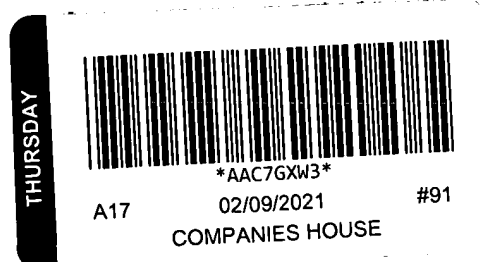


Aetna Global Holdings Limited
31 December 2020
Registered Number: 9452770

Aetna Global Holdings Limited

Strategic report, Directors' report and
financial statements for the year ended
31 December 2020
Registered number 9452770



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Strategic report

Review of the business

The Company acts as a holding company in the UK for its ultimate parent, CVS Health Corporation and is active in acquiring and disposing of investments. This holding structure facilitates the continued long-term investment for the growth of the Aetna International business. These activities are expected to continue in 2021.

On 1 March 2018, it purchased the Canadian Insurance Company Limited domiciled in Hong Kong and subsequently re-branded it as Aetna Insurance Hong Kong Limited. The purchase price for the Canadian Insurance Company was USD 30,532,924. Recognising its reported loss in 2019 and 2020, the investment was impaired to USD 22,457,197. The Company also invested on 7 March 2018 in a new company, Virtual Home Health Care LLC domiciled in the UAE. Recognising its ongoing losses and the future prospects of becoming profitable, the value of this investment was fully impaired during the year. These two investments were funded by the issue of 31,050,000 new shares in 2018, 3,125,811 new shares in 2019 and 7,000,000 in 2020. With the exception of Aetna Holdings (Thailand) Limited (49% shareholding) and Virtual Health Home Care LLC (49% holding), the Company holds the entire shareholdings of its subsidiaries either directly or indirectly. The legal structure of the shareholding in Aetna Holdings (Thailand) Limited and Virtual Health Home Care LLC is such that the Company retains sufficient control of these subsidiaries. At the end of 2019, Aetna Korea's main client contract expired and as a consequence, its board is managing an orderly wind-up of the company which is expected to be completed in 2021.

The Company recorded a loss after taxation of USD 6,729,323 (2019: loss USD 2,200,000) due to the write-down of the investments in Virtual Home Health Care LLC and Aetna Insurance Hong Kong Ltd.

As the principal activity of the Company is that of holding company, the directors do not utilise key performance indicators to monitor and evaluate performance.

The Coronavirus Disease 2019 ("COVID-19") pandemic is continuing to have an impact on the global economy, with businesses experiencing reduced customer traffic and, where governments mandated, temporary suspension of traffic and some public facilities. The adverse impact for the Company's investments was mostly realised in slower growth for 2020, which was offset by strong customer retention, lower medical claims costs and no increase to credit risk as customers continue to settle their premiums within agreed credit terms.

The COVID-19 pandemic continues to evolve. The Company believes COVID-19's impact on the Company's business, operating results, cash flows and/or financial condition primarily will be driven by the geographies impacted and the severity and duration of the pandemic; the pandemic's impact on the global economies and consumer behaviour and health care utilization patterns; and the timing, scope and impact of stimulus legislation as well as other governmental responses to the pandemic. Those primary drivers are beyond the Company's knowledge and control. As a result, the impact COVID-19 will have on the Company's business, operating results, cash flows and/or financial condition is uncertain, but the impact could be adverse. COVID-19 also may result in legal and regulatory proceedings, investigations and claims against the Company.

Risks and uncertainties

The main risks and uncertainties facing the Company are disclosed in note 4.

As the immediate holding company of Aetna Korea Limited, Aetna Holdings (Thailand) Limited, Aetna Insurance (Hong Kong) Limited and Virtual Home Health Care LLC, the Company's main risk relates to its holding of its investment in those companies and any events which could result in impairment in their valuations. The directors closely monitor the performance of these investments.

Going concern

The financial position of the Company is disclosed on the statement of financial position on page 10. Notwithstanding a loss for the year ended 31 December 2020 of USD 6,729,323 (2019: loss of USD 2,200,000), the financial statements have been prepared on a going concern basis which the directors consider appropriate for the following reasons.

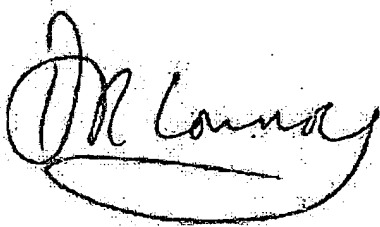
Aetna Global Holdings Limited
31 December 2020
Registered Number: 9452770

The current year performance and forecast result of the subsidiaries indicates impairment of the cost of the investments only where identified and Aetna International Inc. has indicated its intention to continue to make available such funds as are needed by the Company for at least twelve months from the date of approval of these financial statements and the directors are confident that Aetna International Inc. will continue to support the Company.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

By order of the board

A handwritten signature in black ink, appearing to read 'D Connolly', with a large, sweeping underline.

Damian Connolly
Director

27 May 2021

Director's report

The directors present the director's report and financial statements for the year ended 31 December 2020.

Registered office

The registered office and principal place of business of the Company is 50, Cannon Street, London, England, EC4N 6JJ.

Principal activity

The principal activity of the Company is to act as an intermediate holding company for an international private medical insurance group.

Dividends

The directors do not recommend the payment of a dividend (2019: nil).

Directors

The directors who held office during the year were as follows:

Damian Connolly
Mark Howe

Employees

As a holding company, the Company had no employees during the year other than its Directors.

Political and charitable contributions

The Company made no charitable or political donations during the year (2019 nil).

Policy and practice on payment of creditors

It is the Company's policy to pay its providers and other creditors promptly and in any event in accordance with agreed terms and conditions.

Financial instruments

The Company does not maintain any financial instruments. The financial risk factors affecting the Company include credit risk, liquidity risk and market risk. Information on the financial risk management objectives and policies of the Company and the exposure of the Company to the financial risk factors is given in note 4. The Company does not use derivatives to mitigate financial risk.

Capital

The Company's immediate parent, Aetna International Inc. subscribed for an additional 2,000,000 and 5,000,000 USD 1 Ordinary Shares in the Company in July and December 2020 respectively.

Aetna Global Holdings Limited

31 December 2020

Registered Number: 9452770

Director's report (continued)

Disclosure of information to auditors

The directors who held office at the date of approval of this director's report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and they have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

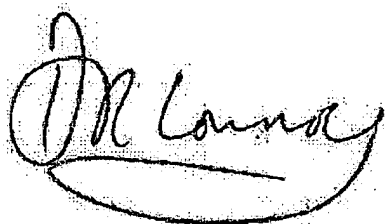
Other information

An indication of likely future developments in the business have been included in the Strategic Report on page 1.

Auditor

Pursuant to section 487 (2) of the Companies Act 2006, the auditors will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office.

By order of the board

A handwritten signature in black ink, appearing to read 'D Connolly', with a large, sweeping underline.

Damian Connolly
Director

50, Cannon Street,
London
England
EC4N 6JJ

27 May 2021

Statement of director's responsibilities in respect of the strategic report and director's report and the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements the directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance;
- state whether international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the company will not continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the company financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AETNA GLOBAL HOLDINGS LIMITED

Opinion

We have audited the financial statements of Aetna Global Holdings Limited for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the related notes 1 to 11, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained with the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company'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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

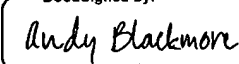
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the direct laws and regulations related to elements of company law and tax legislation, and the financial reporting framework. We understood how the Company is complying with those frameworks by making enquiries of management, internal audit, and those responsible for legal and compliance matters.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the controls that the Company has established to address risks identified by the entity, or that otherwise seek to prevent, deter or detect fraud. We also considered areas of significant judgement, performance targets, economic or external pressures and the impact these have on the control environment.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making enquiry of those charged with governance and senior management for their awareness of any non-compliance of laws or regulations, inquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees, inquiring about the Company's methods of enforcing and monitoring compliance with such policies and inspecting Board and other governance committee minutes.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



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Andrew Blackmore (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Bristol
28 May 2021

Aetna Global Holdings Limited
 31 December 2020
 Registered Number: 9452770

Statement of Comprehensive Income
For the year ended 31 December 2020
Stated in United States dollars

| | Note | Year ended 31 December 2020 | Year ended 31 December 2019 |
|--|------|-----------------------------------|-----------------------------------|
| Administrative expenses | | - | - |
| Investment impairment | 8 | (6,729,323) | (2,200,000) |
| (Loss)/Profit before income tax | 5 | (6,729,323) | (2,200,000) |
| Taxation | 7 | - | - |
| (Loss)/Profit retained for the year | | (6,729,323) | (2,200,000) |

There are no items of other comprehensive income.

All operations are continuing operations.

Notes and information on pages 13 to 20 form part of these financial statements.

Aetna Global Holdings Limited
31 December 2020
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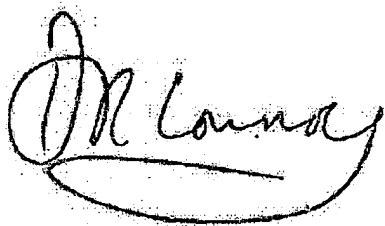
Statement of Financial Position

As at 31 December 2020

Stated in United States dollars

| | Note | 31 December 2020 | 31 December 2019 |
|-----------------------------|------|---------------------|---------------------|
| Assets | | | |
| Investment in subsidiaries | 8 | 95,490,721 | 95,220,044 |
| Total non-current assets | | 95,490,721 | 95,220,044 |
| Trade and other receivables | | 1,845 | 1,795 |
| Cash and cash equivalents | | 252,775 | 252,825 |
| Total current assets | | 254,620 | 254,620 |
| Total assets | | 95,745,341 | 95,474,664 |
| Net current assets | | 254,620 | 254,619 |
| Net assets | | 95,745,341 | 95,474,664 |
| Equity | | | |
| Share capital | 9 | 127,309,399 | 120,309,399 |
| Retained deficit | | (31,564,058) | (24,834,735) |
| Total equity | | 95,745,341 | 95,474,664 |

These financial statements were approved by the board of directors on 27 May 2021 and were signed on its behalf by:



Damian Connolly
Director

Notes and information on pages 13 to 20 form part of these financial statements.

Aetna Global Holdings Limited
31 December 2020
Registered Number: 9452770

Statement of Changes in Equity
For the year ended 31 December 2020
Stated in United States dollars

Attributable to equity holders of the Company

| | Share capital | Retained deficit/earnings | Total equity |
|-----------------------------|----------------------|--------------------------------------|---------------------|
| Balance at 31 December 2018 | 117,183,588 | (22,634,735) | 94,548,853 |
| Loss for the year | - | (2,200,000) | (2,200,000) |
| Issued during the year | 3,125,811 | - | 3,125,811 |
| Balance at 31 December 2019 | 120,309,399 | (24,834,735) | 95,474,664 |
| Loss for the year | - | (6,729,323) | (6,729,323) |
| Issued during the year | 7,000,000 | - | 7,000,000 |
| Balance at 31 December 2020 | 127,309,399 | (31,564,058) | 95,745,341 |

Notes and information on pages 13 to 20 form part of these financial statements.

Aetna Global Holdings Limited
31 December 2020
Registered Number: 9452770

Statement of Cash Flows
For the year ended 31 December 2020
Stated in United States dollars

| | Note | Year ended 31 December 2020 | Year ended 31 December 2019 |
|---|------|-----------------------------------|-----------------------------------|
| Cash flows from operating activities | | | |
| (Loss) for the year | | (6,729,323) | (2,200,000) |
| <i>Adjustments for:</i> | | | |
| Investment income | | - | - |
| Impairment of investments | | 6,729,323 | 2,200,000 |
| (Increase)/Decrease in trade and other receivables | | (50) | (28) |
| Increase/(Decrease) in trade and other payables | 9 | - | (925,811) |
| Net cash (outflow)/inflow from operating activities | | (50) | (925,839) |
| Cash flows from investing activities | | | |
| Investment in subsidiaries | 8 | (7,000,000) | (2,200,000) |
| Net cash outflow from investing activities | | (7,000,000) | (2,200,000) |
| Cash flows from financing activities | | | |
| Issue of new shares | 10 | 7,000,000 | 3,125,811 |
| Net cash inflow from financing activities | | 7,000,000 | 3,125,811 |
| Net (decrease)/increase in cash and cash equivalents | | (50) | (28) |
| Cash and cash equivalents at the beginning of the year | | 252,825 | 252,853 |
| Cash and cash equivalents at the end of the year | | 252,775 | 252,825 |

Notes on pages 13 to 20 form part of these financial statements.

Notes to the financial statements
(forming part of the financial statements)
Stated in United States dollars

1. Reporting entity

Aetna Global Holdings Limited (the “Company”) is a company domiciled in England. The address of the Company’s registered office is 50, Cannon Street, London, England, EC4N 6JJ. The Company’s principal business activity is acting as a holding company for an international private medical insurance group.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared and approved by the directors in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Notwithstanding a loss for the year ended 31 December 2020 of USD 6,729,323 (2019: USD loss of 2,200,000), the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The current year performance and forecast result of the subsidiaries indicates impairment of the cost of the investments only where identified and Aetna International Inc. has indicated its intention to continue to make available such funds as are needed by the Company for at least twelve months from the date of approval of these financial statements and the directors are confident that Aetna International Inc. will continue to support the Company. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

The financial statements were approved by the Board of Directors on 27 May 2021.

New standards and interpretations adopted

Standards adopted in the year are either outside the scope of Company transactions or do not significantly impact the Company. These standards are:

- Amendments to IAS 1: Classification of Liabilities as Current or Non-current (effective 1 January 2023)
- Amendments to IAS 8: Definition of Accounting Estimates (effective 1 January 2023)
- Amendments to IFRS 3: Reference to the Conceptual Framework (effective 1 January 2022)
- Amendments to IAS 37: Onerous Contracts — Cost of Fulfilling a Contract (effective 1 January 2022)
- Annual Improvements to IFRS Standards 2018–2020 (effective 1 January 2022)

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in United States dollars which is the Company’s functional currency.

Notes to the financial statements (continued)

(forming part of the financial statements)

Stated in United States dollars

2. Basis of Preparation (continued)

(d) Group accounts

The financial statements present information about the Company as an individual undertaking and not about its group under the exemption afforded to it by section 401 of the Companies Act 2006, because the Company and all its subsidiary undertakings are included in the consolidated financial statements of CVS Health Corporation; a company incorporated in Delaware, USA.

(e) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected.

Information about assumptions and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets is included in note 4.

3. Significant accounting policies

(a) Foreign currency

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the statement of comprehensive income.

(b) Financial income and expenses

Financial income and expenses include foreign exchange gains and losses on administrative expenses and are recognised on an accruals basis.

(c) Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods. Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries entities to the extent that they will probably not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

Notes to the financial statements (continued)
(forming part of the financial statements)
Stated in United States dollars

3. Significant accounting policies (continued)

(d) Investment in subsidiaries

The Company's investment in subsidiaries is carried at cost less impairment in the statement of financial position.

(e) Non-derivative financial instruments

Non-derivative financial instruments comprise, trade and other receivables, and cash and cash equivalents.

(i) Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

(ii) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand form an integral part of the Company's cash management and are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(iii) Impairment

The company recognises loss allowances for expected credit losses (ECLs) on financial assets. The Company measures loss allowances at an amount equal to lifetime ECL, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Notes to the financial statements (continued)
(forming part of the financial statements)
Stated in United States dollars

3. Significant accounting policies (continued)

(iii) Impairment (continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

All remaining receivables do not have a credit risk due date. Based on credit evaluation performed at year-end, management is of the view that no impairment is required on the balances outstanding at the year-end.

4. Risk management

The Company is exposed to various financial, operational, legal, regulatory and market risks. These include the key risk factors summarised below. The Board manages these risks through a key risk and controls framework to ensure risks are identified and managed in accordance with its risk appetite and mitigated where possible.

The key risks that the Company is exposed to are as follows:

- Financial risk
- Operational risk
- Legal and regulatory risk
- Market Risk

(a) Financial risk

The Company is exposed to financial risk through its financial assets and financial liabilities. The components of financial risk are liquidity and cash flow, credit, and financial market. The extent of the exposure to each of these components varies depending on the specific financial instrument.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's financial risk management framework. The focus of financial risk management for the Company is ensuring that the proceeds from its financial assets are sufficient to fund obligations arising from operational contractual arrangements.

Liquidity and Cash flow Risk

Liquidity and cash flow risk is the risk that cash may not be available to pay obligations when they fall due. The Company has put in place appropriate financial and cash flow management structures so that it is able to anticipate demand for cash and meet obligations as they arise.

Credit Risk

The Company is exposed to credit risk on carried cash and cash equivalent balances. Such credit risk is minimised through the Company's policy of only dealing with banking institutions of an appropriate financial standing and through the carrying of deposit facilities with daily liquidity. At 31 December 2020 the Company carried cash and cash equivalent balances of USD 252,775 with an 'A' rated international banking institution.

Notes to the financial statements (continued)

(forming part of the financial statements)

Stated in United States dollars

4. Risk management (continued)

Financial market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's trading activity. The Company does not engage in any hedging or forward contract activities however the Directors believe the risk of foreign exchange rate fluctuations to be minimal within one financial year of the balance sheet date. Exchange rate movements are monitored on a monthly basis and any indication that this risk will increase or give rise to a significant exposure is discussed by management and any appropriate actions taken.

(b) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations and are faced by all business entities. The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management and is overseen by the Board of Directors. Compliance with the Company's standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with management, with summaries submitted to the Audit and Risk Committee and senior management of the Company.

(c) Legal and regulatory risk

The Company, through its subsidiary undertakings, is exposed to potential claims and litigation arising out of the ordinary course of business relating to alleged errors and omissions, or non-compliance with laws and regulations.

(d) Market risk

The Company through its subsidiary undertakings is exposed to the health data analytics and consultancy markets. The key risks affecting the Company are:

- The uncertain economic climate creating additional pressures on the international private medical market,
- Dependency on third party agents,
- Diverse geographical markets.

5. Profit/Loss before taxation

Auditor's remuneration in respect of these financial statements was borne by another Group company.

| Remuneration in respect of services provided | 2020 | 2019 |
|--|--------|--------|
| Fees in respect of the audit of the Company | 24,417 | 23,000 |

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Notes to the financial statements (continued)

(forming part of the financial statements)

Stated in United States dollars

6. Directors' emoluments

| | 2020 | 2019 |
|-----------------------------|------|------|
| Salaries | - | - |
| Pension Contributions | - | - |
| Other Benefits | - | - |
| Total directors' emoluments | - | - |

None of the directors are directly remunerated by the Company and are remunerated by another group company. Directors are paid a total of USD 1,512,877 for their services to the whole Aetna International Group through Aetna Global Benefits (UK) and Aetna Global Benefits (Middle East) LLC.

7. Taxation

| | 2020 | 2019 |
|--|-------------|-------------|
| Current tax credit | | |
| Current year | - | - |
| Total tax expense | - | - |
| Reconciliation of effective tax rate | | |
| Profit/(Loss) before tax | (6,729,323) | (2,200,000) |
| Tax at the effective rate of UK corporation tax of 19.00% (2019: 19.00%) | (1,278,571) | (418,000) |
| Tax effect of: | | |
| Non-deductible expenses | 1,278,571 | 418,000 |
| Current-year losses for which no deferred tax asset is recognised | - | - |
| | - | - |

Due to uncertainty with regards to future profitability, deferred tax has not been recognised on carried forward trading losses. At 31 December 2020, there was an unrecognised deferred tax asset of USD 5,711 (2019: USD 5,711).

The tax rate for the current year is the same as the prior year. In March 2021, the UK Government announced its intention to introduce legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. This announcement does not constitute substantive enactment, and therefore temporary differences at the balance sheet date continue to be measured at the enacted rate of 19%.

Notes to the financial statements (continued)
(forming part of the financial statements)
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8. Investment in subsidiaries

| | Health Care Management Company Ltd | Aetna Health Insurance (Thailand) Public Company Ltd | Aetna Holdings (Thailand) Ltd | Minor Health Enterprise Company Ltd | Aetna Korea Ltd | Aetna Insurance Hong Kong Ltd | Virtual Home Health Care LLC |
|--------------------------------|---|---|--|---|--------------------|--|------------------------------------|
| Country of incorporation | Thailand | Thailand | Thailand | Thailand | Korea | Hong Kong | UAE |
| Direct ownership interest | 49% | 25% | 49% | 25% | 100% | 100% | 49% |
| Balance at 1 January 2019 | nil | 72,258,524 | nil | nil | 775,000 | 22,186,520 | nil |
| Additions | - | - | - | - | - | - | 2,200,000 |
| Impairments | - | - | - | - | - | - | (2,200,000) |
| Balance at 31 December 2019 | nil | 72,258,524 | nil | nil | 775,000 | 22,186,520 | nil |
| Additions | - | - | - | - | - | 5,000,000 | 2,000,000 |
| Impairments | - | - | - | - | - | (4,729,323) | (2,000,000) |
| Balance at 31 December 2020 | nil | 72,258,524 | nil | nil | 775,000 | 22,457,197 | nil |

Aetna Korea Limited is a subsidiary acquired in 2016 and acts as a consultancy company. As explained in the Strategic Report, at the end of 2019, the company's main client contract expired and its board is managing the orderly wind-up of the company. The closing value of the company has yet to be determined although the net asset value is higher than the carrying value. The Board has therefore decided to leave its valuation unchanged until the wind-up is complete.

Health Care Management Company Limited, Aetna Health Insurance (Thailand) Public Company Limited, Minor Health Enterprise Company Limited and Aetna Holdings (Thailand) Limited were acquired in 2017. The carrying value is based on its value in use, with an 11.2% discount rate for the present value of future cashflows.

Aetna Insurance Hong Kong Limited is a subsidiary acquired in 2018 and acts as an insurance underwriter. Its valuation has been impaired to bring it into line with its 2020 net asset value.

Virtual Home Health Care LLC is an investment established in 2018 and provides a variety of healthcare services for patients at home and in healthcare facilities. Recognising its reporting loss in 2020 and its forecast loss for 2021, the value of this investment was fully impaired during the year.

9. Share Capital

| | No of USD 1 shares issued | No of USD 1 shares issued | USD Issue consideration |
|-----------------------------|------------------------------|------------------------------|----------------------------|
| Balance at 31 December 2019 | 120,309,399 | 120,309,399 | 120,309,399 |
| Issued during the year | 7,000,000 | 7,000,000 | 7,000,000 |
| Balance at 31 December 2020 | 127,309,399 | 127,309,399 | 127,309,399 |

In July 2020, the Company issued 2,000,000 shares to its shareholder at par and in December a further 5,000,000 shares were issued to its shareholder at par. These share issues took the total number of issued shares to 127,309,399.

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10. Related parties

At 31 December 2020, there was no outstanding balance to related parties (2019: USD there was no outstanding balance to related parties).

11. Parent and ultimate controlling party

At the date on which the accounts were approved by the directors, the immediate parent company is Aetna International Inc. The largest group in which the results of the Company are consolidated is that headed by CVS Health Corporation, which is incorporated in the United States of America. The consolidated financial statements of CVS Health Corporation are available to the public and may be obtained from One, CVS Drive, Woonsocket, RI 02895, United States of America.