



Amanat Holdings PJSC

UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2022

INDEPENDENT AUDITOR’S REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF AMANAT HOLDINGS P.J.S.C

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Amanat Holdings P.J.S.C (the “Company”) and its subsidiaries (collectively referred to as the “Group”), comprising the interim consolidated statement of financial position as at 31 March 2022, and the related interim consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 *Interim Financial Reporting* (IAS 34). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

For Ernst & Young



Signed by
Wardah Ebrahim
Partner
Registration number: 1258

11 May 2022

Dubai, United Arab Emirates

Amanat Holdings PJSC

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three months ended 31 March 2022

	Notes	Three months ended 31 March	
		2022 AED'000 (Unaudited)	2021* AED'000 (Unaudited)
Revenue	3	130,758	73,672
Direct costs	3	(69,285)	(39,358)
GROSS PROFIT		61,473	34,314
General and administrative expenses	3	(44,108)	(29,249)
Share of results of associates	5	7,264	17,245
Income from finance lease		8,320	8,075
Other operating income		832	500
OPERATING PROFIT		33,781	30,885
Finance income		2,647	697
Finance costs		(6,004)	(2,347)
PROFIT FOR THE PERIOD		30,424	29,235
Attributable to:			
Equity holders of the Company		32,014	31,514
Non-controlling interests		(1,590)	(2,279)
		30,424	29,235
Basic and diluted earnings per share (AED)	10	0.013	0.013

Alternative Performance Measures		Three months ended 31 March	
	Note	2022 AED'000	2021 AED'000
Adjusted Earnings before interest, tax, depreciation and amortization (Adjusted EBITDA)	16	48,518	29,320
Attributable to the equity holders of the Company			
Adjusted operating profit	16	34,885	24,195
Adjusted profit	16	32,115	23,055

* Refer to Note 15 for information related to the change in the presentation of the comparative information

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements.



Amanat Holdings PJSC

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2022

	<i>Three months ended 31 March</i>	
	<i>2022 AED'000 (Unaudited)</i>	<i>2021 AED'000 (Unaudited)</i>
PROFIT FOR THE PERIOD	30,424	29,235
Other comprehensive income		
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>		
Gain on cash flow hedge	1,808	-
Other comprehensive income that may be reclassified to profit or loss in subsequent periods	1,808	-
<i>Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:</i>		
Change in fair value of financial assets at FVOCI	(993)	(132)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	(993)	(132)
Total other comprehensive income/(loss)	815	(132)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	31,239	29,103
Attributable to:		
Equity holders of the Company	32,829	31,382
Non-controlling interests	(1,590)	(2,279)
	31,239	29,103



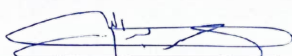
Amanat Holdings PJSC

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

	Notes	31 March 2022 AED'000 Unaudited	31 December 2021 AED'000 Audited
ASSETS			
Non-current assets			
Property and equipment		246,685	250,806
Right-of-use assets		140,135	117,828
Goodwill and intangible assets	4	1,208,418	1,210,555
Investments in associates	5	513,321	506,057
Finance lease receivables	6	382,377	382,832
Financial assets at FVOCI	6	32,835	33,828
Other financial asset	6	162	-
Total non-current assets		2,523,933	2,501,906
Current assets			
Inventories		7,142	6,774
Finance lease receivables	6	35,114	37,986
Trade and other receivables	6	94,034	111,239
Due from related parties	12	8,667	8,079
Cash and bank balances	7	886,918	878,036
Total current assets		1,031,875	1,042,114
TOTAL ASSETS		3,555,808	3,544,020
EQUITY AND LIABILITIES			
EQUITY			
Share capital	8	2,500,000	2,500,000
Share premium	8	2,949	2,877
Treasury shares	8	(11,113)	(12,711)
Statutory reserve		58,235	58,235
Fair value reserve of financial assets at FVOCI		(22,523)	(21,530)
Cash flow hedge reserve		162	(1,646)
Other reserve	6	(18,347)	(18,347)
Retained earnings		145,242	263,228
Total equity attributable to the equity holders of the Company		2,654,605	2,770,106
Non-controlling interests		1,110	(1,346)
Total equity		2,655,715	2,768,760
LIABILITIES			
Non-current liabilities			
Financing from banks	6	384,966	391,517
Lease liabilities	6	137,919	107,453
Other long-term payables	6	3,702	3,630
Other financial liability	6	-	1,646
Due to a related party	12	4,013	4,013
Provision for employees' end of service benefits		23,985	22,814
Total non-current liabilities		554,585	531,073
Current liabilities			
Bank overdraft	7	4,727	21,072
Financing from banks	6	46,827	51,911
Lease liabilities	6	11,833	16,788
Accounts and other payables	6	96,558	119,356
Contract liabilities		34,319	33,843
Due to related parties	12	1,244	1,217
Dividend payable	9	150,000	-
Total current liabilities		345,508	244,187
Total liabilities		900,093	775,260
TOTAL EQUITY AND LIABILITIES		3,555,808	3,544,020

These interim condensed consolidated financial statements were approved by the Board of Directors on 11 May 2022 and signed on its behalf by:



Mr. Hamad Abdulla Alshamsi
Chairman



Dr. Mohamad Hamade
Chief Executive Officer

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements.



Amanat Holdings PJSC

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2022

Attributable to the equity holders of the Company

	<i>Share capital</i> <i>AED'000</i>	<i>Share Premium</i> <i>AED'000</i>	<i>Treasury shares</i> <i>AED'000</i>	<i>Statutory reserve</i> <i>AED'000</i>	<i>Fair value reserve of financial assets at FVOCI</i> <i>AED'000</i>	<i>Cash flow hedge reserve</i> <i>AED'000</i>	<i>Other reserve</i> <i>AED'000</i>	<i>Retained earnings</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>	<i>Non-controlling interests</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
As at 1 January 2022 – <i>Audited</i>	2,500,000	2,877	(12,711)	58,235	(21,530)	(1,646)	(18,347)	263,228	2,770,106	(1,346)	2,768,760
Profit/(loss) for the period	-	-	-	-	-	-	-	32,014	32,014	(1,590)	30,424
Other comprehensive income/(loss)	-	-	-	-	(993)	1,808	-	-	815	-	815
Total comprehensive income/(loss) for the period	-	-	-	-	(993)	1,808	-	32,014	32,829	(1,590)	31,239
Treasury shares (Note 8)	-	72	1,598	-	-	-	-	-	1,670	-	1,670
Dividends (Note 9)	-	-	-	-	-	-	-	(150,000)	(150,000)	-	(150,000)
Contribution by non-controlling interests*	-	-	-	-	-	-	-	-	-	4,046	4,046
As at 31 March 2022 – <i>Unaudited</i>	2,500,000	2,949	(11,113)	58,235	(22,523)	162	(18,347)	145,242	2,654,605	1,110	2,655,715

* During the period, a subsidiary of the Group, Royal Hospital for Women and Children W.L.L., resolved to increase its share capital. As per the terms of the capital increase, non-controlling interests contributed AED 4,046 thousand of capital whilst maintaining their overall percentage ownership in the subsidiary.



Amanat Holdings PJSC

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2021

Attributable to the equity holders of the Company

	<i>Share capital AED'000</i>	<i>Share Premium AED'000</i>	<i>Treasury shares AED'000</i>	<i>Statutory reserve AED'000</i>	<i>Fair value reserve of financial assets at FVOCI AED'000</i>	<i>Retained earnings AED'000</i>	<i>Total Equity AED'000</i>	<i>Non-controlling interests AED'000</i>	<i>Total AED'000</i>
As at 1 January 2021 – <i>Audited</i>	2,500,000	523	(6,702)	30,152	(22,390)	10,497	2,512,080	6,345	2,518,425
Profit/(loss) for the period	-	-	-	-	-	31,514	31,514	(2,279)	29,235
Other comprehensive loss	-	-	-	-	(132)	-	(132)	-	(132)
Total comprehensive income/ (loss) for the period	-	-	-	-	(132)	31,514	31,382	(2,279)	29,103
Treasury shares (Note 8)	-	86	836	-	-	-	922	-	922
As at 31 March 2021 - <i>Unaudited</i>	<u>2,500,000</u>	<u>609</u>	<u>(5,866)</u>	<u>30,152</u>	<u>(22,522)</u>	<u>42,011</u>	<u>2,544,384</u>	<u>4,066</u>	<u>2,548,450</u>

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements.



Amanat Holdings PJSC

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 31 March 2022

		<i>Three months ended 31 March</i>	
		<i>2022</i>	<i>2021</i>
		<i>AED'000</i>	<i>AED'000</i>
		<i>Unaudited</i>	<i>Unaudited</i>
	<i>Note</i>		
OPERATING ACTIVITIES			
Profit for the period		30,424	29,235
<i>Adjustments for:</i>			
Share of results of associates		(7,264)	(17,245)
Depreciation of property and equipment and right-of-use assets		11,749	4,519
Amortization of intangible assets		2,137	1,625
Provision for employees' end of service benefits		1,847	1,200
Income on finance lease		(8,320)	(8,075)
Finance income		(2,647)	(697)
Finance costs		6,004	2,347
		33,930	12,909
<i>Working capital changes:</i>			
Inventories		(368)	(4,378)
Trade and other receivables		17,488	(20,942)
Due from related parties		(588)	7,901
Accounts and other payables and contract liabilities		(21,974)	1,926
Due to related parties		27	(253)
Cash from/(used in) operations		28,515	(2,837)
Employees' end of service benefits paid		(677)	(50)
Net cash flows from/(used in) operating activities		27,838	(2,887)
INVESTING ACTIVITIES			
Acquisition of property and equipment		(2,659)	(2,367)
Acquisition of a subsidiary, net of cash acquired		-	(853,166)
Investment in finance lease		-	(302)
Lease payments received		12,028	3,704
Changes in Sharia compliant term deposits and bank term deposits		139,107	106,590
Income received on sharia compliant term deposits		1,124	2,315
Interest received on bank term deposits		860	2,563
Dividend received from associates		-	8,750
Net cash flows from/(used in) investing activities		150,460	(731,913)
FINANCING ACTIVITIES			
Repayment of bank financing		(11,586)	(4,287)
Proceeds from bank financing		-	405,000
Payment of lease liabilities		(4,414)	(341)
Capital contribution by non-controlling interests		4,046	-
Change in cash balance held with a third-party		(1,475)	9,327
Acquisition of treasury shares, net		1,670	922
Finance cost paid		(3,680)	(10)
Net cash flows (used in)/from financing activities		(15,439)	410,611
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		162,859	(324,189)
Cash and cash equivalents at the beginning of the period		92,560	391,116
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		255,419	66,927
Non-cash transaction			
Lease remeasurement	6	26,578	-

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements.



1 BACKGROUND AND PRINCIPAL ACTIVITIES

Amanat Holdings PJSC ("the Company") was incorporated on 17 November 2014 and is registered as a Public Joint Stock Company listed on the Dubai Financial Market under the UAE Federal Law No. (2) of 2015 (as amended). The registered office of the Company is One Central, The Offices 5, Level 1 Unit 107 and 108, Dubai, United Arab Emirates. These interim condensed consolidated financial statements include the financial performance and position of the Company and its subsidiaries (collectively the "Group").

Federal Decree-Law No. 32 of 2021 which amends certain provisions of Federal Law No. 2 of 2015 (as amended) on Commercial Companies was issued on 27 September 2021 and the amendments came into effect on 2 January 2022. The Company finalized the process of reviewing the new provisions and applied the requirements thereof during the three-month period ended 31 March 2022 with no resulting significant impact on the interim condensed consolidated financial statements.

The principal activities of the Company are to invest in companies and enterprises in the fields of education and healthcare as well as managing, developing and operating such companies and enterprises. The Company may participate or have an interest in any manner in other companies, entities or institutions outside the United Arab Emirates.

2 BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES

2.1 Basis of Preparation

These interim condensed consolidated financial statements for the three months ended 31 March 2022 have been prepared in accordance with IAS 34: *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2021. In addition, the results for the three months period ended 31 March 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

When preparing the interim condensed consolidated financial statements, management undertakes a number of judgements, estimates, and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management.

The interim condensed consolidated financial statements include the assets, liabilities and result from the operations of the Group's subsidiaries: Middlesex Associates FZ L.L.C ("Middlesex University"), Royal Hospital for Women and Children W.L.L. ("Royal Hospital for Women and Children") and CMRC Limited ("CMRC") (collectively "the Group").

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2022, but do not have an impact on the interim condensed consolidated financial statements of the Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services and include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision).



2 BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES (continued)

2.2 New standards, interpretations and amendments adopted by the Group (continued)

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37 (continued)

General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendment had no impact on the interim condensed consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no contingent assets, liabilities and contingent liabilities within the scope of these amendments that have arisen during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments are not applicable to the Group and hence had no impact on the interim condensed consolidated financial statements.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments are not applicable to the Group and hence had no impact on the interim condensed consolidated financial statements.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no modifications to the Group's financial instruments during the period.

IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments are not applicable to the Group and hence had no impact on the interim condensed consolidated financial statements.



2 BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES (continued)**2.3 Fair value measurement**

All financial assets and liabilities are stated at amortised cost or historical cost except for FVOCI investments, other financial liability and other financial asset, which are measured at fair value. The fair values of other financial assets and liabilities are not materially different from their carrying values at the reporting date. FVOCI investments qualify for the Level 1 and Level 2 fair value hierarchy. There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the period.

3 PROFIT OR LOSS**3.1 REVENUE****3.1.1 Disaggregated revenue and cost information**

Education revenue is related to services rendered in the United Arab Emirates while Healthcare revenue is related to services rendered in the United Arab Emirates, Kingdom of Bahrain, and the Kingdom of Saudi Arabia.

Segments	<i>Period ended 31 March 2022 - Unaudited</i>		
	<i>Education AED'000</i>	<i>Healthcare AED'000</i>	<i>Total AED'000</i>
<i>Type of goods or service</i>			
Tuition fees, net of scholarship awarded	47,917	-	47,917
Administrative and other service fees from students	1,198	-	1,198
Healthcare and medical services	-	81,643	81,643
Total revenue	49,115	81,643	130,758
<i>Timing of revenue recognition</i>			
Services transferred over time	48,326	66,016	114,342
Services transferred at a point in time	789	15,627	16,416
Total revenue	49,115	81,643	130,758
Direct costs	(21,040)	(48,245)	(69,285)

<i>Segments</i>	<i>Period ended 31 March 2021 - Unaudited</i>		
	<i>Education AED'000</i>	<i>Healthcare AED'000</i>	<i>Total AED'000</i>
<i>Type of goods or service</i>			
Tuition fees, net of scholarship awarded	43,823	-	43,823
Administrative and other service fees from students	234	-	234
Healthcare and medical services	-	29,615	29,615
Total revenue	44,057	29,615	73,672



3 PROFIT OR LOSS (continued)**3.1 REVENUE (continued)****3.1.1 Disaggregated revenue and cost information (continued)**

	<i>Period ended 31 March 2021 - Unaudited</i>		
	<i>Education</i>	<i>Healthcare</i>	<i>Total</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Timing of revenue recognition			
Services transferred over time	43,964	22,926	66,890
Services transferred at a point in time	93	6,689	6,782
Total revenue	44,057	29,615	73,672
Direct costs	(19,768)	(19,590)	(39,358)

3.2 General and administrative expenses

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2022</i>	<i>2021</i>
	<i>AED'000</i>	<i>AED'000</i>
	<i>Unaudited</i>	<i>Unaudited</i>
Employee related expenses	23,569	13,875
Depreciation of property and equipment	3,529	2,627
Expected credit losses on trade receivables	2,154	3,648
Amortization of intangible assets (Note 4)	2,137	1,625
Marketing and communications	2,115	1,082
Portfolio management expenses	385	388
Depreciation of right-of-use assets	260	228
Transaction related costs	101	-
Other expenses	9,858	5,776
	44,108	29,249

General and administrative expenses are incurred as follows:

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2022</i>	<i>2021</i>
	<i>AED'000</i>	<i>AED'000</i>
	<i>Unaudited</i>	<i>Unaudited</i>
<i>Holding Company expenses</i>		
Head office expenses	10,653	8,253
Amortization of intangible assets	2,137	1,625
Portfolio management expenses	385	388
Transaction related costs	101	-
Subsidiary expenses	30,832	18,983
	44,108	29,249



4 GOODWILL AND INTANGIBLE ASSETS

Intangible assets acquired through business combinations are as follows:

	<i>Goodwill AED'000</i>	<i>Agreement with definite useful life AED'000</i>	<i>Agreement with indefinite useful life AED'000</i>	<i>Brand name with definite useful life AED'000</i>	<i>Total AED'000</i>
Cost:					
At 1 January 2021	358,782	133,300	-	-	492,082
Acquisition of a subsidiary during the year	156,496	-	560,867	39,668	757,031
At 31 December 2021	515,278	133,300	560,867	39,668	1,249,113
At 31 March 2022	515,278	133,300	560,867	39,668	1,249,113
Amortisation and impairment:					
At 1 January 2021	-	10,733	-	-	10,733
Amortisation for the year	-	4,500	-	3,364	7,864
Impairment for the year	19,961	-	-	-	19,961
At 31 December 2021	19,961	15,233	-	3,364	38,558
Amortisation for the period (Note 3)	-	1,123	-	1,014	2,137
At 31 March 2022	19,961	16,356	-	4,378	40,695
Carrying amounts					
At 31 March 2022 – Unaudited	495,317	116,944	560,867	35,290	1,208,418
At 31 December 2021 – Audited	495,317	118,067	560,867	36,304	1,210,555

Impairment testing of goodwill

The Group performs its annual impairment test at year-end and when circumstances indicate that the carrying value may be impaired, whereby the impairment test is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the consolidated financial statements for the year ended 31 December 2021.

As at 31 March 2022, management has not identified any circumstances that may indicate that the carrying value of goodwill may be impaired.

5 INVESTMENTS IN ASSOCIATES

The carrying value of the Group's investment in associates is as follows:

	<i>31 March 2022 AED'000 Unaudited</i>	<i>31 December 2021 AED'000 Audited</i>
Sukoon International Holding Company ("Sukoon") (1)	129,422	129,170
Abu Dhabi University Holding LLC ("ADUHC")	383,899	376,887
	513,321	506,057



5 INVESTMENTS IN ASSOCIATES (continued)

- (1) During 2021, Sukoon's Ministry of Health license expired, and a renewal request has been submitted by Sukoon, which is still under process by the Ministry of Health of the Kingdom of Saudi Arabia at the date of the issuance of these interim condensed consolidated financial statements. The management of the Company assessed that based on the history of renewals of the license and the fact that Sukoon has all the required documentation in place, it is not expected that there will be any complications in the license renewal process, which is expected to be renewed during the second quarter of 2022.

The Group's share of results from associates is as follows:

	<i>Three months ended 31 March</i>	
	<i>2022</i>	<i>2021</i>
	<i>AED'000</i>	<i>AED'000</i>
	<i>Unaudited</i>	<i>Unaudited</i>
Sukoon International Holding Company ("Sukoon")	252	(3)
Abu Dhabi University Holding LLC ("ADU")	7,012	8,789
Taaleem Holdings PrJSC ("Taaleem")*	-	3,905
International Medical Center ("IMC")*	-	4,554
	7,264	17,245

* *Taaleem and IMC were disposed of during the second and third quarters of 2021, respectively.*

The movement in the investments in associates is as follows:

	<i>Three-months ended 31 March 2022</i>	<i>Year ended 31 December 2021</i>
	<i>AED'000</i>	<i>AED'000</i>
	<i>Unaudited</i>	<i>Audited</i>
At the beginning of the period/year	506,057	1,069,755
Share of results	8,014	57,299
Amortization of PPA assets	(750)	(4,766)
Share of results in profit or loss	7,264	52,533
Share of other comprehensive income	-	(17)
Dividends	-	(22,370)
Disposal of associates	-	(575,497)
Acquisition of non-controlling interests	-	(18,347)
At the end of the period/year	513,321	506,057



6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES**6.1 Financial assets**

Set out below, is an overview of financial assets, other than cash and short-term deposits, held by the Group as at 31 March 2022 and 31 December 2021.

	<i>31 March 2022 AED'000 Unaudited</i>	<i>31 December 2021 AED'000 Audited</i>
Debt instruments at amortised cost		
Trade receivables	68,893	85,898
Deposits	1,947	1,847
Other current assets	7,045	9,495
Finance lease receivables	417,491	420,818
Due from related parties	8,667	8,079
	504,043	526,137
Derivative designated at hedging instrument		
Interest rate swap	162	-
Equity instruments at fair value through OCI		
Listed equity instrument	14,226	15,219
Unquoted equity instrument	18,609	18,609
	32,835	33,828
Total financial assets	537,040	559,965
Total current	121,666	143,305
Total non-current	415,374	416,660

6.2 Financial liabilities

Set out below is an overview of financial liabilities held by the Group as at 31 March 2022 and 31 December 2021:

	<i>31 March 2022 AED'000 Unaudited</i>	<i>31 December 2021 AED'000 Audited</i>
Interest-bearing loans and borrowings		
Lease liabilities (1)	149,752	124,241
Bank overdraft	4,727	21,072
Financing from banks (net of arrangement fees) (2)	431,793	443,428
	586,272	588,741
Derivative designated as hedging instrument		
Interest rate swap	-	1,646



6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)**6.2 Financial liabilities (continued)**

	<i>31 March 2022 AED'000 Unaudited</i>	<i>31 December 2021 AED'000 Audited</i>
Financial liabilities at amortised cost		
Accounts and other payables	96,558	119,356
Other long-term payables	3,702	3,630
Due to related parties	5,257	5,230
Dividend payable	150,000	-
	<u>255,517</u>	<u>128,216</u>
Total financial liabilities	<u>841,789</u>	<u>718,603</u>
Total current	<u>311,189</u>	<u>210,344</u>
Total non-current	<u>530,600</u>	<u>508,259</u>

- (1) During the period, a subsidiary of the Group, CMRC UAE, entered into a lease amendment agreement in relation to its healthcare facility in Al Ain whereby the lease period was extended to 30 years from 15 years with revised lease payments. The subsidiary remeasured the lease liability to reflect changes to the lease payments and recognised an amount AED 26.5 million as lease liability with a corresponding adjustment to the right-of-use asset.
- (2) During the period, a subsidiary of the Group, Royal Hospital for Women & Children, signed an amended bank facility offer letter with the lender in relation to the subsidiary's bank borrowings and overdraft facility. In accordance with the amended terms, the 2022 principal repayments were reduced from AED 15.6 million to AED 5.8 million and the remaining principal repayments were realigned with the final loan repayment date extended to September 2027 from June 2026. As at 31 March 2022, the bank overdraft was partially settled with AED 15.7 million of unutilized facility available along with AED 4.9 million of unutilized bank borrowings. In addition, a moratorium on covenant testing was agreed for the financial years 2022 and 2023.

7 CASH AND BANK BALANCES

	<i>31 March 2022 AED'000 Unaudited</i>	<i>31 December 2021 AED'000 Audited</i>
Cash on hand	635	793
Current accounts with banks	259,511	112,839
Cash balance held with a third-party (Note 8)	11,630	10,206
Bank financing service reserve account	8,142	8,091
Sharia compliant term deposits	507,000	627,000
Non-Sharia compliant term deposits	100,000	119,107
Cash and bank balances	<u>886,918</u>	<u>878,036</u>



7 CASH AND BANK BALANCES (continued)

Cash and cash equivalents in the interim consolidated statement of cash flows comprise the following:

	<i>31 March 2022 AED'000 Unaudited</i>	<i>31 December 2021 AED'000 Audited</i>
Cash and bank balances	886,918	878,036
Less:		
Cash balance held with a third-party (Note 8)	(11,630)	(10,206)
Bank financing service reserve account	(8,142)	(8,091)
Sharia compliant term deposits with initial maturity of more than 3 months	(507,000)	(627,000)
Non-Sharia compliant term deposits with initial maturity of more than 3 months	(100,000)	(119,107)
Bank overdraft	(4,727)	(21,072)
Cash and cash equivalents	255,419	92,560

During the period ended 31 March 2022, the Group earned an aggregate profit of AED 2,647 thousand on its deposits (31 March 2021: AED 697 thousand).

8 SHARE CAPITAL AND TREASURY SHARES**8.1 Share capital**

The authorised share capital of the Company is AED 2.5 billion (2021: AED 2.5 billion).

As at 31 March 2022, the Company had 2,500,000,000 ordinary shares in issuance of AED 1 each which were fully paid up. Holders of these ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Group.

8.2 Treasury shares

In 2020, the Company engaged a third-party licensed Market Maker on the Dubai Financial Market that offers liquidity provision services, to place buy and sell orders of the Company's shares with the objective of reducing bid/ask spreads as well as reducing price and volume volatility. At 31 March 2022, the Market Maker held 9,692,872 (2021: 11,036,734) of Amanat's shares on behalf of the Company, which were purchased at a cost of AED 11,113 thousand (2021: AED 12,711 thousand) and classified under equity as treasury shares at 31 March 2022. A cumulative gain of AED 2,949 thousand has been recognised at 31 March 2022 as Share Premium under equity out of which a net gain of AED 72 thousand (31 March 2021: AED 86 thousand) is from the net disposal of shares during the current period. At the end of the contract term with the Market Maker, the Company will have the option to either transfer the outstanding shares under its name or dispose of the shares in the market.

9 DIVIDEND

On 24 March 2022, a cash dividend of AED 150 million equivalent to AED 0.06 per ordinary share (2021: Nil) was approved by the shareholders at the Annual General Assembly, as proposed by the Board of Directors. The cash dividend was settled subsequent to the period end.



10 BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic and diluted earnings per share has been based on the profit for the period attributable to the equity holders of the Company and weighted average number of ordinary shares issued by the Company.

	<i>Three months ended 31 March</i>	
	<i>2022 Unaudited</i>	<i>2021 Unaudited</i>
Profit for the period attributable to the equity holders of the Company (AED'000)	<u>32,014</u>	<u>31,514</u>
Weighted average number of ordinary shares* ('000)	<u>2,500,064</u>	<u>2,499,489</u>
Basic and diluted earnings per share (AED)	<u>0.013</u>	<u>0.013</u>

* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the period.

11 COMMITMENTS AND CONTINGENCIES*Group as lessor*

In 2018, the Group entered into a sale purchase agreement to acquire a school building complex from a third party for a total consideration of AED 360 million. Subsequently, the Group (acting as the lessor), entered into another agreement with the same third party to lease the school building for a period of 25 years, renewable for a period of 5 years based on mutual consent of both parties. The Group accounted for this transaction as a finance lease as per IAS 17. Given that lessor accounting under IFRS 16 is substantially unchanged from IAS 17, the Group continues to classify this lease as finance lease using similar principles as in IAS 17.

During the same period in the prior year, the Group extended additional financing to the lessee towards the expansion of the leased asset amounting to AED 0.3 million. Out of a total contractual financing limit of AED 45 million as per the original lease agreement, the lessee has utilised an amount of AED 32.9 million. Management is currently not aware of any intention by the lessee to expand the leased asset.

Contingencies

The Company and its subsidiaries do not have any significant contingent liabilities at the reporting date (2021: Nil). Below are details of the Group's share of its associates' contingent liabilities at the reporting date.

	<i>31 March 2022 AED'000 Unaudited</i>	<i>31 December 2021 AED'000 Audited</i>
Bank guarantees	<u>18,405</u>	<u>18,608</u>



12 RELATED PARTY TRANSACTIONS

The Group, in its normal course of business, enters into transaction with business enterprises that fall within the definition of a 'related party' as contained in International Accounting Standard 24 (Revised). The terms and conditions of these transactions are agreed between the Company and related party. The following is the list of significant transactions and balances with related parties.

Balances outstanding with related parties

	<i>31 March 2022 AED'000 Unaudited</i>	<i>31 December 2021 AED'000 Audited</i>
<i>Due from related parties</i>		
Associates		
Sukoon	8,517	7,924
Other related parties	150	155
	<u>8,667</u>	<u>8,079</u>
<i>Due to related parties</i>		
Other related parties – non-current	4,013	4,013
Other related parties – current	1,244	1,217
	<u>1,244</u>	<u>1,217</u>

Transactions with related parties

	<i>Three months ended 31 March</i>	
	<i>2022 AED'000 (Unaudited)</i>	<i>2021 AED'000 (Unaudited)</i>
Dividend received from ADU	-	8,750
<i>Key management personnel</i>		
Management fee	698	746

Management fee expense is included under share of results of an associate for services provided by a key management personnel of the Company to the associate. The above management fee represents the Group's share of the expense.

There were no other material transactions with related parties during the three-month period ended 31 March 2022 and 2021.

Director and key managerial persons' compensation comprise the following:

	<i>Three months ended 31 March</i>	
	<i>2022 AED'000 (Unaudited)</i>	<i>2021 AED'000 (Unaudited)</i>
Short-term benefits	6,464	4,065
Post-employment benefits	239	116
	<u>6,703</u>	<u>4,181</u>



13 SEGEMENT INFORMATION

The following tables present information about the Group's operating segments:

For the three months 31 March 2022 - Unaudited

	<i>Investments</i> <i>AED'000</i>	<i>Education</i> <i>AED'000</i>	<i>Healthcare</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>	<i>Eliminations</i> <i>AED'000</i>	<i>Consolidated</i> <i>AED'000</i>
Revenue	-	49,115	81,643	130,758	-	130,758
Direct costs	-	(21,040)	(48,943)	(69,983)	698	(69,285)
General and administrative expenses	(11,139)	(12,883)	(20,662)	(44,684)	576	(44,108)
Share of results of associates	-	7,012	252	7,264	-	7,264
Income from finance lease	-	8,320	-	8,320	-	8,320
Other operating income	625	730	966	2,321	(1,489)	832
Finance income	2,647	-	2,521	5,168	(2,521)	2,647
Finance costs	(2,563)	(548)	(5,629)	(8,740)	2,736	(6,004)
Segment results	(10,430)	30,706	10,148	30,424	-	30,424
<i>Segment profit/(loss) attributable to:</i>						
Equity holders of the Company	(10,430)	30,706	11,738	32,014	-	32,014
Non-controlling interests	-	-	(1,590)	(1,590)	-	(1,590)

As at 31 March 2022 - Unaudited

Total assets	926,204	1,316,924	1,776,702	4,019,830	(464,022)	3,555,808
Total liabilities	(609,894)	(109,339)	(629,449)	(1,348,682)	448,589	(900,093)

For the three months ended 31 March 2021 - Unaudited

	<i>Investments</i> <i>AED'000</i>	<i>Education</i> <i>AED'000</i>	<i>Healthcare</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>	<i>Eliminations</i> <i>AED'000</i>	<i>Consolidated</i> <i>AED'000</i>
Revenue	-	44,057	29,615	73,672	-	73,672
Direct costs	-	(19,768)	(19,590)	(39,358)	-	(39,358)
General and administrative expenses	(8,639)	(11,776)	(9,459)	(29,874)	625	(29,249)
Share of results of associates	-	12,694	4,551	17,245	-	17,245
Income from finance lease	-	8,075	-	8,075	-	8,075
Other operating income	625	319	181	1,125	(625)	500
Finance income	697	-	496	1,193	(496)	697
Finance costs	(888)	-	(1,955)	(2,843)	496	(2,347)
Segment results	(8,205)	33,601	3,839	29,235	-	29,235
<i>Segment profit/(loss) attributable to:</i>						
Equity holders of the Company	(8,205)	33,601	6,118	31,514	-	31,514
Non-controlling interests	-	-	(2,279)	(2,279)	-	(2,279)

As at 31 December 2021 – Audited

	<i>Investments</i> <i>AED'000</i>	<i>Education</i> <i>AED'000</i>	<i>Healthcare</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>	<i>Eliminations</i> <i>AED'000</i>	<i>Consolidated</i> <i>AED'000</i>
Total assets	907,900	1,334,591	1,748,558	3,991,049	(447,029)	3,544,020
Total liabilities	(475,787)	(114,063)	(632,498)	(1,222,348)	447,088	(775,260)



14 RISK MANAGEMENT

The ongoing novel coronavirus (Covid-19) situation, including the government and public response to the challenges, continue to progress and rapidly evolve. Therefore, the extent and duration of the impact of these conditions remain uncertain and depend on future developments that cannot be accurately predicted at this stage, and a reliable estimate of such an impact cannot be made at the date of authorisation of these interim condensed consolidated financial statements.

The Group has considered the potential impact (based on the best available information) of the uncertainties caused by the Covid-19 pandemic and concluded that these events did not have any significant impact on the financial position and performance of the Group as at and during the three-month period ended 31 March 2022.

15 COMPARATIVE FIGURES

During the period ended 31 March 2022, Management amended the presentation of the interim consolidated statement of profit or loss whereby items related to the Company's investing activities previously reported under non-operating profit/(loss) have been reclassified under operating profit/(loss). As per management's assessment, and given that the Company's principal activities comprise investments in other enterprises, such reclassification will enhance the understanding of the users of the interim condensed consolidated financial statements of the Group's underlying performance. Accordingly, share of results of associates and finance lease income have been reclassified and included under operating profit/(loss), which did not have any impact on the previously reported results and net assets of the Group.

The table below summarizes the impact of the reclassifications on the comparative figures in the interim consolidated statement of profit or loss:

	<i>Three-months ended 31 March 2021 AED'000 Unaudited</i>
Operating Profit – as previously reported	5,565
Add:	
Share of results of associates	17,245
Income from finance lease	8,075
Operating Profit – as currently reported	<u>30,885</u>

In addition, certain comparative figures in the interim consolidated statement of profit or loss have been reclassified, where appropriate, to confirm to the current period's presentation. Such reclassifications did not have any impact on the previously reported net assets and results of the Group and are summarised as follows.

Interim consolidated statement of profit or loss for the three months period ended 31 March 2021

	<i>As previously reported AED'000</i>	<i>Reclassification AED'000</i>	<i>As currently reported AED'000</i>
Direct costs	(37,657)	(1,701)	(39,358)
Gross profit	36,015	(1,701)	34,314
General and administrative expenses	(30,950)	1,701	(29,249)



16 ALTERNATIVE PERFORMANCE MEASURES

Management considers the use of non-IFRS Alternative Performance Measures (APMs) to be key in understanding the Group's financial performance as well as assisting in forecasting the performance of future periods.

The presentation of APMs has limitations as analytical tools and should not be considered in isolation or as a substitute for related financial measures prepared in accordance with IFRS.

In presenting the APMs management adjusts for certain items that vary between periods and for which the adjustment facilitates comparability between periods.

A reconciliation of the APMs utilised to the most directly reconcilable line items in the interim consolidated statement of profit or loss is provided below and may differ from similarly titled measures used by other entities.

(a) Adjusted profit attributable to the equity holders of the Company

This APM represents the reported profit attributable to the equity holders of the Company adjusted for income/expense related to:

- acquisition and disposals of investees including related transaction costs; and
- share of results of investees disposed of during the previous period.

(b) Adjusted operating profit attributable to the equity holders of the Company

This APM represents the reported adjusted profit attributable to the equity holders of the Company adjusted for finance costs and finance income.

(c) Adjusted earnings before interest, tax, depreciation and amortization (Adjusted EBITDA)

This APM represents the reported adjusted operating profit attributable to the equity holders of the Company adjusted for income/expense related to:

- acquisition and disposals of investees including related transaction costs; and
- share of results of investees disposed of during the previous period;
- depreciation and amortisation
- purchase price amortisation of associates

(d) Reconciliation

The APMs and their reconciliations to the measures reported in the interim condensed consolidated statement of comprehensive income are as follows:

	<i>Three months ended 31 March</i>	
	<i>2022</i>	<i>2021</i>
	<i>AED'000</i>	<i>AED'000</i>
Profit attributable to equity holders of the Company	32,014	31,514
<i>Adjusted for:</i>		
Transaction related costs (Note 3.2)	101	-
Share of results of investees disposed of, net of amortisation (Note 5)	-	(8,459)
Adjusted profit attributable to equity holders of the Company	32,115	23,055



16 ALTERNATIVE PERFORMANCE MEASURES (continued)**(d) Reconciliation (continued)**

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2022</i>	<i>2021</i>
	<i>AED'000</i>	<i>AED'000</i>
Adjusted profit attributable to equity holders of the Company	32,115	23,055
<i>Add/(deduct):</i>		
Finance costs*	5,417	1,837
Finance income	(2,647)	(697)
Adjusted operating profit attributable to equity holders of the Company	34,885	24,195
<i>Add/(deduct):</i>		
Transaction related costs	(101)	-
Share of results of investees disposed of, net of amortisation (Note 5)	-	8,459
Finance cost attributable to NCI	587	510
Non-controlling interests	(1,590)	(2,279)
OPERATING PROFIT	33,781	30,885
<i>Add/(deduct):</i>		
Transaction related costs (Note 3.2)	101	-
Share of results of investees disposed of, net of amortisation (Note 5)	-	(8,459)
Depreciation and amortization	13,886	6,144
Purchase price amortisation of associates	750	750
Adjusted earnings before interest, tax, depreciation and amortization	48,518	29,320

* Finance costs exclude share of non-controlling interests of AED 587 thousand (2021: AED 510 thousand)





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