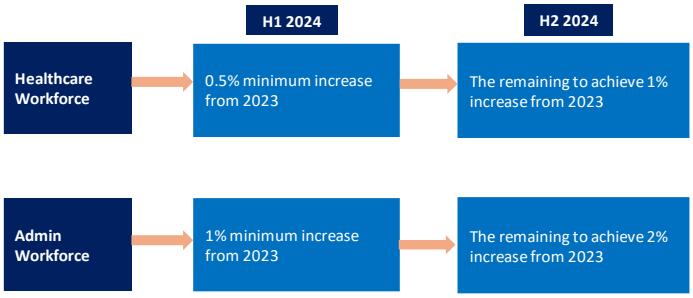
Exhibit 50: Tawteen- H2 2023 Healthcare Targets

Category	Tawteen Percentage	Target
A	10% and above	2% Admin Workforce-Maintain/increase the current Tawteen Rate
B	5%-below 10%	2% Admin Workforce-Maintain/increase the current Tawteen Rate
C	1%- below 5%	2% Admin Workforce-Maintain/increase the current Tawteen Rate
D	Below 1%	1% Licensed Healthcare Workforce and 2% Admin Workforce

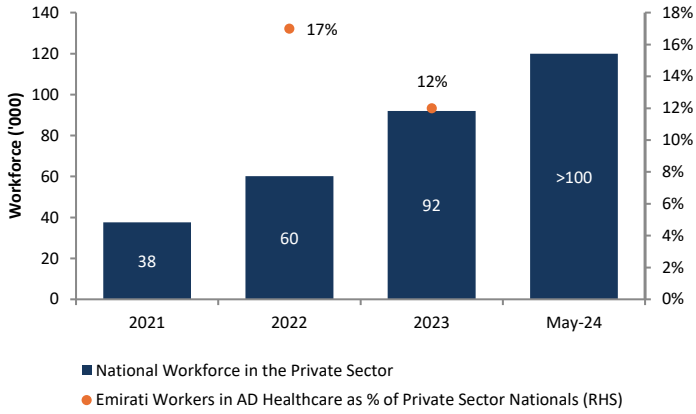
Source: DoH, Arqaam Capital Research

Exhibit 51: Tawteen Healthcare Targets 2024



Source: DoH, Arqaam Capital Research

Exhibit 52: National Workforce



Source: DoH, Arqaam Capital Research

Exhibit 53: Tawteen 2024 Targets by Facility and Number of Employees

Facility Type	Number of Licensed Healthcare Workforce	Minimum Number of Licensed Nationals to Hire
IVF Centers	10 and more	1 National
Pharmacies	10 and more	1 National
School Clinics	5 and more	1 National
All Licensed Health Facilities	20 to 100	1 National
All Licensed Health Facilities	101 to 200	2 Nationals
All Licensed Health Facilities	201 and above	1 National for every 100 licensed workforce

Source: DoH, Arqaam Capital Research

Regulatory backdrop

UAE healthcare is regulated at both the Federal and Emirate levels: The Ministry of Health and Prevention (MOHAP) is the federal health authority which provides comprehensive healthcare to citizens and residents through its preventive and curative health services. At the Emirate level, public healthcare services are administered by local regulatory authorities including the Department of Health (DOH) – Abu Dhabi, Dubai Health Authority (DHA), Dubai Healthcare City (DHCC) and Sharjah Health Authority (SHA). The healthcare in the Northern Emirates (Ajman, Umm Al Quwain, Ras Al Khaimah, and Fujairah) is primarily governed by Federal law.

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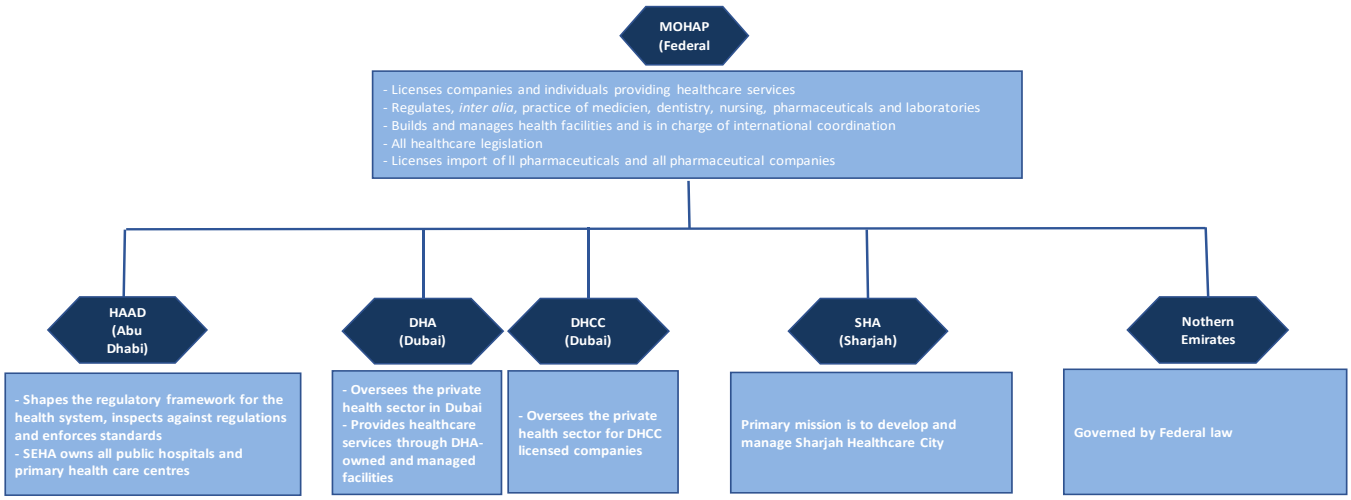
Exhibit 54: UAE Healthcare regulatory structure

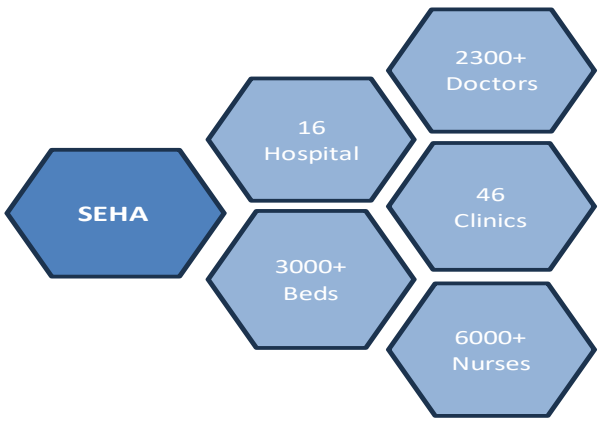


Source: Arqaam Capital Research

Abu Dhabi Healthcare Services Company (SEHA) and Mubadala Healthcare play a prominent role in the provision of public healthcare services in Abu Dhabi: SEHA owns and operates hospitals and clinics across Abu Dhabi including 16 SEHA hospitals (including New AlAin STMC and SSMC), and 60 AHS clinics (including 42 primary healthcare clinics and 18 disease prevention and screening centers along with mobile clinics, blood banks, and vaccination centers). The central management of SEHA hospitals now lies with Pure Health as part of a consolidation drive to create the largest healthcare provider in the UAE. As part of the agreement, SEHA and the National Health Insurance Company (Daman) have merged into Pure Health. Public hospitals offer a range of secondary care services including orthopedic, obstetrics and gynecology, surgical services and trauma facilities.

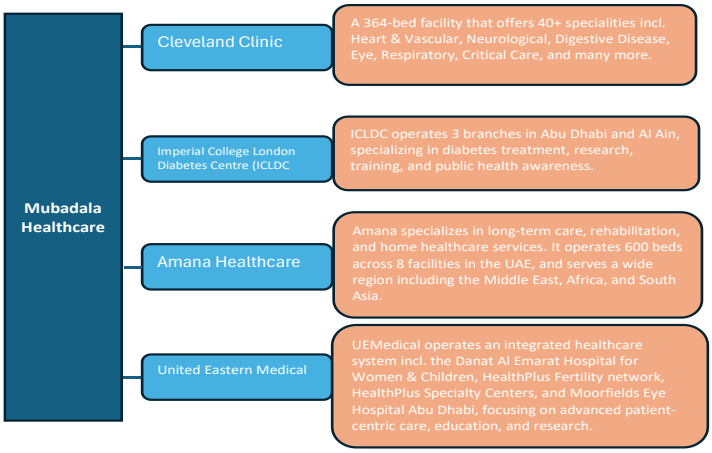
On the other hand, Mubadala Healthcare, a division of the government investment vehicle Mubadala Development Co. also caters for both publicly and privately insured patients, with projects including Cleveland Clinic, the Imperial College London Diabetes Centre, Amana home healthcare group, and United Eastern Medical Services group (UEMedical, specializing in women's health, family medicine, fertility, etc) among others.

Exhibit 55: SEHA Operational Summary



Source: Arqaam Capital Research, Company Data

Exhibit 56: Mubadala-Key Facilities



Source: Arqaam Capital Research, Company Data

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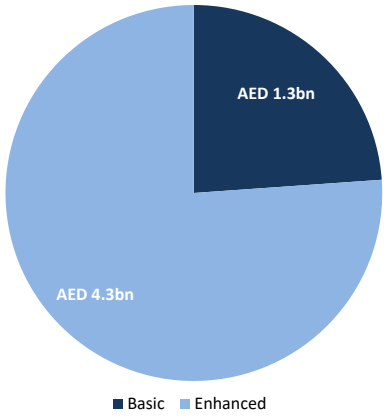
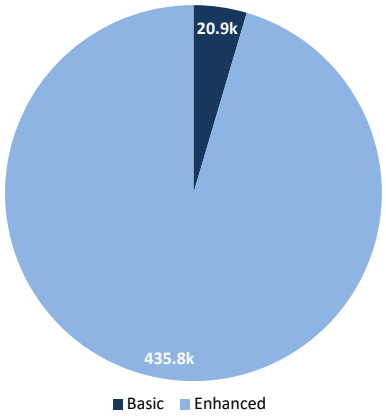
The National Health Insurance Company (Daman) is the UAE's leading health insurer, providing comprehensive healthcare coverage to more than 3 million beneficiaries locally, including individuals and organizations, through an extensive network exceeding 3,000 medical facilities. Established in 2006 and fully acquired by Pure Health in 2022, Daman is the exclusive provider of UAE's health insurance program for nationals (Thiqa). As part of its agreement with the government of Abu Dhabi, the company also provides mandatory basic health insurance plans to low-income groups, as well as an enhanced portfolio of varied coverage plans.

Exhibit 57: Daman- GWP (2023)



Source: Company Data, Arqaam Capital Research

Exhibit 58: Daman- Number of policies (2023)



Source: Company Data, Arqaam Capital Research

Daman serves as a Third-Party Administrator (TPA) managing government health insurance plans with **aspirations to expand this service model to other GCC markets**. This strategy positions the company for sustained growth and impact across the region.

Exhibit 59: Daman Key Milestones (Q1 2024)

Date	Milestone
March 2024	**Daman partnered with AXA - Global Healthcare** to offer enhanced International Private Medical Insurance (IPMI), providing members with global coverage through AXA's network of 1.9 million healthcare providers, 24/7 claims support, and Virtual Care services, all accessible via the Daman Mobile app.
March 2024	**Daman and e& enterprise unveiled the Hyakum Digital Booth**, an innovative self-service health insurance kiosk utilizing IoT and AI for 24/7 accessibility. This enhances customer service and operational efficiency in the UAE, with an ambitious plan to expand to over 20 sites in three years.
April 2024	**Daman added a new option to renew Abu Dhabi Basic Plans for domestic workers via the TAMM platform**, enabling policy renewals within 15 minutes without document submissions. This aligns with digital transformation initiatives to enhance customer experience.

Source: Company Data, Arqaam Capital Research

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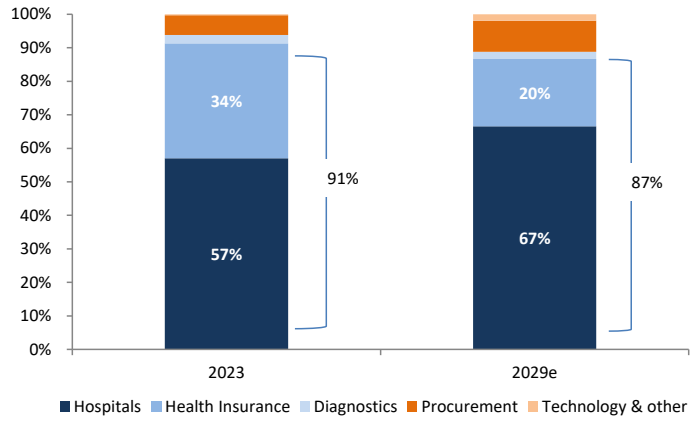
PureHealth- UAE's largest vertically integrated healthcare group

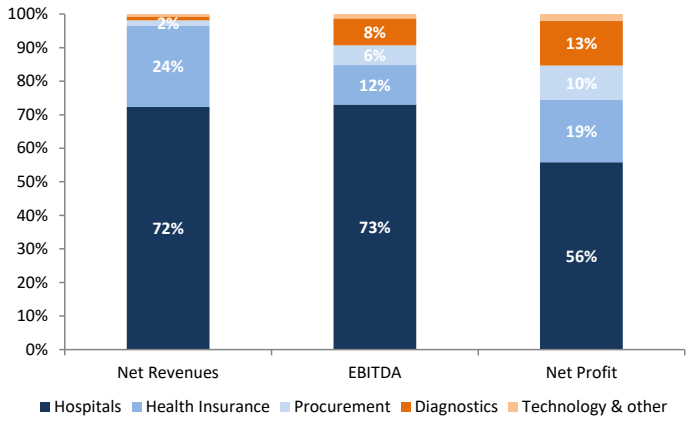
- Pure Health Holding operates a cross-category healthcare platform generating more than AED 16.4bn in annual revenues (FY 23A) from hospitals, clinics, diagnostics, insurance, pharmacies, procurement, and technology units.
- The group reports AED 8bn in cash and equivalents (Q1 24A), to be actively deployed in the medium-term to further expand its local and global reach beyond Circle Health (leading UK private healthcare provider, fully owned) and Ardent Health Services (4th largest acute care hospital operator in the US, successfully listed on NYSE).
- We run granular forecasts across Pure Health's five distinct verticals, with upside risk to our numbers should the group expand its addressable market beyond current services (P&C insurance, retail pharmacies), and successfully lead further M&A activities.

Exhibit 60: Hospitals and Health Insurance remain the primary revenue contributors…



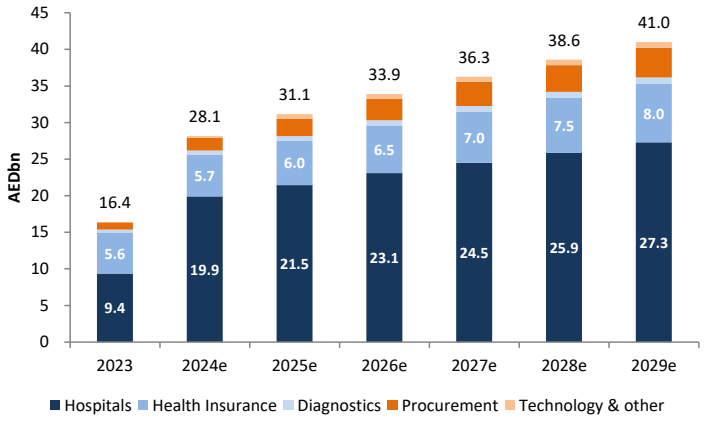
Source: Company Data, Arqaam Capital Research

Exhibit 61: …generating c.95% and c.75% of group top and bottom line in Q1 24A



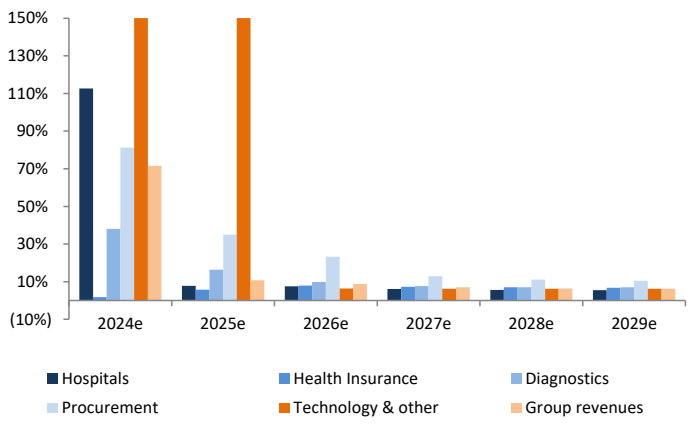
Source: Company Data, Arqaam Capital Research

Exhibit 62: Group net revenues to grow at 17% CAGR in FY 23-29e…



Source: Company Data, Arqaam Capital Research

Exhibit 63: …with FY 24e growth driven by the consolidation of Circle Health and SSMC in the hospitals segment



Source: Company Data, Arqaam Capital Research

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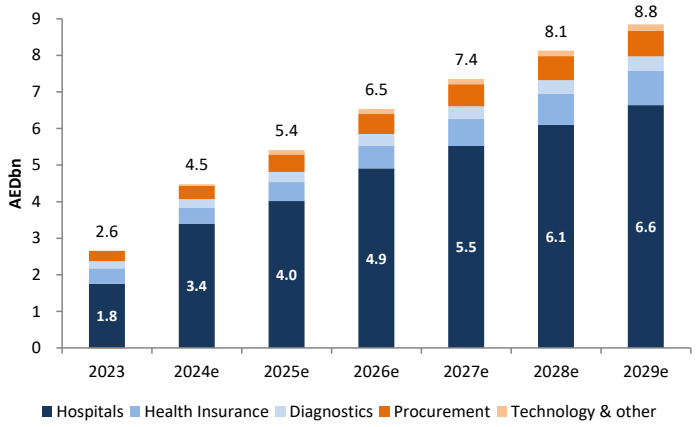
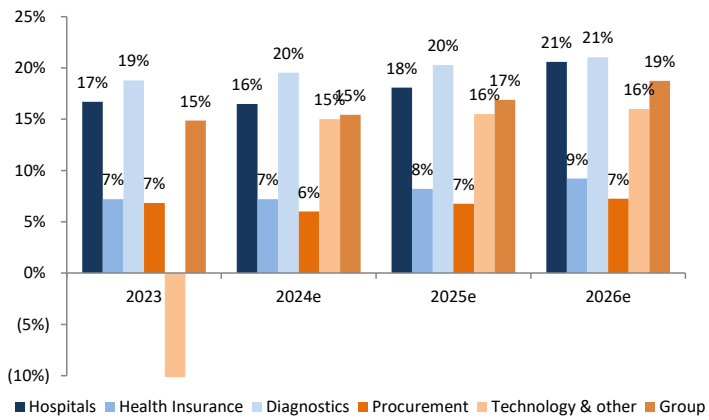
Exhibit 64: EBITDA further grows at 23% CAGR in FY 23-29e…



Source: Company Data, Arqaam Capital Research

Exhibit 65: …driven by margin improvements across the board



Source: Company Data, Arqaam Capital Research

Exhibit 66: Summary of forecasts

Gross revenues (AEDm)	2022	2023	2024e	2025e	2026e	2027e	2028e	2029e
Hospitals	6,729	10,528	20,627	22,212	23,845	25,279	26,696	28,156
Health Insurance	1,344	5,853	5,940	6,278	6,775	7,272	7,783	8,308
Laboratory Management Services	3,950	1,043	1,219	1,387	1,507	1,605	1,701	1,801
Procurement	2,846	4,099	6,134	7,048	7,566	8,022	8,404	8,786
Technology & other	--	76	262	787	826	867	911	956
Adjustments & Eliminations	*(2,383)*	*(5,201)*	*(6,043)*	*(6,566)*	*(6,623)*	*(6,785)*	*(6,895)*	*(6,998)*
Group revenues	**12,486**	**16,399**	**28,138**	**31,146**	**33,896**	**36,261**	**38,599**	**41,010**

EBITDA (AEDm)	2022	2023	2024e	2025e	2026e	2027e	2028e	2029e
Hospitals	2,099	1,757	3,401	4,018	4,909	5,521	6,097	6,642
Health Insurance	86	422	428	515	624	742	853	931
Laboratory Management Services	1,914	196	238	281	317	346	375	401
Procurement	197	280	368	476	549	602	651	703
Technology & other	--	(24)	39	122	132	143	155	167
Adjustments & Eliminations	*(61)*	*(194)*	*(134)*	*(154)*	*(176)*	*(188)*	*(195)*	*(199)*
Group EBITDA	**4,235**	**2,437**	**4,341**	**5,258**	**6,355**	**7,166**	**7,936**	**8,646**

EBITDAm	2022	2023	2024e	2025e	2026e	2027e	2028e	2029e
Hospitals	31%	17%	16%	18%	21%	22%	23%	24%
Health Insurance	6%	7%	7%	8%	9%	10%	11%	11%
Laboratory Management Services	48%	19%	20%	20%	21%	22%	22%	22%
Procurement	7%	7%	6%	7%	7%	8%	8%	8%
Technology & other		(31%)	15%	16%	16%	17%	17%	18%
Group EBITDA Margin	**34%**	**15%**	**15%**	**17%**	**19%**	**20%**	**21%**	**21%**

Source: Company Data, Arqaam Capital Research

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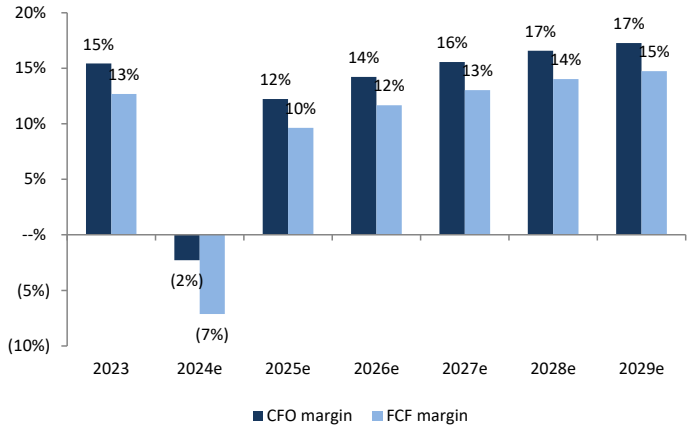
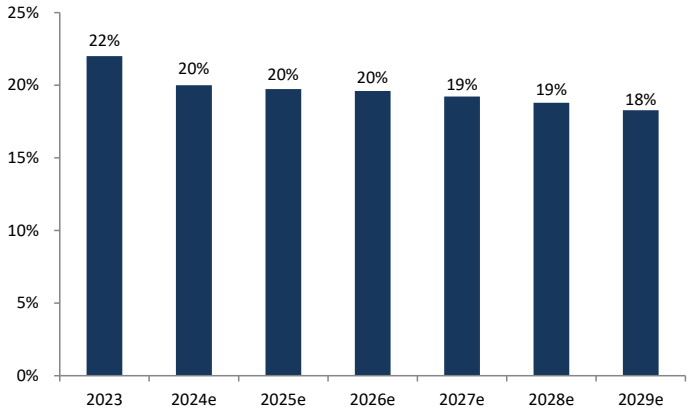
Exhibit 67: CFO vs. FCF margin



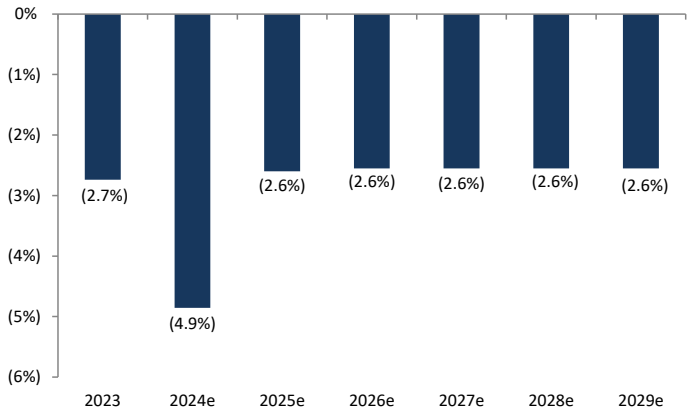
Source: Company Data, Arqaam Capital Research

Exhibit 68: Working Capital adequate at 18-20% of revenues



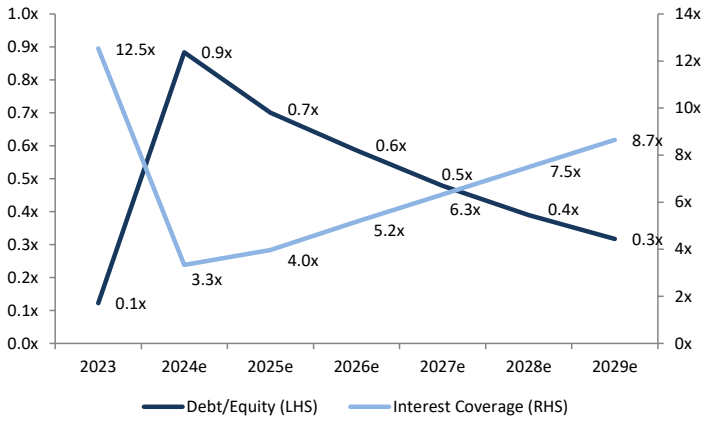
*Source: Company Data, Arqaam Capital Research *2023 adjusted for one-off receivables collection*

Exhibit 69: We pencil in c.2.6% in maintenance CapEx post FY 24e



Source: Company Data, Arqaam Capital Research

Exhibit 70: Interest coverage remains healthy (>3x) despite increased leverage ratio in FY 24e when including lease liabilities



Source: Company Data, Arqaam Capital Research

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Exhibit 71: Key local assets

Key Local Assets	
Healthcare Segment	
Abu Dhabi Healthcare Company (SEHA)	SEHA, founded in 2007, is the largest healthcare network in the UAE, with over 14,000 staff, 16 hospitals, 3500+ licensed beds and 2500+ operating beds. As part of Pure Health, SEHA operates all public hospitals and clinics in Abu Dhabi, delivering high-quality healthcare services.
Sheikh Shakhbout Medical City (SSMC)	SSMC is licensed by the Department of Health-Abu Dhabi to provide Bone Marrow Transplant and Stem Cell services. It is also recognized as a national center of excellence for Burns and a regional center of excellence for multiple clinical disciplines, including Orthopedics, Bariatric Surgery, Women's Health, Vascular Surgery, Pediatrics, and Rheumatology.
Ambulatory Healthcare Services (AHS)	AHS, founded in 2008, provides a combination of family medicine, specialty, screening and diagnostic services through more than 60 clinics.
Tamouh Healthcare	THC main duties include meeting UAE government mandates such as COVID-19 testing, vaccine administration, field hospital management, refugee aid, and medical supply procurement.
The Life Corner (TLC) & Dawak	TLC is a pharmacy chain co-located within SEHA facilities. It operates outpatient pharmacy outlets at SEHA hospitals in Abu Dhabi. TLC has launched Dawak in 2022, a digital pharmacy that offers home delivery of pharmaceuticals and retail products to patients in Abu Dhabi, with plans to expand to other emirates.
The Medical Office (TMO)	TMO oversees specialist and general hospitals in the UAE, including Sheikh Khalifa Hospitals and the National Rehabilitation Centre (NRC).
Diagnostic Segment	
Pure Lab	Purelab operates the largest laboratory network in the region, with over 160 labs across the UAE. Serving both public and private sectors, Purelab offers an extensive range of in-house lab tests and performs over 25 million tests annually. It provides services to SEHA hospitals and clinics in Abu Dhabi and TMO hospitals in the Northern Emirates.
Procurement and Distribution Segment	
Rafed	Rafed focuses on healthcare procurement services such as supplier sourcing, contract management, procurement, service ordering, and distribution. It caters to various clients, including Pure Health Group entities and external parties, and is the preferred supplier for both the governmental and private sectors.
OneHealth	One Health is an authorized distributor of leading brands in medical and diagnostic devices, maintaining key partnerships in critical care, patient care, radiology, oncology, laboratory diagnostics, renal, surgical, consumables, and healthcare IT solutions. It serves a broad network of healthcare providers, including Sheikh Khalifa hospitals and SEHA Hospitals.
Insurance Segment	
Daman	Daman, established in 2005, is the UAE's largest health insurance provider, with coverage spanning over 2000 hospitals and clinics and serving around 3 million active members. Apart from primary health insurance plans, Daman manages the government's health fund management programs and operates as a third-party administrator (TPA). The company aims to expand its enhanced portfolio in Dubai and penetrate other GCC markets with its extensive experience and technological advancements.
Technology Services	
PureCS	PureCS specializes in IT solutions such as systemization, cybersecurity, IT management and consulting, end-to-end IT services, cloud services, and AI information systems. The company has completed the UAE's largest digital health project and led various local and federal technology initiatives.

Source: Company Data, Arqaam Capital Research

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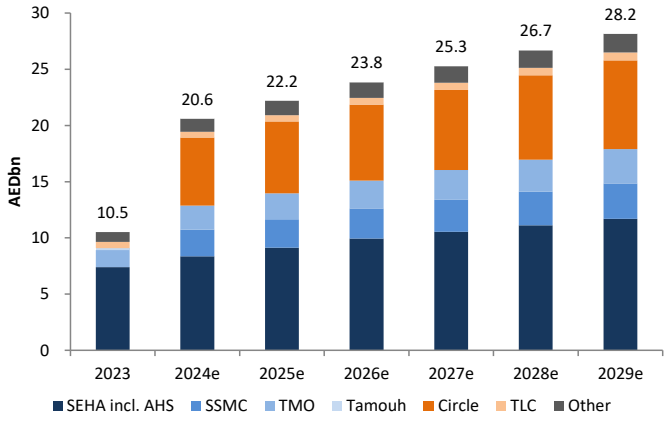
Hospitals

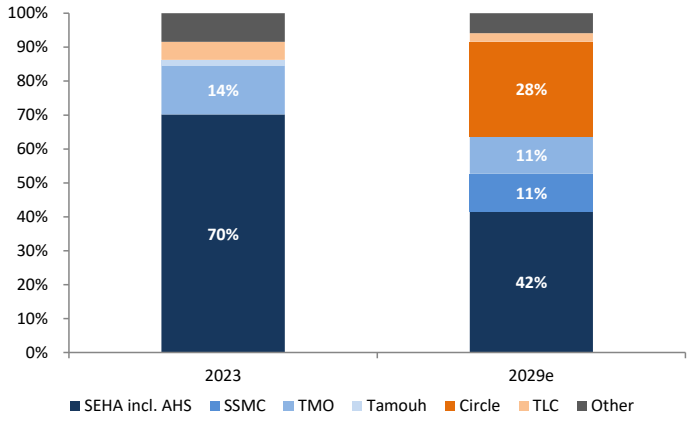
- **The hospitalization segment encompasses a diverse portfolio of healthcare providers, locally including SEHA (largest hospital platform in the UAE with c.3.9k licensed beds, and flagship facilities SKMC, SSMC, STMC offering room for greenfield/brownfield expansions within each medical city), with the global portfolio currently spanning across the UK and the US through Circle Health and Ardent Health Services respectively.**
- **Omnichannel pharmacy offering through The Life Corner captures c.20% of the UAE's outpatient pharmacy market of c.AED 8.1bn (42% of total UAE addressable pharmacy market), with further growth prospects from the online platform (through Dawak) and retail branch rollouts.**
- **The Medical Office (TMO) is a primary beneficiary of implementation of mandatory insurance in the Northen Emirates, with the group governing 8 government-owned hospitals with 900+ licensed beds.**

Exhibit 72: Segment gross revenues expand at 18% CAGR…



Source: Company Data, Arqaam Capital Research

Exhibit 73: …primarily driven by the full consolidation of Circle and SSMC, along with ramp up at existing network



Source: Company Data, Arqaam Capital Research

Recently acquired SSMC and recently launched STMC (combined c.33% of SEHA bed count) to drive local growth in the medium-term, in parallel supported by rising occupancy rates thanks to higher inpatient and outpatient traffic at existing network**:**

- **Significant room for operational synergies (pricing strategies and patient volumes) at Sheikh Shakhbout Medical City (SSMC),** consolidated starting Q1 24. Pure Health, through its wholly owned subsidiary SEHA, acquired 100% of SSMC earlier this year. While the entity was valued at USD 600m, Pure Health only paid USD 150m, equivalent to Mayo Clinic's 25% holding.

  SSMC complements the oncology expertise of Tawam Hospital (Al Ain) and Sheikh Khalifa Specialty Hospital (Ras Al Khaimah), creating the largest footprint for cancer care across the UAE and the region.

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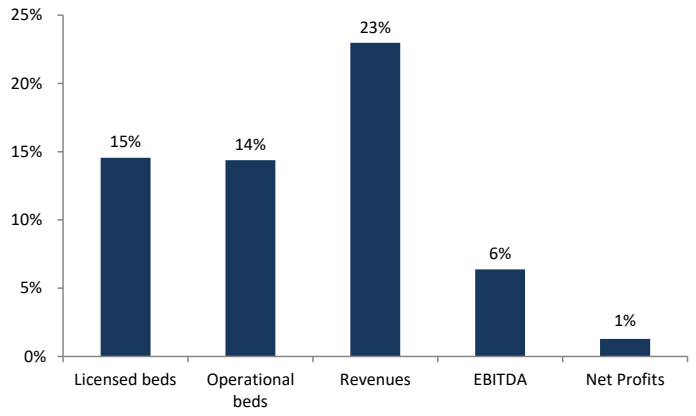
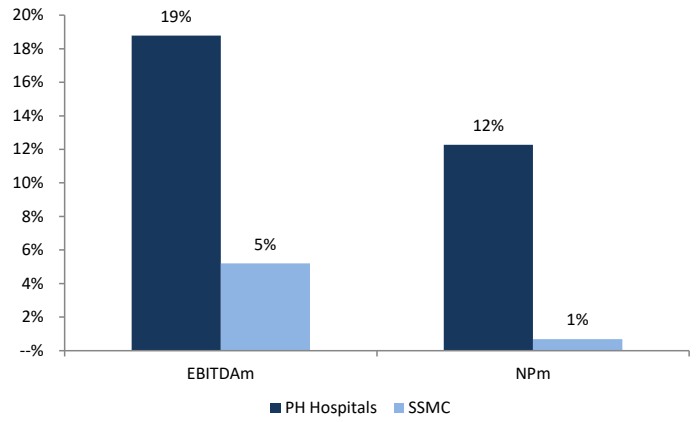
Exhibit 74: SSMC adds c.23% to group hospitalization revenues but only 1% to bottom line in FY 23A…



Source: Company Data, Arqaam Capital Research

Exhibit 75: …due to lower-than-average EBITDA and NP margins of 5% and 1% respectively



Source: Company Data, Arqaam Capital Research

- **Inaugurated in year-end 2023, Sheikh Tahnoon Bin Mohammed Medical City (STMC) is the largest healthcare facility in Al Ain region**, boasting a range of tertiary care services (incl. cardiology, neurosciences, surgical oncology, orthopedics, among others) through its 867-bed facility (including 149 rehab beds) launching operations in phases. The facility plans to deploy new technologies in neuromuscular testing and rehabilitation technology, aquatic therapy, and robotic automated pharmacy system among others.
- **Enhanced capacity utilization at Tawam hospital** following expansion of its emergency department with new waiting areas, assessment and evaluation rooms in 2023.
- **Renovation and expansion of the emergency department of Sheikh Khalifa Medical City** (SKMC).

Top line growth further driven by recently introduced initiatives, including (i) the extension of clinic hours with evening sessions boosting outpatient visits starting FY 23A, (ii) the optimization of patient journey through effective timeslot management, (iii) increased mix of private insurance patients, (iv) the reactivation of clinical services in Al Rahba, Al Ain, Al Shamkha, Zakher, and Al Maqam centers, and (v) the creation of dedicated centers with additional bed allocations for Long-Term Care (LTC) and expansion of IVF services to cater for growing patient needs.

Acquired by Pure Health in October 2022, SEHA is one of the largest integrated healthcare providers in the Middle East operating 14 public hospitals, in addition to an extensive network of primary care facilities and ambulatory care clinics, employing more than 10k people.

The group operates through 3 primary segments:

1. **Healthcare services**- extended to both insured (Thiqa, Basic, Enhanced, and others) and cash patients.
2. **Funded mandate programs**- including Activity Based Mandates (ABM) with SEHA exclusively operating as part of Abu Dhabi government's no-cost health insurance initiative which covers the medical expenses of patients not under insurance coverage.

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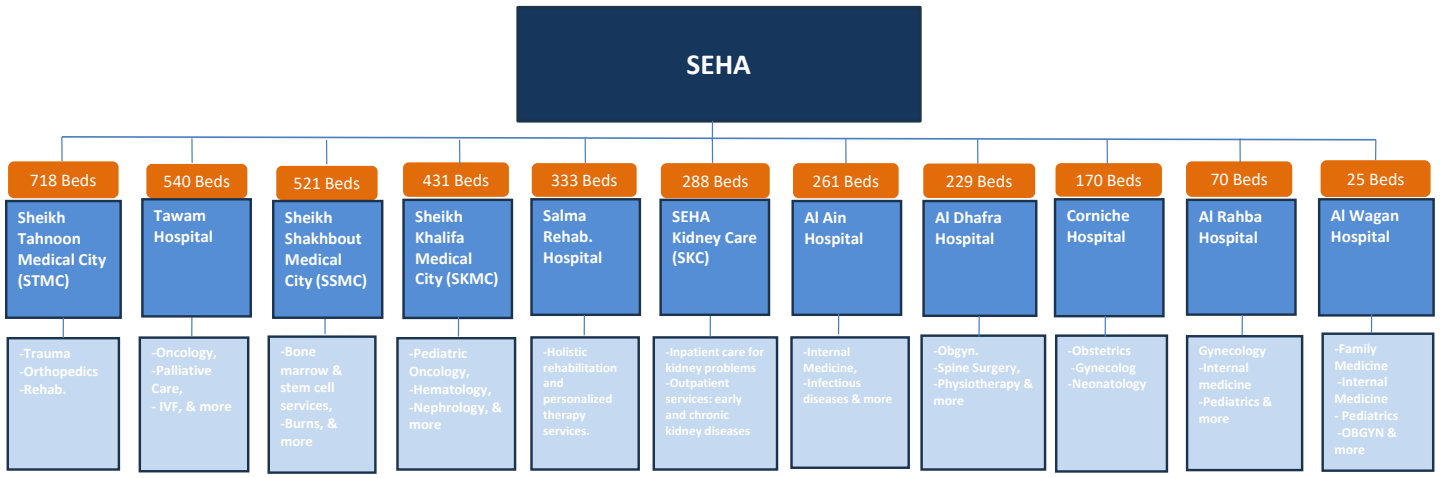
The program consists of 9 defined mandates including critical emergencies, vaccinations, specialized services among others.

And Non-Activity Based Mandates (NABM) including critical healthcare services such as provision of medical care in underserved regions in the UAE, critical care, and blood banks among other specified responsibilities. The AD government funds the losses incurred by NABM services over 12 monthly instalments.

3. **Non-patient related ancillary services.**

Exhibit 76: SEHA-Largest Network of OP/IP Facilities in the UAE



Source: Company Data, Arqaam Capital Research

Ambulatory Health Services (AHS) provides a broad spectrum of services through a network of 60 clinics offering a mix of family medicine, specialty, screening, and diagnostics services, including among others cardiology, obstetrics and gynecology, orthopedics, pediatrics, ENT, and dentistry.

Margin accretion from optimization of operations, in addition to potential revision of DRG reimbursement multiples: Cost-saving initiatives include workforce rationalization through centralization of services, enhanced physician utilization and reduced drug and consumable costs through improved economics of sister company Rafed, along with promoting the use of generics.

The Medical Office (TMO) is a primary beneficiary of implementation of mandatory insurance in the Northern Emirates, boosting patient volumes in the medium-term: TMO governs 8 government-owned general and specialized hospitals in Abu Dhabi (National Rehabilitation Centre NRC) and the Northern Emirates (Sheikh Khalifa hospitals), with 900+ licensed beds, receiving a mix of fixed (annual service fee) and variable (revenue sharing) fees. In parallel to managing healthcare activities on behalf of the government, TMO advises the Presidential Court on key healthcare infrastructure programs and projects in the UAE.

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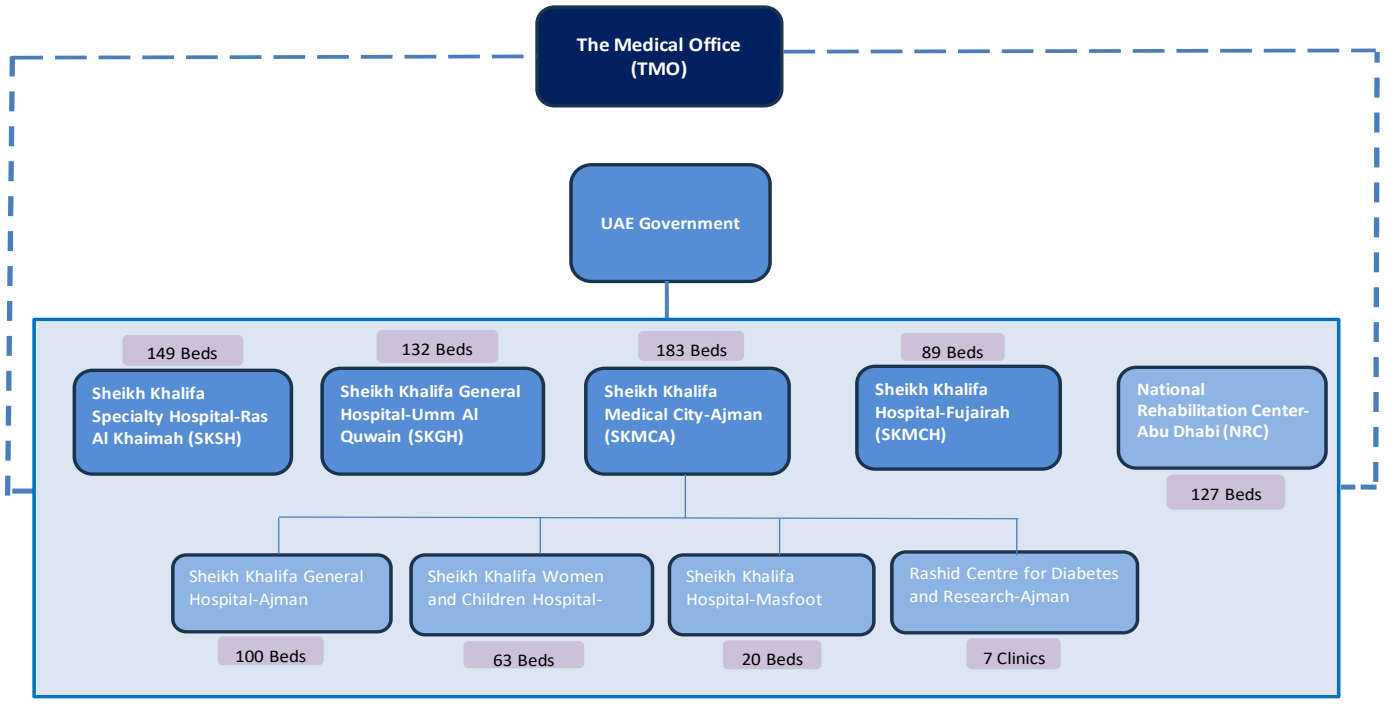
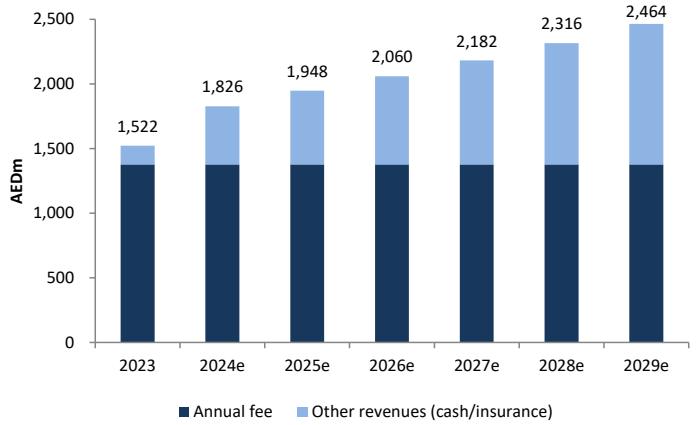
Exhibit 77: The Medical Office (TMO) Model



Source: Company Data, Arqaam Capital Research

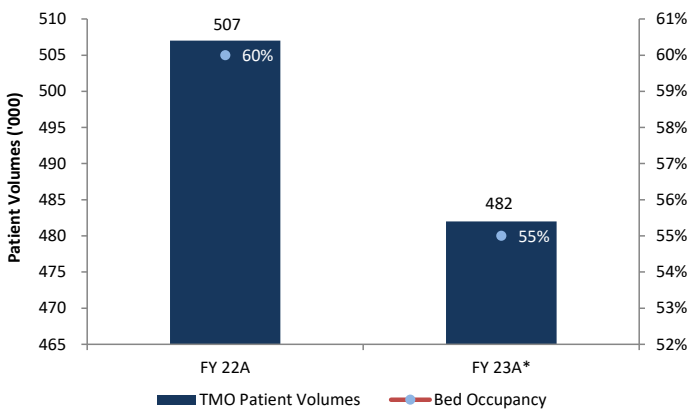
Addition of NRC and Sheikh Khalifa Hospital, TMO's latest 249-bed facility in Fujairah, to drive revenue and profitability for the group in FY 24e, with the expected roll-out of mandatory insurance further boosting occupancy in FY 25e. Pure Health operates Sheikh Khalif hospitals under a 15-year contract signed back in October 2020, and renewable upon mutual agreement between both parties. TMO also operates the National Rehabilitation Centre (NRC) on similar commercial terms with the UAE government starting June 2023. Established in 2002, NRC is the first and largest substance abuse rehabilitation center in the UAE with individual inpatient and outpatient services buildings in a total built up area of 43k sqm.

Exhibit 78: Ample room for growth in incremental revenues at TMO…



Source: Company Data, Arqaam Capital Research

Exhibit 79: …from 55% inpatient occupancy in FY 23A



*Source: Company Data, Arqaam Capital Research *Decline from a high base in FY 22A post COVID normalization*

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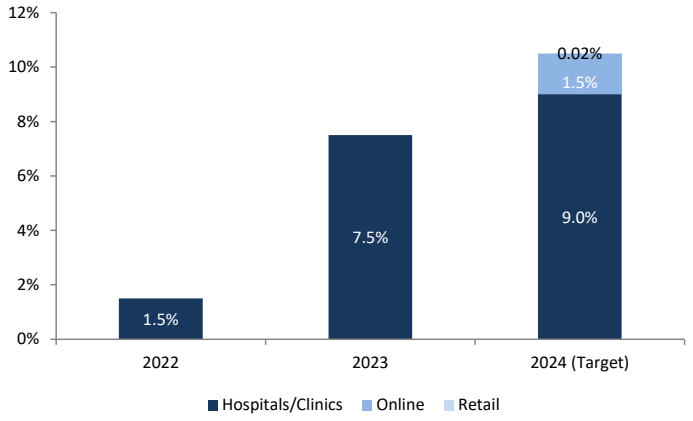
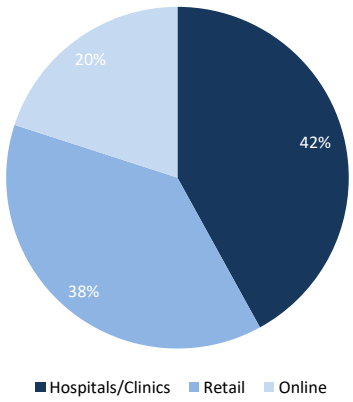
The group's on-site pharmacy chain, The Life Corner (TLC) grows revenues in parallel with hospitals operations, with its full-service digital pharmacy Dawak extending reach through home delivery of pharmaceutical and retail products to patients in Abu Dhabi and with planned expansion of services in other emirates

Exhibit 80: TLC market share of total pharmacy segments



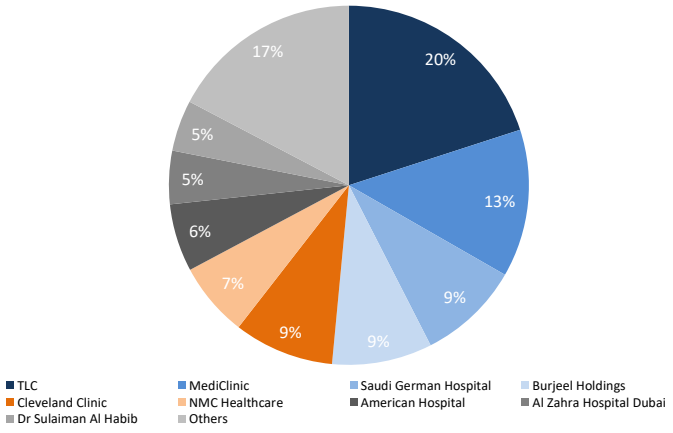
Source: Company Data, Arqaam Capital Research

Exhibit 81: The outpatient segment represents c.42% of the addressable pharmacy market in the UAE



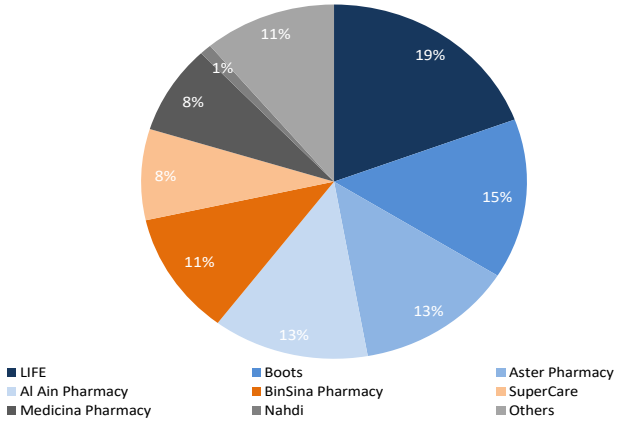
Source: Company Data, Arqaam Capital Research

Exhibit 82: TLC is the largest player in the UAE outpatient pharmacy segment with 20% share of sales



Source: Company Data, Arqaam Capital Research

Exhibit 83: Largest players in the UAE Retail Pharmacy segment



Source: Company Data, Arqaam Capital Research

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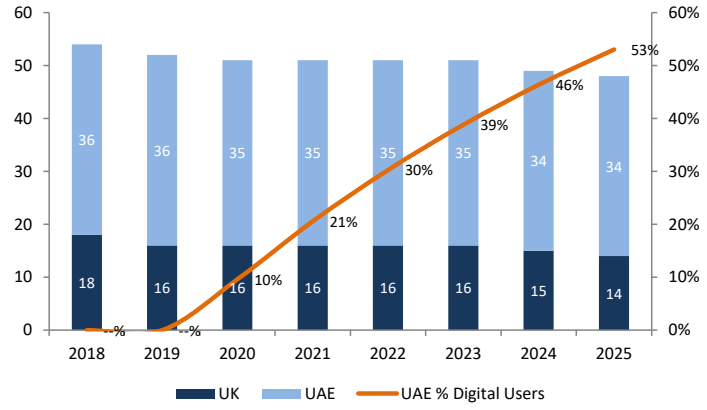
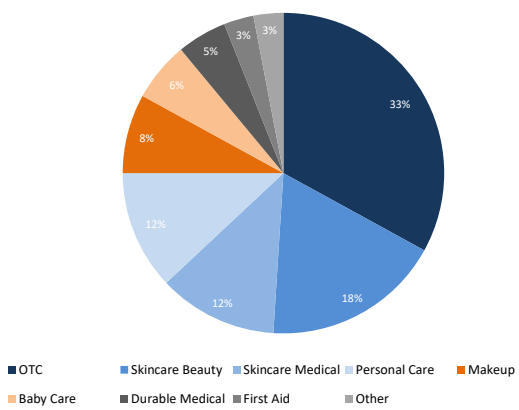
Exhibit 84: Traditional Pharmacies per 100k Population



Source: Credenceresearch, Arqaam Capital Research

Exhibit 85: UAE Retail Pharmacy sales by category

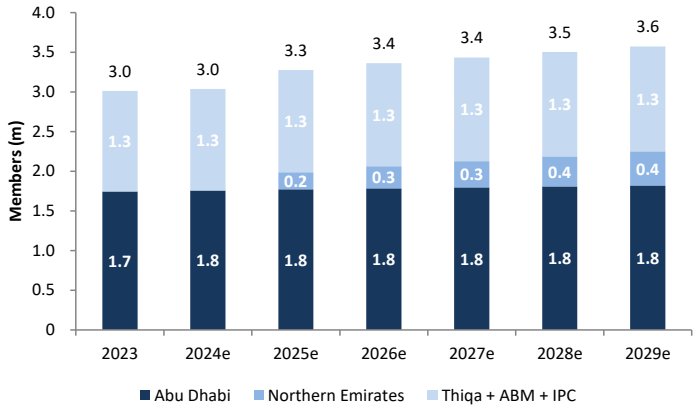


Source: Company Data, Arqaam Capital Research

Health Insurance

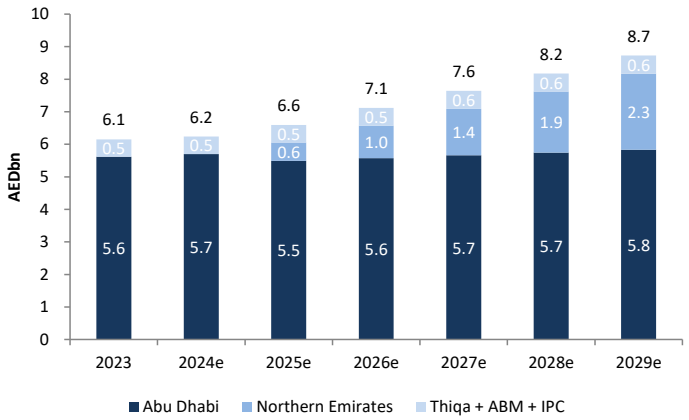
- **Daman reports steady market share gains (up from 23% in 2020 to c.27% in 2024) with estimated 9.8% CAGR in GWPs outpacing 6.1% increase in addressable market in 2020-24e.**
- **Introduction of mandatory insurance in the Northen Emirates, expected in 2025 unlocks potential for c.1.2m new members (Emirati citizens + expats). Daman could potentially target opportunities in the government-funded schemes and the employer-funded market.**
- **Expansion into P&C insurance unlocks opportunities in a lucrative and growing (+13% CAGR vs. +6% for Health) local market. As a subsidiary of the largest Hold Cos in Abu Dhabi, Daman is strategically positioned as the preferred insurance provider capturing c.70% of the health insurance business from associated companies within the portfolios of IHC (Aldar, Multiply Group), Alpha Dhabi Holding (FAB Properties, ADNOC Drilling JV), ADQ (TAQA, EWEC, ENEC, Etihad Airways, ADX) and Pure Health.**

Exhibit 86: We pencil in c.7% contribution from newly insured members with the implementation of mandatory insurance in the Northern Emirates starting 2025…



Source: Company Data, Arqaam Capital Research

Exhibit 87: …and conservatively forecast 6% CAGR in insurance revenues in FY 23-29e



Source: Company Data, Arqaam Capital Research

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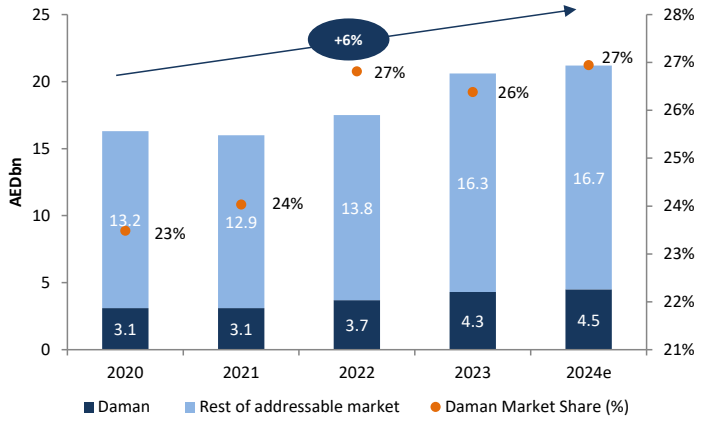
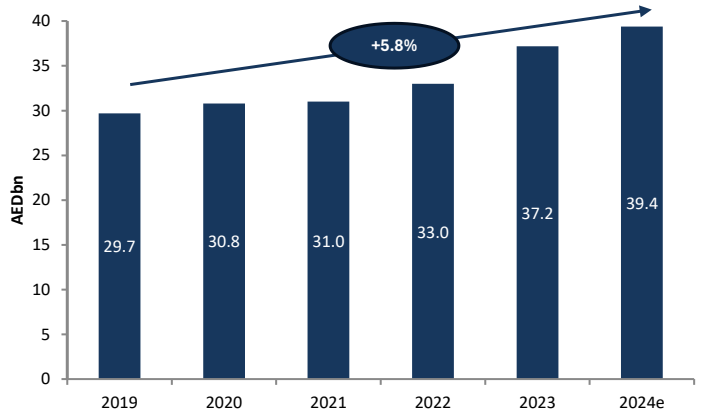
Aggressive expansion strategy via market share gains supports uptick in membership in FY 24e following c.1% increase in both Thiqa and Basic member bases in FY 23A. We pencil in 2% top line growth dually driven by larger membership base along with higher premiums thanks to an improved value proposition helping retain key accounts at higher rates, further supported by lower combined ratio and higher investment income. While cost efficiency initiatives drive continued margin improvement in the medium-term (EBITDAm +2ppt to 9.2% by FY 26e, following 81bps increase to 7.2% in FY 23A).

Exhibit 88: Daman market share of UAE addressable health insurance market



Source: Company Data, Arqaam Capital Research

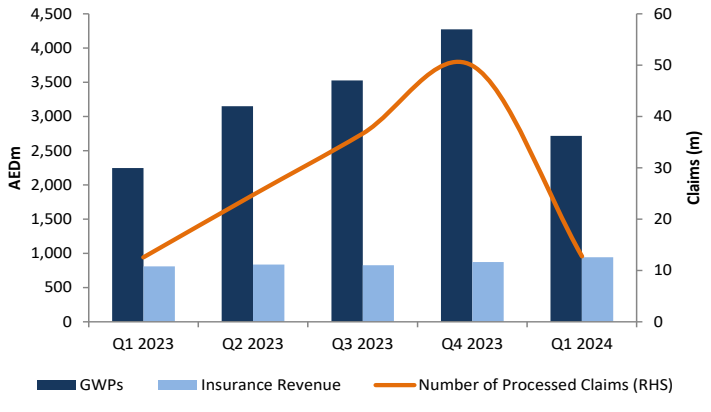
Exhibit 89: UAE insurance market growth, all lines of business (AEDbn)



Source: Company Data, Arqaam Capital Research

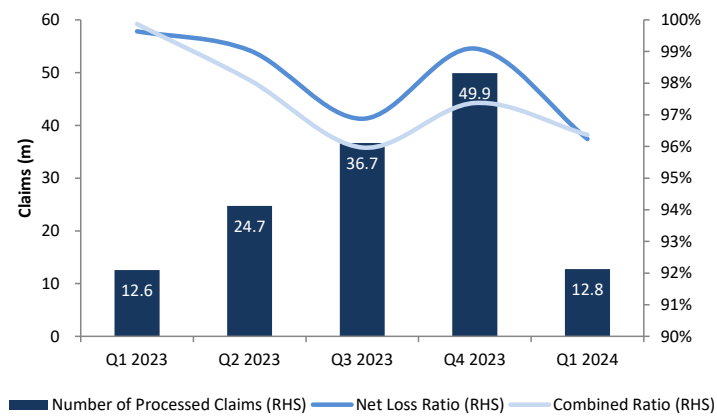
Mandatory insurance, expected to be implemented in the Northern Emirates starting Jan 2025, is a game changer for the group as a whole and Daman in particular, leading to a change in patient mix with a larger insured population base, raising the company's revenue share without any additional costs.

Exhibit 90: Daman: GWPs, Insurance Revenue, and Claims



Source: Company Data, Arqaam Capital Research

Exhibit 91: Daman: Net Loss Ratio, Combined Ratio, and Claims



Source: Company Data, Arqaam Capital Research

Acquired by Pure Health in 2022, Daman offers comprehensive health insurance solutions to c.3m active members in the UAE through 2 primary business segments, with future plans to extend coverage for accident, fire, casualty, marine and others.

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- **Health Insurance (B2C, B2B)-** enhanced portfolio of medical insurance plans with varied benefits, geographical coverage and policy limits for individuals and groups.
- **Health Fund Management (B2G)-** exclusive administrator of Thiqa (comprehensive healthcare program offered by the government of Abu Dhabi to UAE Nationals) and other specialized programs. It also exclusively manages the Basic insurance plan offered by the government of Abu Dhabi. for low-income expats. Additionally, Daman exclusively provides TPA services for UAE Armed forces health plan and International Patients Program for Emiratis traveling abroad for treatments.

Cardless insurance: Daman embraced digitization by eliminating physical insurance cards and linking insurance policies to policyholders' ID numbers. Notably, the company has introduced Hayakom Thiqa, the GCC's first smart branch, a mobile application facilitating easy access to Daman's complete insurance portfolio. This innovative tool enables members to download insurance cards, locate medical care providers, and access various services easily.

Plans to expand portfolio to include property and casualty insurance such as accident, fire, etc. by way of pursuing a new license or potentially acquiring an existing provider. Other initiatives include Daman's recent collaboration with AXA Global Healthcare to initiate a new International Private Medical Insurance (IPMI) plan designed to cater to businesses with an international workforce and offer premium healthcare solutions worldwide, supported by Daman's local expertise and AXA's international presence.

Diagnostics services

Non-COVID related testing drives FY 24e top line, while operational efficiencies through reduced cost per test supporting segment profitability. We pencil in 5% growth in non-COVID related tests, driven by incremental footfall through evening and weekend clinic operating hours at SEHA, covering for 40% drop in PCR and related tests. Larger non-COVID volumes further supported by c.1% y/y increase in average revenue per test.

MOHAP capped-fee contract to be augmented with the rollout of mandatory insurance in the Northern Emirates. While newly established integrated Central Laboratory through hub-and-spoke model supports economies of scale starting H2 24e. The enhanced operating model enables the provision of complex tests catering to private players in the UAE initially and the wider region at a later stage.

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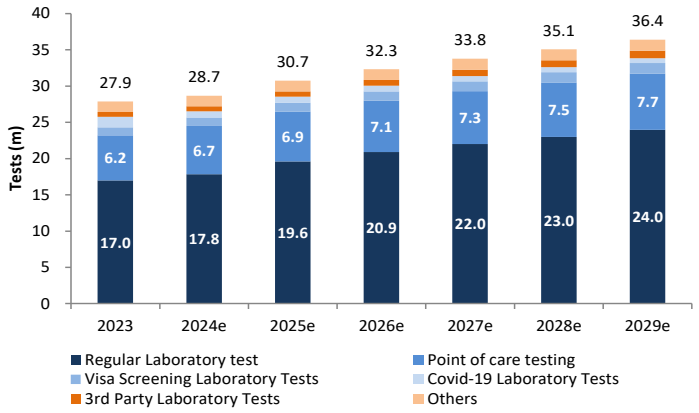
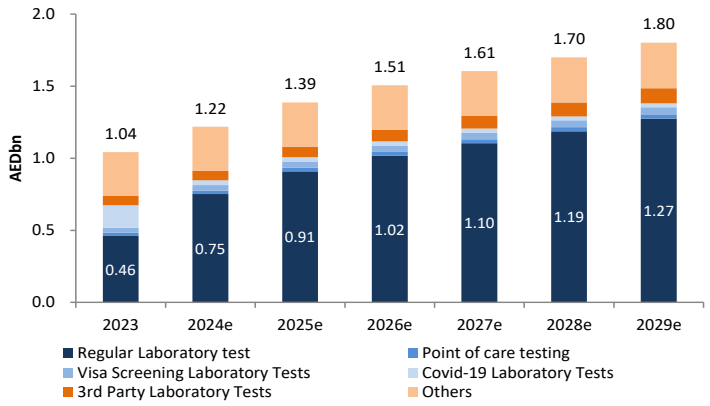
Exhibit 92: Non-COVID related testing drives volumes in FY 24e…



Source: Company data, Arqaam Capital Research

Exhibit 93: …with the removal of MOHAP capped fee supporting revenues starting FY 25e

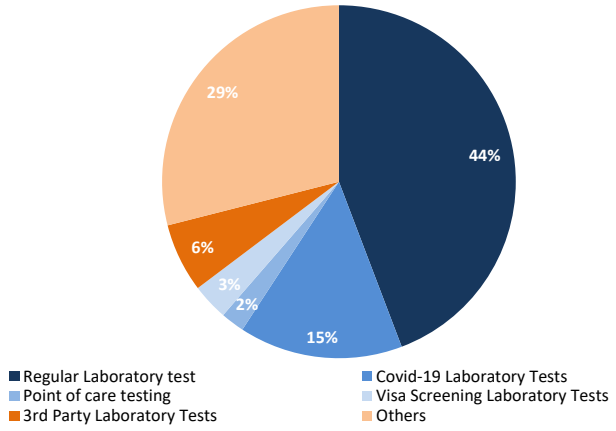


Source: Company data, Arqaam Capital Research

Pure Lab operates and manages over 143 laboratories across the UAE with a capacity of 68m tests per year, serving both public (c.60% of tests) and private sectors. Pure Lab operates through 3 primary contracts including:

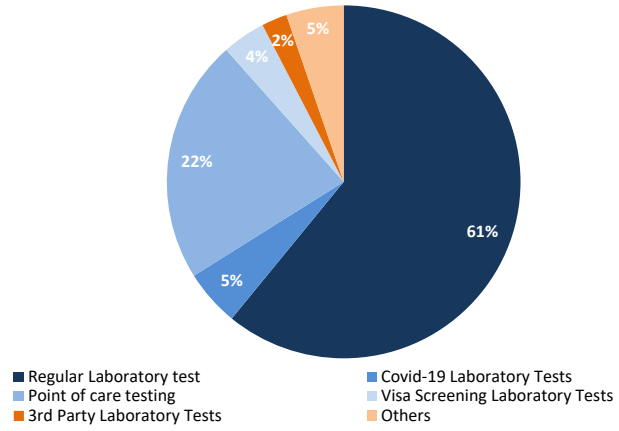
- **Outsourced laboratories service contract-** mainly serving the population in the Northern Emirates, where the introduction of mandatory insurance could boost revenues and profitability of the lab operations starting FY 25e.
- **SEHA Contract-** serving 16 SEHA hospitals and 50+ clinics in Abu Dhabi through Union 71.
- **TMO Contract-** serving TMO hospitals in the Northern Emirates including SKMCA (Ajman), SKSH (Ras Al Khaimah), SKGH (Umm Al Quwain), and SKCH (Fujairah).

Exhibit 94: Revenue mix by tests (FY 23A)



Source: Company data, Arqaam Capital Research

Exhibit 95: Test volume mix (FY 23A)



Source: Company data, Arqaam Capital Research

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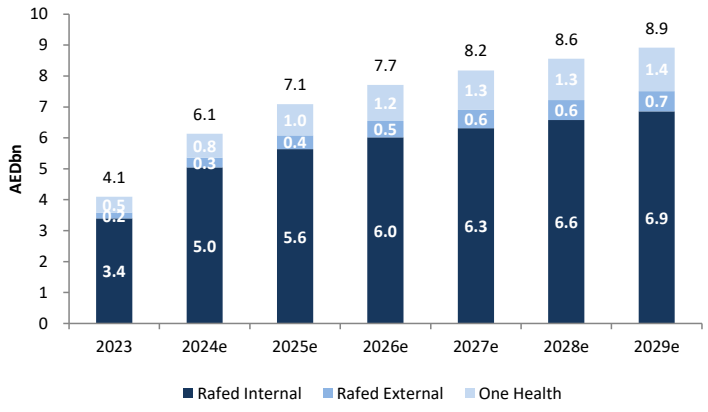
Procurement & Supply of Medical related products

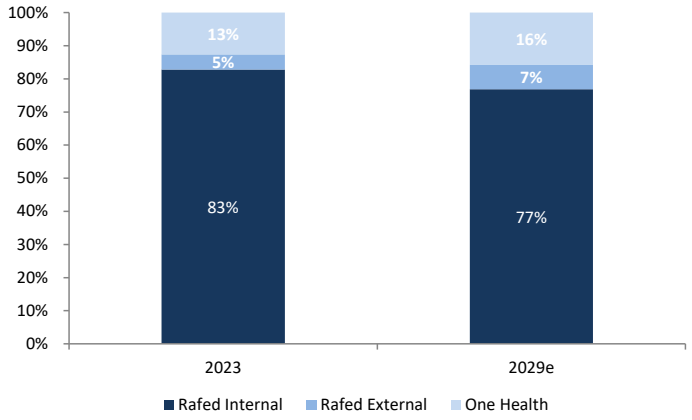
Procurement business grows in tandem with core business operations, supported by the solid performance across group entities including leading position in medical maintenance and genomics, expansion in diagnostics and medical devices, and new ventures in the pharmaceutical and diabetes division.

Exhibit 96: Aggressive expansion targets to serve external parties drive segment revenues in parallel with income from internal operations



Source: Company data, Arqaam Capital Research

Exhibit 97: Contribution from external clients to rise to 7% of total revenues by FY 29e



Source: Company data, Arqaam Capital Research

Rafed targets expansion of private customer base: Supporting the core business operations, Pure Health's own Group Purchasing Organization Rafed Healthcare Supplies offers nation-wide healthcare procurement, including supplier sourcing contract management, procurement ordering services, warehousing, and distribution. While Rafed currently primarily serves internal units (c.95% of revenues in FY 23A), the company plans to expand its customer base to other private healthcare providers with contracts already in the signing. External clients already include Hayat Biotech, G42 and the Department of Health (DoH). In parallel, the company targets to sign the exclusive rights to provide durable medical equipment along with drugs and consumables to hospitals treating Thiqa patients.

One Health targets to enter Pharma trading and Software and AI segments: The company is the authorized distributor for brands in the medical and diagnostic devices business, serving an extensive network of healthcare providers including SEHA and Sheikh Khalifa hospitals, along with supporting various federal programs such as the Emirati Genome Program, by supplying the required equipment and reagents in collaboration with Pure Lab. One Health partners with reputable clients in the In-vitro diagnostics (Siemens, Healthineers and ThermoFisher Scientific) and Life sciences (Illumina and Advanced Biological Laboratories) divisions.

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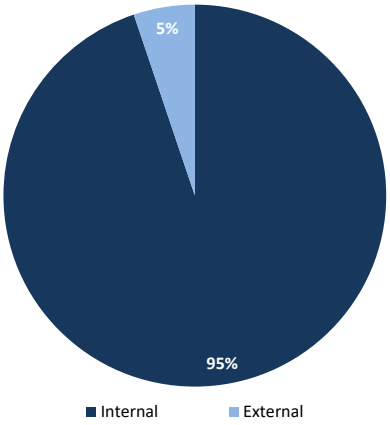
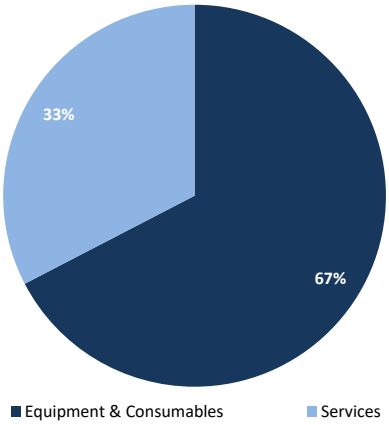
Exhibit 98: Rafed revenue mix (FY 23A)



Source: Company data, Arqaam Capital Research

Exhibit 99: One Health revenue mix (FY 23A)



Source: Company data, Arqaam Capital Research

Technology Services and others

Telemedicine, AI and other technologies catapult expansion and reach for vertically integrated players like Pure Health: The group's tech platform, PureCS provides IT solutions in addition to bringing advanced technologies in artificial intelligence, cloud computing, and blockchain. In addition to the internal projects, the group undertakes external projects for the UAE government. Developed initiatives include cyber security services, the UAE's National Unified Medical Records, and SEHA's medical tourism platform, in addition to the backend software of PureLab and Dawak, among others.

Pura, a flagship product of PureCS, is a fully-integrated one-stop B2C app, offering personalized disease management and wellness modules, virtual care platform and embedded medicine delivery through the group's digital pharmacy Dawak.

Harnessing the power of AI and digitization across all its verticals to secure a competitive edge in the UAE's evolving healthcare landscape. Emerging specialties such as cell therapy and regenerative medicine.

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Growing international footprint through active M&A

- **Pure Health eyes a broad global reach targeting healthcare sectors and subsectors beyond providers, including pharmacy chains, diagnostics, Healthtech, health insurance and supply chains in Europe and the US. Strategic advantages include enhanced market access and growth, expertise sharing, and improved patient care.**
- **Circle Health, the group's second largest acquisition to date after SEHA, is poised for 5% revenue CAGR on our conservative estimates, amid rising demand for private healthcare in the UK.**
- **Significant minority share in Ardent adds over 30 US hospitals and 200 care sites to Pure Health's network. Ardent successfully listed on the New York Stock Exchange in July 2024.**

Exhibit 100: Pure Health- International Acquisitions

Country	Company	Stake	Consideration	Hospitals	Beds	Employees	Details
UK	Circle Health	100%	USD 957m	52	1,680	8,200+	Leading provider of private healthcare services operating 52 hospitals and 120 healthcare facilities across the UK. The group provides a wide range of healthcare services, including acute care, elective surgery, and diagnostics.
US	Ardent Health Services	26%	USD 500m	30	4,300+	23,000+	Fourth largest privately held acute care hospital operator in the US, with 30 hospitals and more than 200 sites of care across six states. Ardent provides a wide range of healthcare services, including acute care, behavioral health, and ambulatory care.

Source: Company Data, Arqaam Capital Research

Circle Health (100%, UK)

Rising mix of self-paying patients conservatively drives 5% top line growth in FY 24-29e, supported by growing private sector participation given long NHS waiting lists further exacerbated by an aging population.

Earlier this year, Pure Health completed the acquisition of 100% of Circle Health Group, the UK's largest independent operator of hospitals, following an agreement signed back in August 2023. Circle is a leading provider of private healthcare services, operating 52 hospitals and 120 healthcare facilities, serving over 2 million patients annually across the UK. The group provides a wide range of healthcare services (including acute care, elective surgery, and diagnostics) across more than 60 specialties, including orthopedics, gynecology, general surgery, dermatology, ENT, cardiology, urology, and ophthalmology.

We see significant growth potential for UK private healthcare providers, including Circle Health Group, as the NHS remains severely underfunded and under-resourced: We expect the private sector to continue to attract more UK residents seeking timely healthcare access and treatment, through self-pay or insurance. The demand for private healthcare in the UK surged to record levels in 2023, with privately-funded admissions rising 7.5% y/y to 899k, the highest

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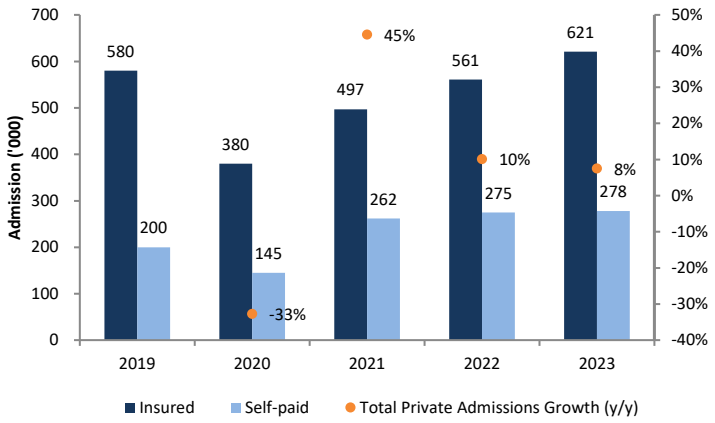
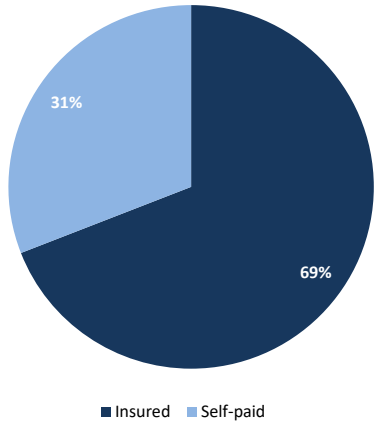
since 2016, reflecting public dissatisfaction with NHS backlogs and resource constraints post-COVID, as well as a growing number of individuals seeking alternatives due to prolonged NHS waiting lists. In England (c.84% of the total UK's population in mid-2022), where higher demand has strained resources, the private sector share of elective admissions remains on an uptrend from a low base of c.11% of the total elective admissions provided in 2019/20 split equally between privately and NHS-funded as a result of the persistent NHS crisis.

Exhibit 101: UK Private Hospital Admissions



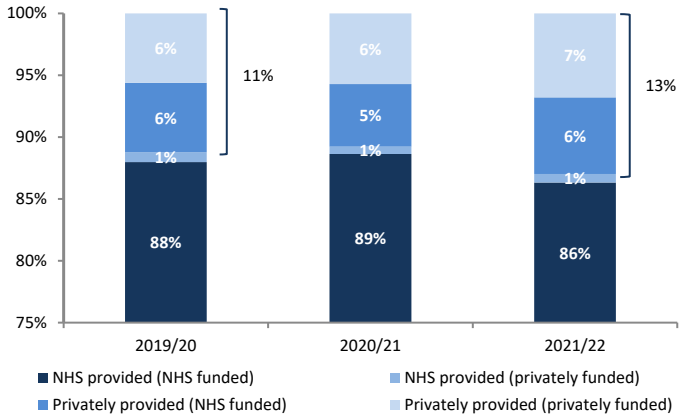
Source: Private Healthcare Information Network(PHIN), Arqaam Capital Research

Exhibit 102: UK Private Admissions mix (2023)



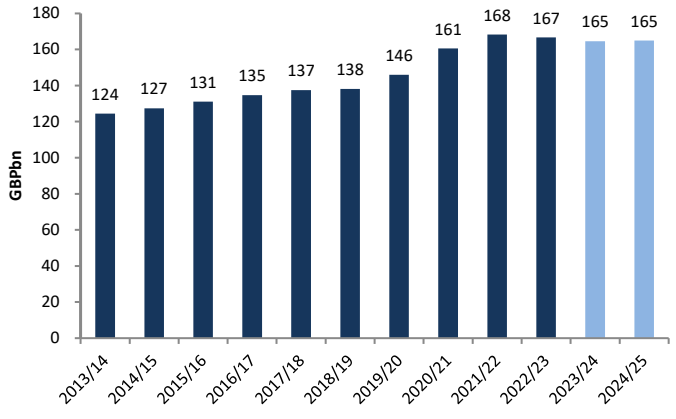
Source: Private Healthcare Information Network(PHIN), Arqaam Capital Research

Exhibit 103: Private sector catering for a growing share of 13% of selective admissions in England



Source: Nuffield Trust, Arqaam Capital Research

Exhibit 104: England Public Healthcare Expenditures



Source: The Health Foundation, Arqaam Capital Research

The UK's healthcare sector is shaped by the National Health Service (NHS) with the public sector accounting for c.82% of healthcare spend. Established in 1948, the NHS is a publicly funded healthcare system that offers free services at the point of use to all UK residents irrespective of their nationality or financial status. The NHS operates across all regions of the UK, including England, Scotland, Wales, and Northern Ireland. It is regulated by the Department of Health and Social Care (DHSC), with each NHS organization overseeing and regulating healthcare providers such as hospitals, general practitioners (GPs), and clinics.

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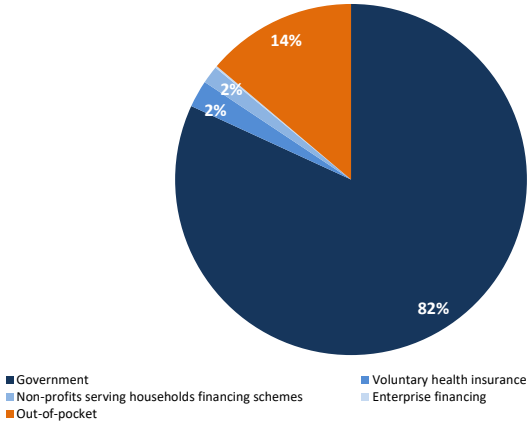
Insufficient funding and staffing shortages remain critical concerns as the NHS struggles to keep pace with rising demand from the UK's aging population, with the patient backlog severely exacerbated by the aftermath of the COVID-19 pandemic. These factors resulted in extended waiting lists within the NHS, prompting a noticeable shift towards private healthcare services. The government has outlined new funding strategies for the DHSC, raising the revenue funding. According to The Health Foundation, the healthcare sector requires an additional GBP 38bn per annum (vs. planned budget of GBP 165bn for 2024/25, +0.2% y/y in real terms) to tackle care backlogs and lengthy treatment delays.

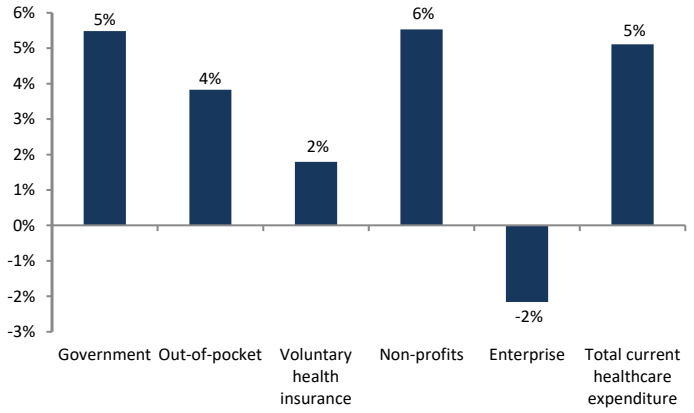
To address the chronic workforce crisis, **NHS England published the NHS Long Term Workforce Plan in June 2023, backed by GBP 2.4bn in government funding up to 2028/29**. If fully executed, the permanent NHS workforce would increase from 1.4m in 2021/22 to c.2.2-2.3m by 2036/37. This expansion includes adding 60k-74k doctors, 170k-190k nurses, 71k-76k allied health professionals, and 210k-240k support workers. Additionally, the plan incorporates strategies to enhance staff retention and increase labour productivity by 1.5-2%.

Exhibit 105: The public sector still accounts for the lion's share of healthcare spend in the UK at 82% of total…



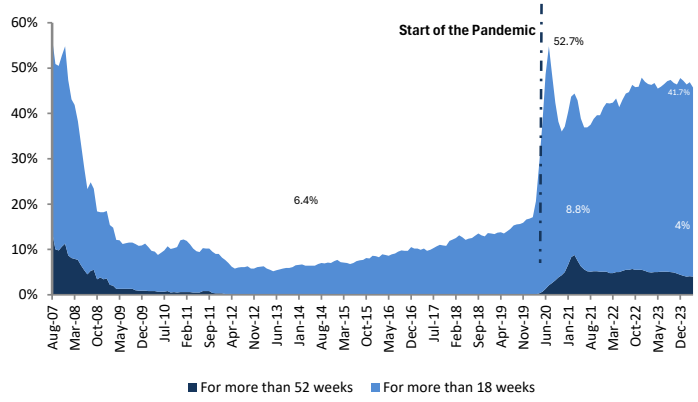
Source: Office for National Statistics (ONS), Arqaam Capital Research

Exhibit 106: …growing at 5% CAGR in 2013-23, in line with total spending



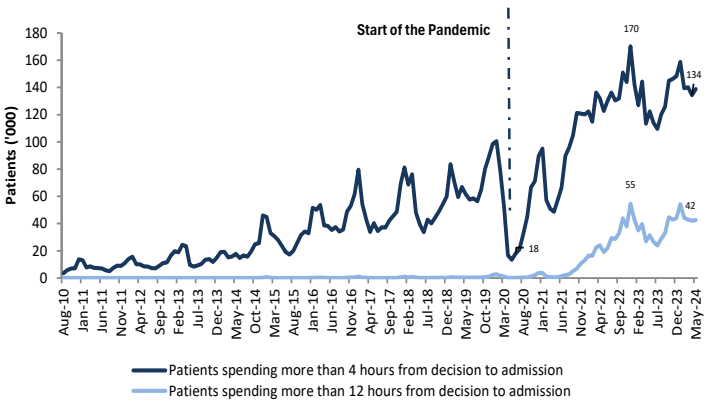
Source: Office for National Statistics (ONS), Arqaam Capital Research

Exhibit 107: COVID-19 exacerbated an existing backlog of patients awaiting treatment within the NHS, prolonging waiting lists



Source: NHS England, Arqaam Capital Research

Exhibit 108: …and Emergency Admissions waiting time since the start of the pandemic



Source: NHS England , Arqaam Capital Research

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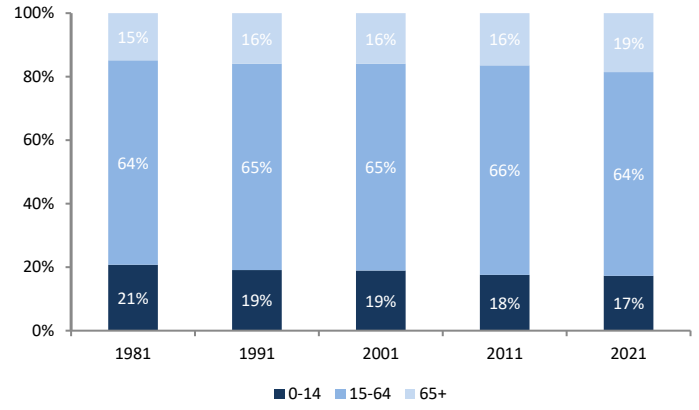
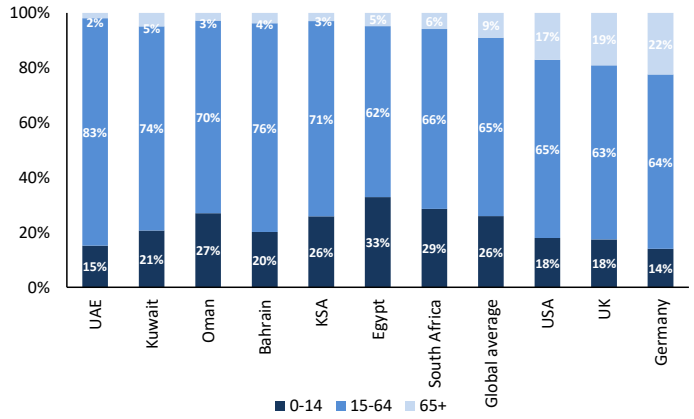
Aging UK population puts further strain on the healthcare system: According to the Office for National Statistics (ONS), England's population is projected to grow more quickly than other UK nations, with a 3.5% increase between mid-2020 and mid-2030, compared to 2.6% for Wales, 2.0% for Northern Ireland, and 0.3% for Scotland. The number of people aged 85 years and over was estimated to be 1.7m in 2020 (2.5% of the UK population) and is projected to almost double to 3.1m by 2045 (4.3% of the UK population). The aging population, currently at 3.2m over 80 years old and projected to reach nearly 8m by 2050, poses challenges for the NHS due to increased cases of chronic conditions such as heart disease, diabetes, arthritis, and Alzheimer's among the elderly. The complex care needs of the elderly, such as assistance with daily tasks, come at a considerable cost. Compounded by reductions in social care spending, the situation has led to increased Accident and Emergency (A&E) admissions among the elderly, further straining healthcare services. Inadequate social care also leaves the elderly susceptible to avoidable issues like infections, falls, and dehydration, resulting in prolonged hospital stays and bed blocking.

Exhibit 109: Proportion of people aged 85+ in England doubled since 1981…



Source: Office for National Statistics (ONS), Northern Ireland Statistics & Research Agency (NISRA), Arqaam Capital Research

Exhibit 110: …while % of population aged 65+ in the UK stands amongst highest globally



Source: World Bank, Arqaam Capital Research

Ardent Health (21.5%, US)

In May 2023, the group acquired a minority 26.05% stake in Ardent Health Services through its subsidiary, Pure Health Capital. Ardent is the fourth largest privately held acute care hospital operator in the USA, with 30 hospitals and more than 200 sites of care across six states. Ardent's comprehensive healthcare network includes acute care hospitals, rehabilitation facilities, multi-specialty physician groups, health plans, and retail pharmacies. The hospitals deliver emergency services, specialized medical treatments, and long-term care options. Ardent also provides comprehensive health plans and operates specialized centers for cardiac care, orthopedics, and cancer treatment. Ardent listed on the NYSE on July 18th 2024, after which Pure Health's holding was diluted to 21.5%.

Tapping capital markets to finance growth and strengthen its financial position: Earlier this month, Ardent raised USD 192m through an initial public offering on NYSE. The proceeds from the IPO will be used to repay outstanding borrowings under a 2021 term loan facility of USD 900m, which matures in Aug 2028. Additionally, the funds will bolster general corporate

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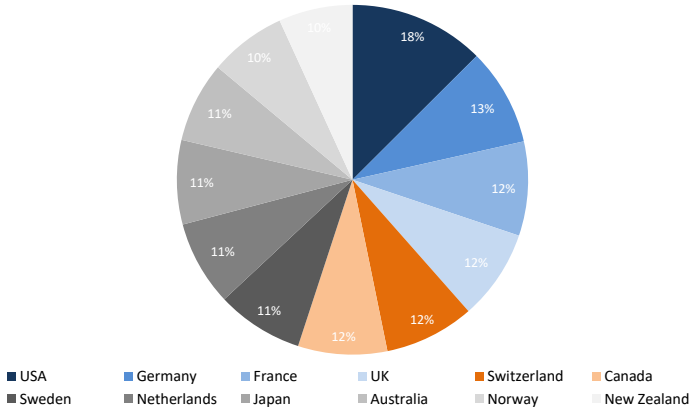
initiatives, potentially fueling expansion through acquisitions, technological innovations, and market entries into new geographic regions.

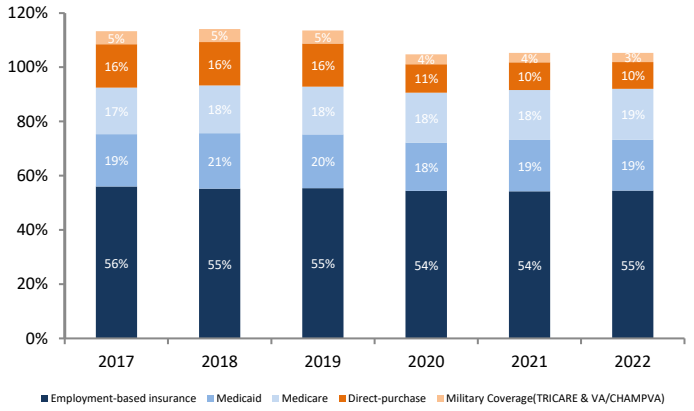
US healthcare spend remains among the highest globally at c.17% of GDP (2022), primarily served by the private sector through insurance, as the government only offers health insurance to specific groups through public programs, including Medicaid for low-income individuals and families and Medicare for individuals aged 65 and older, as well as some younger individuals with disabilities. As of 2022, c.92% of the population had some form of insurance, with the majority being privately insured (c.65%), primarily through employment (c.54%) which typically covers employees and their dependents, offering a choice of several plans where both employers and employees usually contribute to premiums.

Exhibit 111: Healthcare spend as % of GDP (2022)



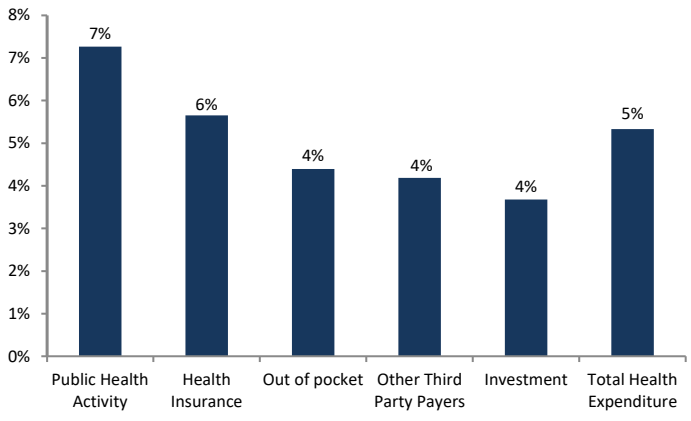
Source: OECD Health Statistics, Arqaam Capital Research

Exhibit 112: US health insurance coverage by plan (% of population)



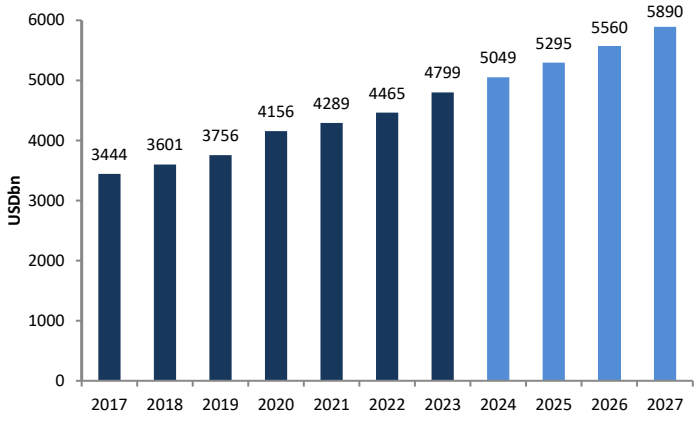
*Source: USA Census Bureau, Arqaam Capital Research * sum>100% due to individuals with multiple coverage plans*

Exhibit 113: US National Health Expenditures- source of funds 10-year CAGR (2013-2023)



Source: Centers for Medicare & Medicaid Services, Arqaam Capital Research

Exhibit 114: US Health Expenditure projected to grow at 5% CAGR in 2023-27e



Source: Centers for Medicare & Medicaid Services, Arqaam Capital Research

Community hospitals account for c.86% of the total bed count in the US as of 2022. This includes non-government, not-for-profit institutions, which make up 60% of the bed count, investor-owned hospitals like Ardent, comprising 14%, and state and local government hospitals

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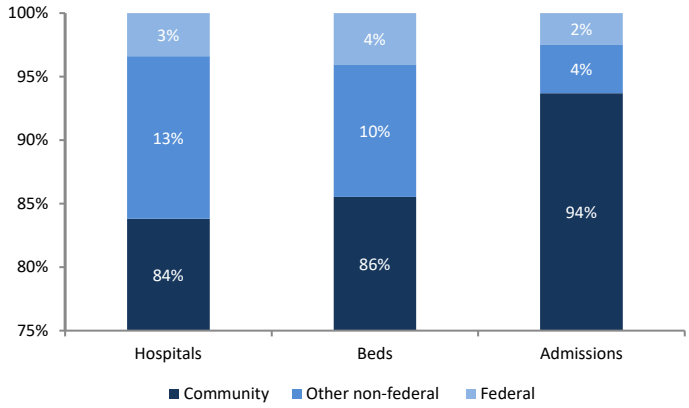
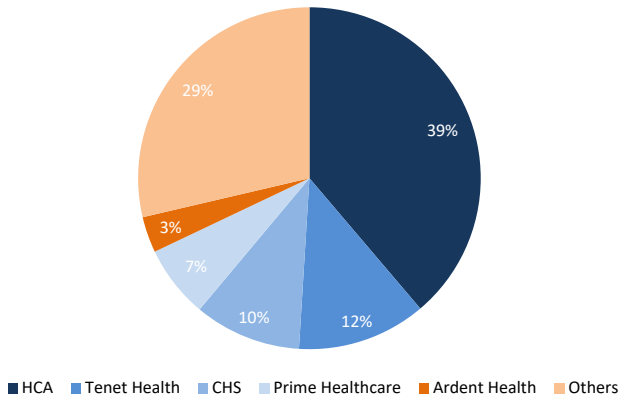
at 12%. The remaining hospitals include federal hospitals, non-federal long-term care, psychiatric, and other specialized hospitals such as those for tuberculosis and respiratory diseases.

Exhibit 115: Community hospitals dominate admissions and hospital and bed count in 2022



Source: American Hospital Association, Arqaam Capital Research

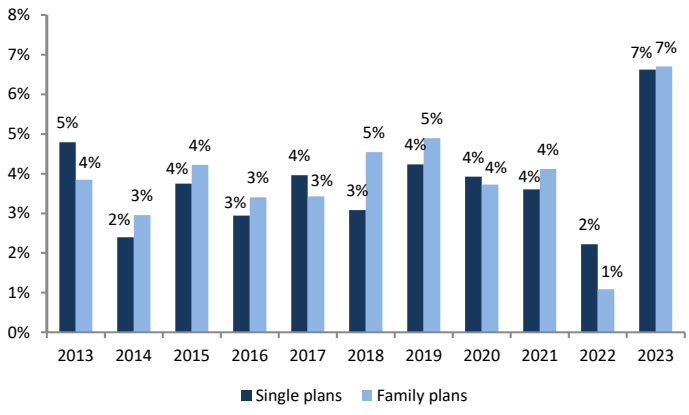
Exhibit 116: Ardent bed count market share compared to major for-profit players in 2022



Source: American Hospital Association, Arqaam Capital Research

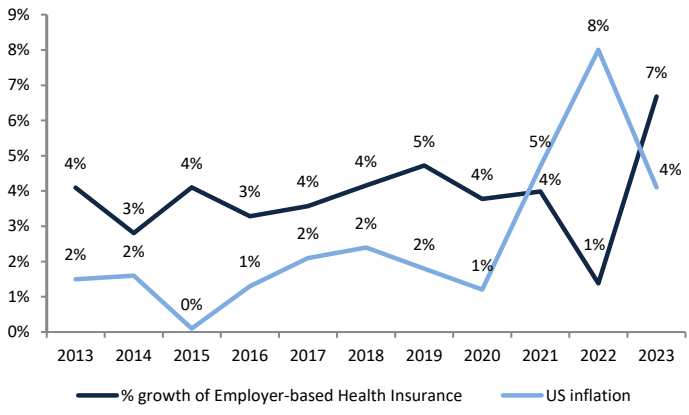
Private healthcare providers such as Ardent Health are well-positioned to capitalize on growing demand for quality care amid rising health insurance premiums coupled with a growing elderly population and prevalence of chronic illnesses. Key challenges include rising costs due to supply chain disruptions influenced by geopolitical issues, as well as a shortage of healthcare staff.

Exhibit 117: Employer-based health insurance premiums have risen at c.4% CAGR in 2013-23 for both single and family coverages



Source: American Hospital Association, Arqaam Capital Research

Exhibit 118: Average growth in Health Insurance Premiums vs. US Inflation



Source: U.S. News & World Report, Arqaam Capital Research

Increase in life expectancy and rate of chronic diseases (heart disease, cancer, diabetes, obesity, and hypertension) drive demand for healthcare services with c.64% of the 65+ population reporting at least 2 chronic conditions, which underscores the critical need for an expanded specialist workforce. The American Association of Medical Colleges anticipates a shortfall of 122k physicians by 2032, in addition to a shortage in nursing occupations (c.50% of

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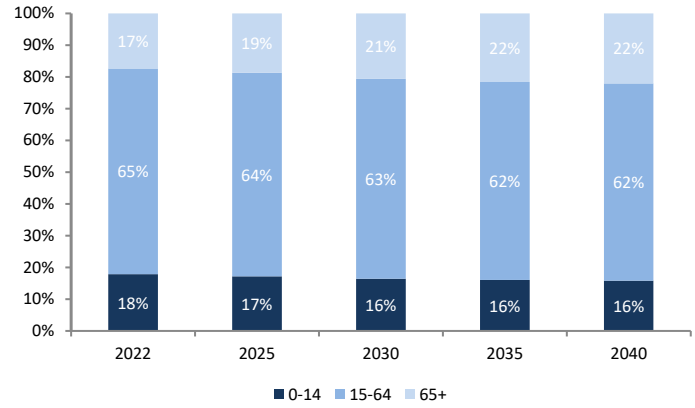
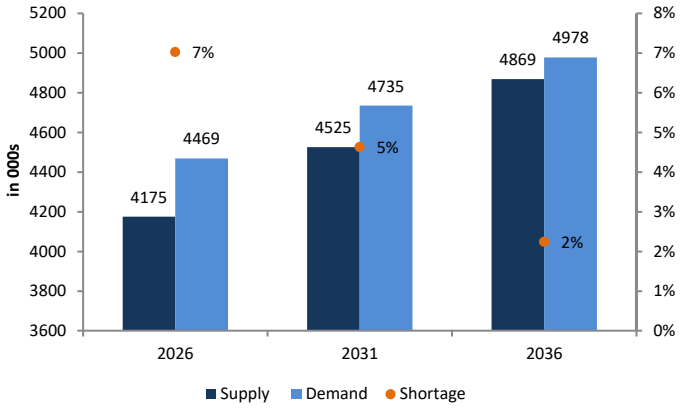
healthcare workforce, estimated at 203k and 178k in 2025 and 2030 respectively), based on challenges stemming from current limitations in education and training systems. This presents an opportunity for private providers to leverage new technologies and care models to improve efficiency and patient outcomes. Ardent is currently studying remote nursing options to ease burnout and improve experienced nurse retention. These virtual positions, including managing discharge paperwork, are designed to allow in-person nurses to focus on essential patient care. Ardent intends to implement virtual nursing in their 30 hospitals to meet the rising need for experienced nurses and prevent staff from being overworked while maintaining quality care to meet increased demand.

Exhibit 119: US aging population



Source: U.S. Census Bureau, Population Division, Arqaam Capital Research

Exhibit 120: Projected shortage in nursing occupations



Source: National Center for Health Workforce Analysis, Arqaam Capital Research

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Corporate governance

Pure Health is deeply integrated into Abu Dhabi's healthcare framework through strategic alliances with the government. This highly interconnected network, particularly the collaboration between hospitals and Daman, strengthens Pure Health's capabilities and strives to improve healthcare accessibility and quality for all residents of the emirate.

Through SEHA's extensive network, **Pure Health is integral to administering the Abu Dhabi Government's no-cost health insurance initiative**. This initiative, part of the Activity-Based Mandate (ABM), provides essential healthcare services, including emergency care, vaccinations, and specialized treatments, fully funded by the government to ensure patients without insurance receive necessary medical care at no cost. Additionally, Pure Health oversees the Non-Activity Based Mandate (NABM), which includes delivering medical care in remote areas, operating blood banks, providing critical care services, and supporting medical education. These crucial services are funded by the Abu Dhabi Government through 12 monthly installments, guaranteeing consistent and comprehensive healthcare delivery throughout the year.

Daman ensures seamless access to SEHA's facilities as it manages several critical programs being the exclusive partner of the Abu Dhabi government in administering health funds. Among these programs is Thiqa, which offers comprehensive healthcare coverage exclusively to UAE nationals in Abu Dhabi, providing access to a wide range of medical services, including advanced treatments and preventive care. Additionally, Daman oversees the Abu Dhabi Basic plan, delivering essential healthcare services at an affordable cost for expatriates and low-income workers, covering their basic medical needs.

The Medical Office (TMO) also works hand in hand with the government as it administers a network of specialist and general hospitals under initiatives guided by the UAE president. This includes overseeing all operational facets, including medical services, procurement, human resources, and facility maintenance across Northern Emirates hospitals such as SKMCA in Ajman, SKSH in Ras Al Khaimah, SKGH in Umm Al Quwain, SKCH in Fujairah and NRC in Abu Dhabi. TMO has been operating Sheikh Khalifa hospitals under a 15-year contract with the UAE Government since October 2020, which can be extended by mutual agreement. This agreement includes fixed annual service fees and variable revenue-sharing arrangements for hospital management. Under this contract, TMO also oversees the National Rehabilitation Center, which uses modern scientific methods to enhance drug addiction treatment services.

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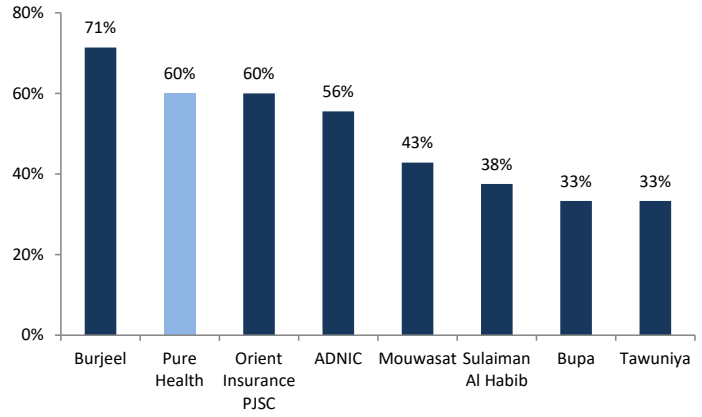
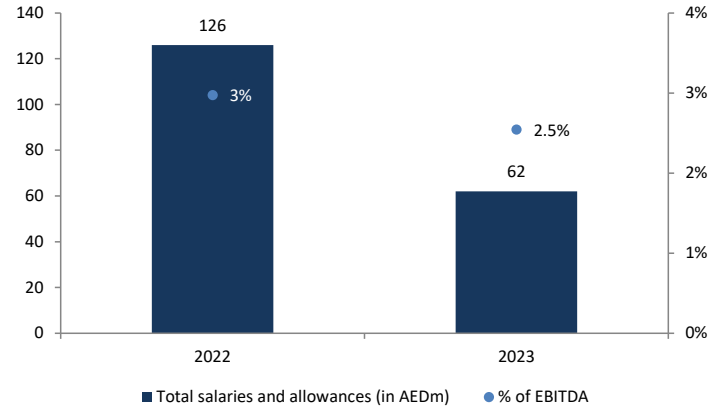
Exhibit 121: % of independent board members



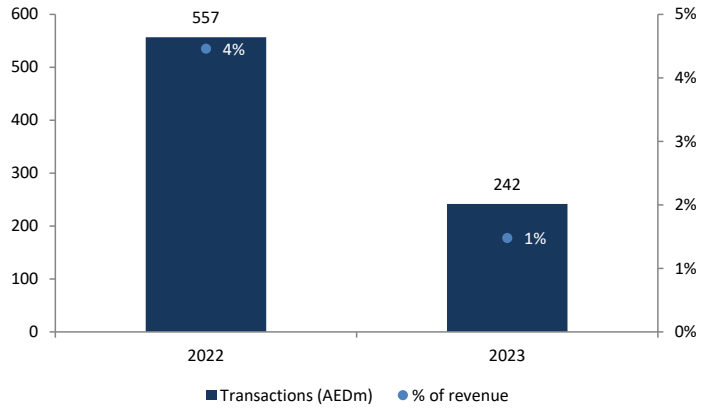
Source: Company Data, Arqaam Capital Research

Exhibit 122: MD and CEO Remuneration % EBITDA



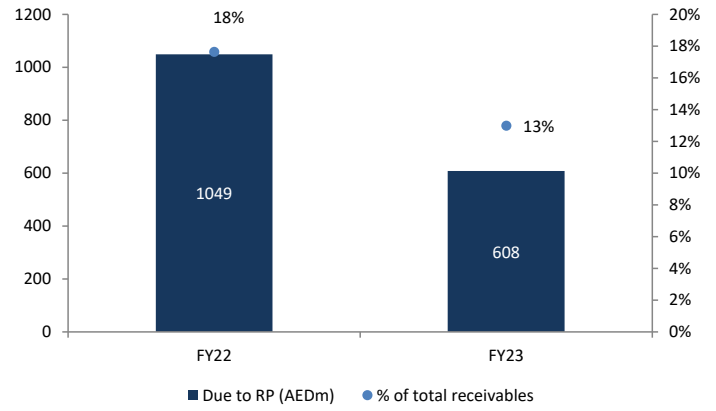
Source: Company Data, Arqaam Capital Research

Exhibit 123: Related party transactions as a % of revenue



Source: Company Data, Arqaam Capital Research

Exhibit 124: Due to RP as a % of receivables



Source: Company Data, Arqaam Capital Research

Pure Health has a Nomination and Remuneration Committee of which 66% are non-executive independent members. This committee, chaired by Jawad Shafique besides Hamad Alameri and Mouza AlRomaithi as members, assists the Board in fulfilling its oversight responsibilities, which include **(i)** determining the appropriate composition of the Board, **(ii)** endorsing the nomination of suitable Board members for the Board and its committees, and **(iii)** evaluating the performance of the Board, its committees, individual Board members, and executives. Additionally, the committee **(iv)** endorses the Group's remuneration policy, strategy, and guidelines, as well as other duties.

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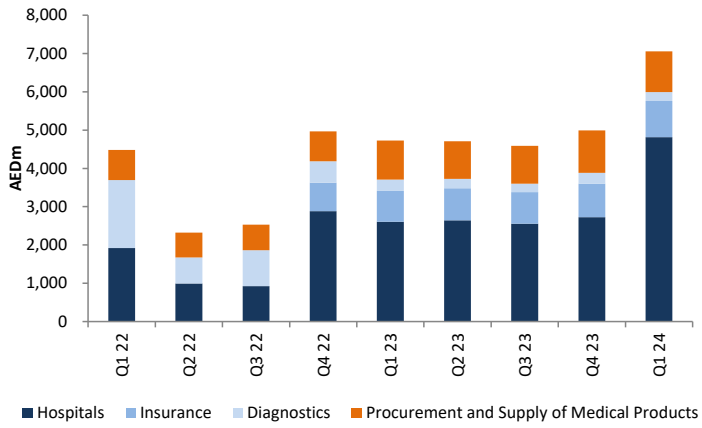
Appendix

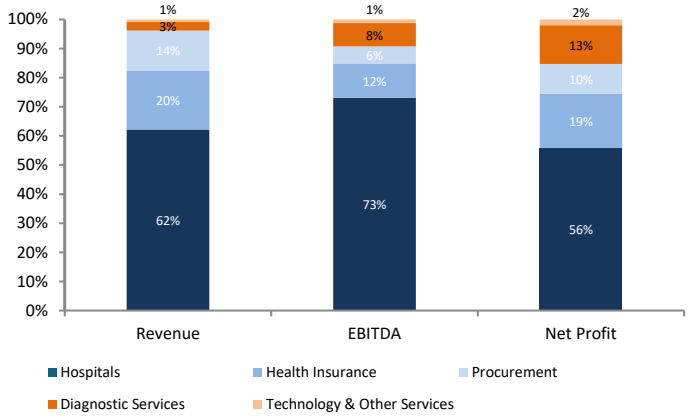
Quarterly Performance

Exhibit 125: Quarterly revenues by segment (AEDm)



Source: Company Data, Arqaam Capital Research

Exhibit 126: P&L segmental breakdown (Q1 2024)



Source: Company Data, Arqaam Capital Research

Exhibit 127: Quarterly Results (AEDm)

	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24
Healthcare	1,922	996	927	2,884	2,605	2,643	2,556	2,724	4,819
Insurance	0	0	0	1,344	1,381	1,485	1,460	1,527	1,567
Diagnostics	1,772	680	936	561	291	246	215	290	230
Procurement and Supply of Medical Products	791	610	664	781	1,024	983	985	1,108	1,065
Total Gross Revenue- All Segments	4,485	2,286	2,527	5,570	5,301	5,356	5,220	5,720	7,746
Elimination and Adjustment	(303)	(197)	(466)	(1,417)	(1,281)	(1,227)	(1,254)	(1,437)	(1,631)
Total Net Revenues- All Segments	4,182	2,089	2,061	4,153	4,020	4,129	3,966	4,283	6,115

Source: Company Data, Arqaam Capital Research

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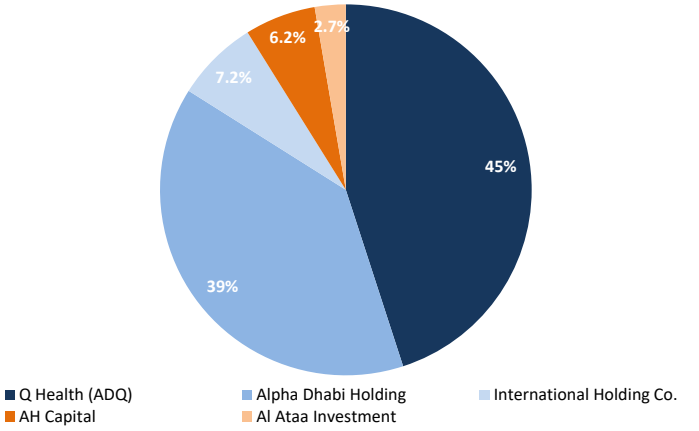
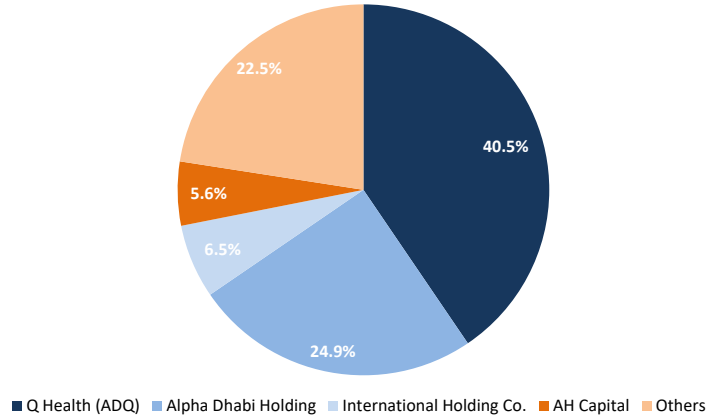
Shareholders & Management

Exhibit 128: Pre-IPO shareholder structure



Source: Company Data ,Arqaam Capital Research

Exhibit 129: Current shareholder structure



Source: Company Data, Arqaam Capital Research

Established in 2018, **Abu Dhabi Developmental Holding Co (ADQ since 2020)** is the largest shareholder in Pure Health, with a 41% stake through its wholly-owned subsidiary, Q Health. ADQ's investments span key sectors, including healthcare, transport & logistics, financial services, energy & utilities, and food & agriculture. Known for its strategic approach to economic development, ADQ's diverse portfolio includes partnerships with leading entities, reflecting its commitment to enhancing sectoral capabilities and contributing to the broader economic landscape of the UAE.

Established in 2013 and headquartered in Abu Dhabi, **Alpha Dhabi Holding** is a diversified conglomerate operating across the construction, healthcare, real estate, hospitality, and industrial manufacturing sectors. The company executes engineering, procurement, and construction contracts, manages healthcare facilities, develops real estate properties, operates hotels and resorts, and manufactures industrial products. Additionally, Alpha Dhabi engages in agricultural and environmental management. In 2022, Alpha Dhabi announced the creation of the UAE's largest healthcare provider through its subsidiary, Pure Health Medical Supplies LLC, in partnership with ADQ. Alpha Dhabi now holds a 25% stake in Pure Health.

Founded in 1998 to diversify and develop non-oil business sectors in the UAE, **International Holdings Co. PJSC (IHC),** headquartered in Abu Dhabi, has grown into the Middle East's most valuable listed holding company. The company focuses on sustainability, innovation, and economic diversification across over 900 subsidiaries in sectors such as Asset Management, Healthcare, Real Estate, Marine, IT, Financial Services, Food Production, and Utilities. IHC, which is one of the top 15 largest and most liquid companies on the ADX, is the largest shareholder of Alpha Dhabi with an 86.1% stake and holds a 6.5% stake in Pure Health, making it the third-largest shareholder in the company.

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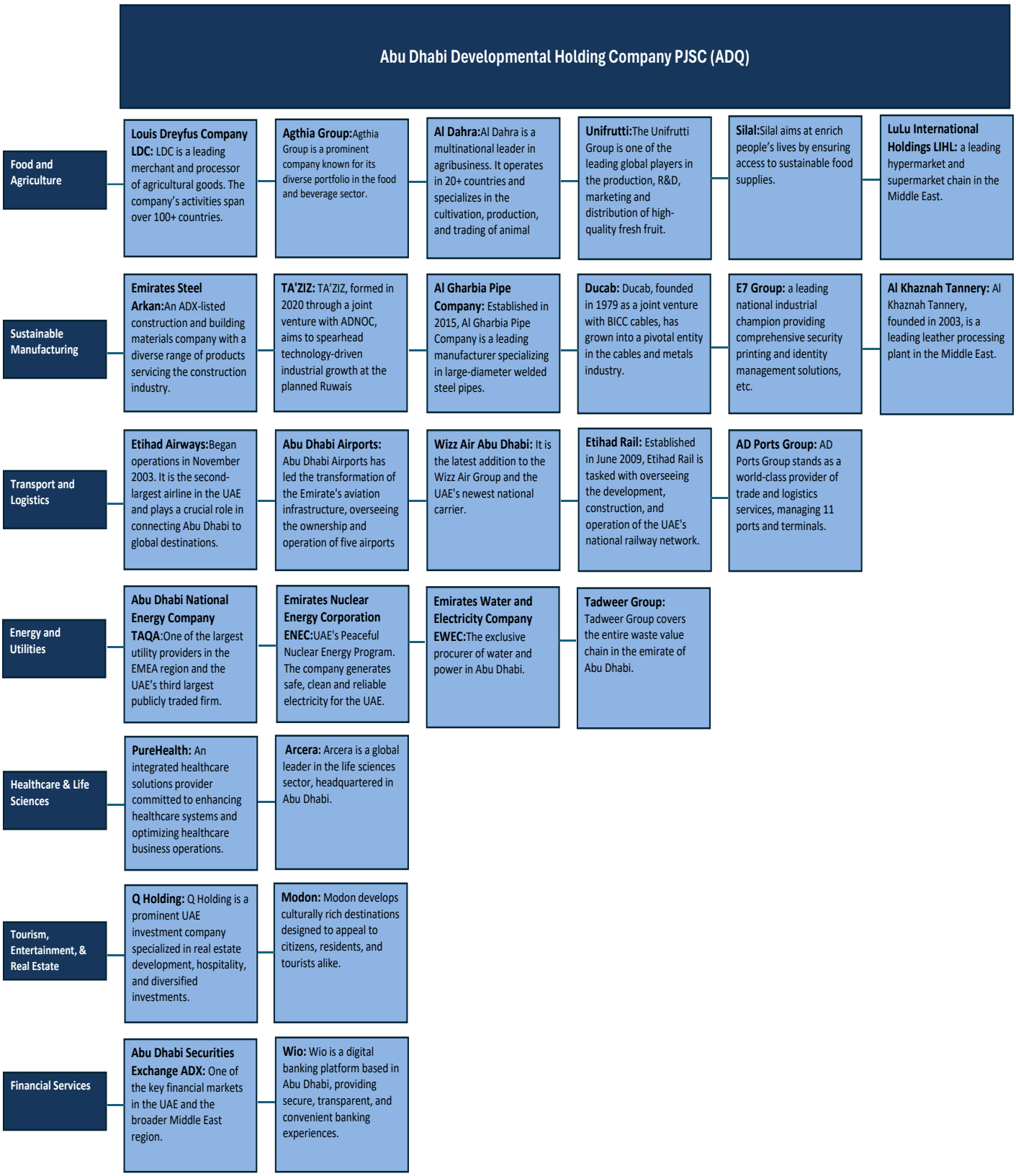
Exhibit 130: ADQ Assets



Source: ADQ, Arqaam Capital Research

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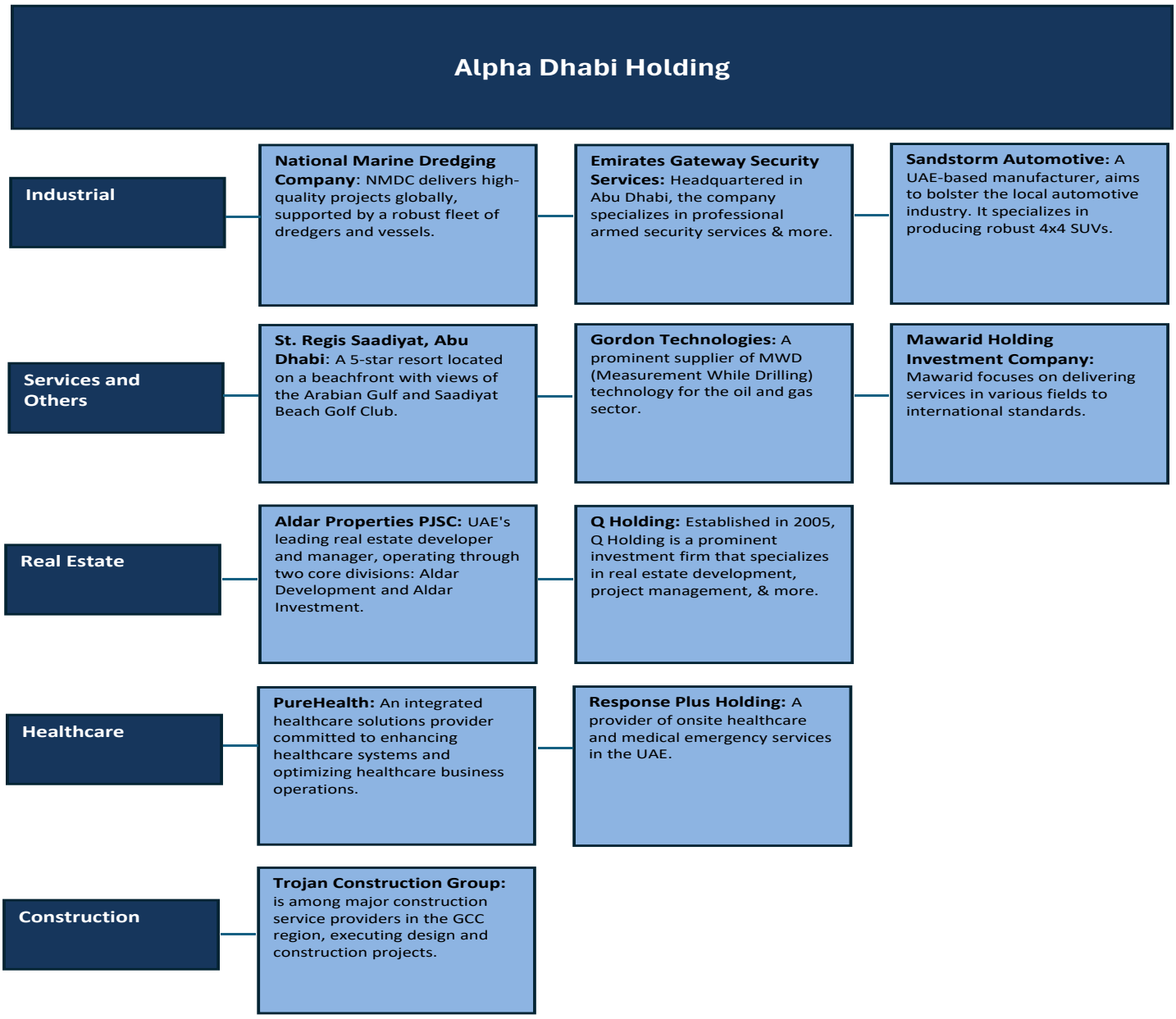
Exhibit 131: Alpha Dhabi- Key Assets



Source: Alpha Dhabi Holding, Arqaam Capital Research

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Board of Directors

Hamad Al Hammadi- Chairman

Hamad Abdullah Mohamed Al-shorafa Al-Hammadi brings extensive experience in various sectors, particularly energy, utilities, and healthcare. Currently serving as an Independent Non-Executive Chairman at Pure Health Holding, he also holds parallel notable roles such as Chairman at Emirates Steel Arkan and Emirates Water & Electricity Co. in addition to being a board member of the Abu Dhabi National Energy Company (TAQA) and TA'ZIZ. Al-Hammadi serves as Deputy Chief Executive Officer in ADQ, overseeing growth and development initiatives that align with Abu Dhabi's economic goals.

Hamad Al Ameri- Vice Chairman

Eng. Hamad Al Ameri serves as the Managing Director and Group CEO of Alpha Dhabi Holding. Since assuming this role in 2021, he has orchestrated a swift and comprehensive transformation of Alpha Dhabi, positioning it as a strategic contributor to the UAE economy, driving continuous growth through investments in emerging businesses. In addition to his role at Alpha Dhabi, Eng. Al Ameri serves as VC of Pure Health. He also holds key positions in other prominent UAE companies, including Vice Chairman of National Marine Dredging Company, Board Member of Aldar Properties, Chairman of Abu Dhabi National Hotels, and Board Member at ADC Acquisition Corporation PJSC Shares.

Farhan Malik- Managing Director/Founder/Board Member

After founding Pure Health in 2006, Farhan Malik has led the group's evolution into the region's largest healthcare company with global operations. His advocacy for healthcare digitization and early adoption of digital technologies have driven significant advancements in data utilization and healthcare delivery. Under Farhan's leadership, Pure Health emphasizes preventive care to increase healthy lifespans and disrupt traditional healthcare models through technology. Farhan's long-term focus is on creating a comprehensive healthcare ecosystem that will benefit future generations, positioning Pure Health as a leader in shaping the future of healthcare.

Mouza Al Romaithi- Board Member

Mouza Alromaithi brings over 14 years of IT and cybersecurity experience. She currently serves as the Director of Information and Cybersecurity at ADQ, and a non-executive director at Global Aerospace Logistics, Q Market Makers LLC, and Abu Dhabi National Energy Company (TAQA). Mouza's expertise spans risk management, governance, compliance, security incident management, penetration testing, vulnerability management, and security awareness. Al Romaithi holds a Master of Science degree in Information Technology specializing in cybersecurity and a Bachelor of Science degree in Information Technology focusing on networking systems from Zayed University, Abu Dhabi.

Jawad Shafique Muhammad Shafique

Jawad is a highly experienced executive with more than 20 years in mergers and acquisitions, investments, and portfolio management. He has successfully led numerous complex M&A transactions and executed effective turnaround strategies. Jawad's role on various company boards involves shaping strategic direction, refining business plans, and ensuring strong governance practices.

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Executives

Shaista Asif- Chief Executive Officer

Shaista Asif co-founded Pure Health Group in 2006. Beginning as Chief Operating Officer in 2010, she later assumed the role of Group CEO in December 2023. Under her leadership, Pure Health has grown into the UAE's largest healthcare group, encompassing an extensive network of hospitals, clinics, labs, pharmacies, and health insurance services, in addition to health tech initiatives like the Pura app and Puranet platform. Her leadership has been recognized by Forbes Magazine, listing her among the top 100 businesswomen and healthcare leaders in the Middle East for her transformative impact on the industry.

Manzoor Ahmad- Chief Financial Officer

Manzoor Ahmad serves as Chief Financial Officer at Pure Health since October 2019. Ahmad previously held senior positions at JC Maclean International FZCO and Warid Telecom Pvt Ltd, where he made valuable contributions to the Financial Accounting and Risk Monitoring areas and played key roles during mergers and acquisitions. Ahmad’s education background includes degrees in Financial and Management Accounting, and Chartered Accountancy.

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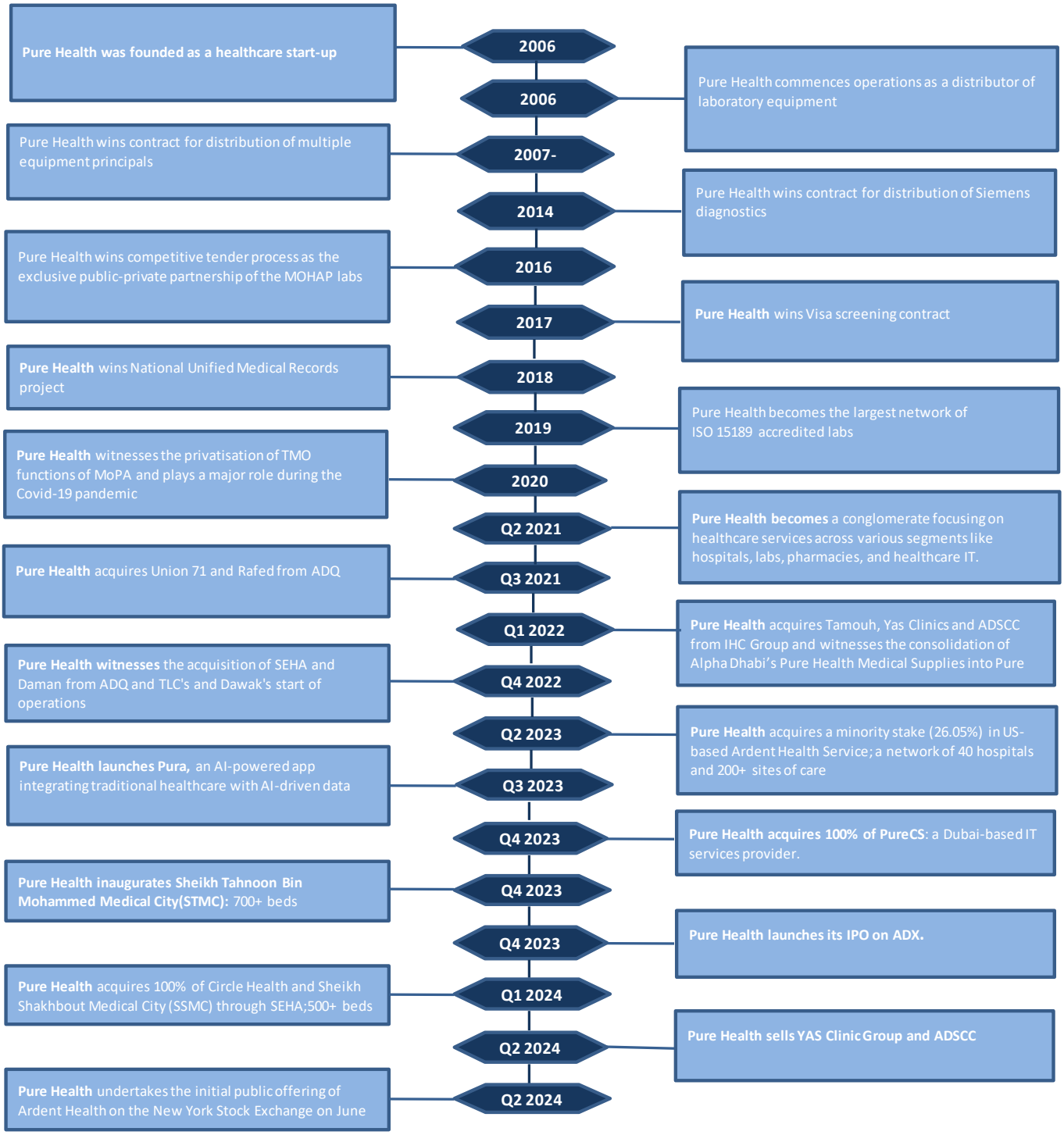
History of Incorporation

Exhibit 132: History of incorporation



Source: Company Data, Arqaam Capital Research

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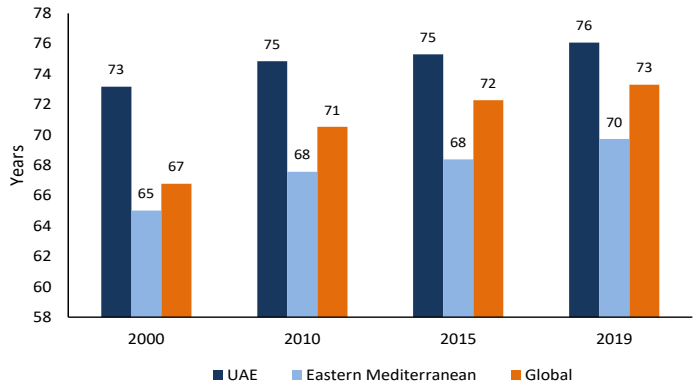
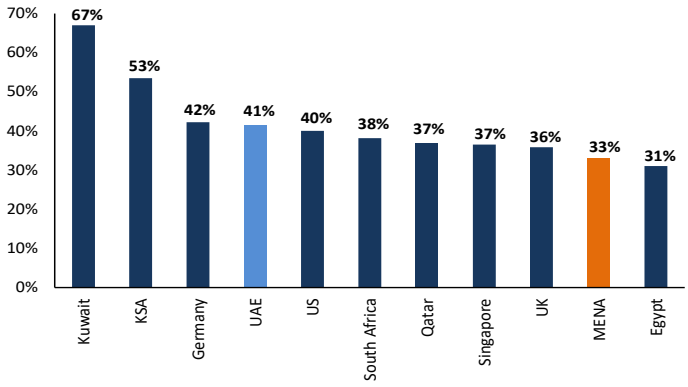
UAE Demographic Profile

Exhibit 133: Life expectancy in the UAE (76) stands considerably above regional (70) and global averages (73)



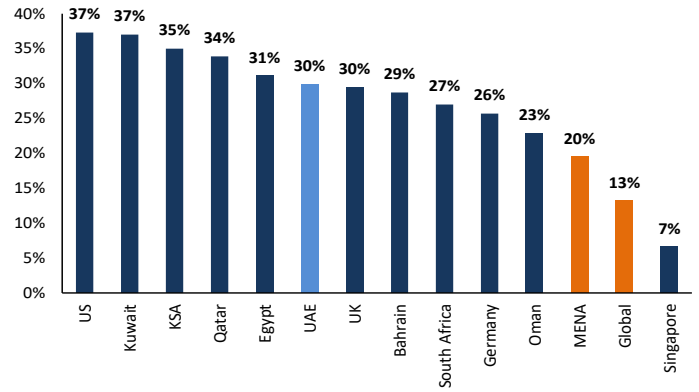
Source: WHO, Arqaam Capital Research

Exhibit 134: Prevalence of insufficient physical activity- UAE ranks 3rd highest in GCC, in line with rates in US



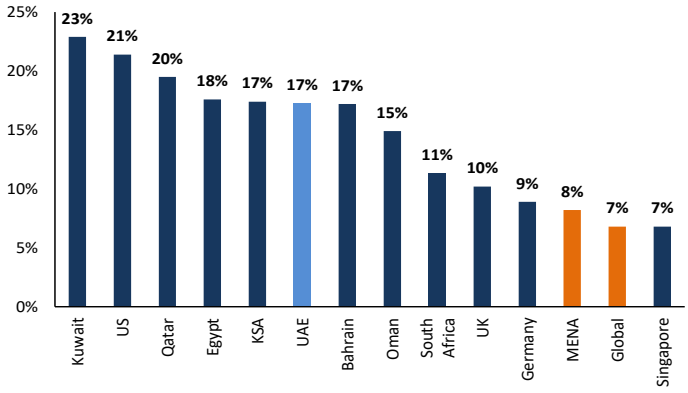
Source: WHO, Arqaam Capital Research

Exhibit 135: Obesity rate among adults in the UAE is 2.3x the global rate and c.1.5x larger than MENA average



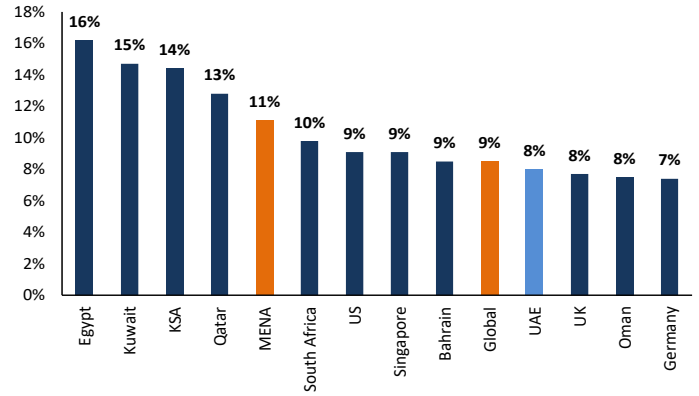
Source: WHO, Arqaam Capital Research

Exhibit 136: Among children and adolescents (5-19 years), the rate is 2.5x the global average and c.2.1x MENA



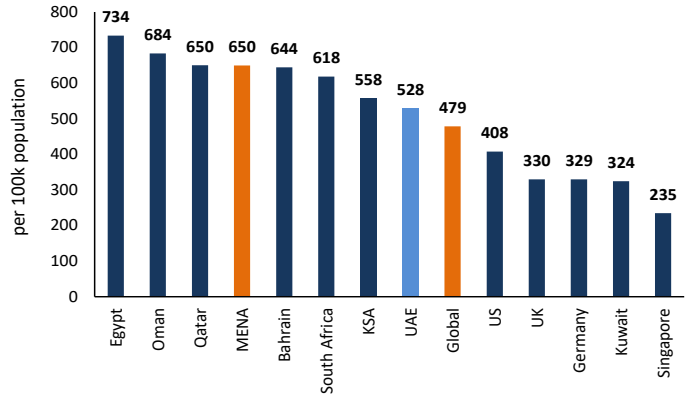
Source: WHO, Arqaam Capital Research

Exhibit 137: 8% of the UAE population is diabetic, vs. 11% in MENA and 9% globally



Source: WHO, Arqaam Capital Research

Exhibit 138: Noncommunicable diseases mortality rate per 100,000 population (2019)



Source: WHO, Arqaam Capital Research

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