


# CEO MONTHLY

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The start of the new year marks a new chapter for Amanat as we begin 2021 with our newly appointed board of directors and a clear strategic agenda for the years ahead. In my first letter of 2021 I will be sharing an overview of our strategic objectives across three core pillars:

- Our existing portfolio and investment mandate
- Building operational scale and synergies through our platform model
- Long-term value creation and sustainable growth in returns

Friends,

Many of us would agree that 2020 was certainly a challenging year for all businesses and Amanat was no exception. However, it was also a transformative year which enabled us to emerge as resilient and more efficient, strategically, and operationally.

In November 2020, management met with our newly appointed board of directors and agreed on a **strategic roadmap** at the start of their three-year term. Together we identified key focal points for the business to continue to grow and thrive while increasing **Total Shareholder Returns (TSR)**. In this edition of my letter, I will walk you through the agenda for our existing portfolio, our potential investments and how we plan on delivering sustainable long-term value to our shareholders and potential investors.

## Our existing portfolio and investment mandate

While maintaining our focus equally on healthcare and education, we will encapsulate a more rigid approach to how and where we can add value across our portfolio. We have established a series of KPI's which will be rolled out across our portfolio companies that will enable management to ensure a tight rein on budgeting while exploring growth opportunities.

In 2020, we explored efficiencies in healthcare that incorporated innovation, encircling patient-centric models that capture the entire patient journey including primary and secondary care, home diagnostics, and pharmaceutical solutions, as well as disease monitoring solutions. Currently, we are assessing opportunities in this space to complement our current investments.

Contrary to standalone hospital operators, our healthcare portfolio already offers investors diversified exposure across an acute and post-acute care provider, a specialist women and children's hospital as well as a multi-disciplinary hospital. Without deviating and yet still diversifying, we will also look to invest in specialized healthcare providers, acute and post-acute care as well as HealthTech players.

In education, we see value in models that enable us as investors to tap into complementary tools that tailor the student experience based on their ability rather than on their age; similar to our recent investment in BEGiN. We will look to further diversify into EdTech through our existing portfolio as well as geographically with a focus on growing our K-12 and higher education in KSA and Egypt as areas to build on our existing platforms.

### Building operational scale and synergies through our platform model

I outlined Amanat's approach to long-term value creation in my last monthly letter, and in 2021, we plan to continue our tried and tested approach to building market-leading businesses through our platform model.

Our investment platforms have been designed to create long-term value through scale and synergy. They offer multi-investment ecosystems that benefit from capital infusions,

shared operating partners and future add-on acquisitions, thereby offering operating flexibility for each asset we invest in. We use this model to build yields, improve margins, and grow **ROI** over the long-term.

Building scale through platforms has become ever more important as smaller players struggle to survive in the current macro-economic environment, and this is why we are witnessing consolidation across so many sectors. Our platform model is one of the reasons why our portfolio companies demonstrated such a high level of resilience during the pandemic and why we will continue to leverage on opportunities that will allow us to grow our platforms further. We are also assessing our existing investments and their suitability to this model as an avenue to grow or potentially recycle the cash for other investment opportunities.

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## Long-term value creation and sustainable growth in returns

Planning for short- and long-term time horizons is essential for Amanat since our structure as a listed investment company incentivizes long-term value creation, yet we remain committed to providing our shareholders with a regular income from our high-performing assets.

Over the shorter-term, we plan to ensure that we can pay a sustainable cash dividend above market average to our shareholders by strengthening our portfolio and investing in yielding assets to grow our earnings in 2021 and beyond. We have built a clear pathway to achieve this through potential divestments, transforming minority stakes into majority investments to consolidate the platform model more coherently and investing in assets that have the potential to grow earnings whether through recycled cash or through raising debt. Additionally, Amanat still has cash at hand which has been prioritized for deployment throughout the coming year.

All in all, we will continue to use our platform investment model which has proven to deliver results.

2021 will see Amanat focus on businesses that are leading the transformation of the healthcare and education sectors and with strong earnings potential. This approach will enable the firm to build **long-term sustainable value** while delivering solid returns to shareholders over the medium term.

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