



شركة الخليج للمشاريع الطبية (ش.م.ع.)
GULF MEDICAL PROJECTS CO. P.S.C

INTEGRATED ANNUAL REPORT

Gulf Medical Projects Company (P.S.C.)
For the year 2025

GULF MEDICAL PROJECTS COMPANY
PUBLIC SHAREHOLDING COMPANY

**REPORTS AND CONSOLIDATED
FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2025**

**GULF MEDICAL PROJECTS COMPANY (PJSC)
CONSOLIDATED FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2025**

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BOARD OF DIRECTORS REPORT

The Board of Directors have the pleasure in submitting their report and the audited consolidated financial statements of **Gulf Medical Projects Company ("Company") and its subsidiary** (together referred to as the "**Group**") for the year ended 31 December 2025 and the Board of Directors have given clearance for issuance of these consolidated financial statements on 17 February 2026.

Incorporation

Gulf Medical Projects Company – Sharjah is a public shareholding company incorporated in Sharjah by an Amiri Decree No.48/79 issued by His Highness the Ruler of Sharjah on 2 August 1979.

The Company is domiciled in Sharjah City and its registered address is P.O. Box 5385, Emirate of Sharjah, United Arab Emirates.

Principal activities

The main activities of the Company and its subsidiary (together referred to as the "**Group**") are general hospital, telehealth services and home health care center, advanced first aid training center, hospitals management and establishment of medicine manufacturing factories.

Financial results

Total revenue of the Group for the year amounted to AED. 767,523 thousand (2024: AED. 677,337 thousand) and the Group generated a profit after tax of AED. 135,167 thousand (2024: AED. 100,050 thousand).

Board of Directors

Sheikh Dr. Faisal Bin Khalid Khalid Al Qasimi	Chairman
Mr. Salem Abdulla Salem Alhosani	Vice -Chairman
Sheikh Majid Faisal Khaled Al Qassimi	Managing Director
Sheikha Noor Faisal Khalid Al Qasimi	Member
Sheikh Mohammad Faisal Khalid Al Qassimi	Member
Mr. Ahmad Mohammed Hassan AlHosani	Member
Mr. Tareq Abdulhadi Munser AlAjmi	Member
Mr. Mohammed Salem Abdulla Salem Alhosani	Member
Mr. Ahmed Salem Abdulla Salem Alhosani	Member

Proposed Appropriation of Profits and Board of Director's Remuneration

In respect of the current year, the Board of Directors have proposed a cash dividend of AED. 118,815,736 at AED. 0.17 per share to be paid to shareholders in 2026.

It has been also proposed that the Board of Directors remuneration for the year be AED. 9,000,000.

The above mentioned proposed dividends and board of directors' remuneration are subject to the approval of the shareholders at the Annual General Meeting.

Auditors

The consolidated financial statements for the year ended 31 December 2025 were audited by Talal Abu-Ghazaleh & Co. International - Sharjah and they have indicated their willingness to continue as the auditor of the Group for the year 2026. A resolution proposing their re-appointment will be put at the annual general meeting.

On behalf of the Board of Directors



Sheikh Dr. Faisal Bin Khalid Khalid Al Qasimi
(Chairman)

101380404

**Independent Auditor's Report to the Shareholders of
Gulf Medical Projects Company
Public Shareholding Company
United Arab Emirates**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Gulf Medical Projects Company** (the "Company") and its subsidiary (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, consolidated statement of income and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the 'International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Group's consolidated financial statements in the United Arab Emirates and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed on the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

Valuation of investment properties

The Group has investment properties amounting to AED. 106,295 thousand (Note 8) of the consolidated financial statements as at 31 December 2025. The investment properties represent 6.9 % of the total assets as at 31 December 2025. The management of the Group determines the fair value of the investment properties at each reporting date. The Group uses expert external valuers to determine the fair value of the investment properties. The valuation of the investment properties are dependent on estimates and assumptions.

MEMBER OF THE
 **FORUM2OF FIRMS** عضو منتدى الشركات الكبرى في الاتحاد الدولي للمحاسبين (نيويورك)

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**Independent Auditor's Report to the Shareholders of
Gulf Medical Projects Company (Continued)**

Key audit matters (Continued)

Valuation of investment properties (Continued)

We performed the following audit procedures :

- We have evaluated the competence, objectivity and independence of the valuers.
- We have assessed and challenged the appropriateness of the underlying data, methodologies and assumptions used.
- We have assessed the Group's disclosure relating to investment properties and its fair value are in compliant with the related International Financial Reporting Standards.

Accounts receivable and adequacy of provision for impairment loss

The Group has significant accounts receivable (Note 12) of AED. 222,043 thousand as at 31 December 2025 before provision for impairment loss of accounts receivable of AED. 119,059 thousand which is significant to the Group as it represents approximately 14.4% of its total assets and there is a risk over the recoverability of the overdue amounts. Due to the inherently judgmental nature in the computation of the expected credit losses (ECL), there is a risk due to the material impact on the consolidated financial statements of the Group as the determination of ECL involves significant management judgment and estimate.

We performed the following audit procedures :

- Performed test of control over accounts receivables processes to determine whether controls are operating effectively throughout the year.
- Requested direct confirmations from a sample of outstanding balances, performed alternate procedures for non-replies, including verification of the supporting documents and subsequent collections.
- Reviewed the management assessment of recoverability of accounts receivable through detailed analysis of ageing of receivables and also assessed the adequacy of provisions taken based on Expected Credit Loss "ECL Model".
- Inquired from the management about any past due accounts with no subsequent collections and management's plan for recovering these receivables.
- Inquired about disputes, if any, with customers during the year and reviewed any uncollected amounts to assess recoverability.

Other information

Management is responsible for the other information. Other information consists of the information included in the Board of Directors Report of 2025, other than the consolidated financial statements and our auditor's report thereon. We obtained the Board of Directors Report, at the date of our auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



Independent Auditor's Report to the Shareholders of Gulf Medical Projects Company (Continued)

Other information (Continued)

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS Accounting Standards), and their preparation in compliance with the applicable provisions of UAE Federal Law No. 32 of 2021 and its amendments and the Articles of Association of the Company and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis of our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.



**Independent Auditor's Report to the Shareholders of
Gulf Medical Projects Company (Continued)**

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by UAE Federal Law No. 32 of 2021 and its amendments we report that:

1. We have obtained all the information and explanation we considered necessary for our audit.
2. The consolidated financial statements are prepared and comply, in all material respect with the applicable provisions of UAE Federal Law No. 32 of 2021 and its amendments.
3. The Group has maintained proper books of account.

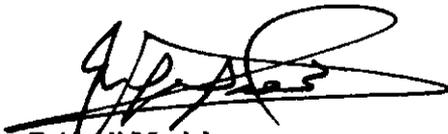


**Independent Auditor's Report to the Shareholders of
Gulf Medical Projects Company (Continued)**

Report on Other Legal and Regulatory Requirements (Continued)

4. The financial information of the Board of Directors report are in agreement with the books of account and records of the Group.
5. Investment and shares purchased by the Group during the year ended 31 December 2025 are disclosed in Note 9.
6. Transactions and terms with related parties are disclosed in Note 11.
7. Based on the information and explanation that has been made available to us nothing came to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2025 any of the applicable provisions of UAE Federal Law No. 32 of 2021 and its amendments or the Articles of Association of the Company which would have a material affect on the Group's activities or on its financial position for the year.
8. The Social Contributions made during the year are disclosed in Note 27.

TALAL ABU-GHAZALEH & CO. INTERNATIONAL


Zaid Ali Musleh
Licensed Auditor No. 1130

Sharjah, 17 February 2026



GULF MEDICAL PROJECTS COMPANY (PJSC)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

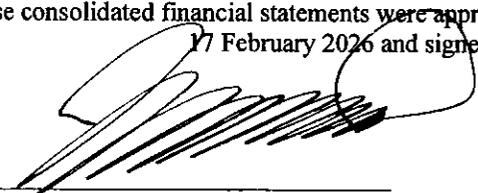
EXHIBIT A

	Note	2025 AED '000'	2024 AED '000'
ASSETS			
Non-Current Assets			
Property and equipment	5	695,085	695,722
Intangible assets	6	2,500	735
Right-of-use assets	7	6,729	7,353
Investment properties	8	106,295	104,181
Investments at fair value through other comprehensive income (FVTOCI)	9	305,649	250,307
Total Non-Current Assets		1,116,258	1,058,298
Current Assets			
Inventories	10	27,027	18,047
Due from a related party	11	1,646	1,832
Investments at fair value through profit or loss (FVTPL)	9	60,661	36,567
Accounts receivable and others	12	118,460	128,088
Cash and bank balances	13	223,421	198,993
Total Current Assets		431,215	383,527
TOTAL ASSETS		1,547,473	1,441,825
Equity and Liabilities			
Equity			
Share capital	14	698,916	698,916
Reserves	15	317,074	306,223
Cumulative change in fair value of investments measured at fair value through other comprehensive income		73,252	18,447
Retained earnings		131,583	145,763
Net equity attributable to equity holders of the parent company		1,220,825	1,169,349
Non-controlling interest	17	117,692	91,033
Total Equity - Exhibit C		1,338,517	1,260,382
Non-Current Liabilities			
Employees' end of service benefits	18	31,481	28,102
Lease liabilities	19	3,100	4,420
Deferred tax liabilities	28	3,282	923
Total Non-Current Liabilities		37,863	33,445
Current Liabilities			
Accounts payable and others	20	158,890	138,317
Lease liabilities	19	3,168	1,500
Income tax provision	28	9,035	8,181
Total Current Liabilities		171,093	147,998
TOTAL EQUITY AND LIABILITIES		1,547,473	1,441,825

**THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL
PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS**

To the best of our knowledge, the financial information included in these consolidated financial statements fairly presents in all material respects the financial condition, result of operation and cash flows of the Group as of, and for, the periods presented therein.

These consolidated financial statements were approved for issue by the Board of Directors on 17 February 2026 and signed on their behalf by :


Sheikh Dr. Faisal Bin Khalid Khalid Al Qasimi
(Chairman)

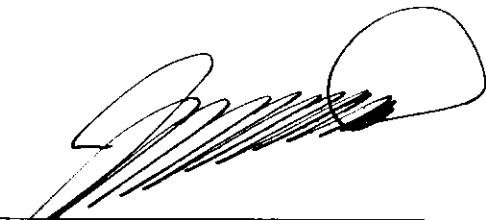

Mr. Salem Abdulla Salem Alhosani
(Vice Chairman)

**GULF MEDICAL PROJECTS COMPANY (PJSC)
CONSOLIDATED STATEMENT OF INCOME FOR THE
YEAR ENDED 31 DECEMBER 2025**

EXHIBIT B

	Note	<u>2025</u> AED '000'	<u>2024</u> AED '000'
Revenues	24	767,523	677,337
Cost of revenues	25	(556,113)	(490,705)
Gross profit		211,410	186,632
Fair value gain/(loss) of investments at FVTPL		24,094	(2,839)
Fair value gain of investment properties		2,114	13,090
Other income	26	47,567	29,548
General and administrative expenses	27	(138,490)	(117,127)
Finance cost on lease liabilities		(136)	(150)
Profit for the Year before tax - Exhibit D		146,559	109,154
Current income tax expenses	28	(9,033)	(8,181)
Deferred tax	28	(2,359)	(923)
Profit for the year		135,167	100,050
Attributable To :			
Equity holders of the parent company		108,508	77,887
Non-controlling interest		26,659	22,163
Total		135,167	100,050
Basic earnings per share (AED)	29	0.155	0.111

**THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL
PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS**



Sheikh Dr. Faisal Bin Khalid Khalid Al Qasimi
(Chairman)



Mr. Salem Abdulla Salem Alhosani
(Vice Chairman)

GULF MEDICAL PROJECTS COMPANY (PJSC)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE
YEAR ENDED 31 DECEMBER 2025

EXHIBIT B CONTINUED

	<u>2025</u> AED '000'	<u>2024</u> AED '000'
Profit for the year	<u>135,167</u>	<u>100,050</u>
Other comprehensive income :		
Items that will not be reclassified subsequently to profit or loss		
Gain on sale of investments at FVTOCI	—	4,231
Increase in fair value of investments at FVTOCI	<u>54,805</u>	<u>55,240</u>
Total other comprehensive income	<u>54,805</u>	<u>59,471</u>
Total comprehensive income for the year - Exhibit C	<u><u>189,972</u></u>	<u><u>159,521</u></u>
Attributable to :		
Equity holders of the parent company	<u>163,313</u>	<u>137,358</u>
Non-controlling interest	<u>26,659</u>	<u>22,163</u>
Total	<u><u>189,972</u></u>	<u><u>159,521</u></u>

**THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL
PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS**



Sheikh Dr. Faisal Bin Khalid Khalid Al Qasimi
(Chairman)



Mr. Salem Abdulla Salem Alhosani
(Vice Chairman)

GULF MEDICAL PROJECTS COMPANY (PJSC)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE
YEAR ENDED 31 DECEMBER 2025

EXHIBIT C

	<u>Attributable to equity holders of the parent company</u>				<u>Total</u> AED '000'	Non-	
	<u>Share capital</u> AED '000'	<u>Reserves</u> AED '000'	Cumulative change in			<u>Controlling</u> <u>interest</u> AED '000'	<u>Total</u> AED '000'
			<u>fair value of investments</u> <u>measured FVTOCI</u> AED '000'	<u>Retained</u> <u>earnings</u> AED '000'			
Balance at 1 January 2025	698,916	306,223	18,447	145,763	1,169,349	91,033	1,260,382
Profit for the year ended 31 December 2025 - Exhibit B	--	--	--	108,508	108,508	26,659	135,167
Other comprehensive income	--	--	54,805	--	54,805	--	54,805
Total comprehensive income	--	--	54,805	108,508	163,313	26,659	189,972
Cash dividends - Note 16	--	--	--	(104,837)	(104,837)	--	(104,837)
Board of directors remuneration - Note 16	--	--	--	(7,000)	(7,000)	--	(7,000)
Transferred to statutory reserve	--	10,851	--	(10,851)	--	--	--
Balance at 31 December 2025 - Exhibit A	<u>698,916</u>	<u>317,074</u>	<u>73,252</u>	<u>131,583</u>	<u>1,220,825</u>	<u>117,692</u>	<u>1,338,517</u>

THE ACCOMPANYING NOTES CONSTITUTE AN
INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

GULF MEDICAL PROJECTS COMPANY (PJSC)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE
YEAR ENDED 31 DECEMBER 2025

EXHIBIT C CONTINUED

	Attributable to equity holders of the parent company						Non- Controlling interest	Total
	<u>Share capital</u> AED '000'	<u>Reserves</u> AED '000'	<u>Cumulative change in fair value of investments measured FVTOCI</u> AED '000'	<u>Retained earnings</u> AED '000'	<u>Total</u> AED '000'	<u>Total</u> AED '000'		
Balance at 1 January 2024	698,916	298,434	(49,163)	159,078	1,107,265	68,870	1,176,135	
Profit for the year ended 31 December 2024 - Exhibit B	--	--	--	77,887	77,887	22,163	100,050	
Other comprehensive income	--	--	55,240	4,231	59,471	--	59,471	
Total comprehensive income	--	--	55,240	82,118	137,358	22,163	159,521	
Cash dividends - Note 16	--	--	--	(69,892)	(69,892)	--	(69,892)	
Board of directors remuneration - Note 16	--	--	--	(5,382)	(5,382)	--	(5,382)	
Transferred to statutory reserve	--	7,789	--	(7,789)	--	--	--	
Transfer of fair value reserve on disposal of investments of FVTOCI	--	--	12,370	(12,370)	--	--	--	
Balance at 31 December 2024 - Exhibit A	<u>698,916</u>	<u>306,223</u>	<u>18,447</u>	<u>145,763</u>	<u>1,169,349</u>	<u>91,033</u>	<u>1,260,382</u>	

**THE ACCOMPANYING NOTES CONSTITUTE AN
INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS**

GULF MEDICAL PROJECTS COMPANY (PJSC)
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE
YEAR ENDED 31 DECEMBER 2025

EXHIBIT D

	<u>2025</u>	<u>2024</u>
	AED '000'	AED '000'
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year before tax - Exhibit B	146,559	109,154
Adjustments for:		
Depreciation of property and equipment	27,370	25,680
Depreciation of right-of-use assets	2,587	2,436
Amortization of intangible assets	579	528
Fair value (gain)/loss on revaluation of investments at FVTPL	(24,094)	2,839
Dividends income	(20,913)	(13,782)
Fair value gain on investment properties	(2,114)	(13,090)
Loss from a related party	214	370
Employees end of service benefits	6,892	5,296
Provision for impairment loss of accounts receivable	34,638	30,467
Provision for slow-moving items	1,118	--
Finance cost – lease liabilities	136	150
(Gain)/loss on sale of property and equipment	(420)	388
Interest income	(6,955)	(5,589)
	<hr/>	<hr/>
Operating cash flows before changes in operating assets and liabilities	165,597	144,847
Increase in inventories	(10,098)	(2,887)
Increase in due from a related party	(28)	(9)
Increase in accounts receivable and others	(24,263)	(40,353)
Increase/(decrease) in accounts payable and others	20,573	(12,389)
Settlements of employees end of service benefits	(3,513)	(2,221)
Income tax paid	(8,179)	--
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	140,089	86,988
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease/(increase) in fixed deposits	1,924	(102,113)
Interest income received	6,208	5,033
Purchase of property and equipment	(26,761)	(20,715)
Purchase of intangible assets	(2,344)	(303)
Proceeds from sale of property and equipment	448	825
Purchase of investments at FVTOCI	(537)	--
Proceeds from sale of investments at FVTOCI	--	68,217
Dividends received	20,913	13,782
	<hr/>	<hr/>
Net Cash Used in Investing Activities	(149)	(35,274)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of lease liabilities	(1,751)	(2,345)
Cash dividends paid	(104,837)	(69,892)
Board of directors remuneration paid	(7,000)	(5,382)
	<hr/>	<hr/>
Net Cash Used in Financing Activities	(113,588)	(77,619)
Net increase/(decrease) in cash and cash equivalents	26,352	(25,905)
Cash and cash equivalents at beginning of year	22,952	48,857
	<hr/>	<hr/>
Cash and Cash Equivalents at end of Year - Note 30	49,304	22,952
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**THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL
PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS**

GULF MEDICAL PROJECTS COMPANY (PJSC)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2025

1. STATUS AND ACTIVITIES

Gulf Medical Projects Company – Sharjah (hereinafter referred to as the “**Company**”) is a public shareholding company incorporated in Sharjah by an Amiri Decree No.48/79 issued by His Highness the Ruler of Sharjah on 2 August 1979.

The main activities of the Company and its subsidiary (together referred to as the “**Group**”) are general hospital, telehealth services and home health care center, advanced first aid training center, hospitals management and establishment of medicine manufacturing factories.

The Group is domiciled in Sharjah City and its registered address is P.O. Box 5385, Sharjah, United Arab Emirates.

2. ADOPTION OF NEW AND REVISED STANDARDS, INTERPRETATION AND AMENDMENTS

The accounting policies adopted in the preparation of consolidated financial statements are consistent with those applied by the Group in the interpretation of the consolidated financial statements for the year ended 31 December 2024 except for the adoption of the following new standards, interpretation and amendments.

2.1 Standards, interpretations issued and effective for the current year

The Group has adopted all the applicable new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for the period beginning on 1 January 2025.

• ***Amendments to IAS 21 (Lack of exchangeability)***

The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determine the exchange rate to use and the disclosures to provide.

This amendment had no material impact on the consolidated financial statements of the Group.

2.2 Standards, interpretations issued and not yet effective and not early adopted

	Effective date
• Amendments to IFRS (7) and (9) : Amendments to the Classification and Measurement of Financial Instruments and Contracts Referencing Nature-dependent Electricity	1 January 2026
• Annual Improvements to IFRS Accounting Standards-Volume 11	1 January 2026
- IFRS 1: Hedge accounting by a first-time adopter	
- IFRS 7: Gain or loss on derecognition	
- Guidance on Implementing IFRS 7: Disclosure of deferred difference between fair value and transaction price and Credit risk disclosures	
- IFRS 9: Derecognition of lease liabilities and Transaction price	
- IFRS 10: Determination of a ‘de facto agent’	
- IAS 7: Cost method	
• IFRS 18: Presentation and Disclosures in Financial Statements	1 January 2027
• IFRS 19: Subsidiaries without Public Accountability Disclosures	1 January 2027
• Amendments to IFRS 10 and IAS 28 : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Indefinitely deferred

2. ADOPTION OF NEW AND REVISED STANDARDS, INTERPRETATION AND AMENDMENTS (CONTINUED)

2.2 Standards, interpretations issued and not yet effective and not early adopted (Continued)

The Group intends to adopt these new and amended standards and interpretations when they become effective. The management anticipates that the adoption of the above standards and interpretations in future periods will have no material impact on the consolidated financial statements of the Group.

3. BASIS OF PREPARATION

3.1 Statement of compliance

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB) and applicable requirements of the UAE Federal Law No. 32 of 2021 and its amendments on Commercial Companies.

3.2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for investment properties, land and investments in financial assets which has been measured on the basis of fair value/valuation.

3.3 Functional and presentation currency

These consolidated financial statements are presented in United Arab Emirates Dirham (AED), which is the Group's Functional Currency. Amounts presented in AED in these consolidated financial statements are rounded to the nearest thousand.

3.4 Use of estimates, assumptions and judgment

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgment, estimates and assumption that affect the application of policies and reported amount of assets and liabilities, income and expenses, other disclosures and disclosures of contingent liabilities.

The Group based its assumptions, judgments and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future development, however, may change due to market changes or circumstances arising beyond the control of the Group. Actual results may differ from these estimates. Such changes are reflected in the consolidated financial statements when they occur.

Estimates, judgments and underlying assumption are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected.

Estimates, assumptions and judgments are continually evaluated and are based on management historical experience and other factors, including expectation of future events that are believed to be reasonable under circumstance.

Estimates, assumptions and judgments with significant risk of material adjustment in the future year mainly comprise of the following:

3. BASIS OF PREPARATION (CONTINUED)

3.4 Use of estimates, assumptions and judgment (Continued)

Fair value measurements

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an assets or liability, the Group use market observable data to the extent it is available. Where level 1 inputs are not available, the Group engages qualified external values to perform the valuation. The management works closely with qualified external values to establish the appropriate valuation techniques and inputs to the model. Information about the valuation techniques and its inputs used in determining the fair value of various assets and liabilities are disclosed in the respective notes.

Classification of investment

Management designates at the time of initial recognition of investments in securities whether these should be classified as at FVTOCI or FVTPL. In judging whether investments in securities are as at FVTOCI or FVTPL, management has considered the detailed criteria for determination of such classification as set out in IFRS 9, and accordingly management is satisfied that its investment in securities are appropriately classified.

Impairment of non-financial assets

The Group's management evaluate whether there are indicators that suggest non-financial assets have suffered impairment in accordance with accounting policies. The recoverable amount of an asset is determined based on the fair value less cost of disposal of the specific asset impaired.

Provision relating to contracts

The Group reviews all its arrangements on a regular basis to identify any arrangements where the unavoidable costs of meeting the obligations under the contracts exceed the economic benefits expected to be received under it. The unavoidable costs under contract reflect the least net cost of exiting from the contract which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfill it. The Group estimates any such provision based on the facts and circumstances relevant to the contracts.

Determining the lease terms

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Useful lives of property and equipment

The Group's management determines the estimated useful lives of its properties and equipment for calculating depreciation. This estimate is determined after considering the current usage of the assets compared to full utilization capabilities of the assets and physical wear and tear. Group's management reviews the residual value and useful lives annually.

Impairment loss on property and equipment

The Group reviews its property and equipment to assess impairment, if there is an indication of impairment. In determining whether impairment losses should be reported in consolidated statement of income the Group makes judgments as to whether there is any observable data indication that there is a reduction in the carrying value of property and equipment. Accordingly, provision for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the carrying value of property and equipment.

3. BASIS OF PREPARATION (CONTINUED)

3.4 Use of estimates, assumptions and judgment (Continued)

Impairment of inventories

Inventories are stated at the lower of cost or net realizable value. When inventories become slow-moving or obsolete, an estimate is made of their net realizable value. For individually significant amounts this estimation is performed on an individually basis. Amounts which are not individually significant but which are slow moving or obsolete, are assessed collectively and provision is made according to inventories type and degree of ageing or obsolescence, based on historical selling prices.

Leases estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Provision for expected credit loss "ECL"

When measuring ECL the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. Refer note 12 for the provision for the loss allowance for the year.

3.5 Basis of consolidation

These consolidated financial statements incorporate the financial statements of the parent entity and entity controlled by the Company (its subsidiary). Control is achieved when :

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control mentioned above.

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3. BASIS OF PREPARATION (CONTINUED)

3.5 Basis of consolidation (Continued)

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts circumstances whether it has power over an investee, including :

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights

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

Profit or loss and each component of other comprehensive income are attributable to the owners of the Group and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

When necessary, adjustments are made to the financial statements of a subsidiary to bring their accounting policies into line with the Group accounting policies.

All intragroup balances and income, equity and cash flows relating to transactions between entities of the Group are eliminated in full on consolidation.

Changes in the Group ownership interests in a subsidiary that do not result in the Group losing control over a subsidiary are accounted for as equity transactions. The carrying amounts of the Group interests and the non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Group.

The details of the subsidiary is as follows :

<u>Company</u>	<u>% of ownership</u>		<u>Principal activities</u>	<u>Country of incorporation</u>
	<u>2025</u>	<u>2024</u>		
Al Zahra (Pvt.) Hospital Dubai (L.L.C)	<u>68.38</u>	<u>68.38</u>	General Hospital, home health care center and telehealth services and advanced first aid training center	UAE

GULF MEDICAL PROJECTS COMPANY (PJSC)
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4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 Property and equipment

The property and equipment are carried at their cost/revaluation less any accumulated depreciation and any accumulated impairment losses. Cost includes purchase cost together with any incidental costs of acquisition.

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item and the cost of the item can be measured reliably.

The cost of day to day service of property and equipment is expensed as incurred.

Depreciation of an asset begins when it is available for use in the manner intended by management.

Depreciation is calculated on a straight line basis over the estimated useful lives as follows :

	<u>Estimated useful lives</u> Years
Hospital buildings	10 – 40
Hospital furniture and equipment	1 – 10
Motor vehicles	3 – 5
Other furniture and equipment	1-5

No depreciation is charged on land and capital work-in-progress. The depreciation charge for each period is recognized in the consolidated statement of income.

The estimated useful lives, residual values and depreciation method are reviewed and adjusted if appropriate at each reporting date. An assets carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than estimated recoverable amount.

Gain or loss arising on disposal of any item of property and equipment (calculated as the difference between the net disposal proceeds, and the carrying amount of the assets) is recognized in the consolidated statement of income.

Capital work-in-progress is stated at cost on present property that is being constructed or developed for future use. When commission, Capital work-in-progress is transferred to the respective category and depreciated in accordance with the Group's policy.

4.2 Intangible assets

Intangible assets represents the total amounts paid towards software and is carried at cost less accumulated amortization and any accumulated impairment losses. Amortization is calculated on straight line basis over a period of five to eight years from the date they are available for use.

4.3 Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is :

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting date or
- Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.3 Current versus non-current classification (Continued)

A liability is current when :

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

The Group classifies all other liabilities as non-current.

4.4 Leases

The Group evaluates at the beginning of the lease agreement whether the contract is a lease agreement or includes a rental arrangement. If the contract is wholly or partially transferring the right to control the use of a specific asset from one party to another for a specific period of time in exchange for a specific compensation or allowance, then the Group recognizes the right to use the assets and lease obligations with the exception of short-term leases of one year or less and the leases for leased assets with low value. For these leases, the Group recognizes lease payments as an operating expense on a straight line basis over the term of the lease, unless another systematic basis further presents the period of time in which the economic benefits from the leased assets are amortized.

Group as a lessee

Lease obligations

Lease obligations are recognized and measured initially at the present value of lease payments that have not been paid on the commencement date of the lease contract, and those payments are discounted using the interest rate implicit in the contract, and if it is not known, then the Group uses the incremental borrowing interest rate.

Unpaid lease payments include:

- Fixed lease payments less any lease incentives receivable.
- Variable lease payments that depend on an index or rate, measured initially using the index or rate at the start date of the lease.
- The amount the lessee is expected to pay the lessor when there is a residual value guaranteed in the lease agreement.
- The price of exercising buying options, if the lessee is reasonably certain of exercising the options.
- Termination fines, if the lease reflects the exercise of the option to terminate the lease.

The lease liability is presented as a separate component of the Group's consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect the interest on the lease obligation and by reducing the carrying amount to reflect the lease payments paid.

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

- The lease term has changed or there is a significant event or change in circumstances that lead to a change in the evaluation of the purchase option exercise, in which case the lease liability is re-measured by discounting the revised lease payments using the revised discount rate.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.4 Leases (Continued)

Group as a lessee (Continued)

Lease obligations (Continued)

- Rental payments change due to changes in an index or rate or change in expected payments under a guaranteed residual value, in which cases the rental liabilities are re-measured by discounting the adjusted rental payments using an unchanged discount rate (unless the rental payments change due to the change in the floating interest rate. In this case, the adjusted discount rate is used.)
- The lease is amended and the lease amendment is not counted as a separate lease contract, in which case the lease liabilities are re-measured based on the modified lease term by discounting the modified lease payments using the modified discount rate at the date of modification.

Right-of-use assets

Right-of-use assets include the initial measurement of the corresponding lease liability, lease payments made on or before the inception day, minus any lease incentives received and any initial direct costs subsequently measured minus accumulated depreciation and impairment losses.

When the Group incurs a commitment to the costs of dismantling and removing a leased asset, restoring the site on which it is located, or restoring the asset to the required condition under the terms of the lease contract, the provision is recognized and measured in accordance with IAS (37) and to the extent that the costs relate to the right-of-use assets, the costs are included in related right-of-use assets, unless these costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of the contract term or the useful life of the specified asset.

If the lease contract transfers ownership of the underlying asset or right-of-use cost reflects that the entity expects to exercise the purchase option, then the related use value is depreciated over the useful life of the underlying asset. Depreciation starts on the date of commencement of the lease agreement.

Right-of-use assets are presented as a separate component in the consolidated statement of financial position.

The Group applies IAS (36) to determine whether the right to use value has decreased and calculates any impairment loss identified as described in the "property and equipment" policy.

As a practical expedient, IFRS 16 allows a lessee not to separate the non-leased components, and instead any lease contract and associated non-lease components are counted as a single arrangement. The Group did not use this practical expedient. For contracts that contain a leasing component and one or more leasing or non-leasing components, the Group allocates consideration in the contract to each leasing component based on the independent relative price of the leasing component and the total sum of the single price of the non-leasing components.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.4 Leases (Continued)

The Group as Lessor

Operating leases

The rental income from the operating lease is recognized on a consistent basis and evenly over the period of the related contract. The initial direct costs incurred by the entity when negotiating and preparing the contract are added to the value in which the leased asset appears in the consolidated statement of financial position, and they are recognized as expenses during the contract period in the same way that is adopted for lease income. Leased assets are depreciated under operating lease contracts, based on the same depreciation policies that the entity follows for similar assets.

4.5 Investment properties

Land and buildings owned by the Group for the purpose of generating rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes are classified as investment properties. Investment properties are initially measured at cost includes expenditures that are directly attributable to the acquisition of the investment properties.

Subsequently, they are measured at fair value with gains or losses arising from changes in fair value recognized in consolidated statement of income.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in consolidated statement of income when an investment property that was previously classified as property and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

Investment properties are derecognized when either they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the consolidated statement of income within "Other operating income" in the year of retirement or disposal.

Transfers are made to investment properties when only there is a change in use evidenced by ending of owner-occupation on commencement of an operating lease of significant portion of the property to another party. Transfers are made from investment properties when and only when there is a change in use based on the business model.

4.6 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.6 Impairment of non-financial assets (Continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

4.7 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

• Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost (AC), fair value through other comprehensive income (FVTOCI), and fair value through profit or loss (FVTPL). The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of accounts receivable that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Accounts receivable that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

• Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

• Subsequent measurement

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

- Financial assets at amortized cost
- Financial assets at fair value through other comprehensive income (OCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through other comprehensive income (OCI) with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss (FVTPL)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.7 Financial Instruments (Continued)

Financial assets (Continued)

• **Subsequent measurement (Continued)**

As of reporting date, that the Group contracted with only the financial assets at amortized cost and financial assets designated at fair value through other comprehensive income (OCI) with no recycling at cumulative gains and losses upon derecognition (equity instruments) and financial assets at fair value through profit or loss (FVTPL).

• **Financial assets at amortized cost**

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

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

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes accounts receivable and others, cash and bank balances and due from a related party.

• **Financial assets at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition (Equity instruments)**

The Group subsequently measures financial assets at fair value through other comprehensive income at fair value and gains and losses on fair value changes are recognized in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognized in statement of income as other income when the Group's right to receive payments is established, except when the Group benefits from such proceeds as a recovery of part of cost of the instrument in which case, such gains are recorded in other comprehensive income. Equity instruments at FVTOCI are not subject to impairment.

• **Financial assets at fair value through profit or loss (FVTPL)**

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.7 Financial Instruments (Continued)

Financial assets (Continued)

• **Impairment of financial assets**

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition and ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

In certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Financial liabilities are recognized when the Group becomes a party to the contractual arrangement provision of the instrument.

Financial liabilities are initially measured at fair value, net of transaction costs. Financial liabilities can be subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis, or at fair value through profit or loss.

As of reporting date, that the Group contracted with only the financial liability at amortized cost.

• *Financial liabilities at amortized cost*

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

The Group's financial liabilities at amortized cost includes accounts payable and others, lease liabilities.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.7 Financial Instruments (Continued)

Financial liabilities (Continued)

• **Derecognition of financial liabilities**

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of income.

Offsetting of financial instruments

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

4.8 Revenue from contracts with customers balances

Contract assets

A contract asset is the right to the consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring the goods or service to the customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Accounts receivable

Accounts receivable are amount due from customers for goods sold or services performed in the ordinary course of business. The accounting policies of financial assets in financial instruments paragraph details the initial recognition and subsequent measurement of accounts receivable.

Contract liabilities

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

4.9 Cash and cash equivalents

For the purpose of preparing consolidated statement of cash flows (Exhibit D) Cash and cash equivalents comprise cash in hand and bank balances and fixed deposits with an original maturity of three months or less from date of placement.

4.10 Inventories

Inventories are stated at lower of cost or net realizable value, cost is determined using the first-in first-out (FIFO) basis. Cost includes purchase cost, freight, insurance and other related expenses incurred in bringing the goods to their present condition and location. Net realizable value is based on the normal selling price, less cost expected to be incurred on disposal. Provision is made where necessary for obsolete, slow-moving and damaged items.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.11 Provisions

Provisions are present obligations (legal or constructive) resulted from past events, the settlement of the obligations is probable and the amount of those obligations can be estimated reliably. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the consolidated statement of financial position date.

Provisions are reviewed and adjusted at each consolidated statement of financial position date. If outflows, to settle the provisions, are no longer probable, reversal of the provision is recorded as income. Provisions are only used for the purpose for which they were originally recognized.

4.12 Employees' end of service benefits

Employees' end of service benefits is calculated in accordance with U.A.E. Labour Law requirements.

Retirement pension and social benefit scheme for the U.A.E citizens are made by the Group in accordance with Federal Law.

4.13 Accounts payable

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid and the amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

4.14 Borrowing costs

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

All other borrowing costs are recognized in the consolidated statement of income in the period which they are incurred.

4.15 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns and rebates.

• ***Rendering of services***

Health care service revenues primarily comprise fees charged for inpatient and outpatient medical services. Services include charges for accommodation, theatre, medical professional services, equipment, laboratory and pharmaceutical items used. Revenue is recorded and recognized during the period in which medical service is provided based on the amounts due from the patient and/or medical funding entities. Fees are calculated and billed based on various tariffs agreed with insurers.

• ***Sale of goods***

Revenue is recognized for the performance obligation when control over the corresponding goods representing drug and cosmetics is transferred to the customers. The timing of revenue recognition of this performance obligation is at point in time for sale of goods when the goods are delivered to the customers.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.15 Revenue recognition (Continued)

- **Dividend and interest revenue**
 - Dividend revenue from investments is recognized when the shareholder's right to receive payment has been established.
 - Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.
- **Rental income**

Rental income from investment properties is recognized on a straight-line basis over the term of the relevant lease contract.

4.16 Dividend distribution

Dividend distribution to the shareholders is recognised as liability in the consolidated financial statements in the period in which the dividends are approved by the Shareholders.

4.17 Taxes

Value added tax

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

- When VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, VAT is recognised as part of the cost of acquisition of the asset or as part of the expense items, as applicable.
- When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Current income tax expenses

Current income tax assets and liabilities are measured at the amount of income taxes payable (recoverable) in respect of the taxable income (tax loss) to the Federal Tax Authority for the year at the consolidated statement of financial position date.

The tax rate used to compute the income tax is that enacted at the reporting date in the United Arab Emirates.

Deferred tax

Deferred tax is accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the full tax consequences of all temporary differences between the carrying amounts of existing assets and liabilities in the consolidated financial statements of the Group and their respective tax bases.

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled.

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.17 Taxes (Continued)

Deferred tax (Continued)

Deferred tax assets are recognized up to the extent that it is probable that sufficient taxable profits will be available against which the deductible temporary differences can be utilized. The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting period. The Group shall reduce the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available. Also, at the end of each reporting period, the Group reassesses unrecognized deferred tax assets and recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

4.18 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to shareholders of the Group, excluding any costs of servicing equity other than ordinary shares.
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares if any.

4.19 Foreign currencies

Transactions in foreign currencies are translated to UAE Dirhams at the foreign exchange rates at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to UAE Dirhams at the spot foreign exchange rate ruling at that date. The foreign currency gain or loss on monetary items is the difference between the amortized cost in UAE Dirhams at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in the foreign currency translated at the spot exchange rate at the end of the year.

Non monetary assets and liabilities that are measured at fair value in a foreign currency are translated to UAE Dirhams at the spot exchange rate at the date on which the fair value is determined. Non monetary items that are measured based on historical cost in a foreign currency are translated using the spot exchange rate the date of the transaction.

Foreign currency differences arising on translation are generally recognized in consolidated statement of income.

4.20 Contingent liabilities

Contingent liabilities are possible obligations depending on whether some uncertain future events occur, or they are present obligations but payments are not probable or the amounts cannot be measured reliably. Contingent liabilities are not recognized in the consolidated financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.21 Segment Information

For management purposes, the Group is organized into two operating segments based on their products and services. These segments are independently managed by respective segment managers who are reporting to the Group's management. The Group regularly review the segment results in order to assess the segment performance.

4.22 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement assumes that the asset or liability is exchanged in an orderly transaction between market participants to sell the assets or transfer the liability at the measurement date under current market conditions.

The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either :

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

The Group must have access to the principal (or most advantageous) market at the

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

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

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

A fair value hierarchy is established that categorizes into three levels the inputs to valuation techniques used to measure fair value as follows :

- Level 1 : Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 : Unobservable inputs for the asset or liability.

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5. PROPERTY AND EQUIPMENT

a) The details of this item are as follows :

	<u>Land</u> AED '000'	<u>Hospital Buildings</u> AED '000'	<u>Hospital furniture and equipment</u> AED '000'	<u>Motor vehicles</u> AED '000'	<u>Other furniture and equipment</u> AED '000'	<u>Capital work-in-progress</u> AED '000'	<u>Total</u> AED '000'
Cost /Revaluation :							
At 1 January 2024	250,482	578,632	151,628	4,666	16,823	748	1,002,979
Additions	--	1,226	12,794	1,036	876	4,783	20,715
Disposals	--	--	(1,922)	(739)	(170)	(162)	(2,993)
Transfer	--	2,504	--	--	--	(2,504)	--
At 31 December 2024	250,482	582,362	162,500	4,963	17,529	2,865	1,020,701
Additions	--	3,152	17,413	1,292	407	4,497	26,761
Disposals	--	--	(775)	(823)	(243)	--	(1,841)
Balance at 31 December 2025	250,482	585,514	179,138	5,432	17,693	7,362	1,045,621
Accumulated Depreciation :							
At 1 January 2024	--	159,838	122,015	3,351	15,875	--	301,079
Charged for the year	--	16,102	8,607	346	625	--	25,680
Relating to disposals	--	--	(1,474)	(139)	(167)	--	(1,780)
At 31 December 2024	--	175,940	129,148	3,558	16,333	--	324,979
Charged for the year	--	16,319	10,026	532	493	--	27,370
Relating to disposals	--	--	(747)	(823)	(243)	--	(1,813)
Balance at 31 December 2025	--	192,259	138,427	3,267	16,583	--	350,536
Net Book Value :							
At 31 December 2025 - Exhibit A	250,482	393,255	40,711	2,165	1,110	7,362	695,085
At 31 December 2024 - Exhibit A	250,482	406,422	33,352	1,405	1,196	2,865	695,722

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5. PROPERTY AND EQUIPMENT (CONTINUED)

- b) Land of AED. 250,482 thousand mentioned above represents the fair value of a plot of land at the date of acquisition measuring 350,000 square feet registered with the concerned government department in the name of the subsidiary.
- c) Capital work-in-progress of AED. 7,362 thousand mentioned above represent the costs incurred for the heat pumps and accessories and redesign and renovation works at the hospital buildings in the Emirate of Dubai.
- d) Depreciation for the year is allocated to cost of revenues and general and administrative expenses amounting to AED. 26,902 thousand (2024 : AED. 25,314 thousand) and AED. 468 thousand (2024 : AED. 366 thousand) respectively.

6. INTANGIBLE ASSETS

- a) This item consists of the following :

	<u>Software</u> AED '000'
Cost :	
At 1 January 2024	3,632
Additions	303
	<hr/>
At 31 December 2024	3,935
Additions	2,344
	<hr/>
Balance at 31 December 2025	6,279
	<hr/>
Accumulated Amortization :	
At 1 January 2024	2,672
Charged for the year	528
	<hr/>
At 31 December 2024	3,200
Charged for the year	579
	<hr/>
Balance at 31 December 2025	3,779
	<hr/>
Net book value :	
At 31 December 2025 - Exhibit A	2,500
	<hr/> <hr/>
At 31 December 2024 - Exhibit A	735
	<hr/> <hr/>

- b) Amortization for the year is allocated to cost of revenues and general and administrative expenses amounting to AED. 578 thousand (2024 : AED. 527 thousand) and 1 thousand (2024 : AED. 1 thousand) respectively.

7. RIGHT-OF-USE ASSETS

The movement of right-of-use assets are summarized as follows :

	<u>2025</u> AED '000'	<u>2024</u> AED '000'
Cost :		
At 1 January	7,353	9,789
Addition during the year	1,963	--
Charged for the year	(2,587)	(2,436)
	<hr/>	<hr/>
Net book value at 31 December – Exhibit A	6,729	7,353
	<hr/> <hr/>	<hr/> <hr/>

GULF MEDICAL PROJECTS COMPANY (PJSC)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
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8. INVESTMENT PROPERTIES

a) This item consists of the following :

	<u>2025</u> AED '000'	<u>2024</u> AED '000'
Land	76,201	76,311
Commercial properties	19,297	17,618
Residential properties	10,797	10,252
Fair value at 31 December – Exhibit A	<u>106,295</u>	<u>104,181</u>

b) The details of movement in investment properties during the year are as follows:

	<u>2025</u> AED '000'	<u>2024</u> AED '000'
Fair value at 1 January	104,181	91,091
Increase in fair value	2,114	13,090
Fair Value at 31 December	<u>106,295</u>	<u>104,181</u>

Investment properties represent investments in land and real estates in the United Arab Emirates.

c) The details of investment properties and information about the fair value hierarchy is as follows:

31 December 2025

	<u>Level 1</u> AED '000'	<u>Level 2</u> AED '000'	<u>Level 3</u> AED '000'	<u>Total</u> AED '000'
Land	--	--	76,201	76,201
Commercial properties	--	--	19,297	19,297
Residential properties	--	--	10,797	10,797
Total Fair Value	<u>--</u>	<u>--</u>	<u>106,295</u>	<u>106,295</u>

31 December 2024

	<u>Level 1</u> AED '000'	<u>Level 2</u> AED '000'	<u>Level 3</u> AED '000'	<u>Total</u> AED '000'
Land	--	--	76,311	76,311
Commercial properties	--	--	17,618	17,618
Residential properties	--	--	10,252	10,252
Total Fair Value	<u>--</u>	<u>--</u>	<u>104,181</u>	<u>104,181</u>

Valuation process

The Group's investment properties were valued as at 31 December 2025 and 31 December 2024 by expert external valuers.

Valuation techniques underlying estimation of fair value

- The fair value of the land was determined based on the sales comparable approach.
- The fair value of the commercial and residential properties were determined based on the direct comparison approach.
- There has been no change to the valuation technique during the year.

GULF MEDICAL PROJECTS COMPANY (PJSC)
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9. INVESTMENTS IN FINANCIAL ASSETS

Investments in financial assets comprise of the following :

a) Investments at fair value through other comprehensive income (FVTOCI)

This item consists of the following :

	<u>2025</u> AED '000'	<u>2024</u> AED '000'
Fair value at 1 January	250,307	259,053
Purchases during the year	537	--
Sales during the year	--	(68,217)
Gain on sale investments at FVTOCI	--	4,231
Increase in fair value	54,805	55,240
Fair Value at 31 December - Exhibit A	305,649	250,307

Investments at fair value through other comprehensive income represent investments in securities quoted in the local financial markets.

b) Investments at fair value through profit or loss (FVTPL)

This item consists of the following :

	<u>2025</u> AED '000'	<u>2024</u> AED '000'
Fair value at 1 January	36,567	39,406
Increase/(decrease) in fair value	24,094	(2,839)
Fair Value at 31 December - Exhibit A	60,661	36,567

Investments at fair value through profit or loss represent investments in securities quoted in local and regional financial markets.

10. INVENTORIES

a) This item consists of the following :

	<u>2025</u> AED '000'	<u>2024</u> AED '000'
Goods for sale (drugs and cosmetics)	18,228	9,851
General stores and hospital supplies	9,868	8,786
Provision for slow-moving items – Note 10(b)	(1,069)	(590)
Net Amount - Exhibit A	27,027	18,047

b) The details of movement in provision for slow-moving items are as follows :

	<u>2025</u> AED '000'	<u>2024</u> AED '000'
Balance at 1 January	590	590
Additions to provision	1,118	--
Write off during the year	(639)	--
Balance at 31 December – Note 10(a)	1,069	590

GULF MEDICAL PROJECTS COMPANY (PJSC)
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11. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

In the normal course of business, the Group enters into various transactions with related parties. Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. The prices and terms of these transactions are agreed with the Group's management.

• **Due from a related party**

This item represents the amount due from Gulf Medical Commercial Agencies (LLC) – Sharjah. As per the management contract, the Group is managed and financed by the Group in return for the yearly profit/(loss) generated by the Company which has been included in the consolidated statement of income of the Company. The details of the movement in this account during the year are as follows :

	<u>2025</u> AED '000'	<u>2024</u> AED '000'
Balance at 1 January	1,832	2,193
Net funds received during the year	28	9
Loss for the year transferred – Note 26	(214)	(370)
Balance at 31 December – Exhibit A	<u>1,646</u>	<u>1,832</u>

- The following are the details of significant related parties transactions :

	<u>2025</u> AED '000'	<u>2024</u> AED '000'
Purchase	601	716
Expenses	530	530

- The remuneration , salaries and other benefits of Board of Directors and other members of key management during the year are as follows :

	<u>2025</u> AED '000'	<u>2024</u> AED '000'
Key management salaries and other related benefits	11,383	9,774
Board of directors remuneration (as approved by the Annual General Meeting)	7,000	5,382
Board committee expenses	211	248

12. ACCOUNTS RECEIVABLE AND OTHERS

- a) This item consists of the following :

	<u>2025</u> AED '000'	<u>2024</u> AED '000'
Accounts receivable	222,043	227,960
Provision for impairment loss of accounts receivable – Note 12(b)	(119,059)	(117,929)
Net Amount	<u>102,984</u>	<u>110,031</u>
Prepayments and other receivables – Note 12(c)	11,990	14,925
Recoverable tax (VAT)	2,306	2,536
Post-dated cheques received	1,180	596
Total - Exhibit A	<u>118,460</u>	<u>128,088</u>

GULF MEDICAL PROJECTS COMPANY (PJSC)
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12. ACCOUNTS RECEIVABLE AND OTHERS (CONTINUED)

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits for customer.

A provision has been made for the estimated impairment loss of accounts receivable based on assumption about risk default and expected loss rate.

The Group uses judgment in making the estimates and assumption for calculation of impairment loss based on management past history, existing market conditions, including expectation of future events.

There has been no change in the estimation techniques or significant assumption made during the current reporting period in assessing the provision for impairment loss of accounts receivable.

The following table details the risk profile of accounts receivables based on the Group's provision matrix.

31 December 2025	<u>0-90 days</u> AED '000'	<u>91-180 days</u> AED '000'	<u>181-365</u> <u>days</u> AED '000'	<u>Above</u> <u>365 days</u> AED '000'	<u>Total</u> AED '000'
Gross carrying amount	95,722	16,582	18,157	91,582	222,043
Expected credit loss rate	9.23%	61.34%	86.59%	92.08%	53.62%
Loss allowance	8,835	10,171	15,722	84,331	119,059
31 December 2024	<u>0-90 days</u> AED '000'	<u>91-180 days</u> AED '000'	<u>181-365 days</u> AED '000'	<u>Above</u> <u>365 days</u> AED '000'	<u>Total</u> AED '000'
Gross carrying amount	55,699	35,135	33,689	103,437	227,960
Expected credit loss rate	13.82%	23.59%	43.36%	84.43%	51.73%
Loss allowance	7,698	8,289	14,608	87,334	117,929

b) The movement in provision for impairment loss of accounts receivable during the year are as follows :

	<u>2025</u> AED '000'	<u>2024</u> AED '000'
Balance at 1 January	117,929	92,840
Additions to provision	34,638	30,467
Write off during the year	(33,508)	(5,378)
Balance at 31 December – Note 12(a)	119,059	117,929

c) Prepayments and other receivable

This item consists of the following :

	<u>2025</u> AED '000'	<u>2024</u> AED '000'
Prepaid expenses	4,815	5,090
Refundable deposits	1,215	1,215
Interest receivable	1,694	947
Staff receivables	44	342
Margin held with banks	959	999
Advances paid	3,165	1,507
Due from brokerage companies	83	4,823
Others	15	2
Total – Note 12(a)	11,990	14,925

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13. CASH AND BANK BALANCES

a) This item consists of the following :

	<u>2025</u>	<u>2024</u>
	AED '000'	AED '000'
Cash in hand	304	224
Bank balances – Current and call deposit accounts	49,000	22,728
Fixed deposits – Note 13 (b)	174,117	176,041
Total – Exhibit A	223,421	198,993

b) Fixed deposits carry profit/interest at prevailing market rates. Fixed deposits of AED. 174,117 thousand (2024: AED. 176,041 thousand) mentioned above include fixed deposits AED. 2,201 thousand (2024: AED. 2,194 thousand) held under lien by local banks against credit facilities granted to the Group.

14. SHARE CAPITAL

	<u>2025</u>	<u>2024</u>
	AED '000'	AED '000'
Authorized share capital is 698,916,094 ordinary share of AED. 1 each fully paid – Exhibit A	698,916	698,916

15. RESERVES

a) Statutory reserve

10% of the yearly profit shall be deducted and retained in statutory reserve account, the deduction will be stopped when the reserve reaches 50% of the Company's paid-up capital and if the statutory reserve decreases from that percentage again will be back to deduction.

b) Optional reserve

The optional reserve of AED 6,041 thousand mentioned below represents total amounts annually transferred at a rate of 10% of the profits generated in the previous years, in accordance with the Articles of Association of the Company at that time, the Company has resolved to discontinue the annual transfer to this reserve in accordance with a decision from Ordinary General Assembly Meeting. As per the article 60 of the Articles of Association the optional reserve may be used for the benefits and interest of the Group based on Board of Director's resolution.

c) The details of movements in the reserves during the year are as follows :

	<u>Statutory</u>	<u>Optional</u>	<u>Revaluation</u>	<u>Total</u>
	reserve	reserve	reserve	reserve
	AED '000'	AED '000'	AED '000'	AED '000'
Balance at 1 January 2024	290,470	6,041	1,923	298,434
Additions for the year	7,789	--	--	7,789
Balance at 31 December 2024-Exhibit A	298,259	6,041	1,923	306,223
Additions for the year	10,851	--	--	10,851
Balance at 31 December 2025- Exhibit A	309,110	6,041	1,923	317,074

GULF MEDICAL PROJECTS COMPANY (PJSC)
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16. PROPOSED APPROPRIATION OF PROFITS AND BOARD OF DIRECTOR'S REMUNERATION

- The Shareholders in their Annual General Meeting held on 17 March 2025 approved a cash dividend of AED. 104,837,414 at AED. 0.15 per share and the Board of Directors remuneration of AED. 7,000,000 for the year ended 31 December 2024.
- In respect of the current year, the Board of Directors have proposed a cash dividend of AED. 118,815,736 at AED. 0.17 per share to be paid to shareholders in 2026.

It has been also proposed that the Board of Directors remuneration for the year be AED. 9,000,000.

The above mentioned proposed dividends and board of directors remuneration are subject to the approval of the shareholders at the Annual General Meeting and have not been included in the consolidated financial statements.

17. NON-CONTROLLING INTEREST

- a) The details of the movement in this item during the year are as follows :

	<u>2025</u>	<u>2024</u>
	AED '000'	AED '000'
Balance at 1 January	91,033	68,870
Share of profit for the year	26,659	22,163
Balance at 31 December – Exhibit A	<u>117,692</u>	<u>91,033</u>

- b) Non-controlling interest mentioned above represents the share of non-controlling as at the consolidated statement of financial position date and are as follows:

	<u>2025</u>	<u>2024</u>
	%	%
Share in Al Zahra (Pvt) Hospital Dubai (L.L.C)	<u>31.62</u>	<u>31.62</u>

18. EMPLOYEES' END OF SERVICE BENEFITS

The details of movement in this item during the year are as follows:

	<u>2025</u>	<u>2024</u>
	AED '000'	AED '000'
Balance at 1 January	28,102	25,027
Current service cost	6,892	5,296
Settlements	(3,513)	(2,221)
Balance at 31 December – Exhibit A	<u>31,481</u>	<u>28,102</u>

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19. LEASE LIABILITIES

Lease liabilities represent the long term lease of staff accommodation and robotics surgical systems up to the year 2029. The details of movement in this item during the year are as follows:

	<u>2025</u>	<u>2024</u>
	AED '000'	AED '000'
Balance at 1 January	5,920	8,115
Additions during the year	1,963	--
Interest on lease liabilities	136	150
Payments during the year	(1,751)	(2,345)
Balance at 31 December	<u><u>6,268</u></u>	<u><u>5,920</u></u>
Non-Current – Exhibit A	<u>3,100</u>	4,420
Current – Exhibit A	<u>3,168</u>	1,500
Total	<u><u>6,268</u></u>	<u><u>5,920</u></u>

20. ACCOUNTS PAYABLE AND OTHERS

This item consists of the following :

	<u>2025</u>	<u>2024</u>
	AED '000'	AED '000'
Accounts payable	84,575	58,378
Uncollected portion of repayments to shareholders	1,070	1,070
Post –dated cheques issued	9,562	7,059
Accrued expenses	12,383	11,514
Provision for staff leave salaries and air passage	17,423	15,750
Income received in advance	2,142	2,727
Staff payables	93	161
Other payables	31,642	41,658
Total – Exhibit A	<u><u>158,890</u></u>	<u><u>138,317</u></u>

21. SEGMENT INFORMATION

The Board of Directors are chief operating decision makers for the Group. Management determine the operation segments based on segments identified for the purpose of allocation of resources and assessing performance.

The Group's reportable segments are organized into two major segments as follows :

- i) Health services and others Principally providing health, medical care and other related services.
- ii) Investments Principally concerned with Investment properties and investment in securities.

Performance of each segment is measured based on segment profit as management believes that profit is the most relevant factor in evaluating the results of segment.

GULF MEDICAL PROJECTS COMPANY (PJSC)
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21. SEGMENT INFORMATION (CONTINUED)

The financial analysis according to the business segments are as follows :

	<u>Health Services & others</u>		<u>Investments</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	AED '000'	AED '000'	AED '000'	AED '000'	AED '000'	AED '000'
Revenue						
Total revenues	<u>767,523</u>	<u>677,337</u>	<u>56,348</u>	<u>31,160</u>	<u>823,871</u>	<u>708,497</u>
Result						
Segment result	<u>211,410</u>	<u>186,632</u>	<u>56,111</u>	<u>30,876</u>	<u>267,521</u>	<u>217,508</u>
Unallocated general and administrative expenses					<u>(138,626)</u>	<u>(117,277)</u>
Operating profit					<u>128,895</u>	<u>100,231</u>
Other income	<u>17,664</u>	<u>8,923</u>	<u>--</u>	<u>--</u>	<u>17,664</u>	<u>8,923</u>
Profit from operation before tax					<u>146,559</u>	<u>109,154</u>
Current income tax expenses					<u>(9,033)</u>	<u>(8,181)</u>
Deferred tax					<u>(2,359)</u>	<u>(923)</u>
Profit from operation					<u>135,167</u>	<u>100,050</u>
Attributable to non-controlling interest					<u>(26,659)</u>	<u>(22,163)</u>
Profit for the year					<u>108,508</u>	<u>77,887</u>

GULF MEDICAL PROJECTS COMPANY (PJSC)
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21. SEGMENT INFORMATION (CONTINUED)

	<u>Health Services & others</u>		<u>Investments</u>		<u>Total</u>	
	<u>2025</u> AED '000'	<u>2024</u> AED '000'	<u>2025</u> AED '000'	<u>2024</u> AED '000'	<u>2025</u> AED '000'	<u>2024</u> AED '000'
Other information						
Segment assets	891,456	882,495	656,017	559,330	1,547,473	1,441,825
Segment liabilities	199,298	175,147	9,658	6,296	208,956	181,443
Capital expenditure	29,105	21,018	--	--	29,105	21,018

22. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash and bank balances, accounts receivable and others, due from a related party, investments at FVTPL and investments at FVTOCI. Financial liabilities consist of accounts payables and others, and lease liabilities.

Fair value of financial instruments carried at amortized cost

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortized cost in the consolidated financial statements approximate their fair values.

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined using similar valuation techniques and assumptions as used in the audited consolidated financial statements for the year ended 31 December 2024.

The Group uses external valuers with market knowledge, reputation and independence for evaluation of investment properties.

For quoted equity investments, fair value is determined by reference to the market value of a similar investment or is based on the expected discounted future cash flows.

Fair value of the Group's financial assets that are measured at fair value on recurring basis.

Some of the Group's financial assets are measured at fair value at the end of reporting period. The following tables give information about how the fair values of these financial assets are determined:

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable input to fair value
	31 December 2025 AED'000	31 December 2024 AED'000				
Investments at fair value through other comprehensive income (FVTOCI)	305,649	250,307	Level 1	Quoted prices in active markets	None	NA
Investments at fair value through profit/loss (FVTPL)	60,661	36,567	Level 1	Quoted prices in active markets	None	NA

There is no transfer between each of level during the year. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made on the above table.

23. RISK MANAGEMENT

Risk is inherited in the Group's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. Operational risks are an inevitable consequence of being in the business.

The Group is exposed to a variety of financial risks included : capital risk, market risk (including foreign currency risk and price risk), credit risk and liquidity risk. It is also subject to operational risk.

The Group seeks to minimize the effects of these risks through internal reports which analyze the risk to achieve its risk management function and monitor risks and reviews policies implemented to mitigate risk exposures.

23.1 Capital risk management

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return of capital to shareholders, issue new shares or sell assets.

23.2 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments, The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return on risk.

a) Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate.

The Group's activities are not exposed to the financial risks of changes in foreign currency exchange rates because substantially all the financial assets and liabilities are denominated in United Arab Emirates Dirhams (AED) or US Dollars to which the AED is pegged.

b) Price risk of shares

Price risk of shares is the risk that the value of shares fluctuates as a result of changes in market prices. The Group is exposed to market price risk with respect to its investments in quoted marketable securities. The Group limits market price risks by maintaining a diversified portfolio and by continuous actively monitoring of the key factors that effect stock and market movements including analysis of operational and financial performance of investees.

Sensitivity analysis

At the reporting date if the equity prices of the quoted investments held at FVTPL and FVTOCI are 10% higher/lower as per the assumptions mentioned below and all the other variables were held constant the results for the year in the Group's consolidated statement of income and consolidated statement of other comprehensive income would have increased/decreased by AED 6,066 thousand (2024: AED. 3,657 thousand) and AED. 30,565 thousand (2024: AED 25,031 thousand) respectively.

23. RISK MANAGEMENT (CONTINUED)

23.2 *Market risk (continued)*

b) *Price risk of shares (Continued)*

Sensitivity analysis (Continued)

Method and assumptions for sensitivity analysis

- The sensitivity analysis has been done based on the exposure to equity price risk as at the reporting date.
- As at the reporting date if equity prices are 10% higher/lower on the market value uniformly for all equities while all other variables are held constant, the impact on consolidated statement of income and other comprehensive income has been shown above.
- A 10% change in equity prices has been used to give a realistic assessment as a plausible event.

23.3 *Credit risk*

Credit risk is the risk of financial loss to the Group, if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from cash flows from financial assets recorded at amortized cost such as cash and bank balances, accounts receivable and amount due from a related party.

The Group trade with recognized, creditworthy parties. The Group's policy that all customers are analyzed for creditworthiness on credit terms and are subject to monitor the receivable balances of customers on an ongoing basis, that receivable balances are the maximum exposure to credit risk relating accounts receivable.

The Group applies IFRS Accounting Standard 9 simplified approach to measure expected credit loss (ECL) by grouped all financial assets based on shared credit risk characteristics and days past due (Note 12).

The expected loss rates are based on the payment profiles of that business transaction and the corresponding historical credit loss experienced within this period.

The historical loss rates are adjusted to reflect current and future information on macro economic factors affecting the abilities of the customers to settle their receivable balances. With respect to credit risk arising from other financial assets such as cash and bank balances including deposits arising from default of counter party to limit that credit risk.

The Group's cash is placed with banks of repute. Management is confident that it does not result in any credit risk to the Group as the banks are major banks operating in the UAE.

23.4 *Liquidity risk*

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities at maturity date.

The Group monitors its risk to shortage of funds using a cash flow model. This tool considers the maturity of financial assets and projected cash flows from operation and capital projects.

GULF MEDICAL PROJECTS COMPANY (PJSC)
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23. **RISK MANAGEMENT (CONTINUED)**

23.4 *Liquidity risk (Continued)*

The details of maturity dates of the Group's financial assets and financial liabilities are as follows :

As at 31 December 2025 :

	<u>Less than three months</u> AED '000'	<u>From 3 months to one year</u> AED '000'	<u>1-5 years</u> AED '000'	<u>Total</u> AED '000'
Financial Assets				
Cash and bank balances	49,304	174,117	--	223,421
Accounts receivable and others	91,846	18,634	--	110,480
Investments at fair value through profit or loss (FVTPL)	60,661	--	--	60,661
Due from a related party	--	1,646	--	1,646
Investment at fair value through other comprehensive income (FVTOCI)	--	--	305,649	305,649
Total	<u>201,811</u>	<u>194,397</u>	<u>305,649</u>	<u>701,857</u>
Financial Liabilities				
Lease liabilities	1,975	1,193	3,100	6,268
Accounts payable and others	67,241	89,507	--	156,748
Income tax provision	--	9,035	--	9,035
Deferred tax liabilities	--	--	3,282	3,282
Total	<u>69,216</u>	<u>99,735</u>	<u>6,382</u>	<u>175,333</u>

As at 31 December 2024 :

	<u>Less than three months</u> AED '000'	<u>From 3 months to one year</u> AED '000'	<u>1-5 years</u> AED '000'	<u>Total</u> AED '000'
Financial Assets				
Cash and bank balances	22,952	176,041	--	198,993
Accounts receivable and others	103,196	18,295	--	121,491
Investments at fair value through profit or loss (FVTPL)	36,567	--	--	36,567
Due from a related party	--	1,832	--	1,832
Investment at fair value through other comprehensive income (FVTOCI)	--	--	250,307	250,307
Total	<u>162,715</u>	<u>196,168</u>	<u>250,307</u>	<u>609,190</u>
Financial Liabilities				
Lease liabilities	750	750	4,420	5,920
Accounts payable and others	56,558	79,032	--	135,590
Income tax provision	--	8,181	--	8,181
Deferred tax liabilities	--	--	923	923
Total	<u>57,308</u>	<u>87,963</u>	<u>5,343</u>	<u>150,614</u>

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24. REVENUES

a) This item consists of the following :

	<u>2025</u> AED '000'	<u>2024</u> AED '000'
Revenue from contracts with customers - Exhibit B	<u>767,523</u>	<u>677,337</u>

b) Disaggregation of revenue from contracts with customers

Set out below is the disaggregation of the Group's revenue from contracts with customers.

<u>Segments</u>	<u>2025</u> AED '000'	<u>2024</u> AED '000'
Type of services		
Revenue from healthcare services	<u>767,523</u>	<u>677,337</u>
Geographical markets		
Revenue within UAE	<u>767,523</u>	<u>677,337</u>
Timing of revenue recognition		
Services and goods transferred at a point in time	<u>767,523</u>	<u>677,337</u>

c) Performance obligations

Information about the Group's performance obligations are summarized below :

Rendering of services

Health care services revenues primarily comprise fees charged for inpatient and outpatient medical services. Services include charges for accommodation, theatre, medical professional services, equipment, laboratory and pharmaceutical items used and recorded at the time of billing.

Sale of goods

Revenue from sale of goods represent the total revenue from sale of drug and cosmetics provided to customers and is recognized when control and benefits are transferred and billed.

GULF MEDICAL PROJECTS COMPANY (PJSC)
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25. COSTS OF REVENUES

This item consists of the following :

	<u>2025</u>	<u>2024</u>
	AED '000'	AED '000'
Salaries and other related benefits	322,579	289,987
Supplies and services	203,467	172,441
Depreciation of property and equipment	26,902	25,314
Depreciation of right-of-use assets	2,587	2,436
Amortization of intangible assets	578	527
Total – Exhibit B	<u><u>556,113</u></u>	<u><u>490,705</u></u>

26. OTHER INCOME

a) This item consists of the following :

	<u>2025</u>	<u>2024</u>
	AED '000'	AED '000'
Dividends received	20,913	13,782
Interest income	6,955	5,589
Rental income - Note 26(b)	3,952	2,956
Gain/(loss) on sale of property and equipment	420	(388)
Loss from a related party – Note 11	(214)	(370)
Miscellaneous income	15,541	7,979
Net Amount - Exhibit B	<u><u>47,567</u></u>	<u><u>29,548</u></u>

b) **Rental income**

This item consists of the following :

	<u>2025</u>	<u>2024</u>
	AED '000'	AED '000'
Rental Income	4,189	3,240
Rental costs	(237)	(284)
Net amount - Note 26 (a)	<u><u>3,952</u></u>	<u><u>2,956</u></u>

GULF MEDICAL PROJECTS COMPANY (PJSC)
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YEAR ENDED 31 DECEMBER 2025

27. GENERAL AND ADMINISTRATIVE EXPENSES

This item consists of the following :

	<u>2025</u>	<u>2024</u>
	AED '000'	AED '000'
Staff salaries and other related benefits	67,123	54,934
Provision for impairment loss of accounts receivable	34,638	30,467
Electricity and water	7,938	7,477
Advertising and publicity	5,582	4,906
Government expenses	6,957	6,340
Telephone and postage	890	769
Social contributions	1,500	1,000
Legal charges and professional fees	3,702	3,313
Insurance	1,847	1,500
Bank and credit card charges	2,220	2,049
Provision for slow-moving items	1,118	--
Depreciation of property and equipment	468	366
Amortization of intangible assets	1	1
Miscellaneous expenses	4,506	4,005
Total - Exhibit B	<u><u>138,490</u></u>	<u><u>117,127</u></u>

28. INCOME TAX

Corporate Tax Law

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a Federal corporate tax regime in the UAE. Furthermore, a Cabinet Decision was published which specifies that taxable income not exceeding AED. 375,000 would be subject to a 0% UAE CT rate and taxable income exceeding AED. 375,000 would be subject to the 9% UAE CT rate.

The effective implementation date for the Group starts from 1 January 2024.

Current Income Tax

The major components of income tax expense in the consolidated statement of income are as follows :

	<u>2025</u>	<u>2024</u>
	AED '000'	AED '000'
Accounting profit for the year before tax	146,559	109,154
Add : Non-deductible expense for tax purpose	1,675	2,296
Less : Fair value accounting and assets adjustments (net)	(26,208)	(6,020)
Less : Exempt income	(20,913)	(13,780)
Net taxable income	<u><u>101,113</u></u>	<u><u>91,650</u></u>

28. INCOME TAX (CONTINUED)

	<u>2025</u> AED '000'	<u>2024</u> AED '000'
Tax due on:		
Net taxable income not exceeding AED. 375,000 *	--	--
Net taxable income exceeding AED. 375,000	<u>9,033</u>	<u>8,181</u>
Income tax expenses- Exhibit B	<u>9,033</u>	<u>8,181</u>
Income tax provision – Exhibit A	<u>9,035</u>	<u>8,181</u>

The movement in this item during the year are as follows:

	<u>2025</u> AED '000'	<u>2024</u> AED '000'
Balance at 1 January	8,181	--
Current tax expenses for the year	9,033	8,181
Paid during the year	<u>(8,179)</u>	<u>--</u>
Balance at 31 December	<u>9,035</u>	<u>8,181</u>

* As per the United Arab Emirates Corporate Tax law, maximum standard deduction applicable for each tax group is AED 375,000. The standard deduction applicable for the two tax groups considered by the Group amounts to AED 750,000 on which tax rate at 0%.

The income tax expenses for current year is AED. 9,033 thousand (2024: AED. 8,181 thousand) and the effective current income tax rate for the year is 6.16% (2024: 7.49%)

Deferred Tax

	<u>2025</u> AED '000'	<u>2024</u> AED '000'
Deferred tax – Exhibit B	<u>2,359</u>	<u>923</u>
Deferred tax liabilities – Exhibit A	<u>3,282</u>	<u>923</u>

The movement in this item during the year are as follows:

	<u>2025</u> AED '000'	<u>2024</u> AED '000'
Balance at 1 January	923	--
Deferred tax liabilities for the year	<u>2,359</u>	<u>923</u>
Balance at 31 December	<u>3,282</u>	<u>923</u>

The deferred tax liabilities for the year of AED. 2,359 thousand (2024: AED. 923 thousand), as determined by the Group's management assessment, arising from temporary differences related to the fair value changes in assets measured at fair value as of the consolidated statement of financial position date.

GULF MEDICAL PROJECTS COMPANY (PJSC)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2025

29. BASIC EARNINGS PER SHARE

This item consists of the following :

	<u>2025</u> AED '000'	<u>2024</u> AED '000'
Profit for the year attributable to equity holders of the parent company (AED '000)	<u>108,508</u>	<u>77,887</u>
Weighted average number of shares (share '000)	<u>698,916</u>	<u>698,916</u>
Basic Earnings per share (AED) – Exhibit B	<u><u>0.155</u></u>	<u><u>0.111</u></u>

30. CASH AND CASH EQUIVALENTS

At 31 December 2025 and 2024 “cash and cash equivalents” included in the consolidated statement of cash flows (Exhibit D) comprise the following items :

	<u>2025</u> AED '000'	<u>2024</u> AED '000'
Cash in hand	<u>304</u>	<u>224</u>
Bank balances - Current and call deposit accounts	<u>49,000</u>	<u>22,728</u>
Total - Exhibit D	<u><u>49,304</u></u>	<u><u>22,952</u></u>

31. CONTINGENT LIABILITIES/COMMITMENTS

i) Contingent liabilities

Contingent liabilities of the Group as at the consolidated statement of financial position date amounted to AED. 959 thousand (2024: AED. 999 thousand) representing Letters of Guarantees issued.

ii) Commitments

Commitments of the Group as at the consolidated statement of financial position date are as follows :

	<u>2025</u> AED '000'	<u>2024</u> AED '000'
Capital purchases	<u><u>37,824</u></u>	<u><u>15,832</u></u>



Governance Report and the Institutional Discipline Standards

Submitted By:

Gulf Medical Projects Company (P.S.C.)

For the Fiscal Year 2025



Introduction:

Gulf Medical Projects Company was established in 1979 as a Public Joint Stock Company and it was listed on the Abu Dhabi Securities Exchange (ADX) in 2005. (GMPC) is subject to the provisions of Federal Law No. 32 of 2021 on Commercial Companies in UAE and the Authority's Board of Directors' Resolution No. (3 R.M) of 2020 and its amendments concerning the Standards of Institutional Discipline and Governance of Public Shareholding Companies.

Gulf Medical Projects Company is adopting good governance rules and principles of accounting and responsibility with ensuring the highest levels of transparency in its business. The following is a report showing the mechanism for adopting and applying the principles of corporate governance and institutional discipline standards issued by the Emirates Securities and Commodities Authority for the year 2025.

1. A statement of the measures taken to complete the Corporate Governance System in 2025 and the method of its implementation:

The company adopts a corporate governance philosophy that enhances the added value to the company's shareholders, customers, employees and society alike by conducting its business in a manner that ensures sustainable capital efficiency and long-term growth.

For the purposes of carrying out corporate governance obligations efficiently and effectively, the Corporate Governance Manual has been developed to clarify the guidelines contained according to Federal Law No. (32) of 2021, and the Authority's Board of Directors' Resolution No. (3 R.M) of 2020 and its amendments concerning the Standards of Institutional Discipline and Governance of Public Shareholding Companies, Whereas:

- The instructions of the members of the Board of Directors and senior officers' transactions in the company's securities were adhered to and the principles of disclosure, where the dates of board meetings and decisions that have an impact on the price of the company's security were disclosed within the specified time periods and according to the prevailing instructions;
- The Board of Directors has established internal control and auditing systems; the same to be reviewed annually with a view to ensure their effectiveness and the extent to which the company adheres to them, in addition to ensuring that the risks of the company are properly and effectively managed;
- The code of conduct has been approved and circulated to all company employees for full compliance;
- The Board of Directors held its meetings periodically and regularly, according to the requirements of corporate governance, and the same applies to the sub committees of the Board of Directors;
- The Internal Control Department is committed to preparing its reports on a regular basis through the implementation of the internal control plan approved by the Audit Committee;
- The Board of Directors was keen on nominating the majority of its members from the Non-Executive Board Members and at least one-third of Board members shall be Independent Board Members. In addition, the majority of the Board's committees are Independent Board Members. Nevertheless, the Board of Directors also seeks assistance from the independent consultants and experts. the Board encourages effective participation in decision-making by shareholders in the procedures of the General Assembly; and



- The company confirms its full commitment to the rules of corporate governance set out in the Board of Directors of the Securities and Commodities Authority Resolution No. (3/ R.M) of 2020 and its amendments concerning the approval of Governance Manual of Public Shareholding Companies

2. A statement of ownership and dealings of the members of the Board of Directors, their spouses, and their children in the company's securities during 2025:

The members of the company's Board of Directors are aware of their obligations regarding disclosure requirements for their dealings in the company's securities. They are fully committed to all the requirements set by the Securities and Commodities Authority and the Abu Dhabi Securities Exchange, as they are not permitted to deal in the securities of the company or any of the subsidiary or sister companies (if any) before fifteen (15) days as of the end of the quarterly, semi-annual or annual financial period and pending the disclosure of financial statements and ten (10) working days prior to the announcement of any material information that would affect the security price up or down unless the information was caused by sudden and urgent events.

The Members of The Board of Directors, their first-degree relatives, or the company's employees during the 2025 fiscal year did not transact with the securities issued by the Company within the ban period stipulated in the Authority's Board of Directors' Resolution No. (2) of 2001 on the Regulations as to Trading, Clearing, Settlement, Transfer of Ownership and Custody of Securities.

In the table below, we clarify the dealings in the company's securities, whether by the members of the company's Board of Directors or their first-degree relatives as on 31st of December, 2025:

No.	Name	Position / Kinship	Shares Owned	Total Sale	Total Purchase
1.	Dr. Sheikh Faisal Khalid Khalid Al Qasimi	Chairman	660,188	-	-
2.	Mr. Salem Abdulla Salem Al Hosani	Vice Chairman	206,445,921	-	-
3.	Sheikh Majid Bin Faisal Khalid Al Qasimi	Board Member - MD	122,241,536	-	-
4.	Sheikha Noor Bint Faisal Khalid Al Qasimi	Board Member	1,050,000	-	-
5.	Sheikh Mohammed Bin Faisal Khalid Al Qasimi	Board Member	2,012,165	-	-
6.	Mr. Tariq Abdul Hadi AlAjami	Board Member	100,000	-	-
7.	Mr. Ahmed Mohamed Hasan AlHosani	Board Member	-	-	-



8.	Mr. Ahmed Salem Abdullah Al Hosani	Board Member	42,975,320	-	-
9.	Mr. Mohammad Salem Abdullah Al-Hosani	Board Member	34,200,000	-	-

❖ **During 2025, no transactions in securities were recorded, except for the above mentioned.**



3. The Formation of the Board of Directors

A. The current Board of Directors was formed in accordance with the following table:

No.	Name	Class	Experiences	Qualifications	The period he spent as a member of the Board of Directors from the date of his first election	Their memberships and positions in any other joint stock companies	Their positions in any other important regulatory, governmental or commercial entities
1	Sheikh Dr. Faisal Khalid Khalid Al Qasimi	Non-independent/ Executive Member	<ul style="list-style-type: none">- He was elected to be the Chairman of the Board of Directors of the company since 1979 in addition to being the Chairman of the Board of Directors of the Al-Zahra Hospital in Dubai, (a subsidiary of Gulf Medical Projects Company).- He also held the position of ambassador to the Hashemite Kingdom of Jordan from 1973 to 1975.- Director of Sharjah Medical Zone and the Assistant Secretary General of the Ministry of Health from 1975 to 1980.- Chairman of the Board of Directors of Al Maarifa International Private School since 1986	He holds a Bachelor's degree in Medicine and Surgery	46 years	He does not hold any positions in any other public joint stock companies in the United Arab Emirates, nor does he occupy the presidency or membership of the boards of directors of any other joint stock companies. In addition, he has not previously held any previous positions or membership or chaired previous boards of directors in other joint stock companies.	N/A



2	Mr. Salem Abdulla Salem Al Hosani	Non-independent/ Executive Member	<ul style="list-style-type: none"> - He is the Vice Chairman Gulf Medical Projects Company since 1988. - He has been a member of the Board of Directors of the Sharjah Insurance Company since 1995-2022. - He is the Chairman of Umm Al Quwain General Investments P.S.C since 2017 to date. - He has been a member of the Board of Directors of the National Bank of Umm Al Quwain since 2011 to 2020 - He has been a member of the Board of Directors of Al-Ma'arifa International Private School since 1986. 	He holds a Bachelor's degree in Business Administration	37 years	<ul style="list-style-type: none"> - Al Buhaira Insurance Company (Board Member). - Umm Al Quawain General Investments P.S.C (Chairman of the Board of Directors). 	N/A
3	Sheikh Majid Bin Faisal Khalid Al Qasimi	Non-independent/ Executive Member	<ul style="list-style-type: none"> - He is the Managing Director of the Board of Directors since 1996 to date. - He is currently a board member in Al-Zahra Hospital in Dubai, (a subsidiary of Gulf Medical Projects Company). 	He holds a higher diploma in business.	30 years	He does not hold any positions in other public joint stock companies in the United Arab Emirates, nor does he occupy the presidency or membership of the boards of directors of any other joint stock companies. In addition, he has not previously held any previous positions or membership or chaired previous boards of directors	<ul style="list-style-type: none"> - He is the first vice-chairman of the Sharjah Chamber of Commerce and Industry since 2014. - He has been a board member in the Sharjah Expo Center since 2014.



						in other joint stock companies.	
4	Sheikha Noor Bint Faisal Khalid Al Qasimi	Independent Member	- He holds the position of a member of the company's board of directors since 2023 to date.	He holds a Bachelor's degree in Management Information Systems from the American University of Sharjah	3 years	He does not hold any positions in any other public joint stock companies in the United Arab Emirates, nor does he occupy the presidency or membership of the boards of directors of any other joint stock companies. In addition, he has not previously held any previous positions or membership or chaired previous boards of directors in other joint stock companies.	N/A
5	Sheikh Mohammed Bin Faisal Khalid Al Qassimi	Non- independent/ Executive Member	- He has been a member of the company's board of directors since 2005 to date. - He has been a member of the Board of Directors of Al-Ma'arifa International Private School.	He holds an MBA degree. In addition, he holds a Bachelor's degree in International Relations.	20 years	He does not hold any positions in any other public joint stock companies in the United Arab Emirates, nor does he occupy the presidency or membership of the boards of directors of any other joint stock companies. In addition, he has not previously held any previous positions or membership or chaired previous boards of directors in other joint stock companies.	N/A



6	Mr.Ahmed Mohammed Hassan Al Hosani	Independent Member	- He has been a member of the company's board of directors since 23rd of March,2020	He holds a Bachelor's degree in Electrical Engineering from the United Arab Emirates University	6 years	He does not hold any positions in any other public joint stock companies in the United Arab Emirates, nor does he occupy the presidency or membership of the boards of directors of any other joint stock companies. In addition, he has not previously held any former positions or membership or chaired previous boards of directors in other joint stock companies.	N/A
7	Mr. Tariq Abdul Hadi Al-Mansar	Independent Member	He has been a member of the company's board of directors since 2015 to date.	He holds a Bachelor's degree in Business Administration	10 years	He does not hold any positions in any other public joint stock companies in the United Arab Emirates, nor does he occupy the presidency or membership of the boards of directors of any other joint stock companies. In addition, he has not previously held any previous positions or membership or chaired previous boards of directors in other joint stock companies.	N/A
8	Mr. Ahmed Salem Abdullah Al Hosani	Non-independent/ Non-	He has been a member of the company's board of directors since 2023 to date.	He holds a Master of Business Administration	3 years	-Managing Director of Sharjah Insurance Company	N/A



		executive Member		from the University of Wales in 2011		-Dubai Investment Company, Member of the Board of Directors	
9	Mr. Mohammad Salem Abdullah Al-Hosani	Non-independent/ Non-executive Member	<ul style="list-style-type: none"> - He has been a board member in the Gulf Medical Projects Company since 2005. - He is the managing director of Umm Al Quwain General Investments P.S.C since 2017 (A representative of a legal person) 	<ul style="list-style-type: none"> He holds a Bachelor's degree in E-Commerce in 2005. He holds an MBA from the British University of Wales in 2011 	20 years	<ul style="list-style-type: none"> - Union Insurance Company-Board Member (A representative of a legal person). - He is the managing director of Umm Al Quwain General Investments P.S.C (A representative of a legal person) 	N/A

B. A statement of the percentage of female representation in the Board of Directors for the year 2025:

There is One female representation in the Board of Directors.

C. A statement of the reasons for the non-nomination of a female member in the Board of Directors

There is One female representation in the Board of Directors.

D. A statement of the following:

1. Total remuneration paid to the members of the Board of Directors for the year 2024

A total annual remuneration of AED 7,000,000/ has been paid for the fiscal year ending on 31st of December 2024 under the approval of the shareholders in the annual General Assembly meeting held on 17th March 2025.

2. The total remuneration proposed for the members of the Board of Directors for the year 2025 that will be presented at the annual General Assembly meeting to be approved

The company's Board of Directors recommended to pay an annual remuneration of AED 9,000,000 for the fiscal year ending 31st December 2025; provided this recommendation is subject to approval of shareholders in the Annual General Assembly meeting to be held on Thursday 26th March 2026.

3. Details and reasons for the allowances, salaries, extra fees, received by an employee other than the committees' attendance allowance

There are no allowances other than those mentioned above.



4. A statement of the attendance allowance in the sub-committees of the Board of Directors received by a board member for the fiscal year 2025

Attendance allowance may not be paid to the Chairman or a Board member for attending the Board meetings. However, as for the sub-committees of the Board, and in accordance with the Corporate Governance System, the member therein shall receive five thousand dirhams per meeting while the Head of the Committee shall receive an amount of six thousand dirhams per meeting; this shall apply only for the Nominations and Remunerations Committee, and the Audit Committee alike. Accordingly, the members of the sub-committees of the Board have received a total amount of AED /108,000/ one hundred and eight thousand dirhams as an allowance for attending meetings for the fiscal year 2025 according to the detailed statement below:

Attendance Allowance in the Sub-Committees of the Board of Directors			
Attendee	Name of Committee	Allowance Value	No. of Meetings
Mr. Ahmed Mohammed Hassan Al Hosani	Audit Committee (Head)	24,000	4
	Nominations and Remunerations Committee (Member)	24,000	4
Sheikha Noor Bint Faisal Khalid Al Qassimi	Nominations and Remunerations Committee (Head)	20,000	4
Mr. Tariq Abdul Hadi Al-Mansar Al Ajami	Audit Committee (Member)	20,000	4
Mr. Mohammad Salem Abdullah Salem Al-Hosani	Audit Committee (Member)	10,000	2
	Nominations and Remunerations Committee (Member)	10,000	2
Total		108,000	



C. Board of Directors' meetings held during the fiscal year 2025, indicating their dates and the number of times of attendees in person or represented by proxy.

The Board of Directors of Gulf Medical Projects Company held (6) meetings during the year 2025, and during the year, none of the members was represented by proxy.

Below we provide a detailed table of the dates of the Board meetings as well as the attendance sheet of all Board Members as follows:

Meeting No. \ Date	01 st Meeting	02 nd Meeting	03 rd Meeting	04 th Meeting	05 th Meeting	06 th Meeting
Board Members	12 th Feb 2025	17 th Mar 2025	14 th May 2025	14 th Aug 2025	13 th Nov 2025	11 th Dec 2025
Sheikh Dr. Faisal Bin Khalid Al Qassimi	✓	✓	✓	By Passing	✓	✓
Mr. Salem Abdulla Salem Al Hosani	-	✓	-		✓	✓
Sheikh Majid Bin Faisal Khalid Al Qassimi	✓	✓	✓		✓	✓
Sheikha Noor Bint Faisal Khalid Al Qassimi	✓	✓	✓		✓	✓
Sheikh Mohammed Bin Faisal Khalid Al Qassimi	✓	✓	✓		✓	-
Mr. Ahmed Mohammed Hassan Al Hosani	✓	✓	✓		✓	✓
Mr. Tariq Abdul Hadi Al-Mansar Al Ajami	✓	✓	✓		✓	✓
Mr. Mohammad Salem Abdullah Salem Al-Hosani	-	✓	✓		✓	✓
Mr. Ahmed Salem Abdullah Salem Al Hosani	✓	✓	-		-	✓

❖ Board Members who were not presented in the above-mentioned meetings have submitted a duly acceptable excuse to the Board in accordance with the established procedures

D. Board of Directors resolutions by passing during the fiscal year 2025

The Board of Directors' decision was issued on 14th August, 2025 by passing, due to the inability to convene the Board of Directors at that time.



E. Tasks and powers of the Board of Directors carried out by the Executive Management in accordance with the authorization issued by the Board with the determination of the duration and validity of the same.

The Board of Directors has the full powers required to achieve the goals and objectives of the Company in accordance with the Memorandum of Association and the Articles of Association of the Company. The Board of Directors shall, under written instructions, grant some of these powers to the Executive Management and whenever necessary, in order to enable the Executive Management to conduct the daily business of the company, including the general authorization issued by the Board of Directors of Gulf Medical Projects Company in accordance with the Board of Directors Resolution issued on 31st of March, 2008.

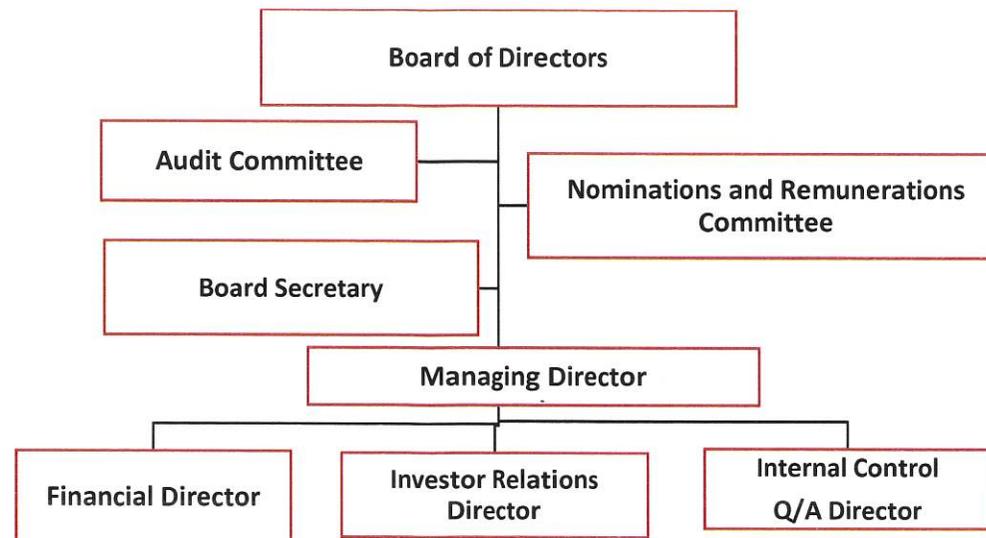
Authorized Person Name	Authorized Powers	Authorization Term
Sheikh Majid Bin Faisal Khalid Al Qassimi	To represent the company before all departments, official and private entities, companies, government institutions, and private sector institutions as well. To sign all transactions and papers necessary to complete the company's business with all governmental, non-governmental and private entities, as well as banks and financial institutions. To implement decisions and to sign all contracts and transactions related to the company's activities, projects and subsidiaries.	This authorization is valid for the entire duration of the company's term unless a decision is issued otherwise.

5. A statement of the details of the deals that have been carried out with the related parties (stakeholders), along with an explanation of the nature of the relationship and the type of the deal.

During the year 2025, the company did not make any deal equal to 5% of the company's capital, whether at the level of stakeholders or third parties.



6. The Organizational Structure of the Company





7. A detailed statement of the senior executives in the first and second grade as per the organizational structure of the company, their jobs and dates of their appointment, along with a statement of the total salaries and remuneration paid to the same:

No.	Position	Date of Appointment	Total salaries & Allowances	Remuneration	Any other Remuneration (cash/ in kind)
1.	Managing Director	1994	2,784,955	N/A	N/A
5.	Internal Control Manager – Compliance Officer	2011	189,350	N/A	N/A

4. External Auditor

A. A brief of the Company's External Auditor / M/s: Talal Abu-Ghazaleh & Co. International Company

Talal Abu-Ghazaleh & Co. International is one of the leading companies in the field of accounting and auditing, and it is one of the largest accounting networks in the United Arab Emirates and the Arab world



B. A statement of fees and costs incurred for the audit or services provided by the external auditor during the year 2025:

Name of the Auditing Company	Talal Abu-Ghazaleh & Co. International has been appointed as the company's external auditor for the 2025 fiscal year by a resolution of the company's annual General Assembly and under the Audit Committee's recommendation and to mention that Mr. Zaid Ali Saleh is the auditor authorized to sign the financial statements
The number of years spent as an external auditor for the company	Effective on January, 2024.
Total audit fees for the financial statements of 2025	Their fees were estimated by an amount of AED /200,000/ (Two hundred thousand dirhams) for the year 2025 and their services included all the professional services related to the review of the quarterly as well as the annual financial reports in accordance with all the special terms and conditions according to the Standards of Institutional Discipline and Governance of Public Shareholding Companies. We also affirm the independence of the external auditor and the company bears no responsibility for his failure to provide any additional technical, administrative or consulting services or works related to his business in accordance with Article (38) of the aforementioned Resolution.
Fees and costs of other special services other than audit of the 2025 financial statements (in AED)	The external auditor has not provided any other special services during 2025.
Details of the other services provided and its nature	N/A
A statement of other services provided by another external auditor other than the company auditor during 2025	No other external auditor provided any other special services during 2025.

C. A statement clarifying the reservations that the company's auditor included in the interim and annual financial statements of 2025.

The external auditor did not make any reservations about the fiscal year 2025.

5. Audit Committee

- **Acknowledgment:** I, Ahmed Mohamed Hassan Al Hosani, in my capacity as the head of the Audit Committee acknowledge my responsibility concerning the system of the Committee as well as my periodical revision of its mechanism and ensuring how effective it is.



a. Members of The Audit Committee, their competencies and the tasks assigned to them:

The committee has been formed in accordance with the corporate governance regulations and controls. The committee consists of three non-executive and independent members are as follows:

- **Mr. Ahmed Mohamed Hassan Al Hosani** **Head (Independent Board Member)**
- Mr. Tariq Abdul Hadi Al-Mansar Member (Independent Board Member)
- Mr. Mohammad Salem Abdullah Al-Hosani Member (Non-executive Non-Independent Board Member)

The tasks of this committee are mainly assisting the Board in fulfilling its oversight responsibilities with respect to financial reporting and the adequacy of the Internal Controls Framework, which is assessed by External Auditors, Group Internal Audit, Group Compliance Departments. Its major responsibilities are:

1. Establishing and implementing the policy of contracting with the external auditor, submitting a report to the Board of Directors specifying the issues that it deems necessary to take action on, in addition to submitting its recommendations concerning the necessary actions to be taken.
2. Following up and monitoring the independence of the external auditor, his objectivity and discussion concerning the nature and scope of the audit process and its effectiveness in accordance with the approved auditing standards.
3. Monitoring the integrity of the company's financial statements and reports (annual, semi-annual and quarterly) as well as reviewing the same as part of its regular work during the year.
4. Coordinating with the company's board of directors, executive management, the financial director or the acting director who is responsible for the same tasks in the company in order to perform its duties. Moreover, the committee shall meet with the company's external auditor at least once a year.
5. Reviewing and considering any important and unusual items that are mentioned or shall be mentioned in such reports and accounts. Furthermore, the committee shall pay due attention to any issues raised by the company's financial manager, the manager responsible for the same tasks in the company, the compliance officer or the external auditor.
6. Reviewing the company's financial control, internal control systems and risk management.
7. Discussing the internal control system with the managers and ensuring that it performs its duty to establish an effective internal control system.
8. Inviting the director of the Internal Control Department to attend the meetings of the Audit Committee for the purpose of discussing the audit plans and related reports submitted before the Committee as well as any other matters the Committee deems necessary.
9. Reviewing and considering the results of the main investigations regarding the internal control matters assigned by the Board of Directors or carried out by the Committee after the approval of the Board of Directors.



10. Ensuring that the internal control director and the external auditor coordinate with one another, in addition to ensuring the availability of the necessary resources for the internal audit agency, as well as reviewing and monitoring the effectiveness of the same.
11. Reviewing the company's policies, financial and accounting procedures.
12. Reviewing the external auditor's letter, work plan and any fundamental queries that the auditor makes to the executive management regarding accounting books, financial accounts or control systems, and their response and approval thereupon.
13. Ensuring that the Board of Directors responds in a timely manner to the clarifications and substantive issues raised in the letter of the external auditor.
14. Establishing controls that enable company employees to report any potential violations in financial reports, internal control, or other matters in a confidential manner as well as the steps necessary to conduct independent and fair investigations of such violations.
15. Monitoring the company's compliance with the Code of Conduct.
16. Ensuring that the Committee implement the business rules concerning the tasks and powers assigned by the Board of Directors.
17. Reviewing and considering any other topics identified by the Board of Directors.

b. The number and dates of meetings held by the Audit Committee during the year to discuss issues related to financial statements and any other matters, and the attendance sheet of the attendees represented in person at the meetings held: The audit committee held 4 meetings, during the course of 2025, to address several critical areas such as the quality and integrity of the Company's financial statements, financial reporting, and disclosures, ensuring the effectiveness of the internal control framework. During these meetings, they reviewed and discussed audit committee reports, which included detailed evaluations of the institution's internal controls and risk management processes. Compliance updates were also a key focus, ensuring adherence to regulatory requirements and internal policies. The Committee examined financial results, analyzing the Company's financial statements, performance metrics, and overall financial health. Additionally, they reviewed updates from the whistleblowing committee, which involved assessing reports of potential misconduct or unethical behavior, ensuring that appropriate investigative and corrective actions were.

Meeting No/ Date Members of the Committee	01 st Meeting 12 th Feb 2025	02 nd Meeting 14 th May 2025	03 rd Meeting 13 th Nov 2025	04 th Meeting 11 th Dec 2025
Mr. Ahmed Mohamed Hassan Al Hosani	✓	✓	✓	✓
Mr. Tariq Abdul Hadi Mansar Al Ajami	✓	✓	✓	✓
Mr. Mohammad Salem Abdullah Salem Al-Hosani	-	✓	-	✓



RELATION BETWEEN BOARD AUDIT COMMITTEE AND EXTERNAL AUDITORS:

Appointment and Oversight of the External Auditor by the BOARD AUDIT COMMITTEE

GMPC has a structured policy governing the selection, engagement, and oversight of its external auditors, with robust assessment and rotation procedures managed by the BAC. The appointment of the external auditor is subject to shareholder approval at the General Assembly Meeting (GAM), with Deloitte appointed as GMPC's external auditor for 2025. In accordance with regulatory requirements, the GAM appoints the external auditor for a one-year term.

The BAC conducts an annual review of the external auditor's quality, performance, and independence, providing recommendations to the Board regarding reappointment or change. This assessment considers factors such as service quality, institutional knowledge and experience, resource adequacy, communication effectiveness, independence, objectivity, and professional skepticism.

For the financial year ended 31st December 2025, the BAC reviewed and discussed GMPC's audited financial statements with management and the external auditor, including management's assessments and the auditor's evaluation of GMPC's internal control over financial reporting. The BAC confirmed the external auditor's independence, having received all required disclosures and correspondence in line with the applicable ethical standards.

By adhering to these stringent policies and procedures, GMPC ensures that its external audit process remains transparent, accountable, and aligned with the highest standards of corporate governance.

6. The Nominations and Remunerations Committee:

a. **Acknowledgment:** I, **Ahmed Mohamed Hasan AlHosani**, in my capacity as the head of The Nominations and Remunerations Committee acknowledge my responsibility concerning the system of the Committee as well as my periodical revision of its mechanism and ensuring how effective it is.

b. **Names of the members of the Nominations and Remunerations Committee, their competencies and the tasks assigned to them:**

The committee has been formed in accordance with the corporate governance regulations and controls. The committee consists of three non-executive and independent members are as follows:

- | | |
|--|--|
| ➤ Mr. Ahmed Mohammed Hasan AlHosani | Head (Independent Board Member) |
| ➤ Sheikha Noor Bint Faisal Khalid Al Qassimi | Member (Independent Board Member) |
| ➤ Mr. Mohammad Salem Abdullah Al-Hosani | Member (Non-executive- Non-Independent Board Member) |



The tasks of this committee are mainly as follows:

- 1) Constantly verifying the independence of the independent members.
- 2) Setting the policy of granting remunerations, privileges, incentives and salaries to the members of the company's board of directors, executive management and board committees, as well as reviewing the same annually. The committee shall make sure that the remunerations and rewards granted to the senior executive management of the company are reasonable and in line with the performance of the company
- 3) Determining the company's needs of qualifications at the level of senior executive management and employees and the criteria for selection thereof.
- 4) Setting the Company's human resources and training policy, monitoring implementation of such policy, and reviewing thereof on annual basis.
- 5) Regulating and following up the procedures of nomination for Board membership in accordance with the applicable laws and regulations and governance controls.

- c. **The number and dates of meetings held by the Committee during the fiscal year, and the attendance sheet of all the attendees represented in person at the meetings held.**

Meeting No/ Date Members of the Committee	01st Meeting 12th Feb 2025	02nd Meeting 14th May 2025	03rd Meeting 13th Nov 2025	04th Meeting 11th Dec 2025
Mr. Ahmed Mohammed Hassan Al Hosani	✓	✓	✓	✓
Sheikha Noor Bint Faisal Khalid Al Qassimi	✓	✓	✓	✓
Mr. Mohammad Salem Abdullah Salem Al-Hosani	-	✓	-	✓

7. The Follow-up and Supervision Committee of Insiders' Trading

- a. **Acknowledgment:** I, **Ali Emad Ali Sayed**, in my capacity as the head of The Follow-up and Supervision Committee of Insiders' Trading acknowledge my responsibility concerning the system of the Committee as well as my periodical revision of its mechanism and ensuring how effective it is.



b. Names of the members of The Follow-up and Supervision Committee of Insiders' Trading, their competencies and the tasks assigned to them:

The Board of Directors has formed a committee which is responsible for the management, follow-up and supervision of insiders' trading and properties as well as maintaining a record of them. The committee's formation is as follows:

- Mr. Ali Emad Ali Sayed Secretary
- Mr. Ibrahim Abdel Sater Internal Control Department Manager

The Committee is responsible for the following tasks:

- 1) Supervising the task of updating of the insiders list in the company.
- 2) Following up the insiders' trading and properties.
- 3) Notifying all the insiders about the ban periods for their trades.

c. A summary of the Committee's works reports in 2025.

The committee has updated the insiders list as well as establishing the principles of dealings for the purpose monitoring the trades of insiders, ensuring the highest levels of compliance with legislation and best practices of corporate governance.

8. Any other committee or committees approved by the board of directors

There are no other committees affiliated with the Board of Directors other than the above-mentioned ones.

BOARD EVALUATION FOR EFFECTIVENESS

The GMPC Board is committed to maintaining and enhancing its effectiveness through a structured and comprehensive performance evaluation process conducted annually in accordance with the Board Assessment Policy. The responsibility for the evaluation has been delegated to the Nominations and Remunerations Committee, which conducts the process under the guidance of the Board Chairman and with support from the Board Secretary. This annual evaluation encompasses the performance of the Board as a whole, its committees, and individual Directors.

The evaluation focuses on critical areas, including:

- Board structure and composition.
- Strategic oversight and alignment with the Company's objectives.
- Governance and internal controls.
- Risk management and compliance.



The effectiveness of Board Committees in fulfilling their mandates.

In line with the Board Assessment Policy, the periodic evaluation of the Board for 2025 highlighted several areas of good governance and opportunities for further enhancement.

BOARD EVALUATION FOR EFFECTIVENESS 2025:

The Board of Directors conducts annual evaluations to assess its performance and governance effectiveness in alignment with the Board Assessment Policy.

The 2025 evaluation focused on assessing the strength and resilience of corporate governance practices across five key areas:

Board Structure and Practices.

The evaluation reaffirmed that the Board is composed of individuals with diverse expertise and skills, ensuring effective governance. Processes for member selection, conflict of interest management, and ongoing training are robust and continuously refined.

Strategic Planning and Performance.

The Board continues to demonstrate strong strategic oversight, with clear objectives and actionable plans. Strategic initiatives are regularly reviewed, and performance metrics are aligned with the Company's long-term goals. The Board's approach emphasizes balancing risks and rewards to support sustainable growth.

Governance and Internal Controls.

The evaluation noted:

- A well-defined and periodically updated Corporate Governance Framework.
- Effective oversight of succession planning and adherence to the Code of Ethics.
- Streamlined decision-making processes supported by timely and well-prepared materials.

Risk Management

The Board's active engagement in risk oversight was underscored by:

- A comprehensive Risk Governance Framework aligned with the Company's risk appetite.
- Enhanced reporting mechanisms that provide clear visibility of enterprise risks.
- Periodic reviews and discussions to ensure alignment with strategic objectives.



Board Committee Structures and Practices

Board Committees were assessed as effective and well-structured, with clearly defined roles, responsibilities, and reporting mechanisms. Regular performance assessments and timely escalation of key risks and issues were noted as areas of strength.

Commitment to Continuous Improvement

Opportunities for enhancement identified during the evaluation are being actively addressed through action plans and performance improvement initiatives. These efforts ensure that the Board remains adaptive to evolving challenges and well-positioned to support GMPC's strategic goals.

The evaluation highlighted key achievements, including a well-aligned governance framework, effective oversight structures, and a commitment to continuous improvement.

9. Internal Control System

a. Acknowledgment by the Board of Directors of its responsibility for the company's internal control system as well as reviewing its work mechanism and ensuring its effectiveness

The company's Board of Directors has established the company's Internal Control Department. Moreover, the Board of Directors acknowledges its responsibility for implementing the company's internal control system and its periodical revision of this system and its effectiveness as stipulated Concerning the Standards of Institutional Discipline and Governance of Shareholding Companies.

Therefore, the Board of Directors has taken the necessary measures to ensure the effectiveness of the company's internal control system. For the purpose of properly implementing the requirements of governance and verifying the commitment of the company and its employees to the provisions of the applicable laws and decisions, the Internal Control Department has been established, and its structure as relevant to the Board of Directors has been approved in accordance with the following:

- 1) The internal control system has been approved by the Board of Directors, and this system is implemented by a competent department with the internal control.
- 2) The Board of Directors has set the objectives, tasks and powers of the Internal Control Department.
- 3) Verifying the commitment of the company and its employees to the provisions of the applicable laws, regulations and decisions.
- 4) Carrying out audits of all financial and accounting operations.
- 5) Verifying the effectiveness of the internal control procedures followed in the company in addition to proposing rules and regulations to increase the efficiency of the internal control system in the company.
- 6) Constantly reviewing and evaluating the company's applicable internal control systems and procedures in order to reach the highest levels of risk management.



b. Name, qualifications and date of appointment of the Director of the company's Internal Control Department

Mr. Ibrahim Abdel Sater, working as the director of the company's Internal Control Department since 2011, a chartered legal accountant and member of the International Arab Society Certified Accountants (ASCA). Mr. Abdel Sater holds a bachelor's degree in accounting science and has good experience and knowledge in the field of auditing and accounting, as well as in preparing financial statements and preparing the internal control systems in the company, risk management and monitoring of compliance with the company's internal laws and regulations.

c. Name, qualifications and date of appointment of the Compliance Officer

Mr. Jeeth Suvarna is the Compliance Officer. He was appointed in 2024. He holds a Bachelor of Arts degree in 1991. The Compliance Officer ensures that the company adheres to legal standards and internal policies. He has held several managerial positions before with an average of 30 years of experience.

d. How the Internal Control Department deals with any major problems occur in the company or those problems that were disclosed in the annual reports and accounts:

- Submitting a report to the Audit Committee and the Board of Directors concerning the serious issues in urgent meetings.
- Assisting in investigation procedures in works related to breach of trust in the company and notifying the MD and the Audit Committee of the results.
- Constantly re-evaluating the audit plan based on changing circumstances and applying amendments as necessary.
- In 2025, the company did not face any major problems that the Internal Control Department shall deal with in accordance with the established principles and rules.

e. Number of reports issued by the Internal Control Department of the company's Board of Directors

During 2025, the Internal Control Department of the company's Board of Directors has submitted four quarterly reports.



10. Details of the violations committed during the fiscal year 2025: Explaining the causes of such violations, the solutions carried out for the same and how to avoid their recurrence in the future.

There were no violations committed during the fiscal year 2025.

11. A statement of the cash and in-kind contributions made by the company during 2025 in developing the local community and the environment protection

The company comply with all the applicable laws and regulations in the United Arab Emirates to protect the environment. The company is keen to apply the best practices and standards of security, health and safety related to the environment protection as part of the company's priorities.

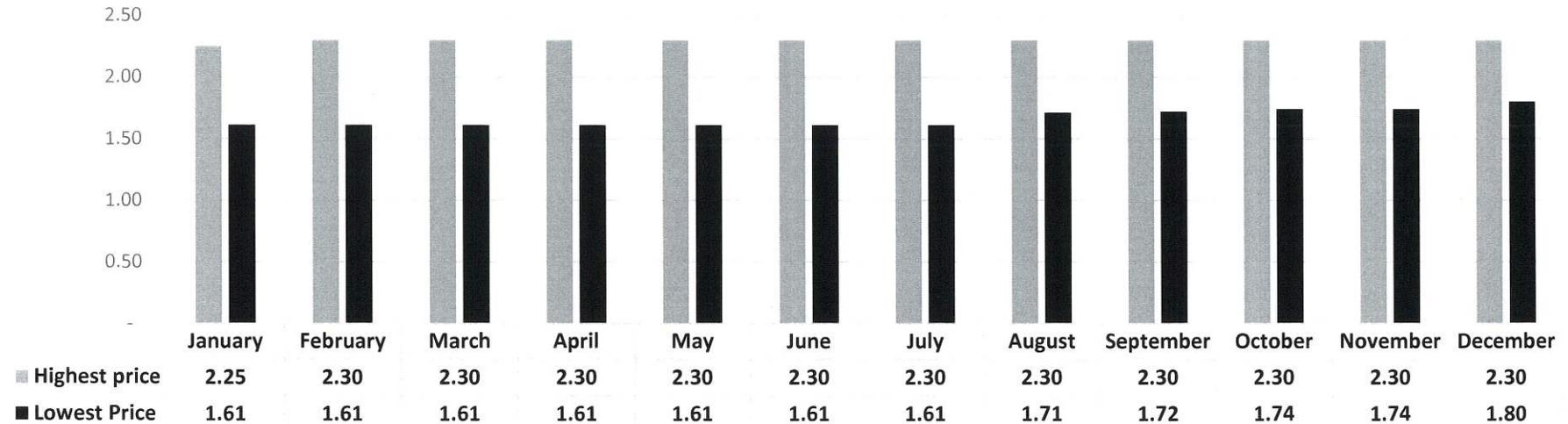
The company also seeks to serve the local community by providing financial donations for the benefit of the existing charitable organizations in the community. The company has donated AED 1,500,000 for the purpose of developing the society and achieving its goals.



12. General Information

- a. A statement of the company's share price in the market (Close rate - Highest rate - Lowest rate) at the end of each month during the fiscal year 2025:

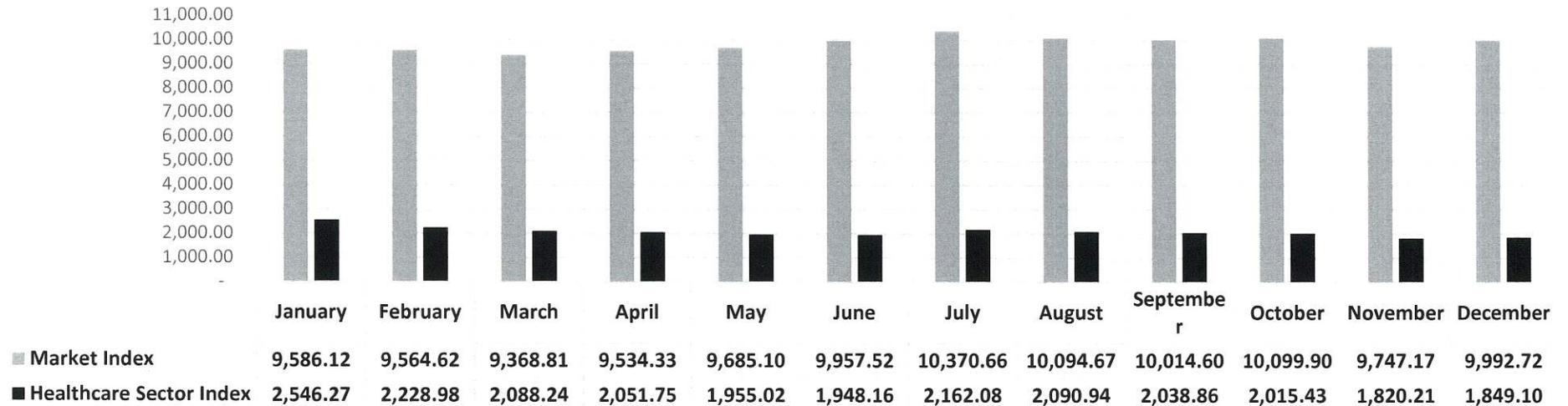
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Close Rate	2.08	2.02	1.92	1.92	2.11	2.01	2.12	2.19	2.18	1.99	2.00	1.94
Highest Rate (AED)	2.25	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
Lowest Rate (AED)	1.61	1.61	1.61	1.61	1.61	1.61	1.61	1.71	1.72	1.74	1.74	1.80





b. A statement of the comparative performance of the company's shares with the general market index and the sector index to which the company belongs

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Share Rate	2.08	2.02	1.92	1.92	2.11	2.01	2.12	2.19	2.18	1.99	2.00	1.94
Market Index	9,586.12	9,564.62	9,368.81	9,534.33	9,685.10	9,957.52	10,370.66	10,094.67	10,014.60	10,099.90	9,747.17	9,992.72
Healthcare Sector Index	2,546.27	2,228.98	2,088.24	2,051.75	1,955.02	1,948.16	2,162.08	2,090.94	2,038.86	2,015.43	1,820.21	1,849.10





- c. Distribution of shareholders' shares as on 31st December 2025 (individuals / companies / governments) classified as follows: local / Gulf / Arab / foreign.

S.N	Shareholders Classification	Percentage of Owned Shares			
		individuals	companies	governments	Total
1.	Local	83.46%	10.67%	-	94.14%
2.	GCC	5.11%	0.64%	-	5.75%
3.	Arab	0.09%	0.00%	-	0.09%
4.	Foreign	0.02%	-	-	0.02%

- d. A statement of the shareholders who own 5% or more of the company's capital as on 31st of December, 2025

S.N	Name	Number of owned shares	Owned Percentage
1.	Mr. Salem Abdullah Salem Al Hosani	206,445,921	29.54%
2.	Mr. Abdullah Salem Abdullah Al Hosani	133,958,737	19.17%
3.	Sheikh Majid Bin Faisal Khalid Khalid Al Qassimi	122,241,536	17.49%
4.	Mr. Ahmed Salem Abdullah Salem Al Hosani	42,975,320	6.15%
5.	Others	193,294,580	27.66%
Total		698,916,094	100%



e. A statement of the shareholders' distribution in accordance with the size of the ownership as on 31st December 2025, as per the following table:

S.N	Ownership of shares	Number of shareholders	Number of owned shares	Percentage of Shares Owned of Capital
.1	Less than 50,000	1250	4,162,976	0.60%
.2	50,000 – 500,000	117	18,618,596	2.66%
.3	500,000 – 5,000,000	33	45,008,003	6.44%
.4	More than 5,000,000	10	631,126,519	90.30%
	Total	1410	698,916,094	100%

f. A statement of the measures taken regarding investor relations controls:

Pursuant to the requirements of governance controls, the Secretary of the Board of Directors of the company, Mr. Ali Emad Ali, was assigned to follow up taking over all tasks related to investor relations management in addition to establishing a window on the company's website concerning investor relations www.gmpc.ae so that investors can view the financial reports of the company, the governance report as well as disclosures related to the Board of Directors. Taking into consideration that the contact information is as follows:

- Company's Telephone Number : 06 / 5095555
- Mob. Number : 056 / 2168723
- Fax Number : 06 / 5095666
- Email of the authorized contact: : ali@gmpc.ae

g. The special decisions that were presented in the General Assembly held in 2025 and the measures taken in this regard:

No special decisions have been presented in the General Assembly held in 2025.



h. Name and date of appointment of the board of directors' meetings rapporteur

- Mr. Ali Emad Ali Sayed works as the rapporteur of the board of directors' meetings and manager of the investor relations since October 2022.
- Academic qualifications and experiences:
 - ✓ Holds a Bachelor of Commerce from Cairo University in 2010.
 - ✓ Executive MBA in Healthcare Management from Middlesex University in 2025.
 - ✓ The average year of experience is 15 years.
- Duties of the board of directors' meetings rapporteur
 - ✓ Proposing the agenda for the meetings of the Board of Directors and the sub-committees.
 - ✓ Ensuring that the quorum of the Board and the affiliate committees is achieved, in addition to duly submitting documents and materials related to the meetings.
 - ✓ Maintaining an accurate record of all minutes of meetings of the Board of Directors and its affiliated committees, including the date and place of the meetings and the number of original attendees of each minute and approval thereof. Moreover, the rapporteur shall follow up and ensure that decisions issued by the Board of Directors have been implemented as required.
 - ✓ Publication of the annual report and governance report.
 - ✓ Publication of all the decisions of the board of directors / annual reports / statements with the authority and the Abu Dhabi Securities Exchange according to the established principles.
 - ✓ Keeping the Board of Directors updated with the relevant legislations and laws issued and ensuring compliance with the same.
 - ✓ Preparing for the annual General Assembly meeting.
 - ✓ Carrying out all tasks that may be required by the law, the company's articles of association, internal regulations, or any tasks that may be assigned by the Board of Directors.
 - ✓ Representing the company before the legislative bodies of the executive authorities.



i. **Statement of the material events that occurred in the company in 2025.**

The company has not encountered any material events in 2025.

j. **Statement of Emiratization percentage in the company**

Year	2022	2023	2024	2025
Emiratization percentage %	28	28	28	28

k. **Statement of innovative projects and initiatives undertaken by the company or is being developed during 2025.**

The company is studying the possibility of implementing innovative projects and will be proposed to the Board of Directors in 2026.



Chairman



Head of the Nominations and Remunerations and Head of the Audit Committee



Internal Control Manager



Issued on: 17th February, 2026.



شركة الخليج للمشاريع الطبية (ش.م.ع.)
GULF MEDICAL PROJECTS CO. P.S.C

Sustainability report

Gulf Medical Projects Company (P.S.C.)
For the year 2025



Contents:

-Introduction

-Our company

-Sustainability approach

-Our social responsibility

-Environmental and societal performance and governance



Introduction:

Gulf Medical Projects Company believes in the principle of sustainability as a strategic approach that aims to provide a transparent economic environment that seeks to develop and support economic growth with the highest standards of transparency, ethical behavior and integrity, in accordance with the main principles and directives of the Abu Dhabi Securities Market regarding disclosures related to the environment, social and governance of companies listed with the Authority and adherence to governance controls. and institutional discipline standards.

The second release of the Sustainability Report for the year 2025 comes in line with the best sustainability practices and promoting them in public joint-stock companies in accordance with environmental and social standards and in line with Governance Guide No. (3/R.M of 2020) and its amendments regarding the governance of public joint-stock companies.

Our Company

Gulf Medical Projects Company was established in 1979 as a public joint stock company and was listed on the Abu Dhabi Securities Exchange in 2005. It is subject to the provisions of Federal Law No. 2 of 2015 regarding commercial companies and the amendments issued to the Commercial Companies Law pursuant to Federal Law Decree No. (32) of 2021 and the Council's decision. Authority Administration No. (3/R.M.) of 2020 and its amendments regarding standards of institutional discipline and governance of joint - stock companies



Sustainability approach



Environmental and societal performance

The company is committed to all applicable laws and regulations in the United Arab Emirates to preserve the environment and promote environmental and societal sustainability and intends to play a major role in supporting the spirit of innovation and continuity for all societal groups, especially people of determination, to be a key player in the sustainable development that the UAE seeks.

From this standpoint, the company allocates an annual financial contribution to support the community development and support approach, which is delivered to the actors and influencers in developing the individual lives of the local community on the one hand, and to the international bodies that contribute to improving the living conditions of other communities.

Social performance and employee well-being

The core nucleus of economic development in any society and in any institution, regardless of its activities, is the human resources it possesses. From this standpoint and realizing the importance of these resources, Gulf Medical Projects Company places its employees at the top of its priorities and strives to ensure a fair, stimulating, healthy and responsible work environment for all to ensure their well-being and the continuation of... Developing them and strengthening their affiliation with the company, and in order to achieve this, the company does the following:

- Adopting a transparency and open-door policy to enhance communication between executive management and all resources working in the company
- Adopting a training and development policy that ensures keeping pace with all changes and developments that occur in the field of work
- Adopting an incentives and rewards policy that will enhance professional performance and fair competition
- Adopting a policy of violations and penalties that contributes to ensuring a healthy environment free of negatives
- Providing the necessary support to employees' families and considering them part of the company's professional family
- Securing a job rotation policy so that everyone has equal opportunities
- Focus on Emiratization policy in line with the UAE's approach

Developing the professional environment, adhering to the code of conduct, ethics and human resources policies, and enhancing the work spirit and required guidelines remain our priorities to ensure the company's consistency policy and serve the basic frameworks for public and long-term sustainability.

Governance

The company adopts a corporate governance philosophy that enhances the added value of the company's shareholders, customers, employees, and society alike, by conducting its business in a manner that ensures sustainable capital efficiency and long-term growth.

For the purpose of carrying out governance obligations efficiently and effectively, a corporate governance guide has been prepared to clarify the guiding principles contained in Resolution No. (3/R.M.) of 2020 and the amendments issued to the Commercial Companies Law pursuant to Federal Law Decree No. (32) of 2021 and the Authority's Board of Directors' Resolution No. (3). (R.M.) for the year 2020 and its amendments regarding standards of institutional discipline and governance of joint - stock companies, where:

- The instructions for dealings of members of the Board of Directors and senior employees in the company's securities and the principles of disclosure were complied with, as the dates of Board of Directors meetings and decisions that had an impact on the price of the

company's securities were disclosed within the specified time periods and in accordance with prevailing instructions.

The Board of Directors has established internal control and control systems, which are reviewed annually to ensure their effectiveness and the extent of the company's compliance with them, in addition to ensuring that the company's risks are managed properly and effectively.

- The rules of professional conduct were approved and circulated to all company employees to adhere to

- The Board of Directors held its meetings periodically and regularly, in accordance with corporate governance requirements, and the same applies to the committees emanating from the Board of Directors.

- The Internal Control Department committed to preparing its reports on a regular basis through implementing the internal control plan approved by the Audit Committee

- The Board has been keen that most of its members are non-executive members and at least a third of the members are independent members and that the majority of the Board committees are independent members.

The Board also seeks the assistance of independent consultants and experts, and the Board encourages effective participation in decision-making by shareholders in the General Assembly procedures.

The company confirms its commitment to the rules of governance controls contained in the decision of the Board of Directors - of the Securities and Commodities Authority No. (3/R.M) regarding the adoption of the governance guide for public joint- stock companies.