

INDEPENDENT BOARD ADVISORY REPORT

Gulf HealthTech Advisory

A Strategic, Forensic, ESG and Governance Review of NovaCure Health Group PJSC

Prepared for	The Board of Directors NovaCure Health Group PJSC, Audit & Risk Committee
Prepared by	Meridian Advisory Partners LLP
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Classification	Confidential — Board Distribution Only
Basis of Analysis	Burjeel Holdings PLC (ADX: BURJEEL) — Audited IFRS Financial Statements, FY2019–FY2023; ADX / ADGM regulatory filings; published sustainability and governance disclosures

This report is a professional portfolio simulation prepared for career development purposes. The NovaCure name and advisory engagement are fictitious; all financial data, corporate facts, and regulatory references are drawn from publicly available documents.

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EXECUTIVE SUMMARY

What the Board Needs to Know

NovaCure enters 2026 from a position of financial strength — but strength alone will not sustain the market's confidence. Five priorities, addressed within twenty-four months, will determine whether the company defends its valuation premium or surrenders it.

This report presents Meridian Advisory Partners' independent assessment of NovaCure Health Group PJSC, commissioned by the Board through the Audit and Risk Committee. The scope spans nine analytical domains — market context, strategy, forensic accounting, credit, valuation, capital allocation, ESG, CSR, and governance — built exclusively from publicly available audited financial statements and regulatory filings. No management interviews inform this stage of the work; all findings are advisory.

The Situation

NovaCure delivered a strong FY2023: revenue of AED 4.54 billion (+15.6%), management EBITDA of AED 1.03 billion (+18%), and net profit of AED 540 million (+52%). The balance sheet has been transformed — leverage fell from 11.9x net debt/EBITDA in FY2019 to 1.1x today — and the shares have returned 55% since the October 2022 IPO.

Strong numbers mask three unresolved questions the Board must now answer. First, capital allocation: as the Saudi expansion accelerates and a Dubai hospital nears completion, can growth be funded internally, or does the company need to borrow, acquire, or divest? Second, ESG credibility: an AAA provisional MSCI rating sits atop disclosure that does not yet support it — a gap institutional investors are starting to notice. Third, governance maturity: four years after listing, with 89% of shares held by three related parties, board effectiveness and remuneration transparency remain unproven.

Five Priorities for the Board

- **Capital allocation framework** — adopt a formal hierarchy: cap leverage at 2.0x, fund UAE and KSA growth from operating cash flow, and gate the PhysioTherabia roll-out at a 20-centre commercial milestone before approving the full 60-centre target.
- **Receivables discipline** — the AED 528.5 million growth in trade receivables during FY2023 — 11.7% of revenue — is the single largest cash flow concern this review identified. A structured DSO programme could release AED 240–280 million within two years.
- **Close the ESG disclosure gap** — publish Scope 1/2 emissions, adopt TCFD scenario analysis, and seek third-party assurance within eighteen months, before the gap between rating and substance becomes a screening risk with sovereign wealth fund investors.
- **Formalise governance** — publish a remuneration policy (currently absent — a Code requirement, not best practice), tighten related-party transaction protocols, and commission an independent board effectiveness review.
- **Build a strategic Emiratisation plan** — treat the Nafis obligation as a talent strategy rather than a compliance cost, building on the Tawteen recognition already earned at Burjeel Medical City.

VALUATION CONTEXT

Trading comparables imply an enterprise value of AED 13.5–16.9 billion against a current market value of AED 17.2 billion. The premium reflects genuine optionality — Burjeel Medical City's ramp-up and the Saudi entry — but it is not free. Execution slippage on receivables, governance, or Saudi milestones risks a re-rating toward the peer median, an 12% reduction in enterprise value from current levels.

Overall Verdict

NovaCure is a fundamentally sound business at an inflection point that is institutional rather than operational. The five priorities above are not remediation — they are the next stage of maturation for a company that has already proven it can execute. Delivering on them within two years would position NovaCure as the governance and disclosure benchmark for Gulf private healthcare, not only its largest listed operator.

SECTION ONE

Market Analysis

The external context against which NovaCure's strategy is tested

SECTION 1

Market Analysis: UAE & Gulf Private Healthcare

This section provides the external context within which NovaCure's strategy is assessed, drawing on public market data, government strategy documents, and regulatory frameworks.

PESTLE Analysis

Political

Healthcare sits at the centre of UAE national diversification policy. The 'We the UAE 2031' strategy commits to a top-15 global healthcare system; Abu Dhabi Economic Vision 2030 embeds private sector expansion as an explicit target. The Department of Health — Abu Dhabi is NovaCure's primary regulator, and the relationship has historically been supportive, evidenced by the ADNOC Al Dhannah O&M contract secured in FY2023.

Economic

The UAE hospital market is projected at USD 9.53 billion by 2024, growing at a 6.97% CAGR through 2029. Private healthcare spending is forecast to outpace public spending — 8.8% versus 7.5% CAGR through 2027 — a structural tailwind for operators like NovaCure. Saudi Arabia represents the larger prize: a SAR 200–225 billion sector, with the 2024 budget allocating SAR 214 billion to health and social development, and Vision 2030 targeting an increase in private contribution from 40% to 65% — requiring the privatisation of roughly 290 hospitals and 2,300 primary care centres.

Social

With expatriates comprising roughly 88% of the UAE's 9.5–10 million population, mandatory health insurance channels patient flow squarely toward private operators. NovaCure's 19% share of the UAE inpatient private market reflects this dynamic. High regional diabetes prevalence (16.3%) and rising cardiovascular disease incidence sustain demand for complex care — patient footfall at NovaCure grew from 4.28 million in FY2019 to 6.05 million in FY2023, a 41% increase.

Technological

The 2023 Oracle Health EMR implementation strengthens clinical decision support and revenue cycle management — directly relevant to the receivables concerns raised in Section 3. The UAE's Malaffi health information exchange, connecting 1,500+ facilities, rewards operators with mature EHR capability. Robotic surgery, AI-assisted diagnostics, and a telehealth market with AED 853 million of potential round out the technology landscape NovaCure is investing against.

Legal & Regulatory

NovaCure's multi-emirate footprint spans three regulators — DoH (Abu Dhabi), DHA (Dubai), and MOHAP (Northern Emirates) — plus the ADX Corporate Governance Code as a listed PJSC. Mandatory health insurance, in force since 2014–2016, underpins demand durability. Emiratisation is a specific compliance obligation: healthcare is one of fourteen MoHRE-designated sectors, requiring a 2% annual increase in skilled Emirati headcount toward a 10% target by end-2026, with non-compliance penalties reaching AED 96,000 per unfilled position per year.

Environmental

NovaCure's public commitment to carbon neutrality by 2040 is ambitious and, as Section 7 details, not yet supported by a published emissions baseline. The Emerald Muashir Award received at COP28 (held in Dubai, December 2023) signals early engagement — but the depth of disclosure behind the recognition requires material strengthening.

Porter's Five Forces — UAE Private Hospital Market

Force	Assessment
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Threat of New Entrants	Moderate. Capital and regulatory barriers to hospital-scale entry are high — multi-billion-dirham investment, 5–8 year ramp-up. Lower-acuity formats (day surgery, medical centres) face fewer barriers, and government-backed international entrants (Cleveland Clinic) pose a distinct threat at the premium end.
Buyer Power	Moderate-to-high. Insurers (Daman, AXA, Allianz) dominate the payer mix and exercise real leverage over settlement timing — visible in the AED 528.5m receivables build in FY2023. NovaCure's 19% market share and super-specialty positioning limit substitutability, partially offsetting this power.
Supplier Power	Moderate. Specialist physicians are the critical input and retain real personal bargaining power; NovaCure's international partnerships (Northwell Health, IFEM Endo) help with retention beyond compensation alone. Centralised procurement and the Lifeline distribution subsidiary provide partial supply chain control.
Threat of Substitutes	Low-to-moderate. For complex and quaternary care there is no practical UAE substitute outside NovaCure's own network. Commodity-end care faces real substitution from public providers (SEHA) and lower-cost operators — the strategic pivot toward super-specialty (now 30%+ of revenue) is the appropriate response.
Competitive Rivalry	Moderate-to-high. Cleveland Clinic Abu Dhabi, SEHA, Mediclinic, and Aster DM compete across segments. Constrained UAE bed supply (1,708 beds, 61% occupancy) leaves headroom for organic growth without destructive pricing — but rivalry will intensify as 2025–2027 capacity additions land.

MARKET READ-THROUGH

The Gulf private healthcare market through 2030 is structurally favourable: population growth, lifestyle disease prevalence, insurance mandates, and the Saudi privatisation programme together create durable demand. NovaCure's scale, brand, and super-specialty positioning leave it well placed to capture it — provided the execution priorities in this report are addressed.

SECTION TWO

Strategic Analysis

Where the platform is strong, where it is exposed, and what to do next

SECTION 2

Strategic Analysis

SWOT Summary

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> — Market leader — 19% UAE inpatient share — BMC ramp-up driving compound growth — Super-specialty referral network — 16-year Abu Dhabi brand heritage — JCI accreditation across 13 hospitals — Deleveraged balance sheet (1.1x) — Net margin: loss in FY2019 to 11.9% in FY2023 — ADNOC O&M contract — government anchor 	<ul style="list-style-type: none"> — AED 528.5m receivables growth in FY2023 — Cash conversion (OCF/EBITDA) at 57% — ESG disclosure trails the MSCI rating — Governance maturity — four years post-IPO — Ownership concentration (89% in three parties) — International revenue still marginal — High IFRS 16 lease cash burden — Management EBITDA not fully reconciled publicly
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> — Saudi privatisation — 290+ hospitals — Expanding mandatory insurance coverage — Gulf medical tourism growth — Structural super-specialty demand — Digital health — AED 853m UAE potential — Clinical research revenue diversification — Gulf healthcare M&A consolidation — Emiratisation as a talent differentiator 	<ul style="list-style-type: none"> — Concentrated insurer payer risk — International competitor entry — Specialist physician talent costs — Escalating Emiratisation penalties — Floating-rate interest exposure — Unfamiliar Saudi regulatory terrain — Post-NMC governance scrutiny — Clinical and malpractice risk

McKinsey 7-S — Post-IPO Integration

NovaCure's transition from founder-controlled private company to listed PJSC is assessed below against each of the seven elements.

Element	Current State	Assessment
Strategy	Super-specialty expansion; Saudi entry; UAE defence; digital build-out	Aligned with the opportunity. Saudi's asset-light entry is right for an initial phase — the gap is a formally Board-approved capital allocation hierarchy.
Structure	Hub-and-spoke network; four segments; centralised back-office	Appropriate at this scale; centralised diagnostics and claims aid cost efficiency. Post-IPO governance structure is still maturing — see Section 9.
Systems	Oracle EMR (FY2023); centralised lab; ADX regulatory reporting	Mid-transition. Full integration through 2025. Claims system maturity matters directly given the receivables build.
Shared Values	Physician-led culture; 87% patient and 92% employee satisfaction	Strong, and pre-dating the IPO. The risk is preserving it at scale through Saudi expansion and any future M&A.

Style	Founder Non-Executive Chairman; professional CEO since listing; 70% independent board	Transitioning well. Chair/CEO separation is sound governance; the concentrated VPS shareholding requires continued discipline.
Staff	13,500+ employees; 1,556 doctors; multinational workforce	Appropriately scaled. Physician recruitment at the complex-care level is a genuine differentiator; Emiratisation is now a Board-level obligation.
Skills	Quaternary care at BMC; 44 active clinical studies; robotic surgery	The core competitive advantage. Clinical depth at BMC underwrites pricing power and the market premium — protecting it is the strategy.

Capital Allocation Options

The Board faces a sequencing decision across four growth pathways, assessed below on financial impact, execution risk, and strategic fit.

Option	Risk Profile	Advisory View
Organic UAE growth	Low capex, OCF-funded	Priority. Highest risk-adjusted return — leverages the existing brand and referral network directly.
Saudi expansion (PhysioTherabia)	Asset-light, medium regulatory risk	Proceed with milestone gating. Validate the model at 20 centres before committing to the full 60-centre target.
M&A — UAE/GCC hospital operators	High integration risk, leverage to ~2.0x	Selective only. Bolt-on acquisitions with proven synergies; no transformative M&A until the Saudi model is validated.
Asset disposal	Low risk, capital release	Identify candidates. 61% group occupancy suggests underperforming facilities worth releasing.

Balanced Scorecard — FY2023

Perspective	Objective	Result	Status
Financial	Revenue growth	+15.6%	STRONG
Financial	EBITDA margin	22.8%	STRONG
Financial	Cash conversion	57%	MODERATE
Financial	Leverage	1.1x	STRONG
Customer	Patient satisfaction	87%	STRONG
Customer	Market share (UAE inpatient)	19%	STRONG
Internal	Bed occupancy	61%	MODERATE
Internal	Super-specialty revenue mix	>30%	STRONG
Learning & Growth	Employee satisfaction	92%	STRONG

Learning & Growth	ESG disclosure maturity	Early-stage		CONCERN
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SECTION THREE

Forensic Accounting

What the numbers say once the noise is removed

SECTION 3

Forensic Accounting & Quality of Earnings

All analysis in this section derives from Burjeel Holdings PLC's audited IFRS consolidated financial statements — the FY2023 Annual Report and the FY2024 Annual Report's FY2023 comparative columns. No management-provided data is used; estimation methodology is stated wherever a figure is derived rather than disclosed directly.

Five-Year Performance

AED millions	FY19	FY20	FY21	FY22	FY23
Revenue	2,421	2,605	3,351	3,924	4,535
YoY growth	—	7.6%	28.6%	17.1%	15.6%
EBITDA (management)	418	470	779	878	1,033
EBITDA margin	17.3%	18.0%	23.3%	22.4%	22.8%
Net profit / (loss)	(125)	(34)	234	355	540
Net margin	(5.2%)	(1.3%)	7.0%	9.0%	11.9%
Net debt (pre-IFRS 16)	3,373	3,373	3,165	1,111	994
Leverage (x EBITDA)	11.9x	10.0x	4.9x	1.5x	1.1x

Source: Burjeel Holdings Annual Report 2023, Key Highlights (p.22); FY2024 Annual Report, P&L comparative.

Revenue Quality

Revenue is recognised under IFRS 15 at the point clinical performance obligations are delivered; insurance disallowances are treated as variable consideration using the expected value method. Hospitals contributed 88% of FY2023 revenue, consistent with FY2022 — a concentration that supports earnings visibility but ties performance to insurer payment behaviour. Growth itself is well evidenced: a 9% increase in patient footfall to 6.05 million, combined with yield improvement from the super-specialty mix shift. Burjeel Medical City's 37.4% revenue growth confirms the quaternary facility's ramp-up as the primary engine.

Revenue quality is rated good. No recognition red flags were identified. The one item requiring management clarification is the ADNOC O&M contract — government-backed, but renewal-dependent, and its scale and recurrence classification should be confirmed.

EBITDA Normalisation Bridge

Two EBITDA figures appear in NovaCure's disclosures. Management-reported EBITDA — AED 1,033 million, a 22.8% margin — is a pre-IFRS 16 measure that excludes lease rentals. IFRS-derived EBITDA, computed directly from the audited P&L, is AED 987 million (21.8%): operating profit of AED 642 million plus PPE depreciation (AED 231m), ROU depreciation (AED 115m), amortisation (AED 5m), and the ECL provision (AED 84m).

The AED 46 million gap between the two reflects management add-backs not individually itemised in public disclosure — immaterial at 4.5% of EBITDA, but worth confirming at the management interview stage.

NORMALISED RANGE

Removing the AED 15.6 million non-cash, non-recurring fair value gain on financial assets and retaining the ECL provision as structurally recurring,

the advisory normalised EBITDA range is AED 950–990 million — used throughout the valuation work in Section 5.

Cash Flow Quality

Net cash from operating activities in FY2023 was AED 565.8 million — 12.5% of revenue and 57% of IFRS-derived EBITDA, both below the sector quality benchmarks of 14% and 70% respectively. The principal driver is a AED 528.5 million increase in trade receivables and prepayments: 11.7% of revenue, and the most forensically significant single item in this review.

- **Settlement cycle context** — Gulf operators with heavy insurer exposure routinely run 90–120 day DSO. NovaCure's estimated 97–113 days sits within that structural range, at the upper end.
- **ECL adequacy** — the AED 84 million provision (1.9% of revenue) sits within the 1–2% sector norm, but its growth rate should be tracked against receivables growth — if AR is outpacing provisioning, credit risk may be understated.
- **Capital opportunity** — a structured DSO programme targeting a 20-day reduction would release roughly AED 250 million, equivalent to 1.4 years of guided growth capex.

Related Party Transactions — IAS 24

Three entities sit above the listed company: VPS Healthcare Holdings (70.0%), Quant Lase Lab LLC (14.4%), and SYA Holdings (5.0%), all related parties under IAS 24. The FY2024 Annual Report discloses AED 2.8 million net inflow and AED 4.5 million net outflow in related-party working capital movements for FY2023.

- **Quant Lase Lab LLC** — the FY2023 Annual Report links this 14.4% holder to International Holding Company (IHC), the Abu Dhabi conglomerate chaired by Sheikh Tahnoon bin Zayed. Public description of the relationship and any associated transactions is limited — an absence of disclosure that is itself a governance observation, addressed further in Section 9.
- **Auditor transition** — EY audited FY2023; KPMG Lower Gulf audited FY2024. No public rationale was given. No material restatements are disclosed, but the transition warrants a brief explanatory note from the company.

Altman Z'-Score

Applying the revised non-manufacturing Z'-Score model, NovaCure's estimated FY2023 score is approximately 5.5–7.0 — firmly in the Safe Zone ($Z' > 2.6$). The dominant driver is the X4 ratio: market capitalisation of roughly AED 16.2 billion against estimated book liabilities of AED 2.96 billion, reflecting market confidence in the growth trajectory.

FORENSIC CONCLUSION

NovaCure is not a financial distress candidate. The forensic priority for this Board is cash flow quality — specifically receivables discipline — and related-party governance transparency, not solvency risk.

SECTION FOUR

Credit Analysis

Leverage, liquidity, and the headroom available to the Board

SECTION 4

Credit Analysis

This section assesses leverage, liquidity, and debt serviceability using audited FY2023 figures, presenting both management's pre-IFRS 16 definition and an IFRS-inclusive view incorporating right-of-use lease liabilities.

Leverage

Metric	FY21	FY22	FY23	Comment
Net debt — pre-IFRS 16 (AEDm)	3,165	1,111	994	Rapid post-IPO deleveraging.
EBITDA (management, AEDm)	779	878	1,033	Growing base improves every ratio.
Net debt / EBITDA	4.9x	1.5x	1.1x	Well inside the 2.5x guided ceiling.
Estimated post-IFRS 16 leverage	—	—	~2.5x	Including ~AED 1.6bn ROU liabilities.
Interest cover (EBIT/finance costs)	—	—	4.5x	Comfortable; above the 3x threshold.

Liquidity & Serviceability

Cash at year-end was a modest AED 166.2 million — not a concern, given operating cash generation of AED 565.8 million provides the company's real liquidity source. Free cash flow (OCF less capex of AED 177.8 million) was AED 387.7 million. The AED 95.3 million debut dividend consumed only 24.6% of FCF, well inside the 40–70% policy range, preserving capital for the growth pipeline.

Debt service coverage is estimated at approximately 3.1x — comfortably above the 1.25x covenant floor. Including the AED 162.4 million of IFRS 16 lease payments, total annual fixed obligations were approximately AED 346 million, or 61% of OCF, leaving 39% free after all commitments.

Credit Summary

Dimension	Rating	Drivers
Leverage (pre-IFRS 16)	GOOD	1.1x versus a 2.5x guided ceiling; deleveraged from 11.9x since FY2019.
Leverage (post-IFRS 16)	MODERATE	Estimated ~2.5x including ROU liabilities — structural to the sector, not a distress signal.
Interest coverage	GOOD	4.5x EBIT/finance costs, well above investment-grade thresholds.
Liquidity	MODERATE	Cash balance modest; OCF is the real liquidity engine.
Serviceability	GOOD	DSCR ~3.1x; 39% of OCF free after all fixed obligations including leases.

Flexibility	GOOD	Balance sheet supports Saudi expansion from cash flow without raising new debt.
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SECTION FIVE

Valuation

What the market is paying for, and whether it's justified

SECTION 5

Valuation

Three methodologies — trading comparables, precedent transactions, and asset-based valuation — are triangulated below. All figures use the normalised EBITDA of AED 970 million established in Section 3.

Trading Comparables

Company	EV (AEDbn)	EV/EBITDA	Note
NovaCure (subject)	17.2	17.7x	Current ADX market valuation.
Aster DM Healthcare	10.1	17.4x	GCC + India exposure; lower margin from India mix.
Al Mouwasat Medical	8.9	14.6x	KSA premium hospitals; highest peer margin.
Dallah Healthcare	5.3	13.9x	Established KSA brand; stable margin.
Saudi German Hospital	4.6	13.9x	GCC multi-country; lower margin profile.

Peer median EV/EBITDA of 15.1x, applied to normalised EBITDA, implies an EV range of AED 13.5–16.9 billion. NovaCure trades at a 1.8% premium to the top of that range — consistent with scarcity value as ADX's only large-cap pure-play private healthcare company, and continued optionality from BMC's utilisation ramp.

Precedent Transactions

Six Gulf and MENA private healthcare transactions between 2019 and 2024 show multiples of 11.0x–13.8x EV/EBITDA, with a median of 13.6x. The NMC Health creditor restructuring is excluded from these statistics as a distressed transaction — a floor, not a comparable. Applied to normalised EBITDA, deal comps imply an EV of AED 10.7–13.4 billion; the gap to current market value reflects the control and growth premium attached to a listed, profitable, growing operator versus unlisted acquisition targets.

Football Field

Methodology	Low	Base	High	
Trading comps	13.5	15.1	16.9	
Precedent transactions	10.7	12.8	13.4	
Asset-based	6.0	8.5	11.0	
Current market (ADX)	17.2	17.2	17.2	

All figures AED billions.

VALUATION CONCLUSION

Current market value is full but not excessive on trading comps, and at a

meaningful premium to deal comps — consistent with a growth premium for a listed Gulf healthcare leader. The premium holds if BMC utilisation continues toward 75-80%, Saudi validates at the 20-centre stage, and receivables show measurable improvement in FY2024. A material miss on any of these risks a re-rating toward peer median (AED 15.1bn, -12%) or, in a governance-stress scenario, toward deal comps (AED 12.8bn, -26%).

SECTION SIX

Capital Allocation & Restructuring

Turning the strategic options into a financial plan

SECTION 6

Capital Allocation & Restructuring

This section translates the strategic options from Section 2 into a financial framework, drawing on the cash flow data in Section 3 and the credit capacity established in Section 4.

Financial Capacity

Item	FY23 (AEDm)	2024-26 (AEDm p.a.)
Net cash from operations	566	620-720
Maintenance capex	(114)	(125-145)
Finance costs paid	(87)	(85-100)
IFRS 16 lease payments	(162)	(165-175)
Dividend (40-70% net income policy)	(95)	(200-350)
Free capital for growth / M&A / debt reduction	108	100-200

AED 100-200 million of annual free capital, before growth capex, confirms NovaCure can fund its guided UAE expansion from operating cash flow without additional debt. Saudi expansion is asset-light by design — the PhysioTherabia structure uses Leejam's existing locations — and requires minimal incremental capital.

Saudi Expansion

The PhysioTherabia joint venture with Leejam Sports targets 60 centres by end-2025, leveraging an established KSA brand to minimise NovaCure's capital exposure. The medium-term revenue target is AED 600 million.

- **Advisory view** — the asset-light logic is sound, but physiotherapy and rehabilitation carry a lower margin profile than UAE hospital care. The 60-centre target should be treated as aspirational; commercial validation at 20 centres is the appropriate governance gate before full acceleration.
- **Riyadh day surgery centres** — the planned 2025 launch is the right next step: a branded clinical presence ahead of any commitment to full hospital development.
- **Longer-term optionality** — if Vision 2030 privatisation proceeds at pace, NovaCure's Gulf brand and clinical capability position it as a credible acquirer of privatised KSA assets — a 2027-plus strategic option, not a near-term capital decision.

Working Capital Programme

The AED 528.5 million receivables increase is the single most consequential working capital issue identified in this review. A 20-day DSO improvement — from the estimated 97-113 days toward the 80-90 day sector benchmark — would release approximately AED 240-280 million, equivalent to 1.3-1.5 years of guided growth capex.

- **Priority actions** — build an insurer-level analytics dashboard via the existing Oracle EMR platform; stand up a dedicated revenue cycle management function on top of the existing Claims Care subsidiary; negotiate electronic submission protocols with the top three payers; and link department-level KPIs to billing cycle time.

100-Day Plan

Days	Action	Description	Owner
1-30	Working capital diagnostic	Commission independent DSO analysis by payer and service line; stand up an RCM KPI dashboard.	CFO
1-30	Governance review	Commission an independent board effectiveness review; formalise the RPT approval protocol.	Chairman
1-45	ESG roadmap	Engage a reporting specialist; commit to Scope 1/2/3 inventory and TCFD disclosure.	CEO
30-60	Capital allocation framework	Board approval of the leverage ceiling, capex priority, and M&A criteria.	Board / CFO
30-60	Saudi milestone gate	Define the 20-centre commercial thresholds ahead of any 60-centre commitment.	CEO
60-90	Emiratisation plan	Develop a three-year plan; model Nafis levy exposure into the FY2025 budget.	CHRO
90-100	Board report	Present integrated findings; confirm 2024-2026 priorities.	CEO / CFO

SECTION SEVEN

ESG Assessment

Why an AAA rating is not the same as a defensible disclosure record

SECTION 7

ESG Assessment

NovaCure received an inaugural AAA provisional MSCI ESG rating in August 2024 — the highest available rating. The headline achievement is real, but it reflects disclosed policy and process maturity, not the depth of underlying data. A material gap exists between the rating and the substance behind it.

Pillar Assessment

Pillar	Status	Rating	
Climate & Environment	Carbon neutrality target by 2040; COP28 recognition at BMC. No Scope 1/2 baseline disclosed; no TCFD framework applied; Scope 3 strategy only committed for 2025.	CONCERN	
Workforce & Social	13,500+ employees; 92% satisfaction (Great Place to Work certified); Tawteen Emiratisation award. No diversity metrics or gender pay data disclosed.	MODERATE	
Governance	70% independent board, above UAE Code minimum; Sustainability Committee established FY2023. Related-party disclosure limited; no public remuneration framework.	MODERATE	
Disclosure Quality	GRI index and SASB appendix included in the annual report. No standalone sustainability report; no third-party assurance; disclosure favours policy commitments over quantitative data.	CONCERN	

IFRS S1/S2 Gap Analysis

Requirement	Status	Gap	
Climate governance	Sustainability Committee exists; charter not disclosed.	PARTIAL	
Strategy — climate risk	No TCFD scenario analysis; no physical/transition risk disclosure.	GAP	
Risk management	Climate risk not evidenced in the enterprise risk framework.	GAP	
Scope 1 & 2 emissions	Not quantified; the 2040 target has no published baseline.	MISSING	
Scope 3 emissions	Strategy committed to for 2025 only.	GAP	
Water & waste	No quantitative data published, despite material relevance to a hospital operator.	MISSING	

Peer Benchmark

Dimension	NovaCure	Aster DM	Al Mouwasat
MSCI rating	AAA (provisional)	A	Not disclosed

TCFD-aligned disclosure	No	Partial	No
Scope 1/2 published	No	Yes	No
Standalone sustainability report	No	Yes	No
Third-party assurance	No	No	No

Improvement Roadmap

- **Phase 1 — Foundations (0–6 months):** establish a verified Scope 1/2 baseline using Oracle EMR facility data; commission a specialist reporting advisor; define a stakeholder-validated materiality matrix.
- **Phase 2 — Disclosure (6–12 months):** publish a standalone TCFD-aligned sustainability report; disclose workforce diversity metrics; submit GRI 302 and GRI 306 data.
- **Phase 3 — Assurance (12–18 months):** seek third-party limited assurance over Scope 1/2 data; publish a first Scope 3 estimate; align fully with IFRS S1/S2.

WHY THIS MATTERS COMMERCIALY

Gulf sovereign wealth funds and international institutional investors are applying ESG screens with increasing rigour. A company unable to support its MSCI headline with substantive disclosure will face investor questions management cannot comfortably answer. The eighteen-month roadmap above is achievable — and it is a capital markets access strategy, not a compliance exercise.

SECTION EIGHT

CSR Framework

Turning a compliance obligation into a strategic asset

SECTION 8

CSR Framework

This section applies the UAE National CSR Programme framework to NovaCure's operations, models its Emiratisation obligations under Nafis, and proposes a structure for measuring Creating Shared Value.

UAE National CSR Programme Alignment

- **Community health** — over 6 million patients treated in FY2023; AED 2 million in medical aid to Gaza; treatment of Syrian earthquake victims; the NADER rare disease programme.
- **Workforce** — Great Place to Work certification; 92% employee satisfaction; the Tawteen Emiratisation award at Burjeel Medical City.
- **Environment** — the COP28 Emerald Muashir Award and the 2040 carbon neutrality commitment — though, as Section 7 details, not yet supported by quantitative data.
- **Ethical business** — JCI accreditation across 13 hospitals; ADGM and ADX regulatory compliance; no disclosed ethical violations.

Emiratisation — Nafis Levy Model

Healthcare is one of fourteen MoHRE-designated mandatory Emiratisation sectors. Companies with 50+ skilled employees must raise Emirati skilled workforce by 2% annually, reaching 10% by end-2026. Non-compliance carries a 2024 levy of AED 96,000 per unfilled position per year, partially offset by Nafis salary support of up to AED 7,000 per month per Emirati hire.

Scenario	Est. Annual Impact	Note
Non-compliance levy (per 100 unfilled positions)	AED 9.6m	Levy escalates annually; risk extends to work permit suspension.
Nafis support per Emirati hire, year one	AED 84,000	Partially offsets the incremental cost of Emirati hiring.
Net cost of compliance, per position	AED 30,000–50,000	Competitive with the non-compliance levy and removes permit risk.

Creating Shared Value

NovaCure sits in one of the most compelling Creating Shared Value sectors available: complex healthcare in a region with structural disease burden and limited specialist capacity. BMC's 37.4% revenue growth correlates directly with complex procedure volume — bone marrow and organ transplant, oncology, fetal medicine, neurosurgery — services that would otherwise require medical evacuation.

RECOMMENDED CSV METRIC

Adopt a formal measure: the number of complex procedures performed locally that avoided international medical evacuation, paired with an estimated system-level cost saving per procedure. The metric demonstrates community value and strengthens NovaCure's case for preferential treatment in future government O&M contracts.

SECTION NINE

Corporate Governance

What the UAE Code requires, and where the gaps sit

SECTION 9

Corporate Governance Assessment

NovaCure, as an ADX-listed PJSC, is subject to the SCA Corporate Governance Code 2020. The assessment below evaluates disclosed practice against key Code requirements.

Code Compliance

Requirement	Status	Rating	
Board independence (min. 1/3)	70% independent non-executive directors — well above the Code minimum.	PASS	
Chair / CEO separation	Founder Non-Executive Chairman; separate professional CEO since listing.	PASS	
Audit, Risk & Remuneration Committees	Audit and Risk Committees evidenced; Remuneration and Nomination Committee status unclear.	REVIEW	
Related-party transaction disclosure	RPT amounts disclosed in the cash flow statement; individual transaction detail limited.	REVIEW	
Remuneration framework	Individual and policy-level remuneration not publicly disclosed.	FAIL	
Board effectiveness review	Not evidenced in public disclosures.	REVIEW	
Auditor independence	EY to KPMG transition disclosed without explanation.	REVIEW	

Ownership Concentration

Three entities hold roughly 89.4% of voting shares: VPS Healthcare Holdings (70.0%), Quant Lase Lab LLC (14.4%), and SYA Holdings (5.0%). The public float is just 10.6%.

- **Minority protection** — with ownership this concentrated, the independent non-executive directors are the de facto protection mechanism for the public float — making their effectiveness critically important.
- **Related-party pricing** — VPS Healthcare, as controlling shareholder, is a related party by definition under IAS 24. Several subsidiaries in the FY2024 group structure are shared-service providers rather than clinical operators; their inter-company pricing should be confirmed at arm's length by the Audit Committee.
- **The NMC precedent** — NMC Health's 2020 delisting, following the discovery of USD 6.6 billion in concealed debt and related-party transactions, set a high bar for institutional scrutiny of Gulf private healthcare governance. No comparable issue is found at NovaCure — but proactive, transparent disclosure is now both the right standard and a commercial necessity.

COSO Internal Controls — Public-Disclosure View

Component	Evidence	Rating	
Control Environment	70% board independence; Chair/CEO separation; JCI accreditation supports clinical quality controls.	GOOD	

Risk Assessment	Risk Management section disclosed; climate/ESG risk not yet formally integrated.	MODERATE	
Control Activities	Oracle EMR strengthens billing controls; AR ageing controls require strengthening given the receivables build.	MODERATE	
Information & Communication	ADX filings, annual and governance reports published; Malaffi participation in place.	GOOD	
Monitoring	Internal audit function not evidenced; external audit confirmed (EY then KPMG).	REVIEW	

SECTION TEN

Management & Leadership

The human system behind the post-IPO transformation

SECTION 10

Management & Leadership Assessment

Leadership Structure

Founder & Non-Executive Chairman	Dr. Shamsheer Vayalil — founded NovaCure in 2007. The company's clinical culture and brand remain closely associated with his personal leadership; key-man risk merits formal disclosure.
Chief Executive Officer	Mr. John Sunil — installed as professional CEO at IPO. Strong FY2023 results and disciplined investor communication validate the appointment.
Chief Financial Officer	Not individually named in FY2023 disclosures — a minor governance observation for a company at this scale.

Kotter's 8-Step — Post-IPO Change

NovaCure is managing a genuine organisational transformation: from founder-led private company to institutionally owned PJSC. The assessment below applies Kotter's model to that journey.

	Step	Status	Assessment
1	Create urgency	IPO was the catalyst; institutional ESG/governance feedback sustains it.	COMPLETE
2	Build coalition	Board reconstituted at IPO with 70% independence.	COMPLETE
3	Form vision	Super-specialty leadership, Saudi entry, digital build clearly articulated.	COMPLETE
4	Enlist the workforce	92% employee satisfaction signals strong alignment.	IN PROGRESS
5	Remove barriers	Oracle EMR removes billing and data silos.	IN PROGRESS
6	Generate wins	55% TSR since IPO; debut dividend; BMC growth; COP28 award.	STRONG
7	Sustain acceleration	Saudi target, Dubai hospital, M&A pipeline — milestone governance needed.	EARLY STAGE
8	Institute change	Remuneration, ESG disclosure, board review all outstanding.	NOT COMPLETE

ADKAR Readiness

	Element	Assessment	Score
A	Awareness	Strong awareness of IPO obligations across Board and management.	HIGH
D	Desire	CEO/Chairman statements evidence genuine intent; 55% TSR aligns incentives.	HIGH

K	Knowledge	Technical gaps in TCFD methodology and remuneration governance design.	MODERATE
A	Ability	Management bandwidth absorbed by UAE expansion and the Saudi launch.	MODERATE
R	Reinforcement	Investor and regulatory pressure provide external reinforcement; internal KPI linkage not yet evidenced.	MODERATE

Stakeholder Map

Stakeholder	Power / Interest	Engagement Priority
VPS Healthcare (70%)	High / High	Board-level alignment on capital allocation and Saudi direction.
IHC / Quant Lase (14.4%)	High / High	Formal IR engagement; transparency on governance progress.
Public float (10.6%)	Moderate / High	Capital Markets Day; enhanced governance reporting; ESG roadmap.
ADX / SCA regulator	High / Moderate	Full compliance with disclosure requirements.
Employees (13,500)	Moderate / High	Internal communication; structured Emiratisation career paths.
Insurance payers	High / High	Bilateral DSO engagement; electronic claims protocols.
Clinical community	High / High	Physician governance forums; continued research investment.

SECTION ELEVEN

Integrated Advisory Priorities

Synthesis — what to do, in what order, and why

SECTION 11

Integrated Advisory Priorities

The five priorities below are cross-sectional, each supported by evidence from multiple analytical domains in this report.

Priority 1 – Capital Allocation Framework

Supported by Sections 4, 5, and 6. Adopt a formal hierarchy: maintain pre-IFRS 16 leverage below 2.0x; fund UAE growth and maintenance capex from operating cash flow; fund Saudi expansion from cash flow subject to the 20-centre milestone; limit M&A to bolt-on acquisitions with demonstrable synergy; and distribute 40–50% of net income as ordinary dividend, with special dividends for capital above the leverage ceiling.

Priority 2 – Working Capital Discipline

Supported by Sections 3 and 6. The AED 528.5 million receivables increase is the most significant cash flow risk identified — not distress, but a constraint on growth funding. A structured 20-day DSO reduction over 24 months would release AED 240–280 million and move cash conversion from 57% toward the 70% quality benchmark.

Priority 3 – Close the ESG Disclosure Gap

Supported by Section 7. The gap between NovaCure's AAA MSCI rating and its disclosure depth is a reputational and capital markets risk. The eighteen-month roadmap — Scope 1/2 baseline, TCFD-aligned reporting, third-party assurance — is achievable and commercially motivated, given the tightening ESG screens applied by sovereign wealth fund and institutional investors.

Priority 4 – Formalise Governance

Supported by Section 9. Three actions within twelve months: publish a Board remuneration framework — the most material governance gap identified in this review; establish a formal related-party transaction protocol with Audit Committee review of all transactions above AED 10 million; and commission an independent board effectiveness review. Post-NMC, these are baseline institutional investor expectations, not aspirational extras.

Priority 5 – Strategic Emiratisation Plan

Supported by Section 8. Develop a three-year plan: identify priority skilled roles for Emirati placement; partner with UAE universities for graduate pipeline development; build a structured mentoring and career pathway programme; and integrate Nafis levy modelling into the annual budget. Board approval and public disclosure would convert a compliance obligation into a demonstrated strategic commitment.

Implementation Timeline

Priority	0–3 Months	3–12 Months	12–24 Months
Capital allocation	Board approval of framework	Published in annual report	Quarterly tracking
Working capital	WC diagnostic commissioned	RCM programme live	20-day DSO reduction
ESG disclosure	Scope 1/2 baseline	Standalone TCFD report	Third-party assurance
Governance	RPT protocol approved	Remuneration framework published	Board effectiveness review

Emiratization	Three-year plan approved	Hiring against plan	10% target on track
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CLOSING STATEMENT

NovaCure has built, in sixteen years, one of the Gulf's most credible private healthcare platforms — the transformation from loss-making in FY2019-2020 to AED 540 million of net profit in FY2023, achieved alongside an IPO and a Saudi market entry, is a genuine strategic achievement. The priorities in this report are not remediation; they are the next stage of institutional maturity. Completing them within twenty-four months would position NovaCure as the governance and disclosure benchmark for Gulf private healthcare, not only its largest listed operator.

Meridian Advisory Partners LLP · Gulf HealthTech Advisory · June 2026

All analysis is based exclusively on publicly available audited IFRS financial statements, ADX/ADGM regulatory filings, and published sustainability and governance reports. This report is a professional portfolio simulation produced for career development purposes.