أمانات
AMANAT
HEALTHCARE & EDUCATION

BUILDING STRONGER

FOUNDATIONS

ANNUAL REPORT

2020

DELIVERING TRUE
RESILIENCE

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2020
ANNUAL REPORT

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About Amanat

> Since inception, Amanat has aspired to set new standards across its chosen sectors, meeting a consistently increasing demand for quality services across the region

Amanat Holdings is the region's largest integrated healthcare and education investment company, providing holistic, hands-on management for its investments to build them into market-leading operations while delivering long-term positive impacts to the communities in which it operates. Amanat was established and listed on the Dubai Financial Market in November 2014, with a paid-up capital of AED 2.5 billion and an authorized capital of AED 5 billion.

Today, its portfolio encompasses investments in the UAE, Saudi Arabia, and Bahrain with plans to expand further across the region and beyond. Since inception, Amanat has aspired to set new standards across its chosen sectors, meeting a consistently increasing demand for quality services, improving quality of life and services for beneficiaries, and generating shareholder value and returns through solid, sustainable investments.

4	**5**	**718**	**20K**
Investments in healthcare*	Investments in education	Operational beds across 6 specialized hospitals*	Students across 1 pre-school, 8 schools and 3 universities

* *Includes investment in the Cambridge Medical and Rehabilitation Center subsequent to the close of FY-2020.*

AED 70.6 MN
Amanat's consolidated income in FY-2020

AED 56.1 MN
Total income from investments in FY-2020

AED 2.1 BN
Capital deployed as at 31 December 2020

AED 10.1 MN
Amanat's net profit in FY-2020

AED 1.3 BN
Total healthcare revenues in FY-2020

AED 1.1 BN
Total education revenues in FY-2020

At the Forefront of
Healthcare & Education Investments

A Unique and Diversified Portfolio

Amanat's investment strategy is focused on generating long-term sustainable value through investing in the regional healthcare and education sectors and targeting high quality, distinctive and competitively sustainable companies which offer compelling opportunities for growth. Wherever possible, Amanat looks for ways to establish platforms, and promote cross-asset integration and synergies to derive value from its centralized expertise and broad-based operational teams, as well as from economies of scale. As at year-end 2020, Amanat's unique and diversified portfolio comprised eight companies across the healthcare and education sectors.

Healthcare

Amanat has four investments in the healthcare sector including multidisciplinary hospitals, tertiary, and specialized care facilities, encompassing a total of 718 operational beds. Amanat's healthcare investments include:

Sukoon International Holding Company (Sukoon)

provides acute extended care, critical care and home care medical services through its flagship JCI-accredited facility International Extended Care Center (IECC)

130 Operational beds

International Medical Center (IMC)

operates a 300-bed multidisciplinary tertiary care hospital that serves Saudi Arabia's Western Region

300 Operational beds

Royal Hospital for Women & Children (RHWC)

the only private sector hospital in Bahrain focused on offering women and children healthcare services

32 Operational beds

Cambridge Medical and Rehabilitation Center (CMRC)*

a leading post-acute care and rehabilitation ("PAC") provider in the UAE and KSA (acquired in 2021)

256 Operational beds

*CMRC was acquired in February 2021.

Education

Amanat also has five investments in the education sector across the UAE, covering K-12, early learning, graduate, post-graduate, corporate and vocational training, and education technology. Its education investments include:

Taaleem

one of the largest providers of early learning, primary and secondary education in the UAE operating nine institutions across Dubai and Abu Dhabi

c.9,000 K-12 and early learning students

Abu Dhabi University Holding Company (ADUHC)

a leading private higher education provider with a track record of almost 20 years in the UAE market

c.8,000 Graduate and post-graduate students

Middlesex University Dubai (MDX)

is the first overseas campus of the internationally renowned Middlesex University in London, providing exceptional education opportunities for students across the region

c.3,300 Graduate and post-graduate students

Real Estate Assets of

North London Collegiate School Dubai (NLCS)

Amanat owns the real estate assets of NLCS, a premium International Baccalaureate curriculum K-12 school

BEGiN

Amanat holds a stake in the US-based, award-winning education technology company

Chairman's
Message

I am pleased to present on behalf of our Board, Amanat Holdings' annual report for 2020, a year which many of us will remember for the exceptional challenges individuals, businesses, and governments were confronted with following the outbreak of the COVID-19 pandemic. Despite the extremely difficult operating environment, Amanat's adaptability, financial strength and optimised capital structure saw us end the year having rebuilt stronger foundations operationally at the corporate and portfolio levels.

At the very start of the pandemic, governments across our countries of operation rolled out extensive measures to curb the spread of the virus. Throughout this challenging period, Amanat's main priority was and continues to be protecting the health and safety of our staff, students, patients and the communities where we operate, while fully supporting the mitigation and containment efforts implemented by governments across our geographic footprint.

The effectiveness of our short-term COVID-19 strategy lies in a multitude of factors, with our platforms' adaptability ranking high on the list, as well as the success of our response strategy at the corporate level. Amanat's cost control and optimization efforts saw us drive down expenses and extract maximum value from our operations to end the year reasonably profitable.

Proactively working to drive sustainable value creation in the future has been at the heart of our corporate strategy since inception. We also worked closely with management teams across our portfolio companies to assess the risks and adjust strategies accordingly, helping them to successfully mitigate the short-term operational and financial impacts of the pandemic while effectively preparing for the post COVID-19 future.

At our education platform, a seamless shift to online learning for the remainder of the 2020 academic year, coupled with our ability to offer a safe and enhanced learning environment when schools reopened in September, allowed our assets to continue delivering world-class education safely throughout the entire year. We were extremely pleased to note stronger than expected enrollments in September, a testament to the continued satisfaction in our schools' online and in-person education offering, and the trust our community has in our ability to deliver high quality education while fully complying to the highest standards of health and safety.

At our healthcare platform, while COVID-19-related restrictions did weigh down on patient volumes in the first half of 2020, we were able to mitigate the impacts thanks to an increased focus on digital and HealthTech services. As the year progressed and restrictions were eased, we witnessed a sustained normalization of activity across all our healthcare investments, with patient volumes recovering and recording record highs across several of our facilities.

In parallel, we continued to observe and assess key trends emerging in the education and healthcare sectors that will pave the way forward in a post-COVID-19 world. As an active investor, we have further broadened our focus and are looking at opportunities in both of our target sectors that will allow us to capture opportunities in EdTech and HealthTech. We believe that now is a pivotal time to invest in disruptive technologies especially in light of how COVID-19 has accelerated their use in these sectors. The future success of the sectors will undoubtedly be influenced and differentiated by the proliferation of technology and we believe that Amanat has a unique opportunity to leverage its network and expertise and lead on their digitalization in the MENA region.

Looking ahead, after the tumultuous year that was 2020, the new year offers many reasons for optimism. Amanat and its investments have emerged stronger, leaner, and ready to return to their pre-crisis growth trajectory in 2021. With the majority of the obstacles faced in 2020 being transitionary in nature, the fundamentals and growth potential of the sectors we operate in and of our business remain intact.

> *The new year offers many reasons for optimism. Amanat and its investments have emerged stronger, leaner, and ready to return to their pre-crisis growth trajectory in 2021*

The global economic recovery is gathering momentum supported by the sweeping and sizable fiscal and monetary stimulus measures enacted by governments and central banks, and a promising start to the worldwide vaccination campaign. Coupled with a widespread ability from individuals and businesses around the world to adapt to the changing dynamics brought about by the pandemic, we are confident that the prospects for the world and regional economies are looking brighter.

At Amanat, we are excited to enter our next chapter of growth guided by our new strategic roadmap dually focused on delivering solid shareholder returns in the shorter-term while building long-term sustainable value across both the education and healthcare platforms. Building on the transformation we kickstarted in the year just ended, in 2021 we are looking to improve our earnings further to ensure adequate and above market dividend returns to our shareholders. 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.

I would like to extend a sincere thank you to our shareholders, Board of Directors, management, and employees for their vital role in helping us navigate the difficulties faced in 2020 and for their continued contribution to Amanat's long-term success. I look forward to continuing our journey together towards long-term, sustainable value creation.

H.E. Hamad Abdulla Al Shamsi
Chairman

2020 Highlights

Throughout 2020, Amanat and businesses worldwide faced unprecedented operational difficulties following the outbreak of the COVID-19 pandemic. Nonetheless, the Company's proactive response and ability to promptly pivot into alternative mitigants across its platform companies saw Amanat navigate the short-term difficulties and enter 2021 well positioned to unlock new long-term value.

Challenging Operating Conditions

Following the outbreak of the COVID-19 pandemic, governments across Amanat's countries of operation rolled out extensive restrictive measures aimed at curbing the spread of the virus.

Response Measures*

Education

United Arab Emirates

Complete lockdown allowing only necessary activities with closure of all entertainment and non-essential retail activities.

Suspension of all inbound and outbound flights during March and all visas for foreign visitors.

Remote working system in a bid to ensure the health and safety of its employees and students.

A shift to distance learning took place starting 19 March 2020 until the end of the 2020 academic year.

Healthcare

Saudi Arabia

Periodically adjusted curfew hours and private and public sector employees barred from going to their workplaces.

Suspension of all inbound and outbound flights indefinitely during March and all visas for foreign visitors.

Multiple stimulus packages for the private sector and a three-fold increase in value-added tax to 15%.

Suspension of all elective procedures and surgeries.

Bahrain

Banning gatherings of more than five people and allowing working mothers to work from home.

Medical tests for inbound travelers and travelers who have been to China, Iran, Iraq and South Korea within 14 days of arrival in Bahrain.

Remote working system in a bid to ensure the health and safety of its employees and patients.

* *Listed measures reflect all of those implemented at some point throughout the pandemic and do not necessarily reflect the current measures being implemented across Amanat's footprint.*

Response Protocols and Digitalization

As part of their mitigation strategies, platform companies across both sectors rolled out new digital tools to continue delivering high quality services while complying to COVID-19 restrictions.

Education

Taaleem

Shifted successfully to distance learning across their campuses to ensure the continuation of the school curriculum.

Management devised a cash management plan to cover any short-term cash inflow disruption as well as provide an additional buffer in case of any new developments.

Remote working system in a bid to ensure the health and safety of its staff and teachers.

A shift to distance learning took place starting 19 March 2020 until the end of the 2020 academic year.

Abu Dhabi University Holding Company (ADUHC)

Pivoted to distance learning, utilizing virtual tools to continue providing its high-quality educational offering and introducing creative ways to enhance learning experience and engagement.

Successful delivery of cost optimization measures to mitigate the effects of COVID-19.

Developed an online platform for recruitment, enrollment and student support while maintaining academic support to enhance student performance and engagement.

Middlesex University Dubai (MDX)

Swift and succesful shift to distancce learning with over 4,000 live sessions conducted online during the first four weeks of distance learning.

Focus on domestic student recruitment and student conversion from the Foundation program to Undergraduate programs.

Initiated flexible payment plans for students to encourage re-enrollment and support students.

Recruitment activities became increasingly digital, with many new virtual events launched.

In line with Amanat's commitment to playing a key role in the ongoing digitalization of the education and healthcare sectors in the region, in October 2020 the Company announced its first venture capital investment in EdTech company, BEGiN. Amanat will act as their principal strategic partner for the MENA region to help drive growth and business development opportunities.

Healthcare

International Medical Center (IMC)

The addition/expansion of new services such as Homecare, Telemedicine and ER services.

Enhanced call center capabilities to promote a backlog of future appointments for surgeries and other medical procedures.

Increased daytime utilization by transferring elective same day surgeries to the "First Clinic".

Management executed various cost reduction measures as well as delayed CAPEX related to the new 150-bed tower project (plans were reactivated in 3Q-2020.

Sukoon

Pressed on with plans to revamp the facility to increase capacity and improve operational efficiency and absorb increased volumes.

Continued cost rightsizing exercise, decreasing the size of the work force and renegotiating supplier contracts.

Royal Hospital for Women and Children (RHWC)

Implemented cost cutting measures and focused on OBGYN, pediatrics and ER services.

Management is exploring partnerships with visiting international and regional surgeons to offset the temporary shortage of physicians.

Management implemented cost cutting measures, including delaying planned CAPEX to preserve the hospital's cash position as well as applying for government subsidies.

Amanat continues to assess potential investments in HealthTech solutions to enhance its digital healthcare offering, as it looks to remain at the industry's forefront and capture new long-term growth opportunities arising in the sector.

Amanat's COVID-19 Protocols at the Holding Level

Amanat swiftly rolled out health, safety and business continuity measures to effectively mitigate and combat the impact of the COVID-19 pandemic on stakeholders.

Organizational Measures to Mitigate COVID-19 Risks

Communication & Awareness

Periodic communication of guidelines and updates from health authorities and measures to limit risk of infection.

Hygiene & Sanitization Protocols

Provision and installation of hand sanitizers and increased frequency of office cleaning and disinfection.

Flexible Working Hours & Sick Leave Policies

Granting employees flexible working hours and accommodating those with children or who are immune, compromised or at risk.

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Remote Working & Business Continuity Tools

Staff worked remotely since 15 March and all necessary tools and IT infrastructure were in place. Office work resumed on 31 May upon authorities permission with all safety measures intact.

Cost-Cutting and Operational Efficiency Drives

Salary Cuts

Implemented a 100% salary cut for the CEO and 30% across the senior management team, applicable to their basic salaries for a temporary period.

Rent Decrease

Relocated to alternative corporate office space in November 2020 to reduce rent expenses.

Administrative Costs

Maintaining a tight rein on administrative costs, including significant reduction on travel and marketing costs.

Digitalizing Workflows

Establishing a more cost-effective communication network to optimize lack of travel. Launch of internal communication platforms.

Resilience and Recovery

Throughout 2020, Amanat's resilience, agility and defensive portfolio allowed the Company to continue delivering profitability to its shareholders despite the transient challenges brought about by the COVID-19 pandemic.

AED 87.5 MN

Adjusted Total Income in FY-2020

AED 456.6 MN

Total Cash and Bank Balances as at year-end 2020

20%

Decline in Staff Costs

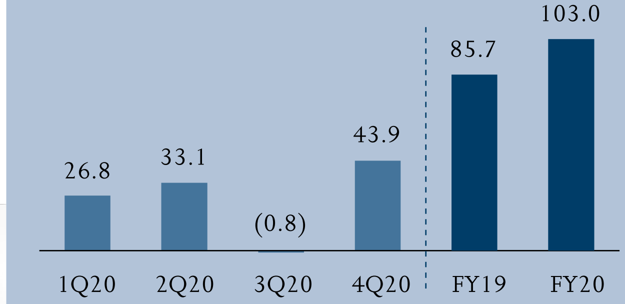
AED 26.9 MN

Adjusted Net Profit[1] in FY-2020

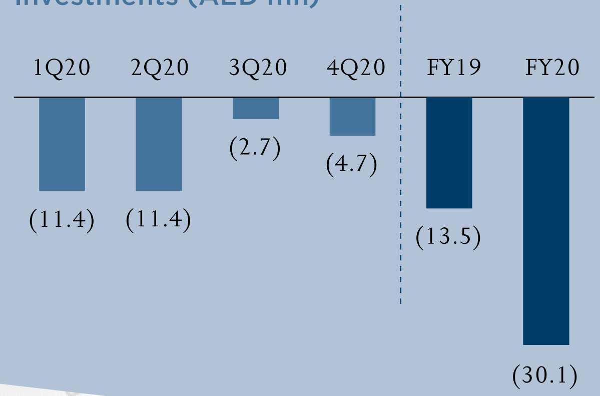
[1] *Adjusted for non-recurring items*

As restrictive measures were eased in the second half of the year, Amanat's portfolio began to display a strong recovery as schools kicked off the new academic year and healthcare facilities were allowed to return to full capacity.

Total Adjusted Education Income from Investments (AED mn)



Total Adjusted Healthcare Income from Investments (AED mn)



Strategic Report

2020 was a transformative year which enabled Amanat to emerge a stronger and more resilient organization with a clear and more defined strategy and leaner operations

> **"**
> *Our priority throughout 2020 was to rebuild stronger foundations across our portfolio companies and at the Holding level, to emerge as a more resilient and efficient organization, ideally positioned to kickstart our next chapter of sustainable growth in 2021*

Chief Executive's **Report**

Our priority throughout 2020 was to rebuild stronger foundations across our portfolio companies and at the holding level. There is no doubt that 2020 was a challenging year for businesses around the world, and Amanat was no exception. The pandemic brought about a series of hurdles across all sectors, with both the healthcare and education industries particularly affected by the COVID-19-related restrictions imposed by governments to limit the spread of the coronavirus. Against this backdrop, those with the ability to adapt swiftly to the changing dynamics were most likely to succeed, which is what we believe Amanat was able to accomplish in the last twelve months. Our ability to effectively turn short-term challenges into long-term opportunities saw us emerge as a more resilient and efficient organization, ideally positioned to kickstart our next chapter of sustainable growth in 2021.

At our education platform, all our portfolio companies implemented a seamless shift to online and distant learning to ensure an uninterrupted academic year with consistent, quality education. We also offered tuition discounts and flexible payment plans, enhanced our digital communication channels, and created enrollment task forces, all with an eye to retaining students and growing enrollments. Our stronger than expected enrollments in the spring and summer semesters are testament to the success of our strategy and were the driving force behind the platform's 20% rise in income from investments in 2020.

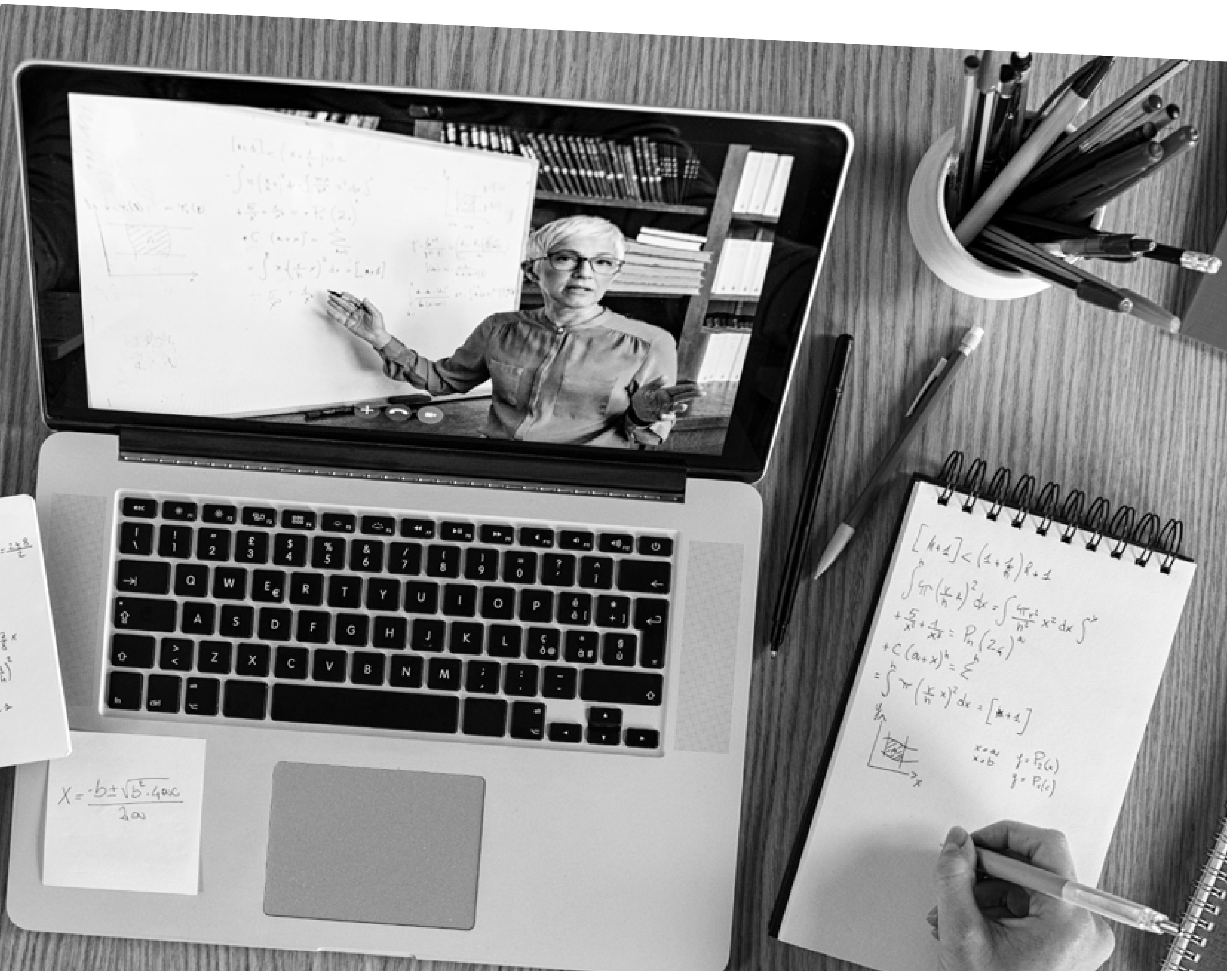
Our healthcare investments witnessed a more pronounced impact of COVID-19 due to the sector's direct relation to the pandemic. During the first half of the year, the suspension of elective surgeries and outpatient services took a toll on revenues across all our healthcare assets. As such, our immediate response was focused on mitigating the impacts of these restrictions on our operations while ensuring that the health and safety of our staff and patients was kept at the forefront of our every decision. This included the buildout of new HealthTech offerings to cater to evolving trends in the sector and accommodate patients during lockdowns and heightened restrictions as well as the backlog of patients that was to come. While the platform delivered a loss from investment during 2020, partly owing to one-off provisions at Sukoon, I am pleased to report that as restrictions began to ease, we recorded a marked recovery across all our platforms. At IMC, we saw record volumes at both its main hospital and First Clinic, with revenues returning to pre-COVID-19 levels and profitability exceeding expectations in the final quarter of the year. Meanwhile, restructuring efforts at Sukoon began showing significant quarter-on-quarter improvement in both volumes and profitability. Finally, at RHWC, we resumed our ramp-up efforts and are back on track to continue widening the hospital's service offering.

The impact of COVID-19 on our healthcare investments' performance offset the robust results posted by the education platform, with Amanat's income from investments for the year declining to AED 56 million, down 22% from last year. However, excluding one-off items, Amanat's income from investment would stand at AED 73 million in 2020, up marginally versus last year and representative of our platforms' resilience. Meanwhile, Amanat's total income for the year, which includes income from investments, other operating income and interest income, was down 37% year-on-year to AED 71 million for the year. Excluding one-off items, total income declined just 5% to AED 88 million.

At the corporate level, we rolled out health, safety and business continuity measures to effectively mitigate and combat the impact of COVID-19. On the health and safety front, our efforts concentrated on enhancing our facility hygiene and sanitization protocols, transitioning to a work from home setting to limit exposure, and providing staff with regular communication on guidelines and measures to lower the risk of infection and updates from health authorities. We also instituted more flexible work hours to accommodate immunodeficient staff and those with children.

We also adopted a similar approach as our platforms' response, building on our cost control and optimization efforts kicked off prior to the COVID-19 pandemic to drive additional operational efficiency and further tighten the rein on our expenses. Our cost control strategy helped us close an unprecedented year profitable, with a normalized net profit of AED 27 million.

As restrictions eased toward the end of the year, we shifted our focus increasingly towards planning a post-COVID-19 Amanat. We have formulated a strategic roadmap under the guidance of our Board of Directors to steer this new development phase. The aim is to continue improving our portfolios' performance and profitability, accelerate investments in high-yielding assets, and further optimizing our capital structure; all of which we have started delivering on.



Outlook

Heading into a new exciting 2021, we look forward to delivering long-term sustainable value to all our stakeholders. With the fundamentals underpinning both our chosen sectors remaining unchanged, our fine tuned approach to investment and the strengthened foundations we built in 2020 will drive a new phase of sustainable value creation for Amanat.

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 KPIs 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 existing investments.

In education, we see value in models that enable us as investors to tap into 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 exposure and target higher education in KSA and Egypt as areas to build on our existing platforms.

In early 2021, we concluded the landmark acquisition of Cambridge Medical and Rehabilitation Center (CMRC), one which will help us cement our leading position in the region's post-acute care and rehabilitation subsector while giving us access to a profitable and scalable business. CMRC, which Amanat has acquired in full, currently operates more than 250 beds across three facilities in the UAE and Saudi Arabia.

In parallel, we are also actively assessing our current investments to ensure they are aligned with our strategic objectives to improve our earnings further and to ensure adequate and above market dividend returns to our shareholders. 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 which will in turn optimize our capital structure.

Lastly, I would like to express my gratitude to all our staff for their incredible work throughout this challenging year. Despite the unprecedented professional and personal challenges brought about by the virus, they have continued to work tirelessly to serve all our stakeholders. I would also like to thank all the patients and students who continue to trust and choose our hospitals and schools as their go-to providers of high-quality healthcare and education services.

Dr. Mohamad Hamade
Chief Executive Officer

Financial & Operational **Performance**

Summary of Financial Results

AED mn	FY-2019	FY-2020	Change
Income from Investments[1]	72.2	56.1	-22.3%
Healthcare	-13.5	-46.9	High
Education[2]	85.7	103.0	20.2%
Interest & Other Income[3]	39.5	14.6	-63.1%
Total Income[4]	**111.7**	**70.6**	**-36.8%**
Total Expenses	51.7	60.6	17.2%
Net Profit	**60.0**	**10.1**	**-83.2%**
Net Profit Margin	*53.7%*	*14.3%*	*-39.4 pts*
Adjusted Net Profit	***39.9***	***26.9***	***-32.5%***
Adjusted Net Profit Margin	*43.5%*	*30.8*	*-12.7 pts*

Amanat reported total income of AED 70.6 million in FY-2020, down by 36.8% y-o-y and income from investments of AED 56.1 million, down 22.3% y-o-y. Amanat reported a net profit of AED 10.1 million for the year, compared to AED 60.0 million last year.

Excluding one-off items, Amanat's normalized total income recorded AED 87.5 million, down a mere 4.5% y-o-y, and AED 72.9 million in income from investments, up marginally versus last year. Normalized net profit recorded AED 26.9 million, down 32.5% y-o-y.

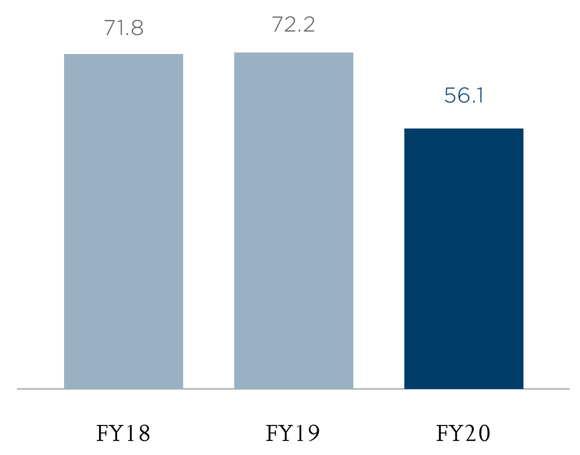
During 4Q-2020, Amanat's portfolio witnessed a solid recovery showcasing a rebound in performance since the first wave of COVID-19 in spring 2020. Income from Amanat's education investments increased 67.0% y-o-y in 4Q-2020 while losses from healthcare investments narrowed by 24.6% during the same period. This resulted in income from investments of AED 39.2 million for the quarter, up 95.4% versus 4Q-2019.

The impact of COVID-19-related restrictive measures was mostly felt across Amanat's healthcare investments following the temporary suspension of elective treatments and surgeries during the first wave of COVID-19 in spring 2020. As such, Amanat's healthcare platforms recorded an adjusted loss from investments of AED 30.1 million in FY-2020, compared to a loss of AED 13.5 million last year. However, during the second half of the year, Amanat witnessed a robust financial and operational recovery across its healthcare platforms as International Medical Center (IMC) returned to profitability, losses narrowed significantly at Sukoon, and RHWC successfully rolled out new services.

[1] Includes share of results from associates, net profit from subsidiaries & finance lease income excluding NCI.
[2] Amanat's consolidated results for the year ended 31 December 2020 reflect eight-month results from the education platform's fiscal year ended 31 August 2020, plus four months of operation from their current fiscal year ending 31 August 2021.
[3] Includes 20.1 mn MDX earnout
[4] Includes share of results from associates, net profit from subsidiaries, finance income, interest and other operating income excluding NCI.

At Jeddah-based IMC, income from investment recorded AED 2.6 million in FY-2020 compared to AED 14.2 million last year. The decline reflects lower revenues largely due to decreased volumes in the months of March, April and May, a rise in expenses related to management's proactive safety measures rolled out to mitigate the impacts of COVID-19, and higher bad debt provisioning for government-related revenue to account for the COVID-19 economic climate. It is important to note that following the lifting of restrictive measures in the second half of the year, IMC witnessed record volumes at both its main hospital and First Clinic, with revenues returning to pre-COVID-19 levels and profitability exceeding expectations.

Income from Investments
(AED mn)



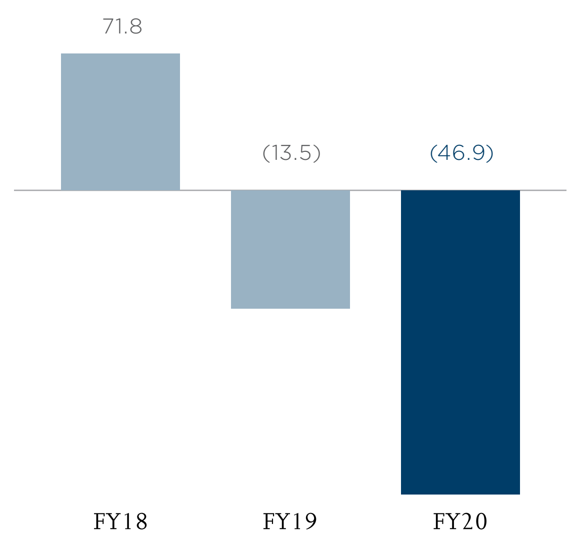
Sukoon's results for the year reflect a one-off non-cash provision of AED 16.8 million mostly related to ageing receivables. Excluding these one-off charges, Sukoon's loss from investment in FY-2020 would stand at AED 7.6 million, compared to a net loss of 7.3 in FY-2019. It is worth highlighting that significant cost savings on patient expenses, staff costs and SG&A during the year helped offset the decrease in revenues. This further solidifies the success of Sukoon's ongoing turnaround. In the final quarter of the year, Sukoon continued to record higher volumes supported by increased MOH referrals and the company's business development initiatives. Sukoon posted a loss from investment of AED 1.9 million in 4Q-2020 compared to a loss of AED 5.0 million in the same quarter last year, indicative of management's successful ongoing turnaround of the business.

Finally, the successful ramp-up and activation of the majority of RHWC's service offering combined with increased volumes and utilization rates, saw the hospital record revenues of AED 12.7 million in FY-2020, up from AED 3.9 million last year. On this front, RHWC continued to widen its service offering in the final months of the year, officially adding IVF and cosmetology to its roster. Despite the significant progress, the hospital remains in the ramp-up phase with increased costs related to the hiring of physicians and set up of departments. This was further impacted by COVID-19 restrictions and only partially offset by cost saving initiatives implemented by RHWC's management. Consequently, RHWC recorded a loss from investment of AED 23.8 million in FY-2020 compared to a loss of AED 20.4 million in FY-2019.

At Amanat's education platform, the impact of COVID-19 was less significant thanks to its seamless transition to online and distance learning during the spring semester of 2020 and solid enrollment rates for the new academic year demonstrating the resilience of Amanat's portfolio companies. The education segment recorded income from investments of AED 103.0 million for the year, up 20.2% y-o-y from the AED 85.7 million in FY-2019. The robust results for the year were supported by strong student enrollments coupled with successful cost management initiatives across Amanat's education investments.

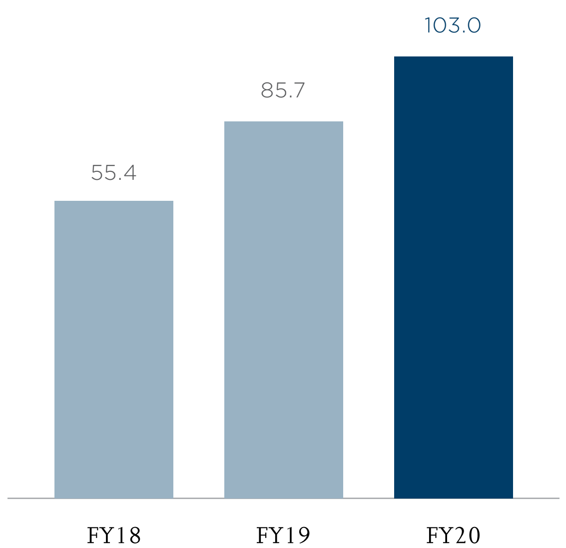
Total Healthcare Income from Investments

(AED mn)



Total Education Income from Investments

(AED mn)



Amanat's higher education provider Abu Dhabi University Holding Company (ADUHC) recorded income from investments of AED 36.7 million in FY-2020, up 75.5% y-o-y. Strong growth came on the back of robust enrollment rates during the spring, summer and fall semesters as well as higher revenues generated from the university's vocational and corporate training services. Increased recruitment was supported by multiple initiatives implemented throughout the year including the launch of an enrollment taskforce for the summer, an enhanced website, as well as virtual events and community work. Finally, good satisfaction ratings for distance learning helped support the university's top-line throughout the year. Profitability was further bolstered by efficiencies and cost optimization initiatives introduced throughout 2020.

Amanat's fully owned Middlesex University Dubai (MDX) recorded an income from investments of AED 26.6 million, a 12.8% increase versus last year. The year-on-year growth was driven by higher enrollments combined with prudent cost management. This more than offset lower ancillary revenue for the year and higher COVID-19-related costs including a rise in bad debt provisions.

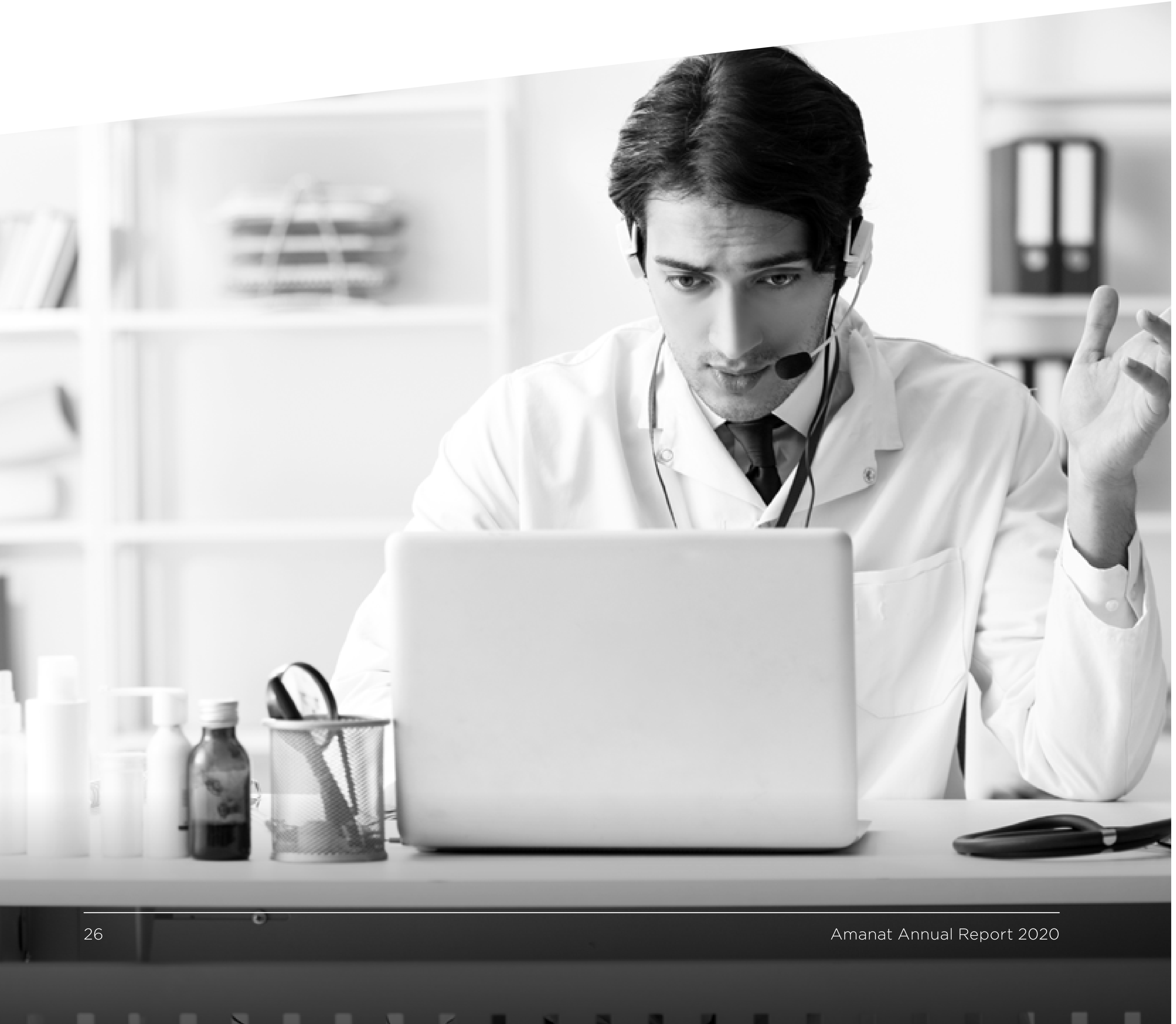
At Taaleem, Amanat's K12 and early education platform, income from investment was AED 8.8 million for FY-2020, a 39.2% y-o-y decline. The fall is largely attributable to approximately AED 30 million in discounts offered during the third school year term (ranging from 20-25%) to support the parents and the community during COVID-19, as well as lower revenue from ancillary activities as a result of the lockdowns in the first half of the year. When combined with a cost base geared for student growth, this weighed down on Taaleem's margins. Nonetheless, the platform witnessed strong enrollments in September and robust collections on the back of management's proactive initiatives. Taaleem also benefited from the implementation of an all-encompassing efficiency plan which helped drive increased cost savings during the new school year.

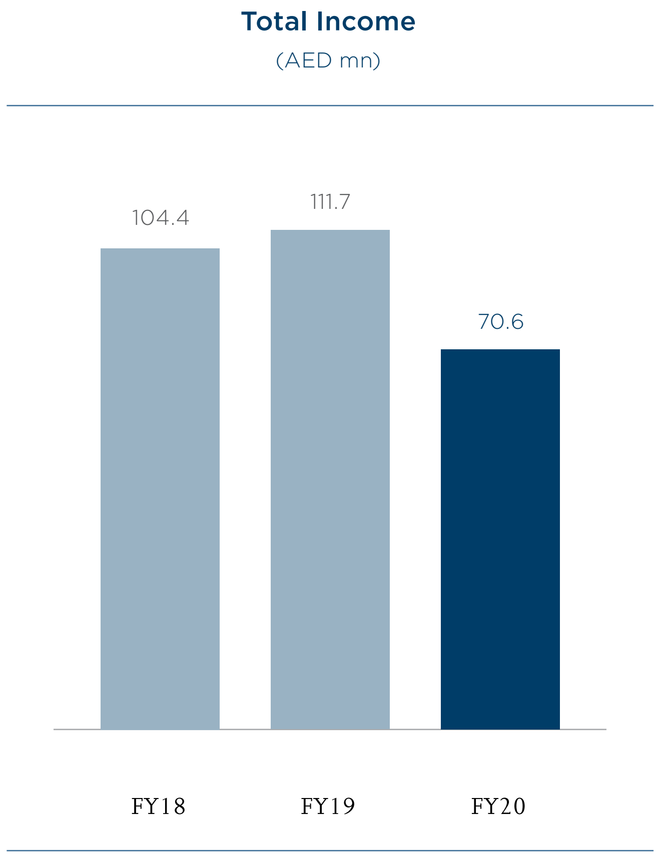
Finance lease income generated by the North London Collegiate School (NLCS) recorded AED 30.9 million in FY-2020, up 16.6% y-o-y on the back of the AED 32.7 million school expansion funded by Amanat. The first phase of the expansion, which was completed in 2020, brought the total student capacity from c. 1,000 students to c. 1,700 students.

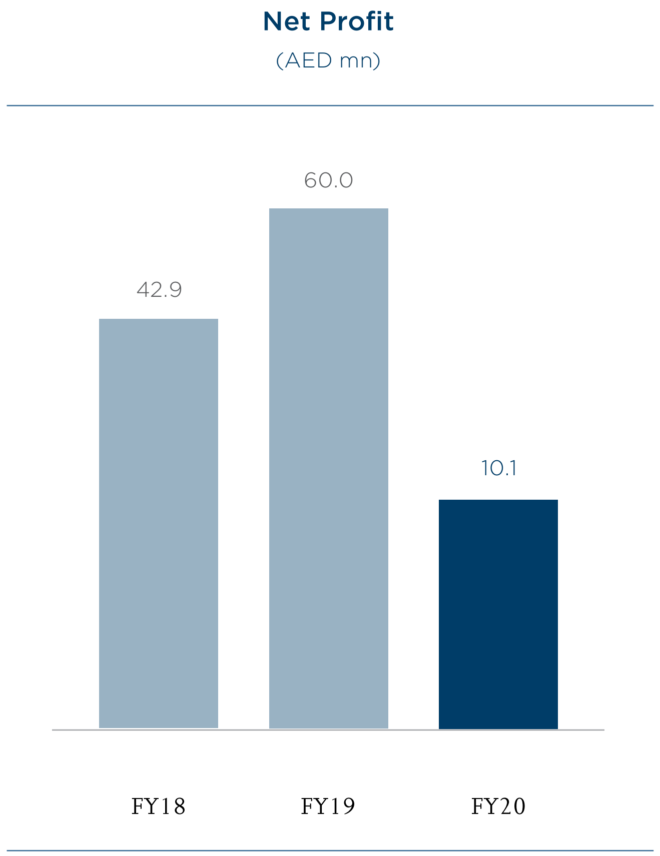
Interest and other income in FY-2020 recorded AED 14.6 million compared with AED 39.5 million last year. Interest income recorded AED 11.1 million in FY-2020, down 30.4% y-o-y due to a significant decline in interest rates, with the last six-month rates standing at 1% in 2020 compared to 3.0% last year.

Normalized total income recorded AED 87.5 million, down just 4.5% versus last year, which includes share of results from associates, net profit from subsidiaries excluding non-controlling interest, finance income, interest and other operating income. Including one-off items, Amanat recorded AED 70.6 million in FY-2020, down 36.8% from the AED 111.7 million recorded in FY-2019.

Total expenses recorded AED 60.6 million, a 17.2% y-o-y increase. Total expenses were partially offset by decreased staff costs, which declined 20.4% to AED 23.2 versus FY-2019 due to a reduction in headcount and lower bonus provision.







In parallel, management successfully controlled general and administrative expenses, which recorded AED 21.5 million (which includes AED 6 million in one-off provisions) in FY-2020 versus AED 16.7 million last year. Excluding these one-off provisions, G&A recorded AED 15.6 million, a 6.5% decline y-o-y. Lower staff costs also helped offset an increase in project costs from AED 5.8 million in FY-2019 to AED 15.8 million in FY-2020 due to a series of investment and exit opportunities assessed in the period.

Normalized Net Profit FY-2020 was AED 26.9 million, down 32.5% y-o-y in FY-2020. Bottom-line profitability continued to be impacted by lower contributions from healthcare investments due to the effect of COVID-19 which outweighed the strong performance of the education platforms. Amanat's bottom-line was also negatively impacted by a one-off non-cash provision of AED 18.1 million related to Sukoon's ageing receivables. Including one-off items, Amanat's net profit was AED 10.1 million in FY-2020 compared to the AED 60.0 million profit recorded in FY-2019.

Total cash and bank balances stood at AED 456.6 million as at year-end 2020, ready to be deployed on new investment opportunities. This reflects a decline from the AED 522.7 million recorded at year-end 2019, with AED 32.7 million utilized for NLCS' campus expansion as well as the distribution of dividends for the year 2019 and the AED 18.4 million investment in BEGiN.

Our Business Model:
Building Platforms

Amanat's investment strategy aims to capture market opportunities within education and healthcare in the GCC and beyond. Amanat has recently expanded its strategic scope as it looks to capitalize on the changing market trends and dynamics in a post-COVID-19 world. This sees the Company target opportunities where healthcare and education intersect with digitalization through venture capital and co-investments at the portfolio level, as well as targeting high-yielding opportunities.

Amanat looks for ways to establish platforms, and promote cross-asset integration and synergies to derive value from its centralized expertise and broad-based operational teams, as well as from economies of scale. Across its investments, Amanat adopts a hands-on approach leveraging its technical expertise, sector insights and capabilities to maximize the portfolio companies' potential.

In November 2020, Amanat's management and newly appointed Board of Directors formulated a strategic roadmap at the start of their three-year term, identifying three key focal points for the business to continue to grow and thrive while increasing Total Shareholder Returns (TSR).

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

Our Guiding Principles

Sector Focus
Invest in both healthcare and education sectors.

Digitalization
Earmark funds to invest in EdTech and HealthTech.

ROI
Grow earnings and improve return on investment.

Specialized Platforms
Establish specialized platforms with operational capabilities with Amanat being an influential shareholder on the platform.

Dividend
Achieve a sustainable dividend yield above market average.

Amanat Value-Added

To drive long-term value for its stakeholders, Amanat employs a three-pronged approach covering corporate strategy, corporate finance and corporate governance.

Corporate Strategy

Amanat works with its platforms' management in mapping out organic and inorganic growth strategies, as well as improving operational efficiency and developing cross-asset integration where possible. Amanat's approach to corporate strategy is best exemplified through its work with Taaleem. Since investing in Taaleem in April 2016, Amanat's dual focus on organic growth of the operator and the restructure of schools into clusters has helped the platform build scale, expand its footprint and increase synergies across schools. Amanat continues to identify efficiency, cost management and growth initiatives for the coming years. Taaleem recently launched the new Al Raha International School in Abu Dhabi and structured effective recruitment efforts for the 2021 academic year to ensure it attracts top talent to deliver high quality education.

Corporate Finance

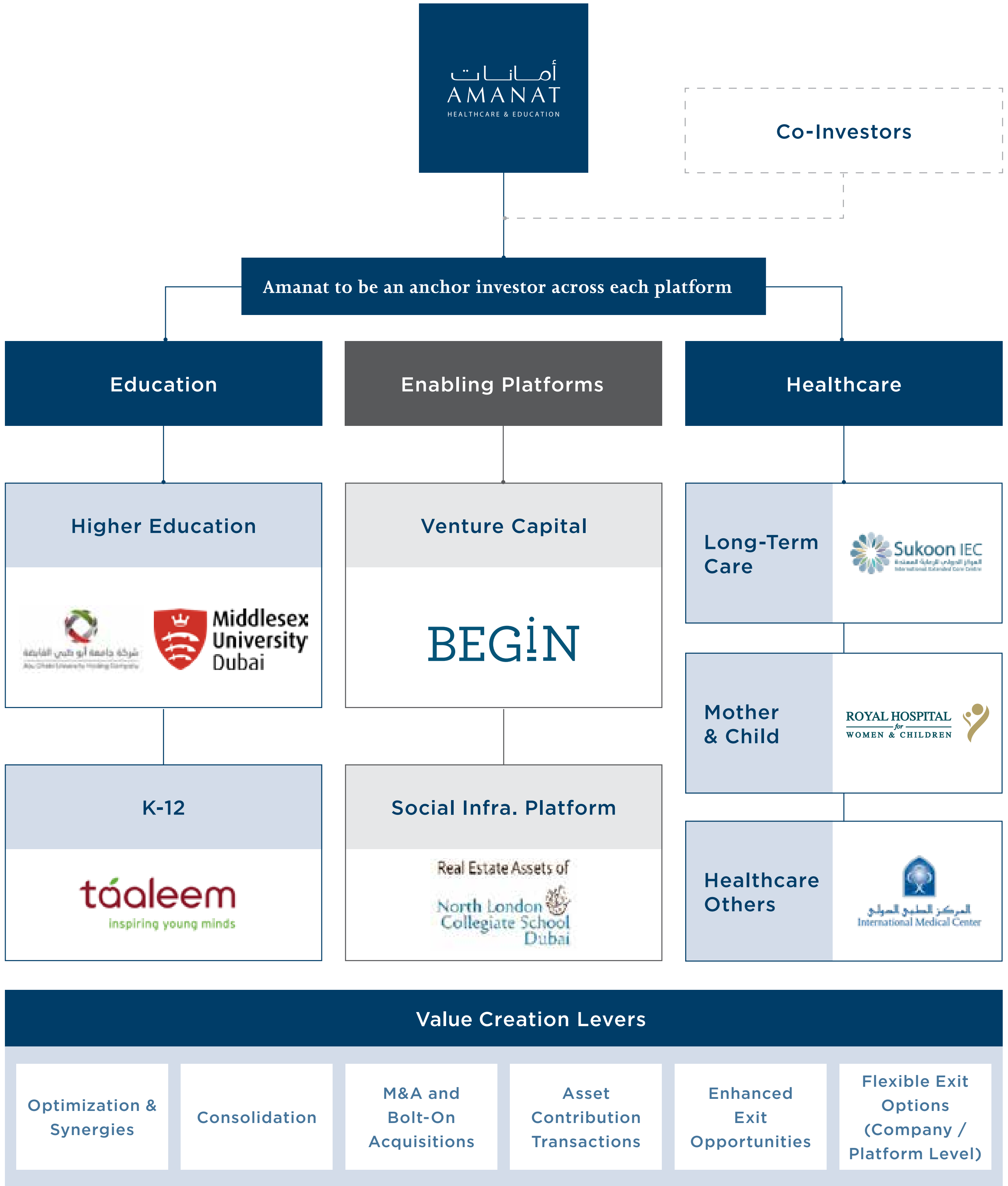
Corporate finance entails the formulation of efficient financial strategies that include capital structure optimization and the support of funding requirements. It also involves leadership in executing opportunistic add-on and bolt-on acquisitions, junior ventures and public-private partnerships (PPP). Amanat's work with International Medical Center (IMC) provides multiple examples of the Company's value-added under the corporate finance umbrella. At the height of the COVID-19 pandemic, Amanat stepped-in alongside IMC's management to ensure business continuity and a healthy balance sheet through the development of different strategic initiatives and cash flow structures. Another example of how corporate finance came into play was during IMC's bolt-on acquisition of First Clinic in KSA, a medical complex located in North Jeddah. The acquisition paved the way for IMC to become a hub-and-spoke model adding significant outpatient, radiology and day surgery capacity in the Group's core market.

Corporate Governance

Corporate governance plays a key role in the implementation of sound decision-making frameworks and establishing best-in-class processes and policies to ensure long-term, sustainable value creation. Amanat's efforts on this front are displayed through its work with Royal Hospital for Women and Children (RHWC). The Company laid the foundations for governance frameworks driven by the Board and Steering Committee and helped develop financial and operational KPIs to track department-specific performance.

Target Operating Model

Our model is to invest through specialized platforms which form the basis for further acquisitions, creating value through economies of scale and building larger and more attractive companies for monetization. This platform-building approach sees us invest in successful businesses with the potential for further future expansion to create larger-scale platforms that allow for synergy extraction.



Platform-Focused Strategy Benefits

Building scale through platforms has become ever more important as smaller players struggle to survive in the current macro-economic environment. Amanat's 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 the Company invests in to grow yields, improve margins, and increase ROI over the long-term.

Diversification
Provides increased diversity of business models, target customer base and regulatory exposures, as well as different stages of maturity and growth profile.

Control and Optimization
Ability to fully drive strategy and operations through a strong specialized management at the platform level, optimizing operations and enabling partnerships between assets.

Synergy Extraction
Ability to leverage shared services and marketing channels to realize cost efficiencies as well as revenue and cost synergies.

M&A Firepower
Larger scale provides increased financing capacity to pursue M&A opportunities.

Opportunistic Restructuring
Potential to raise capital at platform level, partnering with minority investors and increasing AuM for Amanat.

Multiple Arbitrage
Large and well-run integrated platforms command higher valuations than single assets.

Monetization Options
Larger scale, improved business profile, strong management teams and leading market positions, ideally position platforms for liquidity events such as IPOs, investments from premier institutional investors and other liquidity events.

Evaluation Criteria

A critical part of Amanat's growth and value creation strategy is investment in successful businesses with established track records and strong future potential. To aid in its screening process, Amanat utilizes a set of evaluation criteria to assess the strength of target companies and maximize synergy among current and future assets.

Core Markets	Business Fundamentals	Value-Creation Profile
The Company operates across the healthcare and education sectors because of their indispensable social value and non-cyclical, defensive nature. While its investments are concentrated in the GCC, it is looking to expand further across the region, in countries such as Egypt, where there are significant supply gaps to fill and consolidation opportunities to take advantage of.	Target companies must display high quality and sustainable strategic and commercial positions, solid financials, and measurable return potential. They must also demonstrate the strength of existing or potential management to ensure that the companies will receive guidance and supervision that is aligned with Amanat's long-term strategy.	Amanat's value-creation profile assesses the growth potential of a target company, taking into account both organic and inorganic growth avenues. In order for Amanat to have a leading role in the Company's management and strategic direction it targets majority stakes or a significant minority with Board representation and adequate voting rights. Amanat must also be able to have a key role in developing best-in-class governance frameworks to ensure sustainability and long-term value creation to its stakeholders in line with the Company's vision.

Sustainable Growth

As one of the few listed investment firms in the MENA region, and the only one focused on the healthcare and education sectors alone, Amanat builds long-term value, without being limited to mandated time frames and exits. Developing platforms that deliver sustainable growth generates more benefits to stakeholders and helps Amanat provide long-term capital that feeds into the growth cycle. As such, the Company invests in businesses with robust growth prospects through market consolidation, whether by expanding the offerings of its current assets or acquiring new ones under different specialties. This helps Amanat gain a larger market share and build its portfolio companies into market-leading operations.

Amanat's education assets offer significant opportunities for market consolidation, with the Company currently enjoying an established position in the UAE's K-12, undergraduate, graduate and vocational markets. This sets the foundations for larger future acquisitions which will allow Amanat to deepen its reach into different demand pockets. Meanwhile, in the healthcare market, consolidation opportunities arise from the expansion into high value sub-specialties which not only have the potential to broaden Amanat's presence in the segment but provide the Company with a competitive advantage.

Understanding and capitalizing on changing market dynamics is a crucial aspect of Amanat's strategy for generating long-term sustainable growth. Within both of Amanat's chosen sectors, the exceptional operational challenges posed by COVID-19 throughout 2020 have opened up new investment opportunities to expand the Company's service offerings with a particular focus on digital solutions. With schools having to transition to online education and healthcare facilities looking for alternative, safer ways to deliver crucial medical treatments, players across both sectors are actively looking for ways to enhance their digital capabilities and integrate new technologies in their day-to-day operations. Amanat has actively worked to capitalize on this drive for digitalization, with the Company announcing its investment in a leading US-based education technology company, BEGiN, in October 2020. As part of the investment, Amanat becomes BEGiN's principal strategic partner in the MENA region, with plans to leverage Amanat's deep industry expertise and unparalleled network to help drive growth in the region. The Company is also actively assessing similar opportunities in the healthcare sector as it looks to extract similar synergies in the near future.

Over the shorter-term, Amanat plans to work towards paying a sustainable cash dividend above market average to its shareholders by strengthening its portfolio and investing in yielding assets to grow its earnings in 2021 and beyond. The Board of Directors and management 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. This approach will enable the firm to build long-term sustainable value while delivering solid returns to shareholders over the medium term.

Our Markets

In early 2020, as countries around the world entered the first wave of the COVID-19 pandemic, GCC governments rolled out a series of restrictive measures aimed at curbing the spread of the virus. While these proved successful in controlling the pandemic, they impacted businesses across the region and the wider economy, with tourism and the oil industries amongst those most severely hit. In parallel, GCC governments rolled out broad stimulus packages aimed at helping citizens and businesses during the ongoing crisis. Despite the exceptionally difficult year, there is growing optimism about the region's prospects heading into 2021. This is supported by the success of the vaccination campaign thus far, the comprehensive fiscal and monetary stimulus rolled out across the region, the solid fundamentals of GCC countries, and a general rebound of the global economy which is expected to drive further GDP growth across the region.

The favourable fundamentals and resilient nature of the healthcare and education industries in the markets where Amanat operates helped to partially mitigate the adverse economic impacts of the pandemic. However, both industries were far from spared and players had to adapt to the evolving circumstances to ensure they continued to provide their services while complying to stricter regulations and COVID-19-related restrictions. More specifically, this saw an accelerated introduction of new trends focused on alternative service delivery with a focus on EdTech and HealthTech.

COVID-19 | Healthcare

The short-term impacts of COVID-19 on the region's healthcare industry were both very dramatic and highly differentiated based on the type of services offered by specific facilities. At the start of the crisis, most governments around the region ordered the suspension of all non-urgent procedures and the reduction of patient traffic at facilities. This led to a quick shift to telemedicine and other alternative forms of service delivery largely reliant on technology. While these regulations weighed heavily on patient volumes across most private healthcare facilities in the region, the impact was not uniform. In some countries, private healthcare players were asked to play leading roles in the fight against the pandemic, helping governments test and treat COVID-19-positive patients. This saw certain types of medical facilities record significantly higher patient volumes than others.

All in all, despite the short-term impact of COVID-19-related restrictions, favourable demographics and regulations are set to see the healthcare sector in the GCC return to strong growth in the near future. More specifically, current healthcare expenditure in the GCC is projected to reach USG 105 billion in 2022 from an estimated USD 76 billion in 2017, implying a CAGR of 6.6%.[1]

COVID-19 | Education

The global education industry was rocked by the COVID-19 pandemic outbreak as providers across the world were confronted with COVID-19-related restrictions causing a halt to in-person learning and the need to rethink the delivery of education as a whole. From K-12 to higher education, schools across the GCC region were required to transition to digital and distant learning, a shift which proved easier for some and significantly more difficult for others. While in-person education across most of the region commenced again in the fall of 2020, there is no doubt that investment in digital learning will have to become a priority for schools and universities in order to remain competitive in light of the new industry dynamics and to be better prepared to confront future disruptions. The aftermath of the COVID-19 pandemic is also set to influence education providers' business models going forward, with many countries in the region witnessing a significant drive to consolidate as current players look for alternative solutions to stay in business. While uncertainty about the long-term impacts of COVID-19 on the industry remain, the strong fundamentals underpinning the private education sector are expected to help a sector-wide recovery and a return to strong growth in the coming years.

[1] *Informa Markets*

Healthcare

Sector Overview

Over the last decade, the healthcare industry has emerged as one of the leading sectors looking for economic diversification in the GCC region. In light of low oil prices and the need to tighten public spending, governments across the region are looking at private sector involvement as an alternative to sustain rising healthcare funding. As with the education sector, this has meant changes to the regulatory environment to facilitate entrance of international players. Some of the most important initiatives include the rising promotion of PPPs, the roll out of mandatory insurance coverage, and the growing encouragement for private players to set up facilities in the region. In parallel, the sector is also coping with an underlying shift in demographics. On the one hand, there is a growing younger and more health-conscious population who is seeking preventive care rather than curative care. On the other hand, the expanding ageing population is driving up the prevalence rates of lifestyle diseases. At the top of this list is diabetes. In 2019, while around 12.8% of those aged 20 to 79 in the MENA region had diabetes, in the GCC the prevalence was much greater, reaching as high as 22.0% and 18.3% in Kuwait and Saudi Arabia, respectively.[1]

[1] *IDF Diabetes Atlas 2019*

KSA

Healthcare sector privatization and reforms are a key area of focus of the Kingdom's 2030 vision, and as such have received a great deal of investment and resources from the government. Initiatives have ranged from allowing 100% foreign ownership and the introduction of mandatory health insurance, to increased spending to boost the use of technology across the entire sector.

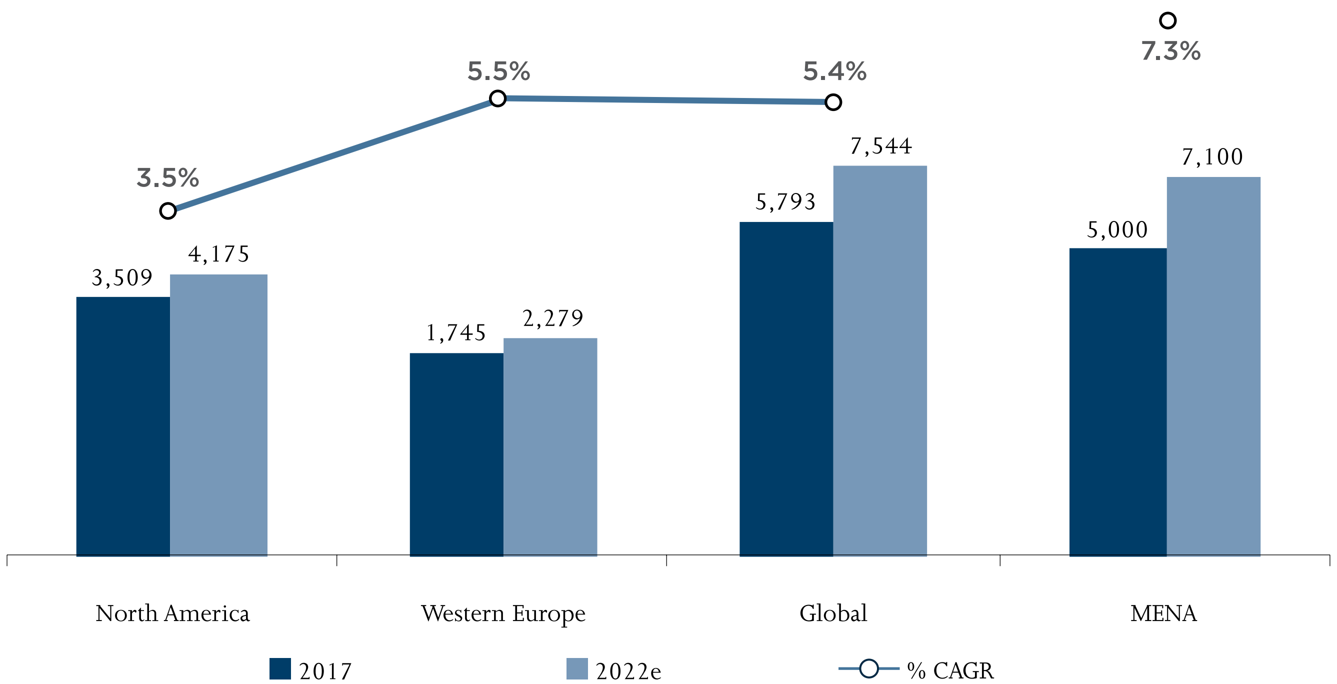
Before the outbreak of COVID-19, the local healthcare industry was expected to grow at a compound annual growth rate of 12% by 2020. While the pandemic did cause a temporary slowdown in the sector, activity and patient volumes have already started to normalize following the lifting of restrictive measures in the second half of the year. Growth in the coming decade is expected to be supported not only by the increasingly advantageous regulatory environment but also from the favourable demographic profile of the country. By 2050, Saudi Arabia's population is expected to reach around 77 million. Combined with the rising predominance of lifestyle diseases (two thirds of total deaths in 2019), this is likely to lead to a significant rise in demand for high quality healthcare. In light of current trends, by 2035 the Kingdom is estimated to require 20 thousand additional beds and more than 13 thousand new doctors.[2]

Bahrain

The growth drivers behind the Bahraini healthcare industry are very similar to those in other GCC markets. In 2019, Bahrain had the highest population growth rate in the region at 4.9%.[3] In parallel, as the elderly population continues to grow, so does the prevalence of lifestyle diseases. In 2019, over 16% of those aged 20 to 79 in Bahrain suffered from diabetes. The rising population is slowly putting pressure on Bahrain's well-established public health care sector. The health care sector in Bahrain has historically been heavily dependent on government-run facilities and public funding, but over the last decade, there has been a clear shift towards attracting more private participation in the sector. As with many other governments in the region, this has entailed the roll out of new legislation allowing for full foreign ownership of private health care facilities, and the arrival of a national health insurance scheme in 2018. This push for greater involvement by private sector players is continuing, with greater investment and growth opportunities expected to arise in the near future.[4]

Sizable and Growing Market

Total Worldwide Healthcare Expenditure [5] | USD bn (%)



[2] *Informa Markets* [3] *World Bank* [4] *Oxford Business Group* [5] *Deloitte Global Healthcare Outlook 2019*

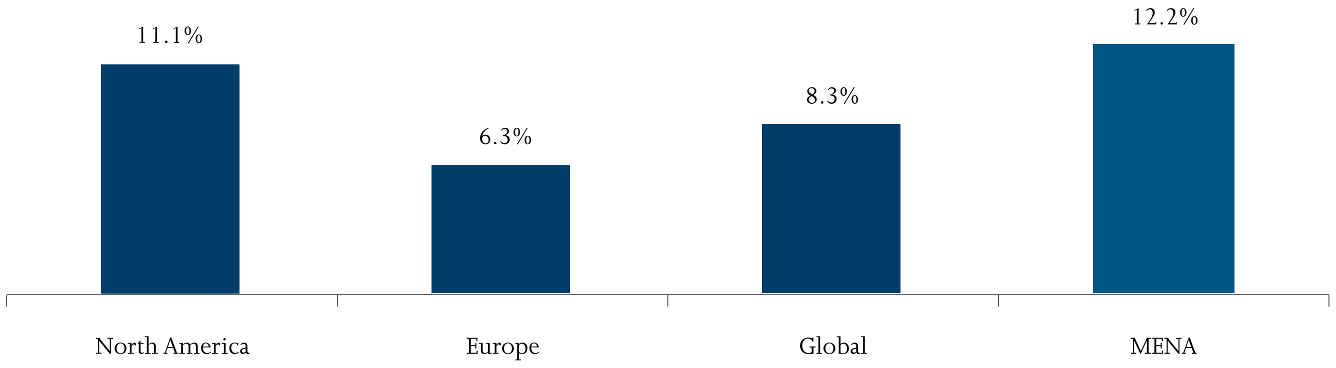
UAE

The healthcare sector in the UAE region has experienced significant growth in recent years. This has seen the introduction of a PPP framework in the UAE healthcare sector, the privatization of hospitals and the rollout of mandatory medical insurance. As such, the private sector is expected to witness stronger growth, with healthcare spend from 2018 to 2022 set to increase at a CAGR of c.10% compared to a government contribution of c.4%.[1] Further growth is also expected to be fueled by rising demand on the back of a growing population and an over 65 population set to quadruple by 2030.[2]

A second area of focus for the Emirati Government has been medical tourism. Before the outbreak of COVID-19 and the imposition of travel bans and other restrictive measures, the global medical tourism industry was growing rapidly at a CAGR of nearly 12% by 2019.[3] However, with the outbreak of COVID-19 circumstances have changed and the industry's growth has taken a severe hit. Nonetheless, the UAE's success in controlling the spread of the virus and in rolling out a national vaccination campaign has seen the slow return of medical tourism with confidence in the sector's potential gradually being restored.[4]

Prevalence of Lifestyle Diseases

Age-Adjusted Comparative Diabetes Prevalence (% of population age 20-79 years) | 2019[(5)]



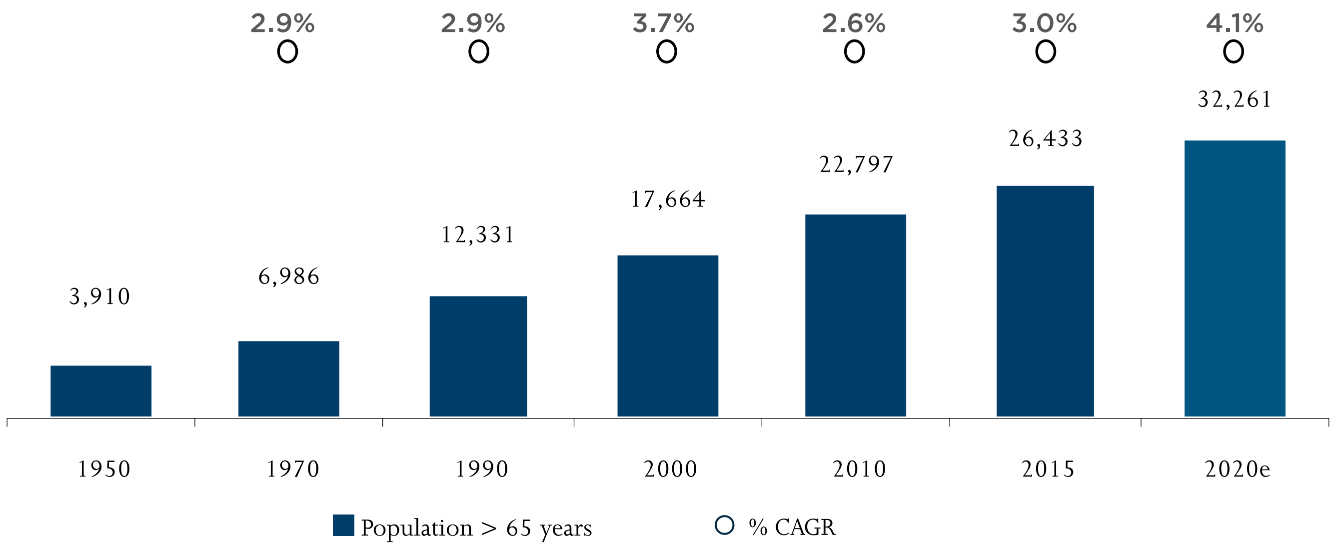
[1,2] *KPMG* [3,4] *Oxford Business Group* [5] *IDF Diabetes Atlas*

Other Markets

On the wider MENA region front, healthcare in Egypt has recently embarked on a transformation that will last over a decade. A national health insurance plan offering universal coverage was rolled out starting in mid-2019 and is promising widespread change to the nation's administration of care.[6] The Egyptian Government is also complementing this with the rollout of state-sponsored diagnosis and awareness campaigns to raise people's awareness and interest in healthcare. In FY-2020/21, public investments in the sector are set to rise 28% from the previous year to reach close to EGP 100 billion.[7]

Shifting Demographics

MENA Ageing Population | 000s (65+ years)[(8)]



[6] *Oxford Business Group* [7] *Daily News Egypt* [8] *UN World Population Prospects 2019*

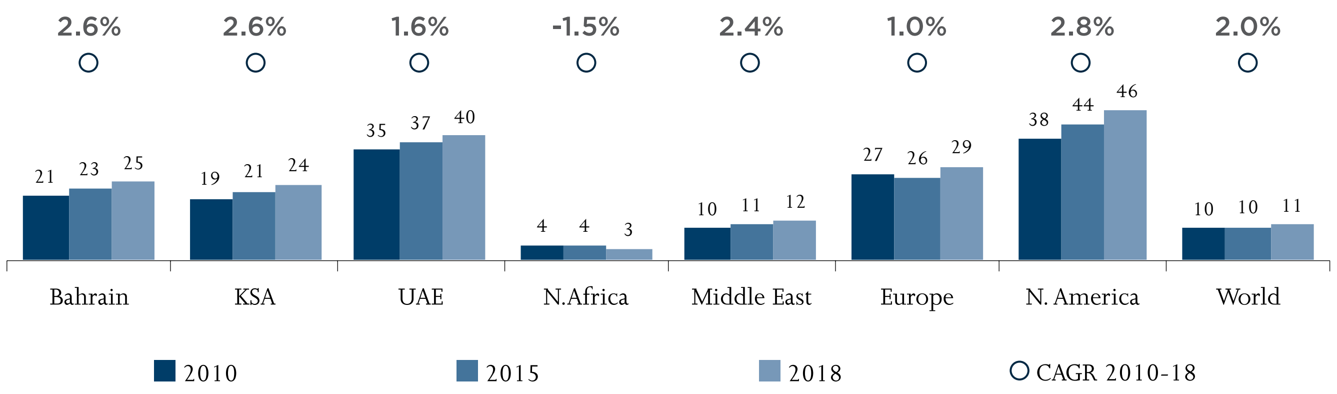
Education

Sector Overview

In recent years, an increasingly favourable operating environment coupled with the region's solid demographic profile, has seen the GCC's K-12 and higher education sector represent an increasingly attractive investment opportunity for international investors and school operators. On top of the generic characteristics of the education sector which make it an appealing investment opportunity such as its long-term revenue visibility due to the fixed duration of the education path, the GCC's education industry offers additional benefits. These include a young and increasingly growing population, an increasingly affluent middle-class looking to spend on high quality education, and an increasingly favourable regulatory environment with GCC governments actively encouraging private-sector participation to help relieve the budgetary strains created by low oil prices.[1] In the last decade, the Gulf's population has gone from around 45 million in 2010 to an estimated 59 million in 2020 and is projected to reach 65 million people by 2030, a third of whom will be aged 25 or under.[2,3] Amongst GCC economies, the UAE and Saudi Arabia represent the two markets with the most compelling investment cases and future growth potential.

Increasing Wealth Across the GCC

GDP per Capital| USD 000s[(4)]



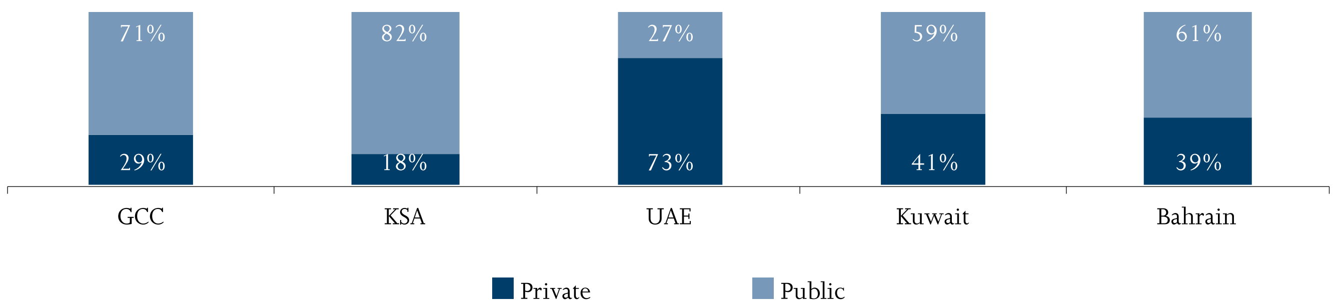
[1] Strategy&, part of the PwC network [2] UN World Population Prospects 2019 [3] Strategy&, part of the PwC network [4] IMF Data Mapper

UAE

Prior to the pandemic, private K-12 enrollment in Dubai was expected to grow at a CAGR of around 4%, almost four times faster than its public counterpart.[5] The Emirati education market was expected to expand from USD 4 billion in 2017 to USD 7 billion in 2023 supported by a growing population, a further shift by consumers in favor of private education, and an expected 4% annual rise in tuition rates across both Abu Dhabi- and Dubai-based schools.[6] Lower demand, at least in the short-term, is also expected to drive further consolidation across the industry, favoring players who adopt an easily scalable business model which can quickly integrate new acquisitions. As the sector returns to its long-run growth trajectory over the coming years, players who most quickly adapted to the new dynamics of the education industry, largely centered around online and digital learning, are set to capture growing market shares and new expansion opportunities as they present themselves.

Underpenetrated Private Sector

Public Vs. Private Distribution | %[(7)]



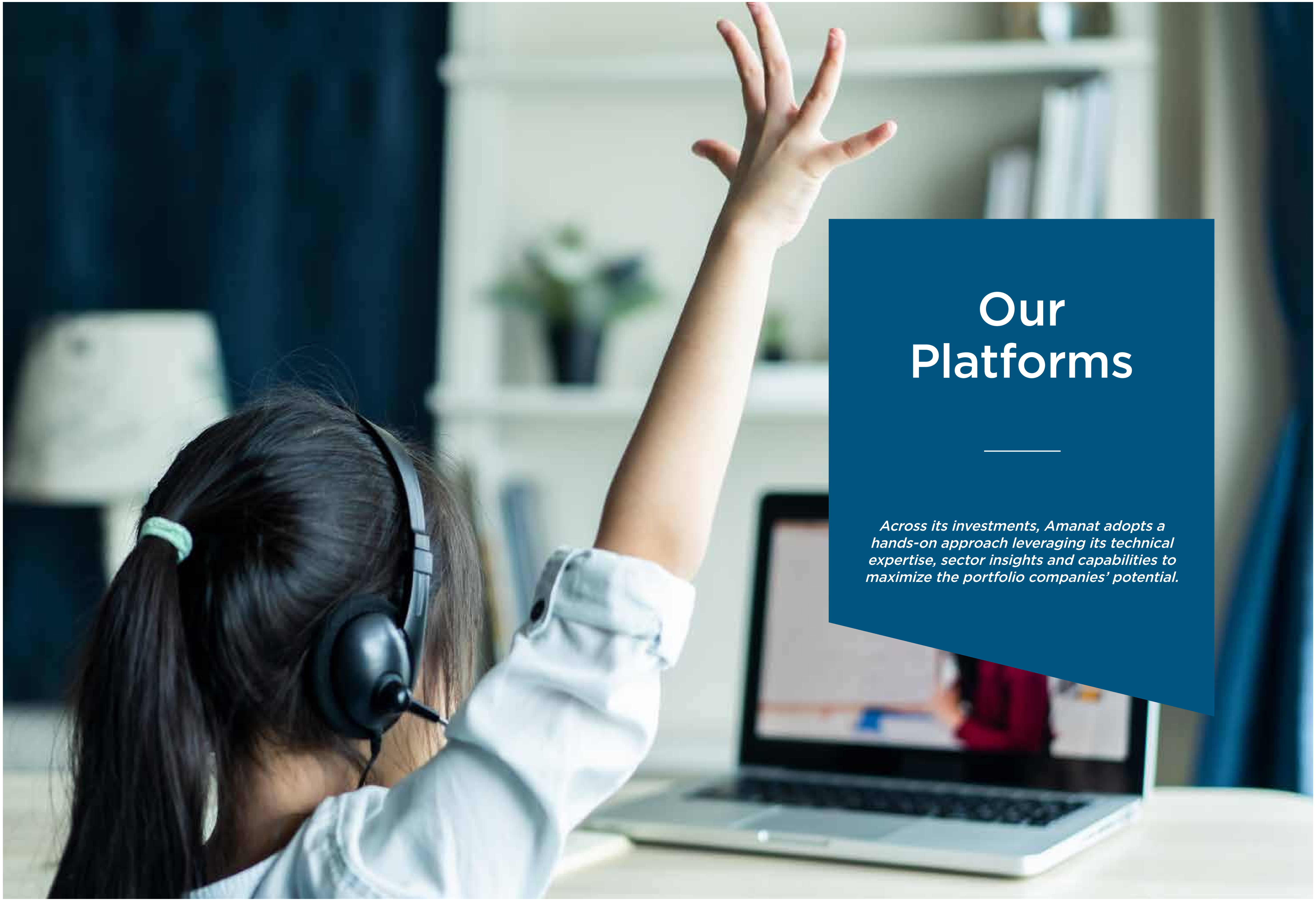
KSA

Prior to the outbreak of COVID-19 and the general slowdown of the global economy, the Saudi Arabian education sector was set to witness the largest expansion in the region. The industry was expected to more than double in size from USD 5 billion in 2016 to an estimated USD 12 billion in 2023.[8] In line with the government's 2030 vision, the number of students enrolled in private schools was forecasted to rise from 18% in 2017 to 30% in 2023.[9] The picture has changed significantly following the outbreak of COVID-19. Data from the most recent academic year has shown a stark reversal of the shift towards private schools, with almost 45% of students in private schools and 90% children in private kindergartens shifting to government ones.[10]

Other Markets

Overall, the GCC private education sector was set to grow from a total value of USD 13 billion in 2018 to USD 26 billion by 2023.[11] The wider MENA region was also expected to offer important investment opportunities with countries such as Egypt looking increasingly attractive. Egypt's private sector education continues to represent a major window for investment, with target demographics underserved and demand rapidly growing. Egypt's private sector K-12 student growth has almost doubled in the last five years, at a CAGR rate of 6.3%, compared to 3.6% in the public sector.[12] While COVID-19 has caused the need for short-term adjustments, the region's education sector continues to offer a generally strong growth trajectory in the longer-term.

[5] PWC report on UAE education sector [6] Boston Consulting Group report [7] IMF Data Mapper [8,9] Boston Consulting Group report
[10] Arab News [11] Boston Consulting Group report [12] Colliers International



Our Platforms

Across its investments, Amanat adopts a hands-on approach leveraging its technical expertise, sector insights and capabilities to maximize the portfolio companies' potential.

Chief Financial Officer's **Report**

Amanat today boasts a unique and diversified portfolio capable of capitalizing on the changing dynamics of our two chosen sectors, through an investment strategy that targets quality assets with sustainable growth prospects in our core markets. Our four healthcare investments, including Sukoon, IMC, RHWC, and CMRC encompass multidisciplinary hospitals, tertiary and specialized care facilities, and see the Company cover a large and growing number of specialties and services. Meanwhile, with five investments in the education sector namely Taaleem, MDX, ADUHC, NLCS, and BEGiN, we cover the entire scholastic journey from early learning to post-graduate studies and vocational training.

The resilience and strength of our investments, which has allowed them to effectively overcome the great difficulties posed by the pandemic, also stems from Amanat's hands-on work with our portfolio companies in the post-acquisition value-building phase. Our efforts on this front see us employ a three-pronged approach covering corporate strategy, corporate finance and corporate governance, as we look to develop tailored strategies to extract maximum value and deliver the highest quality services across all our platforms. Our ability to work hand-in-hand with management teams across our investments proved invaluable throughout 2020 as we provided the necessary guidance and expertise to help them navigate the challenging operational environment caused by the COVID-19 pandemic.

Education

At our education segment, the impact of COVID-19 was almost muted thanks to our platform's seamless transition to online and distance learning. This was further supported by solid enrollment rates for the new academic year, demonstrating the resilience of Amanat's portfolio companies. We are particularly pleased with Amanat's higher education provider ADUHC, which delivered strong growth on the back of robust enrollment rates during the spring, summer and fall semesters. ADUHC's performance was also supported by higher revenues generated from the university's vocational and corporate training services. This success was driven by management's proactive initiatives, including the provision of a highly satisfactory online and distance learning experience; the launch of an enrollment taskforce for the summer; an enhanced website; as well as virtual events and community work. Overall, a strong top-line with cost efficiencies saw ADUHC's income from investment record a remarkable 76% growth in 2020.

At Amanat's fully owned Middlesex University, we delivered growth through higher enrollments driven by the university's new successful virtual initiatives and events launched for prospective students. MDX also launched a fully integrated, multi-channel domestic marketing campaign; introduced three new bachelor's degree programs and offered a dynamic blended online-offline model for academic provision. These efforts supported student retention and enrollments, and offset lower ancillary revenue due to COVID-19. Overall, MDX recorded 13% growth in income from investments in 2020 to AED 27 million.

At Taaleem, the K-12 platform's income from investment was AED 9 million for 2020, a 39% year-on-year decline. The fall is largely attributable to approximately AED 30 million in discounts offered during the third school year term, as well as lower revenue from ancillary activities because of the lockdowns. Nonetheless, management's strategy of supporting the community during these challenging times paid off, with good retention rates and a strong September intake thanks to effective recruiting initiatives. The strong September intake was further supported by the inauguration of Phase 1 of the Raha Khalifa City school campus, welcoming nearly 300 new students, and expanding Taaleem's footprint in Abu Dhabi.

In October 2020, we further expanded our education platform with an AED 18 million investment in BEGiN, a US-based leading education technology company behind the proven early learning program HOMER as part of their Series C financing round. The company represents the ideal investment target for Amanat due to its attractive business model, strong management team, regional growth aspirations and a clear path to profitability in the short- to medium-term. Furthermore, BEGiN is an important stepping stone towards strengthening our digital presence, an area which has become increasingly important following the outbreak of COVID-19.

Healthcare

Widespread closures and postponements of elective procedures saw our healthcare investments suffer a significantly harder impact as a result of COVID-19 and its related restrictions. While the segment closed the year booking an adjusted loss from investments of AED 30 million in 2020 compared to a loss of AED 14 million last year, all of our investments recorded marked recoveries in the second half of the year, culminating in a robust 25% narrowing of our losses from investment in the fourth quarter of the year.

The recovery was led by IMC, with both its main facility and First Clinic serving a record number of patients in tandem with the easing of restrictive measures and owing to management's success in stimulating patient volumes. Overall, IMC's robust performance in the second half of the year, coupled with its cost optimization efforts, completely offset the slow performance in the first half. As such, IMC closed the full year in positive territory, with an income from investments of AED 3 million.

Similarly, at Sukoon, the long-term care provider witnessed a significant improvement in the final quarter of the year, with higher volumes supported by increased referrals from the Ministry of Health, coupled with the company's business development and restructuring initiatives. On that front, Sukoon's new management completed a comprehensive reconciliation of accounts receivables, identifying c.SAR 51 million in aged receivables which were provided for during 2020. Excluding these and other one-off charges, Sukoon's loss from investment in 2020 would stand at AED 8 million compared to a net loss of AED 7 million in 2019. It is worth noting that with these one-time write offs behind us, and driven by a recovering top-line, Sukoon turned EBITDA positive in the second half of 2020.

Finally, at RHWC, management's ramp-up and physician recruitment strategies are continuing to deliver results as the hospital recorded increased volumes and utilization across both inpatient and outpatient segments. Key efforts during the final months of the year included the addition of IVF and cosmetology to its service roster. This strategy saw the hospital record revenues of AED 13 million in 2020, up from AED 4 million last year. Nonetheless, with the hospital still incurring the associated costs of a ramp-up phase coupled with the impact of COVID-19 in the first half of the year, RHWC recorded a loss from investment of AED 24 million in 2020 compared to a loss of AED 20 million in 2019.

While working diligently to mitigate the impacts of COVID-19 on our current investments, we also successfully expanded our portfolio with the addition of Cambridge Medical and Rehabilitation Center (CMRC) in early 2021. We acquired 100% of CMRC at an enterprise value of AED 851 million, financing it through a combination of cash on hand and leverage, which constitutes an AED 405 million loan at the level of CMRC. The acquisition not only strengthens our existing offering but gives us access to an established business with an impressive growth profile. From 2017 to 2020, CMRC's UAE operations witnessed robust revenue growth by a CAGR of 27%, with net income recording a fourfold increase since 2017 to AED 76.3 million in FY-2020.

In the new year, our focus will continue to be on streamlining efficiencies across our portfolio companies and optimizing their capital structures and operational capabilities. In parallel, Amanat continues to assess new investment opportunities in its core sectors across the region.

Amer Jeambey
Acting CFO & Head of Healthcare

Diversified, Integrated **Investments**

Amanat currently boasts a unique, well-diversified portfolio of assets capable of capturing a wide variety of regional opportunities in the healthcare and education sectors. With five strategic investments in the UAE's education sector and four healthcare investments in KSA, UAE and Bahrain, the Company is ideally positioned to continue meeting the growing demand across the region for high quality services. Across its investments, Amanat continues to strive for greater integration to capitalize on existing synergies, drive cost savings and generate sustainable value for all stakeholders. The Company's Three-pronged Approach, built on the pillars of corporate strategy, corporate finance, and corporate governance, further underlines its key value-creation role in the two sectors that matter most to the GCC. Amanat's current investment pipeline holds plans across its platforms in the healthcare and education sectors as the Company looks to take advantage of changing market dynamics.

Healthcare Investments

Amanat's healthcare investments encompass multidisciplinary hospitals, tertiary and specialized care facilities, and see the Company cover a large and growing number of specialties and services. Through its wide-ranging asset portfolio, Amanat is able to take advantage of the organic and inorganic growth opportunities currently present across the region. Amanat's healthcare action plan comes at a time when a significant demographic change is driving a growing wedge between the supply of high quality healthcare and rising demand. Moreover, as the region begins to adapt to the lasting changes sparked by the COVID-19 pandemic, the healthcare sector is expected to present important opportunities for future expansion in segments currently underserved such as home care, long-term care and telemedicine. In the coming stage, Amanat is looking to grow its healthcare investments into a panregional integrated platform on the back of specializations such as post-acute care, and women and children health. At the same time, the Company will also look for attractive HealthTech investment opportunities to ensure it remains at the forefront of an evolving healthcare industry.

Sukoon International Holding Company (Sukoon)

An international holding company whose flagship JCI-accredited facility provides tertiary care services.

Specialization	Acute and post-acute care

International Medical Center (IMC)

A high-end, integrative tertiary care hospital that provides treatments in over 30 specialties.

Specialization	Multidisciplinary

Royal Hospital for Women & Children (RHWC)

A world-class hospital for women and children that provides end-to-end holistic care.

Specialization	Women's and children's healthcare

Cambridge Medical and Rehabilitation Center (CMRC)

a leading post-acute care and rehabilitation ("PAC") provider in the UAE and KSA

Specialization	Post-acute care and rehabilitation

Education Investments

Amanat's education portfolio spans the entire scholastic journey from early learning and K-12 education, to undergraduate and post-graduate studies, and vocational training. In light of growing demand for high quality education, governments across the region, and particularly in the UAE, have launched several initiatives to promote the sector's growth and expand private participation. This is expected to create new avenues for development and expansion from private education providers such as Amanat. As such, the Company continues to assess ways to expand its investments in the education sector through partnerships with international university operators looking to expand into the UAE, K-12 operators interested in KSA, and operators ready to establish educational facilities across all stages in markets such as Egypt. The outbreak of COVID-19 and its significant impact on the education sector has also opened up new avenues for future growth in the realm of digital learning, with the Company eager to capitalize on these opportunities in the coming period. Moreover, across the sector there is an increasing drive to consolidate; a trend which Amanat, through its scalable platform business model, is well-equipped to take advantage of in the near future.

Taaleem Holding PSJC (Taaleem)

One of the largest providers of K-12 education in the UAE and the host of nine premium education institutions.

Specialization
K-12 and early learning

Abu Dhabi University Holding Company (ADUHC)

A market leader in the private education sector with a nearly two-decade-long track record in higher education and vocational and corporate training.

Specialization
Undergraduate and post-graduate studies

Middlesex University Dubai (MDX)

The first overseas campus of Middlesex University in London and a provider of top-quality UK degrees.

Specialization
Undergraduate and post-graduate studies

North London Collegiate School Dubai (NLCS)

A premium K-12 school built and managed in partnership with NLCS London, a leader in academic results in the UK.

Real Estate Assets of North London Collegiate School Dubai

Specialization
K-12 (real estate acquisition)

BEGiN

US-based leading education technology company behind the proven early learning program, HOMER.

Specialization
Early learning digital programs

Healthcare **Investments**

Sukoon International Holding Company (Sukoon) KSA

33.25% Amanat's Stake

Sukoon provides high quality tertiary care through its International Extended Care Center (IECC), a flagship Joint Commission International (JCI) facility in Jeddah, KSA. The facility's service offering includes acute extended care, critical care and home care medical services, and caters to a segment of the population projected to continue growing on the back of rising lifetime diseases in the Kingdom. Sukoon currently hosts 130 operational beds and is undergoing a facility revamp project to increase its capacity to 230 beds by the end of FY-2021.

Investment Thesis

Sukoon's leading position in acute extended care in KSA, complemented by its strong, scalable business model, provides vast opportunities for expansion within and beyond its current market. Sukoon's IECC is JCI-accredited, further testament to the high standards that the center abides to in its day-to-day operations and key to attracting patients who are increasingly demanding high quality care in the country. Expansion opportunities for the company will come on the back of the region's growing health concerns and demographic shift, combined with its successful positioning as a top tier healthcare provider. By 2050, Saudi Arabia's population is expected to reach around 77 million. Combined with the rising predominance of lifestyle diseases (two third of total deaths in 2019), this is likely to lead to a significant rise in demand for high quality healthcare and in particular, for Sukoon's range of services. Moreover, as the COVID-19 pandemic continues to place pressure on acute care hospitals, Sukoon specialization and positioning will enable it to attract long-term care patients looking for alternatives to traditional acute care facilities.

Specialization	Date(s) of Acquisition	130	AED 188 MN
Acute and post-acute care	August 2015 and February 2016	Operational beds (230 beds by year-end FY-2021)	Amanat's investment

Outlook

Despite the unforeseen operational difficulties faced throughout 2020, Sukoon continued to deliver on its comprehensive turnaround strategy, leaving it well-positioned for future growth going into 2021. In the new year, the team will continue to identify new and innovative revenue streams to continue pushing for greater diversification. Sukoon's strategy also includes continued efforts on cost savings as well as improving collections. In parallel, the facility revamp works will continue as scheduled with the project expected to be completed in the second half of 2021. Once completed, the upgraded facility has the potential to improve patient flow and increase the hospital's capacity to c.230 beds while improving efficiency.

COVID-19 Impacts and Response

Following the outbreak of COVID-19's first wave in the first half of 2020, the Saudi Arabian Government ordered the suspension of all non-essential surgeries and procedures. Due to the nature of Sukoon's service offering, patient volumes were not impacted in a significant manner by the regulations. Moreover, as the crisis progressed, Sukoon witnessed a rise in patient demand as acute care facilities and traditional hospitals referred non-COVID-19 patients to Sukoon. As such, Sukoon is looking to increase its temporary capacity to 150 beds to help absorb the increased demand. On the renovation front, while COVID-19-related restrictions did cause a one-month delay in the revamp project, construction on-site has resumed, and the project is expected to be completed in the second half of 2021 as originally scheduled. Finally, Sukoon's cost rightsizing plan is progressing well, with leaner operations partially offsetting the decrease in revenues.

Financial Review

Sukoon's results for the year reflect a one-off non-cash provision of AED 16.8 million related to ageing receivables and AED 1.3 million related to leave provision of previous years. Excluding these one-off charges, Sukoon's loss from investment in 2020 would stand at AED 7.6 million versus a loss of AED 7.3 million in 2019. It is worth highlighting that significant cost savings on patient expenses, staff costs and SG&A during the year also helped offset the pressure of COVID-19 restrictions. This further solidifies the success of Sukoon's ongoing turnaround. In the final quarter of the year, Sukoon continued to record higher volumes supported by increased MOH referrals and the company's business development initiatives.

Operational Review

Sukoon's new management team, under the guidance of Amanat, kicked off a turnaround strategy in 2019 focused on restructuring all aspects of the business to enhance its resilience and drive further value creation in the coming years. More specifically, Amanat worked on revamping Sukoon's corporate strategy to focus on new revenue streams, diversifying the client base away from the MOH and towards remote patient management and homecare, while improving the hospital's revenue cycle management framework. Amanat also invested in renovation to increase efficiency and capacity, with a goal to generate operating leverage and further profitability down the line. Capacity enhancements are proving particularly important in light of rising volumes resulting from referrals from private and government hospitals looking to free up space for COVID-19 patients. In parallel, we optimized Sukoon's capital structure to better utilize excess cash and internally finance the facility's growth plans, while also overseeing improvements to receivables recovery. On this front, Sukoon's new management has completed a comprehensive reconciliation of accounts receivables, identifying c.SAR 51 million (Amanat's share c. AED 16.8 million) in aged receivables which were already provided for during 2020. Finally, we also initiated a long-term cost saving plan which helped Sukoon turn EBITDA positive in 2H-2020, with losses narrowing significantly compared to last year.

Healthcare **Investments** (Cont'd)

International Medical Center (IMC) KSA

13.13%
Amanat's Stake

IMC provides top-class multidisciplinary tertiary healthcare services, geared towards the high-end segment of Western Saudi Arabia. The hospital's wide range of services and comprehensive treatments are delivered by specialized experts, certified by the US, Canadian and European healthcare systems. IMC's state-of-the-art facility is currently capable of hosting up to 300 patients, with an additional 150 to be added once the ongoing expansion is completed.

Investment Thesis

IMC's growth ambitions are supported by the exceptional reputation the center enjoys in Jeddah alongside the changing demographics in KSA which are driving a surge in patients needing IMC's services. These market drivers for growth in the KSA include an increase in the Kingdom's elderly population, an elevation in the levels of obesity, diabetes and other lifestyle diseases, and a scarcity of specialized facilities that cater to tertiary patients. In addition, the recent roll out of mandatory health insurance laws in the Kingdom are also expected to play a considerable role in highlighting IMC's unique service propositions, positioning it as a healthcare partner of choice. IMC is led by an experienced management team who have worked tirelessly to implement initiatives that boost operational efficiency and patient satisfaction levels and help position the center as the go-to provider in Jeddah. The hospital also rests on a stable, cash-rich financial position and a wealth in land bank, which gives it substantial room for future growth.

Specialization	Date(s) of Acquisition	300	AED 360 MN
Multidisciplinary	December 2016	Operational beds	Amanat's investment

Outlook

Following a successful handling of the COVID-19 crisis, which saw IMC emerge stronger than ever, in 2021 IMC's management will shift its focus back to delivering on the company's long-term, 5-year growth strategy that will optimize its operational efficiency. On top of the ongoing cost rightsizing exercise, the strategy also involves the evaluation of growth opportunities that will be funded by the company's internal resources. IMC will continue to identify and assess potential inorganic growth opportunities akin to the acquisition of the medical complex in North Jeddah which it completed during 2019. Additionally, the hospital is also in the process of optimizing its capital structure to support its future expansion plans. IMC's governance efforts in the coming period will include finalizing an evaluation of its current organizational structure and potential human capital requirements, to accommodate expansion plans and augment senior management with new talent that can deliver on those strategies.

COVID-19 Impacts and Response

Following the outbreak of COVID-19, the Saudi Arabian Government rolled out extensive restrictive measures to curb the spread of the virus. This included the suspension of all elective procedures and surgeries, and the introduction of periodically adjusted curfews. The restrictions weighed down significantly on IMC's volumes in the months of March, April and May. However, the measures were progressively eased in the second half of the year, with IMC witnessing a full recovery in patient traffic as the year went on.

To better manage the immediate impacts of COVID-19, IMC rolled out new services such as homecare, telemedicine, and expanded ER services to counter lower patient volumes. The hospital also enhanced its call center capabilities to promote a backlog of future appointments for surgeries and other deferred medical procedures. In parallel, IMC continued to work closely with insurance providers, offering increased settlements as part of the hospital's strategy to remain competitive in the market.

Financial Review

IMC reported income from investment of AED 2.6 million in 2020 compared to AED 14.2 million last year. The decline reflects lower revenues largely due to decreased volumes in the months of March, April and May, and a rise in expenses related to management's proactive response measures rolled out to mitigate the impacts of COVID-19. It is important to note that following the lifting of restrictive measures in the second half of the year, IMC witnessed record volumes at both its main hospital and First Clinic, with revenues returning to pre-COVID-19 levels and profitability exceeding expectations.

Operational Review

To complement its short-term COVID-19 response outlined above, in 2020 IMC also successfully began capitalizing on its bolt-on acquisition of First Clinic in July 2019 – in which Amanat played an instrumental role – transferring same day surgeries to the clinic to increase daytime utilization. In the fourth quarter of 2020, both IMC's main facility and First Clinic served a record number of patients, testament to the robust recovery experienced following the easing of restrictive measures and to the success of management's efforts to stimulate patient volumes. Throughout 2020, management also executed various cost-reduction measures and reactivated long-term growth plans to expand capacity via the new 150-bed tower project.

Healthcare **Investments** (Cont'd)

Royal Hospital for Women and Children (RHWC) Bahrain

69.4%
Amanat's Stake

RHWC is the only specialized private hospital in the Kingdom of Bahrain to offer women's and children's healthcare services. RHWC's roster of services currently comprises end-to-end holistic care for women that include maternity, gynecology, aesthetic and other surgical services, as well as general and surgical pediatric offerings. The hospital is also the only private facility in Bahrain with level 3 NICU beds, and operates a state-of-the-art IVF-focused center of excellence. Once its operational ramp-up phase is complete, RHWC will offer a greater array of services and host a wider team of leading physicians.

Investment Thesis

The hospital currently stands as the only specialized facility in the private sector offering women and children healthcare services in Bahrain, allowing it to fully capitalize on the growing demand from women seeking the best possible private medical care. The facility is located in a strategic, high-catchment area further facilitating patient access and supporting volumes. RHWC's top-tier, advanced infrastructure and state-of-the-art medical equipment allow it to cater to versatile medical needs and emergencies. RHWC sits on a convenient, long-term lease and a land bank, both of which will facilitate its expansion if desired.

COVID-19 Response

At the start of the COVID-19 crisis, Bahrain's Government announced the suspension of all elective procedures and surgeries, affecting RHWC's patient volume and revenue stream. Moreover, available physicians were directed to the government's facilities to conduct COVID-19-related procedures, causing a lack of availability of physicians in the local market.

Specialization	Date(s) of Acquisition	32	AED 142 MN
Women's and children's healthcare	August 2018	Operational beds	Amanat's investment

Outlook

Despite the short-term impacts of COVID-19, the fundamentals underpinning RHWC's strong growth profile remain intact. Heading into 2021, the hospital's strategy will continue to focus on providing holistic preventative, medical, and surgical care for women and children, a unique service proposition which will help to fill a gap in a market where demand for quality specialized care is undersupplied. Going forward, management will strive to form new partnerships with institutions and insurance companies while increasing the scope of its coverage across the Bahraini healthcare market. The hospital will also continue to work towards enabling its full-service portfolio, which when combined with a growing team of leading physicians and an expanded referral network is set to drive further growth in patient volumes in the coming period. Amanat will work closely with the hospital's operator to monitor established operational and financial KPIs, which promote timely reporting of performance and quality of care. These initiatives will support driving RHWC to break even and strengthen its market position.

In light of these restrictions and response measures, RHWC's management, under the guidance of Amanat, rolled out a series of measures to mitigate the impact on its operations. These included an increased focus on OBGYN, pediatrics and ER services, while simultaneously implementing cost cutting measures and tapping into government support schemes. To tackle the shortage of available physicians, management also began exploring partnerships with visiting surgeons from across the region.

Financial Review

The successful ramp-up and activation of the majority of RHWC's service offering combined with increased volumes and utilization rates saw the hospital record revenues of AED 12.7 million in 2020, up from AED 3.9 million last year. RHWC continued to widen its service offering in the final months of the year, officially adding IVF and cosmetology to its roster. Despite the significant progress, the hospital remains in the ramp-up phase with increased costs related to the hiring of physicians and set up of departments. This was further impacted by COVID-19 restrictions and only partially offset by cost saving initiatives implemented by RHWC's management. Consequently, RHWC recorded a loss from investment of AED 23.8 million in 2020 compared to a loss of AED 20.4 million in the hospital's nine months of operation in 2019.

Operational Review

On the operational front, despite the difficulties posed by COVID-19 RHWC continued to widen its service offering and as of year-end 2020 the facility has activated 90% of its service portfolio including obstetrics, pediatrics, emergency care, bariatric, urology, orthopedics. In the final months of 2020, RHWC added IVF and cosmetology to its service offering. In parallel, the hospital continued to work towards hiring and setting up departments. Management's ramp-up and physician recruitment strategies are continuing to deliver results as the hospital recorded increased volumes and utilization across both inpatient and outpatient segments in the last quarter of the year.

Education
Investments

táaleem
inspiring young minds

Taaleem Holdings PSC (Taaleem) UAE

21.7%
Amanat's Stake

Taaleem is one of the United Arab Emirates' leading education holding companies, providing world-class early childhood, primary and secondary education across its nine institutions – seven in Dubai and two in Abu Dhabi. The company is one of the largest providers of early childhood, primary and secondary education in the country, and delivers top-class teaching through British, American and International Baccalaureate® curricula, as well as multi-lingual early childhood programs. Around 9,000 children are currently enrolled across Taaleem's different institutions in the UAE.

Investment Thesis

Despite the short-term impacts of COVID-19 on both Taaleem's operations and the sector's growth trajectory, prospects remain solid for Taaleem in the UAE. Taaleem currently enjoys a strong reputation and successful positioning in the UAE market, which when combined with the strength of its in-person and online education programs, has seen the company take market share from its competition even in the midst of the ongoing economic crisis. The company's scalable business model, education management capabilities, and strong corporate governance are a recipe for success that can be flexibly applied to different markets across and beyond the UAE. Moreover, Taaleem's highly scalable platform means the company is well-positioned to capitalize on the recent drive to consolidate across the region's education sector.

The company's asset-heavy, low-leverage balance sheet provides it with the funding capacity should the company decide to expand its services and capacities. Strategic expansion, particularly in Abu Dhabi to further complement the company's strong presence in Dubai, is in line with Taaleem's plans to grow using an integrative model that brings together all its institutions under one all-encompassing umbrella.

Specialization	Date(s) of Acquisition	9,000	AED 198 MN
K-12	April 2016 and December 2017	Number of students	Amanat's investment

Outlook

Moving forward, Taaleem will continue to implement its expansion strategy by assessing potential add-on acquisitions, which combined with increasing utilization of existing schools and cost-optimization initiatives, are expected to drive medium- and long-term value creation. In parallel, Amanat will support Taaleem in optimizing its capital structure and exploring options to fund its growth. Moreover, Taaleem will maintain its commitment to academic excellence, with a target of bolstering its schools' ratings by the regulator to further enhance the group's reputation in the market.

COVID-19 Response

Educational facilities across the nation closed their classrooms and shifted to distance learning untill the end of the 2020 academic year. This not only posed operational difficulties as teaching transitioned to an online setting, it also meant the loss of extracurricular income, including fees for transportation, uniforms and cafeteria.

Nonetheless, Taaleem's schools successfully shifted to e-learning during the 2019/20 academic year in line with regulatory requirements due to COVID-19. In parallel, management devised a cash management plan to cover any short-term cash inflow disruption as well as provide an additional buffer in case of any new developments. Finally, management also worked to identify and set in place cost saving initiatives to offset the revenue declines from the discounts to Term 3. When schools were allowed to reopen for in-person education in the fall of 2020, Taaleem delivered a strong September intake thanks to effective recruiting and retention initiatives. Robust enrollment rates came on the back of Taaleem's strong reputation in the market coupled with management's community and parent support efforts, which included 20-25% discounts on fees for term 3 of the academic year, and a credit note for the following academic year. Finally, to ensure that in-person education took place in full compliance with COVID-19 safety regulations, management rolled out extensive protocols across all its schools to align all aspects of the business with government and international guidelines.

Financial Review

At Taaleem, Amanat's K12 and early education platform, income from investment was AED 8.8 million for 2020, a 39.2% decline versus last year. The fall is largely attributable to approximately AED 30 million in discounts offered during the third school year term (ranging from 20-25%) to support parents and the community during COVID-19, as well as lower revenue from ancillary activities as a result of the lockdowns in the first half of the year. When combined with a cost base geared for student growth, this weighed down on Taaleem's margins. Nonetheless, the platform witnessed strong enrollments in September and robust collections on the back of management's proactive initiatives. Taaleem also benefited from the implementation of an all-encompassing efficiency plan which helped drive increased cost savings during the new school year.

Operational Review

On top of the short-term strategies implemented to mitigate the impacts of COVID-19 on operations and enrollments, in 2020 Taaleem successfully inaugurated Phase 1 of the Raha Khalifa City school campus for the 2020/2021 academic year, welcoming nearly 300 new students and expanding Taaleem's footprint in Abu Dhabi. At the completion of Phase 2 in September 2021, the campus will have a capacity of over 3,000 students. The inauguration of Raha Khalifa School is a commendable achievement amid construction delays as a result of the pandemic and the challenging macro-economic environment.

Education
Investments (Cont'd)

Abu Dhabi University Holding Company (ADUHC) UAE

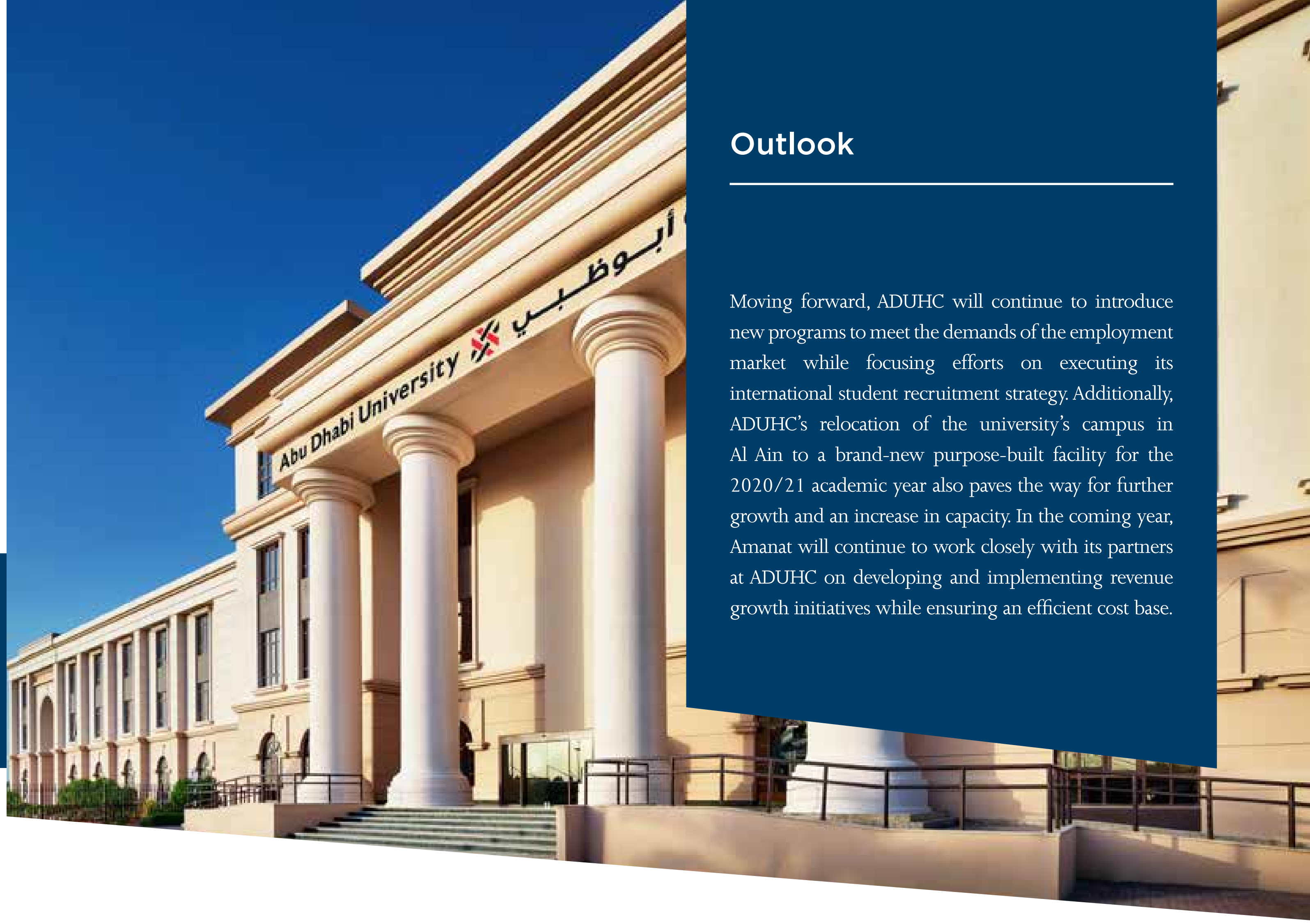
35%
Amanat's Stake

With a track record spanning nearly two decades, ADUHC boasts a strong reputation as a specialized leader in private higher education across Abu Dhabi and Al Ain. Today, more than eight thousand students are enrolled across its institutions and thousands more receive vocational training through its corporate training solutions companies. In the coming years, ADUHC will look to cement its leading position in the private higher education sector across the UAE as a whole.

Investment Thesis

With an established market-leading reputation in the private higher education sector in Abu Dhabi and Al Ain, and with a growing presence in Dubai, ADUHC's potential for future expansion is significant. Its solid market positioning and performance in 2020 showcase the company's resilience and growth potential which allows it to easily attract a growing number of student and professionals on account of its reputation as a creator of successful educational facilities. ADUHC's unique offering, ranging from higher education, vocational studies and corporate training, adds a competitive edge to the company in comparison with other private providers in Abu Dhabi. This also ensures a greater diversification in its revenue streams and substantial infrastructure that supports different educational arms. ADUHC also possesses an extensive land bank that will facilitate its growth plans and ventures.

Specialization	Date(s) of Acquisition	c.8,000	AED 330 MN
Undergraduate and post-graduate studies	March 2018	Number of students	Amanat's investment



Outlook

Moving forward, ADUHC will continue to introduce new programs to meet the demands of the employment market while focusing efforts on executing its international student recruitment strategy. Additionally, ADUHC's relocation of the university's campus in Al Ain to a brand-new purpose-built facility for the 2020/21 academic year also paves the way for further growth and an increase in capacity. In the coming year, Amanat will continue to work closely with its partners at ADUHC on developing and implementing revenue growth initiatives while ensuring an efficient cost base.

COVID-19 Response

As with all other education providers in the country, ADUHC was required to transition to online and distance education following the outbreak of the first wave of COVID-19 in March 2020. Moreover, as businesses around the country worked to keep a tighter rein on spending, ADUHC witnessed a decrease in demand for its corporate training services in the immediate aftermath of the outbreak. However, enrollment rates across all its offerings were strong going into the summer and fall terms.

ADUHC's multi-dimensional response was aimed at mitigating the impacts of restrictions on its service delivery, while simultaneously working towards supporting enrollment rates for the summer and fall terms. ADUHC launched a seamless transition to e-learning, utilizing virtual tools and focusing on providing a comprehensive e-learning experience to students. At the same time, ADUHC developed an online platform for recruitment, enrollment and student support while maintaining academic support to enhance student performance and engagement. This led to very high levels of student satisfaction in the university's distance education offering.

Financial Review

ADUHC recorded income from investments of AED 36.7 million in 2020, up 75.5% from the previous year. Strong growth came on the back of robust enrollment rates during the spring, summer and fall semesters as well as higher revenues generated from the university's vocational and corporate training services in the second half of the year. Profitability was further bolstered by efficiencies and cost optimization initiatives introduced throughout 2020.

Operational Review

Further to the immediate response strategy to COVID-19 previously outlined, on the operational front Amanat continued to work with its partners at ADUHC on the implementation of cost rightsizing initiatives and the assessment of program profitability per campus to help maximize returns. Amanat's work is already bearing fruit, with the successful implementation of cost management initiatives throughout 2020 playing a key role in supporting ADUHC's bottom-line for the year. ADUHC witnessed an unprecedentedly successful summer intake thanks to its internationally competitive programs and prestigious accreditations, which were further bolstered by the newly established College of Health Sciences. At the end of 2020, ADUHC operated five campuses across Abu Dhabi, Al Ain and Dubai, with c.8,000 enrolled students.

Education
Investments (Cont'd)

Middlesex University Dubai (MDX) UAE

100%
Amanat's Stake

Middlesex University Dubai (MDX) is the first overseas campus of the internationally-renowned Middlesex University in London. The campus offers high quality UK education and a UK degree, replicating the experience of the London campus. Today, its student body encompasses more than 3,300 students from over 100 nations. The university is constantly introducing new programs, and exploring opportunities for developing and growing its offerings and facilities.

Investment Thesis

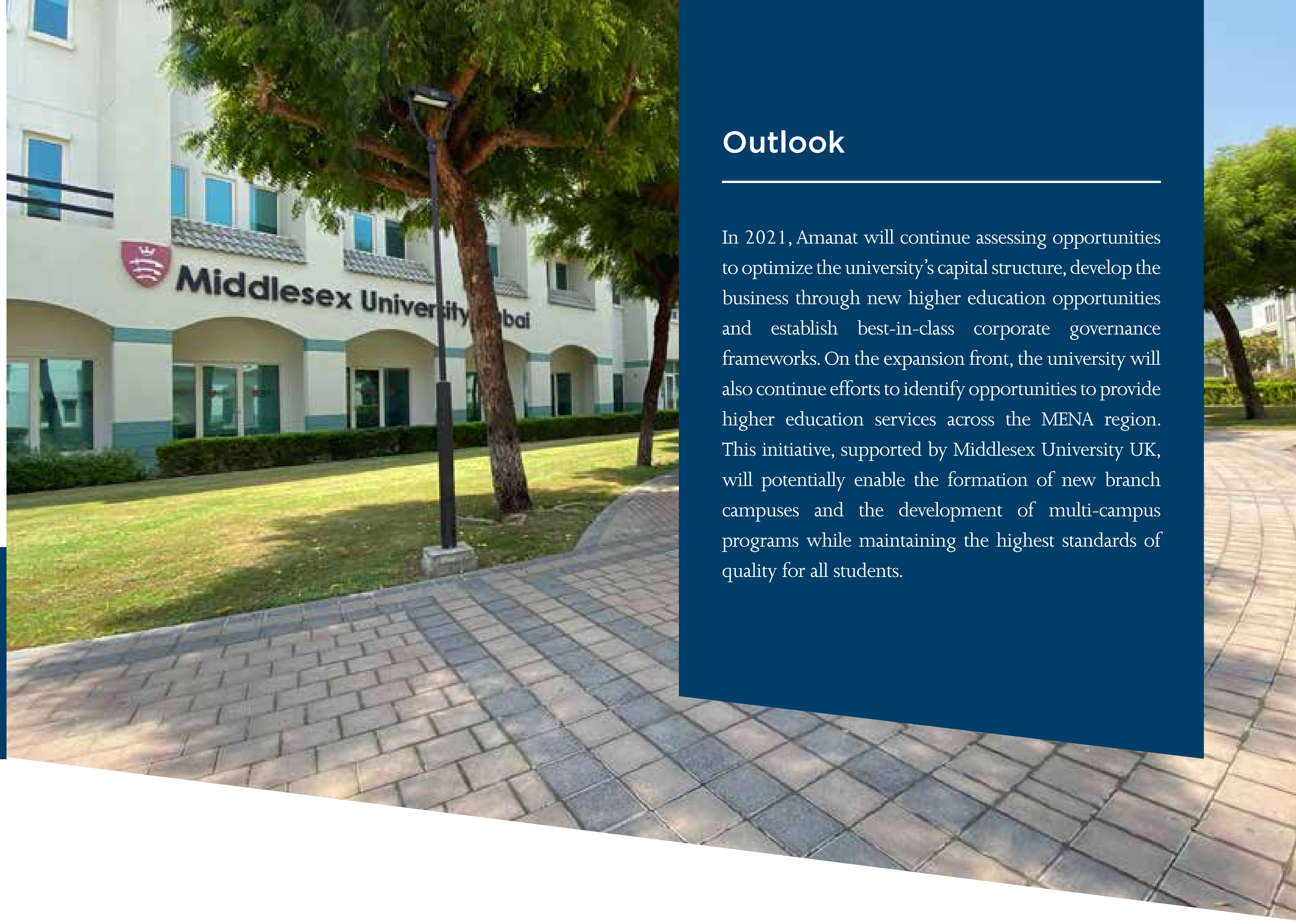
Middlesex's competitive edge, which has allowed it to consistently attract a growing number of students, lies in its unique value proposition of high quality education and a leading UK degree at competitive tuition rates. This strategy has seen it stand out from its competitors in the Dubai market and deliver growing enrollment rates even in light of the sector-wide difficulties faced following the outbreak of COVID-19. Additionally, the university operates on an asset-light business model that is debt-free. Its robust financial profile, coupled with cash-generative and negative working capital business models, give it the required support for rapid and effective expansion.

COVID-19 Response

With educational facilities across the nation closed for in-person attendance, Middlesex shifted to distance learning till the end of the 2020 academic year. In the immediate short-term, revenue was impacted by the lack of in-person attendance, paired with a number of international students returning to their home country following the imposition of a lockdown, and a decline in extracurricular activities. However, management's proactive response helped the university mitigate, almost in full, the financial and operational impacts of COVID-19-related restrictions.

Middlesex swiftly and successfully shifted to distance learning and conducted over four thousand live sessions online, testament to the seamlessness of their move to e-learning. In parallel, the university initiated flexible payment plans for students to encourage re-enrollment and support students and their families during the pandemic. Given the potential decline in international enrollment due to travel restrictions, management's focus shifted increasingly to domestic student recruitment and student conversion from the IFP (Foundation Program) to undergraduate programs. On the online recruitment front, numerous initiatives were launched to promote the university to prospective students, including: MDX Virtual Experience, MDX Dubai Schools Week, programme-specific virtual open days, parent Q&A sessions, and bespoke campus tours.

Specialization	**Date(s) of Acquisition**	**c.3,300**	**AED 419 MN**
Undergraduate and post-graduate studies	August 2018	Number of students	Amanat's investment



Outlook

In 2021, Amanat will continue assessing opportunities to optimize the university's capital structure, develop the business through new higher education opportunities and establish best-in-class corporate governance frameworks. On the expansion front, the university will also continue efforts to identify opportunities to provide higher education services across the MENA region. This initiative, supported by Middlesex University UK, will potentially enable the formation of new branch campuses and the development of multi-campus programs while maintaining the highest standards of quality for all students.

Financial Review

Amanat's fully owned Middlesex University Dubai recorded an income from investments of AED 26.6 million, a 12.8% increase versus last year. The year-on-year growth was driven by higher enrollments combined with prudent cost management. This more than offset lower ancillary revenue for the year and higher COVID-19-related costs including a rise in bad debt provisions.

Operational Review

Middlesex witnessed a 3% growth in student enrollments, despite the challenging market environment, thanks to the new successful virtual initiatives and events launched for prospective students. Middlesex's strong reputation and unique service offering saw the university not only capture increased domestic enrollments but also manage to enroll international students wishing to begin the academic year remotely until COVID-19 travel restrictions are lifted and they can attend on-campus. Starting from the 2020/21 academic year, MDX outsourced its student accommodation services to a modern and purpose-built student residence located in Dubai International Academic City. This decision falls in line with the long-term objective of continuously enhancing the student life experience.

Education
Investments (Cont'd)

Real Estate Assets of North London Collegiate School Dubai

North London Collegiate School Dubai (NLCS) UAE

100%
Amanat's Stake of Real Estate Assets

Amanat's acquisition of NLCS' real estate marked its first venture into the social infrastructure sector, and supported the Company's diversification efforts. This acquisition showcases Amanat's interest in stable assets that generate attractive yields and recurring long-term income. NLCS is a premium International Baccalaureate® (IB) curriculum K-12 school located in Dubai, of which Amanat owns 100% of its real estate assets. Amanat acquired these assets in March 2018 with the intent to invest in a stable asset class than would generate attractive yields and recurring income for the Company.

During the past three years, NLCS witnessed a significant ramp-up, with enrollments reaching almost 950 students as of September 2020. To accommodate such growth, Amanat has financially supported NLCS to expand the school's capacity in a phased approach. The expansion was completed in 2020, and brought the total student capacity from c. 1,000 students to c. 1,700 students. As per previously agreed terms, Amanat funded the project with a total value of AED 32.7 million.

Specialization	Date(s) of Acquisition	N/A	AED 407 MN
K-12 (real estate acquisition)	June 2018	Number of students	Amanat's investment

Education
Investments (Cont'd)

BEGiN

BEGiN

c.2%
Amanat's Stake

Amanat completed its first venture capital investment in October 2020 with an AED 18.4 million investment in US-based leading education technology company, BEGiN. As part of the investment, Amanat becomes BEGiN's principal strategic partner in the MENA region, leveraging Amanat's deep industry expertise and unparalleled network to help drive growth in the region. The company represents the ideal investment target for Amanat given BEGiN's attractive business model, strong management team, regional growth aspirations and a clear path to profitability in the short- to medium-term. Furthermore, BEGiN is an important stepping stone towards strengthening Amanat's digital presence, an area which has become increasingly important following the outbreak of COVID-19.

BEGiN is behind the proven early learning program HOMER, an essential program for young children. The HOMER Method — BEGiN's proprietary learning framework — delivers academic skills like literacy and math, in addition to personal skills like problem solving and social emotional awareness through content that is personalized to their interest, age, and learning level. BEGiN's investors and partners include some of the most recognized children's brands including Sesame Workshop, LEGO Ventures, Gymboree Play & Music and Fisher-Price.

Specialization	Date(s) of Acquisition	N/A	AED **18.4** MN
Early learning digital programs	October 2020	Number of students	Amanat's investment

Sustainability

Amanat seeks to integrate sound practices and investments into the fabric of its operations while spearheading projects that effect positive impact on the communities in which it operates

Amanat's Approach to **Sustainability**

Sustainability and the promotion of social change are key priorities in Amanat's overarching strategy. The Company seeks to integrate sound practices and investments into the fabric of its operations while spearheading projects that effect positive impact on the communities in which it operates. Accordingly, a number of initiatives were launched in 2020 with the aim of benefiting local communities while simultaneously promoting self-sufficiency and sustainable development.

Far-Reaching Impact

Amanat seeks to contribute to a diverse array of corporate social responsibility (CSR) programs to broaden its reach and generate maximum impact for local communities. Throughout 2020, multiple initiatives were launched in the spaces of social contribution and COVID-19 relief; environmental conservation; and individual empowerment.

Social Responsibility

Donations to Vulnerable Groups

Amanat and its portfolio companies seek to eradicate hunger and cushion at-risk populations from the aftermath of disruptions to steady income. Multiple efforts were launched throughout the year in support of this objective, and have had tangible impact across the holding company's local communities.

10 Million Meals

During the year, Amanat participated in the 10 million meals Ramadan campaign, an initiative by the Mohammed Bin Rashid Al Maktoum Global Initiatives foundation in collaboration with the Social Solidarity Fund against COVID-19, which seeks to provide food to families impacted by the pandemic.

American Academy for Girls Against Hunger

The American Academy for Girls, managed by Amanat's Taaleem, participated in two national campaigns, one seeking to contribute to the second UN Sustainable Development Goal which seeks to end hunger, and another held by the Nefsy food app to end hunger among vulnerable communities by donating food boxes.

Community-Wide Donation Campaigns

In 2020, Middlesex Dubai worked with a number of charity and non-profit organizations including the Latifa Children's Hospital, Al Jalilia Foundation, and the Little Wings Foundation to organize donation campaigns and blood drives to support the local community.

ADU's Diversified Social Initiatives

ADU invests in direct CSR initiatives and impactful research, and instills social responsibility among its graduates to empower them to lead by example.

Raising Awareness Among Students

During the year, the university hosted a range of activities including competitions, webinars, and over 100 free workshops, as well as provided access to external events to raise awareness among the community regarding critical topics. These included autism, breast cancer, diabetes, and more, with the university often collaborating with key partners and specialist groups to support the events. ADU additionally seeks to engage with the community whenever possible, and encourages its student body to volunteer and steer forward various community projects that are capable of impacting the lives of those around them.

Improving Access to Education

ADU firmly believes that access to education without impediment is a universal right for youth. Accordingly, it seeks to support talented students by providing them with scholarships and financial assistance to help them obtain quality education and positively contribute to society. During the year, ADU pledged to offer full scholarships to top-performing students in the forthcoming 10 editions of the Arab Reading Challenge.

Fueling Social Engagement

Students are encouraged to explore beyond the classroom by engaging with the outside community through various clubs and activities. The university offers access to more than 40 active student-run clubs, ranging from arts and culture to humanitarian and social initiatives. It also affords students the opportunity to participate in school governance by way of the Student Council, which offers a platform for active students to engage with senior management.

Providing Regional Support

ADU organized a fundraising campaign to assist the Sudanese population following the onset of heavy rain in September which raised water levels to unprecedented levels in the Blue Nile and impacted 16 of the country's 17 states.

Health and Wellbeing

Amanat is committed to promoting equal access to quality healthcare and awareness of key health issues among its local communities. Throughout the year, multiple projects were launched in line with this objective.

Do You Know Campaign

To promote the importance of health literacy on key issues affecting women's health, Amanat launched an internal awareness campaign to shed light on the causes of breast cancer as well as preventative and early detection methods.

COVID-19 Measures

During the onset of the COVID-19 pandemic, a number of measures were instated to provide support to the holding company and its subsidiaries' teams and surrounding communities. Abu Dhabi University has offered its support to frontline healthcare workers through the provision of student volunteers and the donation of face masks created by the university's College of Engineering. Middlesex Dubai has additionally facilitated the vaccination process for staff, families, and students to safeguard their wellbeing and curb the impact of the virus.

Other Health Programs at Middlesex Dubai

The university's student activities team launched a series of live and pre-recorded fitness videos to inspire fit and healthy lifestyles. This was supplemented with a campaign by the university administration encouraging staff and students to take the stairs rather than elevators, which reduces energy consumption and helps them incorporate more physical activity into their daily lives. The university's Quality Office also implemented a Care and Concern Framework which provides students with a safe and conducive learning environment. In addition, the university adopted a policy which commits it to exclusively use chemical-free cleaning products. Next to promoting health and safety, this should minimize waste and environmental pollution, and promote an allergen-free space for the university's community members.

Health Programs at RHWC

During the year, RHWC partnered with St. Christopher's School to offer flu shots to school employees in Saar and Isa Town campuses, and almost all employees seeking the shot were able to receive one. RHWC also collaborated with Al Haddad Motors to raise awareness about breast cancer in October. The campaign saw a breast and reconstructive surgery consultant at RHWC receive a pink liveried new Mercedes-Benz GLA. The vehicle was later used by food delivery app Talabat to distribute vouchers for complimentary screenings at RHWC to any female customers.

RHWC also inaugurated the Royal Fertility Centre in 2020 to promote information about reproductive health and provide local beneficiaries with assisted reproductive treatment options. The launch event was held under the patronage of the Minister of Health, H.E Faeqa bint Saeed Alsaleh with Dr. Jaleela Alsayed, CEO of Primary Healthcare, attending on the Minister's behalf. Noteworthy guests were welcomed with an in-depth tour of the clinic by the department head, Dr. Hatem Shawky.

Additional efforts to provide leading treatment services to women and children in Bahrain included the imminent launch of a pediatric center of excellence, which will afford patients treatment and specialist care in even the most specialized of conditions. The department currently consists of experts in pediatric gastroenterology, allergy and immunology, orthopedics, ENT, as well as general pediatrics and neonatology. It is currently looking to expand its services to include pediatric surgery, cardiology and psychiatry.

Finally, and to increase engagement with local members of the community in 2020, the hospital hosted an event to celebrate passing 500 deliveries. Six families were invited back and received a range of gifts and vouchers, as well as a pediatric privilege card offering free consultations for one year.

Awareness Sessions at International Medical Centre (IMC)

IMC hosted multiple events throughout the year to answer questions and offer information and advice on a range of topics and relevant medical issues, including online posts covering Crohn's and Parkinson's disease, cervical cancer and coeliac disease. The hospital also hosted on-the-ground events such as awareness lectures, including "A New Hope in Oncology" discussing the latest cancer treatments.

Environmental Conservation

Amanat and its portfolio companies aim to generate green value and positive environmental impact through their operations. They

undertook a number of measures throughout the year to pursue resource conservation and carbon footprint reduction.

Taaleem Holdings for Environmental Action

Amanat's K-12 education arm, Taaleem Holdings, held a number of initiatives at its seven institutions to promote environmental conservation and instill sustainable habits into its students at a young age.

Plastic-Free Initiatives

During 2020 and for the second consecutive year, Taaleem Holdings partnered with Simply Bottles, a UAE-based initiative, to recycle plastic bottles into various clothing items, with students and community members encouraged to bring their used plastic bottles to be recycled. Among Taaleem's participating schools were Greenfield International School; Uptown International School; Dubai British School – Jumeirah Park; Raha International Schools and Jumeirah Baccalaureate School. Furthermore, Greenfield International School held a primary school assembly where a Simply Bottles Coordinator explained the initiative's recycling process in detail. Uptown International School also encouraged students to go plastic-free by bringing reusable drinking bottles and lunchboxes to school. The administration used the students' house points system to incentivize participation in the initiative.

Going Green

Taaleem's schools spearheaded a number of projects for students across its school portfolio to promote the incorporation of more sustainable practices into daily life. Moreover, two of Taaleem's schools, Dubai British School – Jumeirah Park and Raha International Schools have installed solar panels on their roofs to decrease energy consumption across campuses and minimize the company's carbon footprint. Dubai British School – Jumeirah Park has already witnessed a 20% decrease in its energy consumption with similar results expected at Raha International Schools.

To promote the importance of a greener environment, Jumeirah Baccalaureate School established a school backyard mini garden called the Early Years garden, and collaborated with One Good Thing to plant a tree for each mask bought from the association. Uptown International School also worked with the Environmental Center for Arab Towns during the year to obtain its Eco-Schools Green Flag as a sign of its ongoing commitment to sustainability. Further to this, American Academy for Girls held a three-day Nexplorers STEM workshop during November 2020 focusing on global clean energy and water sources.

Middlesex Dubai Maintains its Green Mission

Encouraging environmentally sustainable behavior across campus forms a key priority for Middlesex Dubai, and the university works to achieve its sustainability objectives, reduce its carbon footprint, and promote environmental consciousness among its staff and students through multiple, diverse efforts.

Upcycle, Recycle

In a continued partnership with Simply Bottles, Middlesex Dubai ensures all bottles and plastics on campus are made of polyethylene terephthalate (PET plastic) to facilitate their recycling through various designated deposit points. The university also collaborated with Save, Scrap & Sew during the year to upcycle unused scraps of material into a variety of usable products for members of the community in need.

Reduced Carbon Footprint

Middlesex Dubai replaced equipment across campus for increased energy efficiency, and introduced laptops in lieu of traditional desktop computers to afford more reliable and sustainable equipment for staff and student use. The university also underwent a drive to fully transition to LED lighting, which reduces energy consumption, environmental impact, and overhead costs. In addition, it encouraged staff and students to turn off the lights and air conditioning across all campus classrooms and offices when not in use to promote more sustainable behavior.

100% Paperless Initiative

Middlesex Dubai has also embarked on the path to become 100% paperless, initially launching this new measure among its administrative departments. The university also began rolling out the campaign among its academic departments by placing restrictions and daily print volume limits. These restrictions will see the university slowly eliminate its reliance on paper.

Sustainability Through Innovation

A commitment to innovative solutions is part and parcel of Amanat's decision-making strategy. The holding company and its subsidiaries believe in encouraging employees, students, and stakeholders to devise innovative community endeavors and integrate sustainability into all aspects of day-to-day living.

During the year, Middlesex Dubai welcomed a number of guest speakers onto its campus to offer specialized insight. Among the speakers were Swiss entrepreneur Matteo Boffa, who held a seminar titled "Sustainability and the Future" where he examined key environmental issues as well as opportunities to improve the planet.

ADU also designed a number of educational activities targeting the empowerment of different segments to achieve future goals. These included a free HR Certificate for HR professionals and managers as well as the Our Future Thinkers Camp, which aims to cultivate innovation among youth. Additionally, the university formed partnerships that allow it to provide services such as complimentary language classes to members of the community.

Corporate Governance

Amanat develops its corporate governance frameworks by adopting best-in-class standards and internal controls that protect the interests of all stakeholders

Corporate
Governance

Amanat adopts robust governance frameworks that are realized through its Board of Directors, Board Committees, Management, Internal Audit and Compliance

Amanat develops its corporate governance frameworks by adopting best-in-class standards and internal controls that protect the interests of all stakeholders. The Group continuously develops and adapts its governance structures in accordance with the rules and regulations set by the Dubai Financial Market and the Securities and Commodities Authority. The continuous development of Amanat's governance framework reflects the essential changes in shareholders' engagement which is a crucial matter for the Company, its Board of Directors and management. In 2020, Amanat assumed increased levels of proactive engagement with its shareholders, dedicating important resources to governance issues, outreach, and the development of applicable policies, including the development of the governance frameworks for Amanat's portfolio companies.

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Board
of Directors

Amanat's Board of Directors is comprised of seven members, a majority of whom are UAE Nationals, including the Chairman. The majority of the Board are Non-Executive Directors and a third of the Board Members are Independent Directors in accordance with the rules and regulations relating to the formation of Boards. Additionally, female representation on Amanat's Board is 29%.

Mr. Hamad Alshamsi
Chairman (Nov 2017 - Present)

Mr. Alshamsi is a UAE national and has a wealth of experience that spans more than two decades, overseeing several businesses across multiple disciplines, including financial services and investments. Mr. Alshamsi served in the Abu Dhabi Investment Authority prior to moving to the Private Department of His Highness the late Sheikh Zayed Bin Sultan Al Nahyan and he is currently the CEO of a private investment company specializing in investments and large-scale real estate development projects. Mr. Alshamsi is a Board Member of several leading institutions engaged in commercial, financial, and service-based activities in the UAE, including Dubai Islamic Bank and Kuwait Food Company. Mr. Alshamsi's former Board appointments include Abu Dhabi Securities Exchange, Media Zone Authority, Abu Dhabi Council for Economic Development, Al Qudra Holding, Finance House, Al Hilal Bank, Abu Dhabi Aviation, Abu Dhabi Airports Company and Etihad Airways. Mr. Alshamsi holds a bachelor's degree in Business Administartion from UAE University and an MBA majoring in Finance and Banking.

Dr. Shamsheer Vayalil
Vice Chairman and Managing Director (Nov 2017 - Present)

Dr. Vayalil has a wealth of experience in healthcare development. Alongside his role in Amanat, Dr. Vayalil also serves as Chairman and Managing Director of VPS Healthcare, one of the leading healthcare groups in the Middle East. Under his leadership, the group succeeded in expanding its operations into four countries through 22 hospitals and over 125 medical centers, as well as establishing one of the largest pharmaceutical plants in the UAE. Dr. Vayalil is also an active member of the UAE Medical Council, the Advisory Board at the University of Sharjah's Faculty of Medicine, the Board of Directors of Abu Dhabi University, and the Board of Directors of Kannur International Airport Ltd. He is also a member of Kerala Non-Resident Keralites Welfare Board, a quasi-judicial entity established in the Indian state of Kerala to protect the rights, interests and properties of non-resident Indians. Dr. Shamsheer holds a Master of Medicine from the University of Sri Ramachandar in India and a Bachelor of Medicine from the University of Kasturba in India. Dr. Vayalil holds an honorary doctorate from the Aligarh Muslim University.

Mr. Hamad Rashed Nehail Al Nuaimi
Non-Executive Board Member (Nov 2017 - Present)

Mr. Al Nuaimi's career spans more than 20 years of dedication to the growth of the region. Mr. Al Nuaimi holds several executive positions and serves on the Boards of numerous top tier investment, real estate and public sector institutions. He is currently the Managing Director of His Highness Sheikh Dheyab Bin Zayed Bin Sultan Al Nahyan's Office and His Highness Sheikh Nehayan Bin Zayed Alnehayan's Office. Mr. Al Nuaimi is also the Executive Director of Ministry of Presidential Affairs and serves as the Chairman of Electronic Stock and Brokerage Co. and the Managing Director at Reem Investments. In addition, Mr. Al Nuaimi is also the Chairman and Board Member of several leading government and private institutions, including leading investment firms. Some of these notable companies include Zayed Bin Sultan Al Nahyan Charitable and Humanitarian Foundation, Daman Securities and Daman Investments, National Investment Corporation, Arab International Bank, and Al Wahda Sports Cultural Club and various other organizations. Mr. Al Nuaimi holds a bachelor's degree in Accounting from the University of Emirates.

Mrs. Sara Khalil Nooruddin
Non-Executive Board Member (Aug 2019 - Present)

Mrs. Nooruddin has a breadth of experience in private investing, and is currently Head of Private Investments at Osool Asset Management. Mrs. Nooruddin has years of experience in private investing and is responsible for sourcing, evaluating, and monitoring fund managers and investment opportunities globally. Osool is the investment arm of the Social Insurance Organization and the Military Pension Fund in Bahrain. Mrs. Nooruddin covers multiple asset classes namely private equity, real estate, infrastructure and private debt. Mrs. Nooruddin has been with Osool since 2013 and prior to joining, Mrs. Nooruddin was a private equity analyst at Gulf International Bank (GIB). Mrs. Nooruddin currently serves on the Board of a London-based real estate company, Aegila Capital Management and the Royal Hospital for Women and Children (RHWC) in Bahrain. Mrs. Nooruddin previously served on the Board of Gulf Medical and Diabetes Center. Mrs. Nooruddin holds a Bachelor of Business Administration with a concentration in finance from George Washington University, USA and is a certified Chartered Financial Analyst (CFA).

Mrs. Elham Al Qasim
Non-Executive Board Member (Feb 2020 - Present)

Mrs. Al Qasim is an investment, asset management and digital strategy expert. Mrs. Al Qasim is currently the CEO of Digital14, leading over 1,000 staff members in the organization in delivering innovative digital solutions. Previously, Mrs. Al Qasim occupied executive positions across global investment and asset management companies. Mrs. Al Qasim was the CEO of the Abu Dhabi Investment Office (ADIO), and Executive Director of the Ghadan 21 program, a three-year AED 50 billion investment program. Prior to this, Mrs. Al Qasim was Director of Mubadala Investment Company and was part of the executive leadership team of Emirates Global Aluminium, where she delivered a two-year post-merger integration program. Mrs. Al Qasim was also part of JP. Morgan's London-based Global Diversified Industrials Team. Mrs. Al Qasim has served on a number of Boards and is currently a Board Member of the Khalifa Fund. Mrs. Al Qasim holds a Master of Science from the School of Social Policy at the London School of Economics and a Bachelor of Business from the American University in Dubai.

Dr. Ali Saeed Bin Harmal Aldhaheri
Non-Executive Board Member
(Nov 2020 - Present)

Dr. Aldhaheri has over two decades of experience in business and a proven track record of success. Dr. Aldhaheri has founded and managed several successful business entities across a number of different sectors, including IT, finance, education, tourism, and real estate. Not only a start-up visionary, Dr. Aldhaheri also has the skills to step in and lead change to achieve sustainable growth in large organizations. Dr. Aldhaheri has been involved at a high level with government tourism and development strategy, MICE and education management, to name a few. Dr. Aldhaheri currently holds several key positions, such as Chairman and Founder of Abu Dhabi University, CEO of Abu Dhabi University Holding Company, Chairman of Al Khawarizmi Holding Company, Managing Director of Bin Harmal Group, Chairman of Liwa Education, Chairman of the Board of Directors for National Takaful - Watania, and Chairman of Magna Investments. Dr. Aldhaheri also holds various committee positions for private and government entities alike. Dr. Aldhaheri holds a Master of Business Administration with distinction from the American University in Washington DC and completed his PhD studies with Durham University.

Mr. Dhafer Al Ahbabi
Non-Executive Board Member
(Nov 2020 - Present)

Mr. Al Ahbabi is an accomplished executive, investor and entrepreneur with over 25 years of experience in managing investments. Mr. Al Ahbabi was instrumental in penetrating new markets and achieving unprecedented growth for the companies he had previously founded and managed. Mr. Al Ahbabi serves as the Chairman of Al Ramz Corporation PJSC, is the Founder and Chairman of Hameem Investments, and is the Chairman of Four N Properties LLC. Previously Mr. Al Ahbabi was a Board Member of First Gulf Bank and was appointed at the Treasury Department of the Abu Dhabi Investment Authority. Mr. Al Ahbabi holds a Bachelor of Economics from the United Arab Emirates University.

Board of Directors' Responsibilities

The Board of Amanat is responsible for overseeing, counselling and directing senior management and the Board Committees while ensuring the effective leadership of the Group in order to deliver sustainable value to Amanat's stakeholders through the implementation of Amanat's principle business activities and strategies. Among its key duties and responsibilities, the Board adopts Amanat's strategic approaches and objectives; sets the Code of Conduct for the Board and the Company including the rules for insider information and conflicts of interest; establishes and reviews mechanisms to ensure internal compliance and adherence to regulatory frameworks for risk management; ensures the soundness of administrative, financial, and accounting systems; sets the responsibilities, training and conduct of Board Members; sets a mechanism for receiving shareholders' complaints and proposals; and sets policies that regulate the Company's relationship with its stakeholders as well as disclosure and transparency policies, in addition to policies related to the distribution of the Company's profits in a manner that serves in the best interests of the shareholders and Company alike.

Internal Control and Compliance

The internal audit and compliance function is responsible for the ongoing monitoring and reporting to the Audit Committee on all aspects of Amanat's compliance with its policies, procedures, ethics requirements and Code of Conduct, as set and approved by the Board of Directors and Board Committees. Key responsibilities include reporting on significant risk exposure and control issues, as part of its broader monitoring and evaluation of company governance and risk management processes. The function also evaluates risks related to achieving the organisation's strategic objectives; company systems used to ensure compliance with policies, plans, procedures, laws, and regulations; and the alignment of results with established objectives and goals. The function also assesses the means used to safeguard company assets; the efficiency and effectiveness with which company resources are deployed; and the reliability and integrity of all types of information used by the Company.

General Counsel and Company Secretary

The General Counsel manages the provision of legal services rendered to Amanat to guard its interests, its legal rights and to maintain its operations within the limits prescribed by the governing laws and regulations. The General Counsel provides strategic guidance, consultation, and support to senior officers of Amanat on its day-to-day operations. The General Counsel's role is to understand the strategy and objectives of the business and effectively communicate the risks and legal issues involved in any decision to senior officers. This enables Amanat's management to evaluate its choices within an acceptable legal risk profile.

Investor Relations

Amanat Holdings' Investor Relations function integrates finance, communication, marketing and securities law compliance to enable the most effective two-way communication between the financial community and other constituencies. Amanat Holdings' Investor Relations Framework is a set of guidelines for the planning and execution of key objectives and mapping of KPIs and yearly targets including developing a full and fair valuation for Amanat Holding securities; ensuring compliance with SCA and DFM regulations; establishing, maintaining and rebuilding investor confidence; keeping the management informed on market perception and key trends; and timely disclosure to investors as well as managing the information disclosure to the investment community in addition to creating awareness, both internally and externally, of investor relations.

Board Committees

The Board of Directors established the Board committees to assist it in achieving its duties and responsibilities. The committees report directly to the Board and comprise the Audit Commiteee, the Nomination and Compensation and Benefits Committee, and the Strategy and Investment Committee.

Audit Committee

The Audit Committee is responsible for reviewing the Company's financial and accounting policies and procedures and monitoring the integrity of the Company's financial statements and reports. Among other roles, it reviews all auditing reports and internal controls, addresses related-party transactions, and ensures implementation of the Company's Code of Conduct.

The Committee* comprises:

Dr. Ali Saeed Sultan Bin Harmal Aldaher	President
Mr. Dhafer Sahmi Jaber Mufreh Al Ahbabi	Member
Mr. Laith Alfraih	Member

Audit Committee Responsibilities

The Audit Committee assumes the following duties:

- Overseeing, reviewing, and assessing the effectiveness of the Company's corporate governance, disclosure, internal control, and risk management systems.
- Reviewing the Company's financial and accounting policies and procedures.
- Monitoring the integrity of, and reviewing, the Company's financial statements and reports (annual, semi-annual, and quarterly).
- Coordinating with the Board and management for the purpose of performing their duties.
- Considering important and unusual clauses that are, or shall be, mentioned in any of the reports and accounts and paying the required attention to any of the issues brought up by management or the external auditor.
- Submitting a recommendation to the Board in respect of the selection, resignation, or discharge of the external auditor, and in case the Board rejects such recommendation, the Board shall include in its annual governance reports a statement clarifying the recommendation of the Committee and the reasons for the Board's rejection of such recommendation.
- Setting and implementing the policy of engagement with the external auditor and submitting a report to the Board along with its recommendations specifying the procedures the Committee deems necessary to be taken in this regard.
- Ensuring the external auditor's compliance with the applicable laws and regulations and the constitutional documents of the Company and following up and monitoring the independence of the external auditor.
- Meeting at least once annually with the external auditor without the presence of management and discussing with the external auditor the nature and scope of the auditing process and its effectiveness according to the approved auditing standards.
- Overseeing all that is related to the external auditor's roles, responsibilities, work plan, correspondence with the Company, comments, proposals, concerns, and any substantial inquiries made by the external auditor to management concerning accounting books, financial accounts, or control systems, and following up on the Board's response thereto and the provision of the facilities required.
- Ensuring timely response by the Board to inquiries, clarifications and substantial matters raised by the external auditor.

The Audit Committee was reformed following the Company's Board of Directors Meeting dated 17 November 2020.

- Discussing the internal control system with the Board and ensuring the implementation of an effective system for internal control
- Considering the results of any investigations conducted on the internal control systems and discussing the same with the Board.
- Reviewing the external auditor's assessment of internal control procedures and ensuring coordination between the internal auditors and the external auditors.
- Ensuring the availability of the resources required for the internal control department and reviewing and monitoring the effectiveness of such department.
- Studying internal control reports and following up on the implementation of corrective measures for the remarks highlighted in such reports.
- Setting the rules that enable the Company's staff to confidentially report any potential violations in financial reports, internal control, or any other issues and the procedures sufficient for conducting independent and fair investigations concerning such violations.
- Reviewing the effectiveness of the Company's programs to ensure compliance with legal and regulatory requirements and the Code of Conduct.
- Reviewing related party transactions with the Company, managing conflicts of interest, and submitting recommendations concerning such transactions to the Board before executing such transactions.
- Ensuring implementation of the Code of Conduct related to the Committee's duties and powers assigned to it by the Board.
- Submitting reports and recommendations to the Board concerning any or all the above.
- Considering any other issues determined by the Board.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee establishes the policies for bonuses, privileges, incentives and salaries for all company personnel, including Board Members; it determines the Company's executive and staff qualification requirements; and sets the human resources and training policies. The Committee establishes and updates the policy for nominations to the Board and executive management, which includes seeking to achieve greater gender balance. It continually assesses and verifies the independence of independent Board Members. The Committee is required to meet at least once during the year.

The Committee* comprises:

Mr. Dhafer Sahmi Jaber Mufreh Al Ahbabi	Chairman
Ms. Elham Al Qasim	Member
Ms. Sara Khalil Nooruddin	Member

Nomination and Remuneration Committee Responsibilities

The Nomination and Remuneration Committee assumes the following duties:

- Setting a policy for nomination of Members of the Board and executive management with the aim of achieving gender diversity on the Board and encouraging female nominees by offering privileges, training and motivational programs, and submitting a copy of such policy to the Securities and Commodities Authority (and any amendments thereof).
- Regulating and following up the procedures of nomination for Board membership in accordance with the applicable laws and regulations.
- Verifying permanency of independence of independent Board Directors whereby the Committee shall inform the Board of violation of independency terms and the Board shall accordingly notify the concerned Board Director in writing through registered courier to his or her address with justifications of non-independence. The challenged Board Director shall then respond to the Board within 15 days and the Board shall accordingly determine on the independence or not of the Board Director at the first meeting following rejection of the Board Director or termination of above timeline.
- Drafting and annually reviewing the remuneration, benefits and incentives policies concerning Board Directors and employees of the Company and ensure that remuneration and benefits granted to the senior executive management of the Company are reasonable and in line with the Company's performance.

The Nomination and Remuneration Committee was reformed following the Company's Board of Directors Meeting dated 17 November 2020.

- Annually reviewing the skills required for Board membership and determining the required capabilities and qualifications for Board membership, including the time required by a Member to carry out his or her duties as a Board Member.
- Reviewing the Board structure (and Board membership representation at the subsidiaries) and submitting recommendations to the Board regarding the changes that may be made.
- Identifying the Company's needs for qualified staff at the senior executive management level and employees and the basis of their selection.
- Drafting the Company's Human Resources and Training Policy, supervising its implementation and annual review thereof.
- Organizing and following up on procedures for Board candidates in accordance with applicable laws and regulations and the provisions of this Charter.

Strategy and Investment Committee

The Strategies and Investment Committee acts as an advisor to the Board and is responsible for reviewing and monitoring the implementation of the Company's strategic initiatives and business plans and providing recommendations to the Board.

The Committee* comprises:

Mr. Hamad Abdulla Al Shamsi	Chairman
Dr. Ali Saeed Sultan Bin Harmal Aldaheri	Member
Dr. Shamsheer Vayalil	Member
Ms. Sara Khalil Nooruddin	Member
Dr. Mohamed Hamade	Member

Strategy and Investment Committee Responsibilities

The Strategy and Investment Committee assumes the following duties:

- As an advisor to the Board whereby it reviews, assesses, and makes recommendations to the Board on the various matters that are placed in front of the Board.
- An executive role to guide and aid the management of the Company.
- The Committee has the authority to take decisions as per the limits indicated in the delegation of authority adopted by the Company and has the mandate to review and recommend to the Board on the matters that have been placed before them even if they are over the delegated level of authority.
- The Committee may engage and pay or cause to engage and approve the pay of financial, commercial, and legal and other technical advisors to assist the Committee in carrying out its functions. Such advisors may be the regular advisors to the Company.

Supervision and Follow-up Committee of Insiders' Transactions

Amanat adopts a robust measure to monitor insiders' transactions, and periodically update the market and the Securities and Commodities Authority of the Insider List. the Company's General Counsel and Head of Investor Relation have maintained the insider's list and continues to notify its members of prohibition in dealings periods.

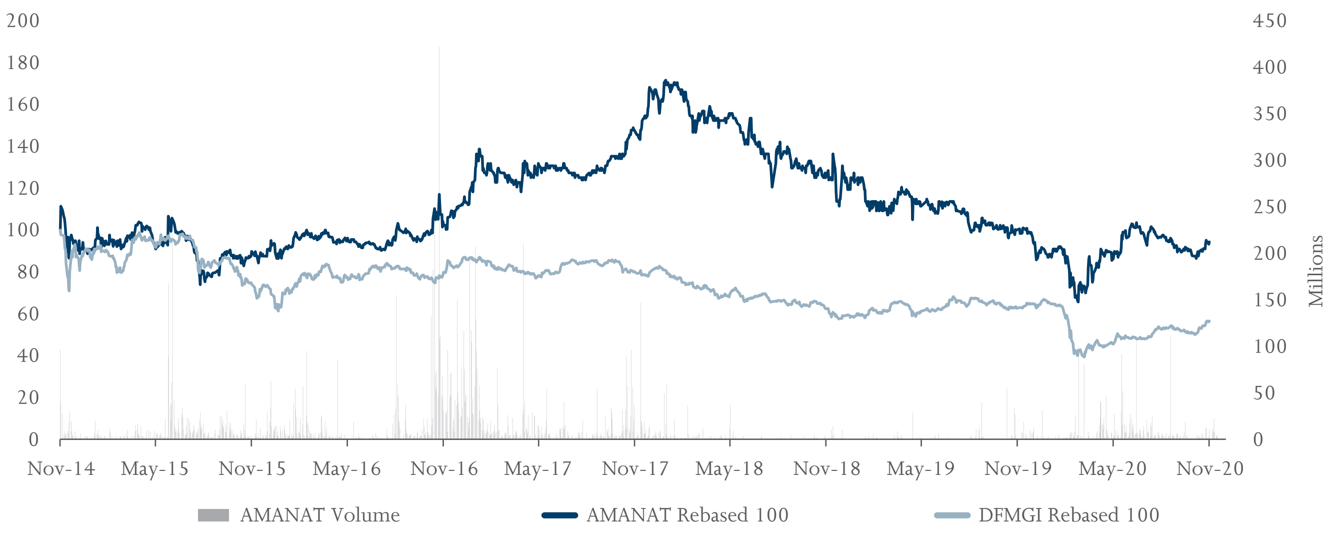
The committee is responsible for:

- Establishing and updating the Insiders Register;
- Notifying of any blackout periods and set awareness for the Company employees of any trading restrictions;
- Establishing and maintaining an Investor Relations Communication and Trading Policy.

In 2020, the Committee created, maintained and updated the Insider List on a quarterly basis and reported it to the DFM. The Committee also cross-checked the Insider List with the Company's shareholder register to identify and monitor any potential transactions by insiders. Finally, the Committee ensured continued compliance with applicable laws and regulations.

The Strategy and Investment Committee was reformed following the Company's Board of Directors Meeting dated 17 November 2020.

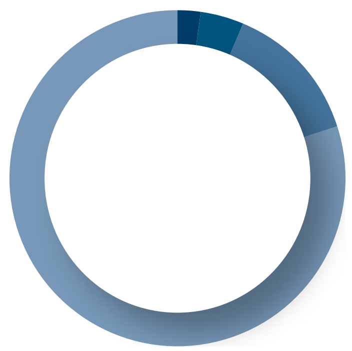
Share Performance – Amanat Share Performance in 2020



Shareholders Owning Over 5%

Invest Bank PJSC	16.20%
Osool Asset Management Co.	10.00%
Emirates Investment Bank	8.72%
Chimera Investment LLC	6.07%
H.H.Sheikh Dheyab Bin Zayed Al Nahyan	5.64%
Al Salem Company Limited LLC	5.20%
International Capital Trading (LLC)	5.04%
Al Saqr United Group LLC	5.00%
Other Investors < 5%	38.13%

Shareholder Breakdown – Shareholder Distribution by Geography



Local	80%
GCC	14%
Arab	2%
Others	4%

Executive **Management**

Amanat's leadership team boasts decades of wide-ranging industry experience, in-depth knowledge of Amanat's chosen sectors and a pride in what they do. The team's dedication and adaptability proved invaluable in helping Amanat navigate the challenges faced throughout 2020, enabling the company to emerge stronger and leaner, and ready for a new chapter of growth in 2021.

Dr. Mohamad Hamade
Chief Executive Officer

Dr. Hamade has a wealth of experience in the healthcare and education sectors across the Middle East, USA and India. As Chief Executive Officer of Amanat Holdings, Dr. Hamade defines and implements the firm's investment strategy. To date, he has driven growth of Amanat's portfolio to include nine assets (four in healthcare and five in education), representing total investments of c.USD 800 million. Dr. Hamade has led Amanat's VC Strategy, positioning the Company as a leader in the digitalization of both sectors. As a member of the Boards and executive committees of Amanat's investee companies, Dr. Hamade also drives growth and value creation initiatives across the portfolio. Prior to Amanat, Dr. Hamade served as Chief Investment Officer of VPS Healthcare, a group comprising over 20 hospitals and 100 medical centers across the UAE, Oman and India. Before joining VPS, Dr. Hamade was a Principal at TVM Capital and Chief Strategy Officer of one of its portfolio companies. Dr. Hamade holds an M.D. and a BSc in Biology from the American University of Beirut, and an MBA from Cornell University in the USA. He also holds a Research Fellowship Certificate in ENT Surgery from Harvard Medical School.

Amer Jeambey
Head of Healthcare Investments and Acting CFO

Mr. Jeambey joined Amanat from Ithmar Capital Partners where he served as Director of Investments focusing on special situations and investing across public and private equity. Prior to that, he assumed the role of Vice President at CPC Africa, a pan-African infrastructure investment company, where he was responsible for business development and investment execution in West Africa. Mr. Jeambey joined CPC Africa from the global strategy consulting firm Booz & Company where he specialized in advising investment companies on strategy formulation, operating model design and portfolio optimization. He started his career working in investment banking for Audi Capital in Riyadh, advising regional groups on mergers and acquisitions transactions. Mr. Jeambey holds an MBA from Columbia Business School in New York, MA in Financial Economics and BA in Economics, both from the American University of Beirut.

Fadi Habib
Head of Education Investments

Since joining Amanat in April 2015, Mr. Habib has been instrumental in executing Amanat's mandate through evaluating investment opportunities and leading strategic initiatives at portfolio companies. He joined Amanat from Scotiabank Global Banking & Markets in Toronto, where he served as Senior Associate in Equity Research, covering publicly-listed Canadian banks and insurance companies, the largest sector on the Toronto Stock Exchange with well over USD 300 bn in market cap. In the role, Mr. Habib was a key member of one of Canada's top rated research teams renowned for the publication of actionable and market moving investment recommendations. Prior to that, Mr. Habib held roles in corporate banking and asset management at some of Canada's top financial institutions. He is a CFA charterholder, and holds a BSc in Engineering, with Honors, from Queen's University in Canada and an MBA from McMaster University in Canada.

Ms. Sara Shadid
Head of Investor Relations

Ms. Shadid brings over a decade of sell-side experience in equity capital markets to Amanat, acquired through roles within leading investments banks across the MENA region. She is responsible for developing and implementing Amanat's IR strategy, as well as managing communication between the Company's corporate management and its investors. Prior to joining Amanat, Ms. Shadid was the Head of Investor Relations and Corporate Communications at Arabtec Holding PJSC for over two years, working closely with management to implement the group's strategic roadmap. She also served as Lead Sales and Corporate Access for Renaissance Capital Dubai from the company's inception. Ms. Shadid has a BA with Honors in Political and International Studies and Media and Cultural Studies from Middlesex University in London. She is also a certified Board secretary with extensive experience in governance frameworks and sustainability, and is a member of the Middle East Investor Relations Association.

Tamer Morsi
General Counsel and Company Secretary

Mr. Morsi brings over 20 years of experience to his role in Amanat. He acquired a rich background in legal and human capital environments through positions he held with large-scale commercial groups and FMCG manufacturers in the MENA region. Prior to joining Amanat, Mr. Morsi occupied several positions with key organizations within the region, acting as the chief legal advisor to the CEO and senior leadership team. Throughout his career, he partook in a wide range of developmental business endeavors, and created effective legal structures across varied jurisdictions while ensuring compliance with relevant laws and regulations. He has also regularly managed to cultivate positive professional relationships with all relevant governing bodies within the region. Mr. Morsi holds a Bachelor of Law from the University of Cairo, Egypt.

Anas Al Masri
Finance Director

Mr. Al Masri works closely with Amanat's C-levels. He is responsible for managing the Company's financial activities, directions, planning, execution of strategic decisions and complex financial statements. Mr. Al Masri brings more than 16 years of professional experience in finance such as financial reporting, treasury and cash management, consolidation, financial analysis and budgeting. Prior to joining Amanat Holdings, Mr. Al Masri served as a Regional Finance Director at one of the most reputable international corporates, Drake & Skull International, with a focus on developing and managing a high-functioning finance department in six different countries. Mr. Al Masri holds a Bachelor of Accounting. He is a certified Financial Controller and is well trained and highly knowledgeable in IFRS.

Directors' Report

The Board of Directors of Amanat Holdings PJSC (the "Company") and its subsidiaries (collectively the "Group") are pleased to submit the consolidated financial statements of the Group for the year ended 31 December 2020, which comprise the consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated and statement of changes in equity and consolidated statement of cash flows and the related notes.

Principal activities

The principal activities of the Company during the year ended 31 December 2020 were to invest in companies and enterprises in the sectors of education and healthcare and managing, developing, and operating such companies and enterprises.

Financial Results

The Group recorded a profit attributable to equity holders of the Company of AED 10.1 million for the financial year 2020 compared with AED 60.0 in FY 2019.

Amanat's total income recorded AED 70.6 million (net of PPA amortization), a 36.8% decline compared to 2019. Amanat's share of profit from associates declined to AED 22.4 million in FY-2020 from AED 43.5 million in 2019 which includes a one-off provision of AED 16.8 million from Sukoon. The provision was following a comprehensive reconciliation of accounts receivables identifying SAR 50.5 million in aged receivables which were provided for during FY-2020 as a part of the new management's turnaround strategy. Additionally, Sukoon is undergoing a facility refurbishment to improve patient flow and increase capacity to coincide a long-term cost savings plan which contributed to the rebound evident in Sukoon's Q4-2020 performance.

Abu Dhabi University Holding Company ("ADUHC") positively contributed to Amanat's total income, representing an increase of 75.5% in FY-2020 compared to FY-2019. ADUHC managed to partially offset the decline in income from associates after witnessing an unprecedentedly successful summer intake driven by its internationally competitive programs and prestigious accreditations, which were further bolstered by the newly established College of Health Sciences. Amanat continues working with its partners at ADUHC on developing and implementing revenue growth initiatives, while ensuring an efficient cost base.

Returns from financial instruments recorded AED 11.1 million in FY-2020, a 30.4% decline compared to last year on account of significantly lower interest rates in 2020.

Total expenses recorded in FY-2020 of AED 60.6 million were up by 17.2% compared to AED 51.7 million in FY-2019. The AED 6.0 million decline in staff costs on account of a reduction in headcount and a lower bonus provision helped partially offset the increase in project costs which recorded AED 15.8 million in FY-2020 compared to AED 5.8 million in FY-2019.

Amanat has deployed AED 2.1 billion up to 31 December 2020 on strategic investments in Healthcare and Education across the UAE, the Kingdom of Saudi Arabia and Bahrain, representing 84% of its paid-in capital.

Total equity attributable to the owners of the Company on 31 December 2020 amounted to AED 2,512 million.

In accordance with the Articles of Association of the Company, 10% of profit for the year is transferred to statutory reserve. The Company may resolve to discontinue such annual transfers when the reserve equals 50% of the nominal value of the paid-up share capital. Accordingly, an amount of AED 1.0 million has been transferred to statutory reserve during the year. The statutory reserve is not available for distribution.

The Board of Directors of the Company has approved in the meeting held on 25 February 2021 the audited 2020 consolidated financial statements.

Outlook

In 2020 we focused on building stronger foundations operationally at the corporate and portfolio level. While this did result in a series of one-off items as a result of a series of restructuring, we proactively addressed the challenges and remained focused on building value across our portfolio while ensuring our assets continued operating efficiently.

Looking ahead, we have a clear strategic roadmap, and the Board of Directors have identified the key pillars to grow our earnings and drive Amanat to its next phase of growth. These pillars include strategic objectives to improve our portfolios' performance and profitability, optimize our capital structure further and accelerate investments in high-yielding assets. We will focus on investing in businesses with strong earnings potential that are leading the transformation of the healthcare and education sectors.

Directors

HE. Hamad Abdulla Alshamsi	Chairman
Dr. Shamsheer Vayalil	Vice Chairman and Managing Director
H.E. Hamad Rashed Nehail Al Nuaimi	Board Director
Mrs. Sara Khalil Nooruddin	Board Director
Mrs. Elham Al Qasim	Board Director
H.E. Dhafer Al Ahbabi	Board Director
Dr. Ali Saeed Bin Harmal Aldaheri	Board Director

Auditors

Ernst & Young were appointed as external auditors for the Group for the year ended 31 December 2020. The Board of Directors has recommended Ernst & Young as the auditors for 2021 subject to the approval by the shareholders at the forthcoming Annual General Meeting.

On behalf of the Board

Hamad Alshamsi
Chairman

Dubai, United Arab Emirates
25 February 2021

Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF AMANAT HOLDINGS PJSC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Amanat Holdings PJSC (the "Company") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2020. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matters
Investments in Associates	
As stated in note 11 to the consolidated financial statements, The Group holds significant equity accounted investments accounted for in accordance with IAS 28, 'Investments in associates and joint ventures' carried at AED 1,069,755 thousand at 31 December 2020 and have contributed AED 22,426 thousand to the Group's results for the year then ended. The equity accounted investments do not all have year-ends that are coterminous with that of the Group. For the purpose of the audit of the consolidated financial statements of the Group, the associates with different year-ends than that of the Group have prepared management accounts as at and for the year ended 31 December 2020, which have been used by the Group to account for its share of results and other movements in the investments in associates. Accounting for equity accounted investments was a matter of most significance due to the significant contribution of the associate investments to the consolidated results of the Group, the impact these have on the Group's results, the significance of the carrying values of these investments at the reporting date, and the fact that a number of these investments have year-ends that are not coterminous with that of the Group.	We issued audit and/or review instructions to the component auditors of the equity accounted investments, where necessary for the purposes of our Group audit. The instructions covered the significant audit areas that the component auditors should focus on, as well as the information required to be reported back to the Group audit team. Throughout the audit, various planning, execution and completion calls and discussions were held with the component auditors of the equity accounted investment components. We assessed the competence, knowledge and experience of the component audit teams, and performed a review of significant audit areas to assess the adequacy of the procedures performed in pursuit of our audit opinion. We obtained the equity accounted results and movements recorded by the Group and agreed them to the audited/reviewed financial results of the underlying equity accounted investments. We also re-performed manual calculations, including lag period adjustments prepared by management, where required, to test that the equity accounted results are accurate, complete and in line with IFRS. We understood management's process and independently assessed the accounting policies of the associates to that of the Group to ensure consistency with the Group accounting policies and compliance with IFRS.
Goodwill	
As stated in note 10 to the consolidated financial statements, the Group's consolidated statement of financial position includes AED 358,782 thousand of goodwill, representing 13% of total Group assets. In accordance with IFRS, these balances are allocated to Cash Generating Units (CGUs) which are tested annually for impairment, or whenever changes in circumstances or events indicate that, the carrying amount of such goodwill may not be recoverable. This is a key audit matter as determining whether the carrying value of goodwill is recoverable requires management to make significant estimates concerning the estimated future cash flows and associated discount rates and growth rates based on management's view of future business prospects.	We performed the following: • Checked the mathematical accuracy of the impairment model and the extraction of inputs from source documents; • Challenged the key assumptions used in the impairment model for goodwill, including specifically the operating cash flow projections, discount rate, and terminal growth rate; • Engaged our internal specialists to assist us in reviewing the methodologies applied including estimates and judgments made by management; • Considered the sensitivity of the impairment testing model to changes in key assumptions; • We assessed the adequacy of the related disclosures in the consolidated financial statements; and

Other Information

Other information consists of the information included in the Directors' report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

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

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

Responsibilities of the Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and in compliance with the applicable provisions of the Company's Articles of Association and the UAE Federal Law No. (2) of 2015, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Law No. (2) of 2015, we report that:

i) We have obtained all the information we considered necessary for the purposes of our audit;
ii) The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (2) of 2015, and the Articles of Association of the Company;
iii) The Company has maintained proper books of account;
iv) The financial information included in the Directors' report is consistent with the books of account of the Company;
v) The Group's investment in shares and stocks during the year ended 31 December 2020 is disclosed in Note 12;
vi) Notes 11 and 14 reflect material related party transactions and the terms under which they were conducted;
vii) Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2020 any of the applicable provisions of the UAE Federal Law No. (2) of 2015 or of its Articles of Association which would materially affect its activities or its financial position as at 31 December 2020; and
viii) No social contributions were made by the Company during the year.

For Ernst & Young

Signed by:
Ashraf Abu Sharkh
Partner
Registration number: 690

25 February 2021

Dubai, United Arab Emirates

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2020

	Notes	2020 AED'000	2019 AED'000
Revenue from contracts with customers	4	143,565	142,103
Direct costs	4	(80,884)	(69,690)
GROSS PROFIT		**62,681**	**72,413**
General and administrative expenses	5	(122,914)	(123,909)
Other operating income	6	1,823	22,700
OPERATING LOSS		**(58,410)**	**(28,796)**
Share of results of associates	11	22,426	43,510
Finance income	7	40,869	42,098
Finance costs	7	(5,322)	(4,632)
PROFIT FOR THE YEAR		**(437)**	**52,180**
Attributable to:			
Equity holders of the Company		10,082	60,023
Non-controlling interests	29	(10,519)	(7,843)
		(437)	**52,180**
Basic and diluted earnings per share (AED)	**22**	**0.0040**	**0.0240**

The attached notes 1 to 31 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Notes	2020 AED'000	2019 AED'000
PROFIT FOR THE YEAR		**(437)**	**52,180**
Other comprehensive loss			
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:			
Change in fair value of financial assets at FVOCI	12	(1,357)	(5,558)
Share of other comprehensive income of associates	11	633	1366
Total other comprehensive loss		**(724)**	**(4192)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(1,161)**	**47,988**
Attributable to:			
Equity holders of the Company		9358	55831
Non-controlling interests		(10,519)	(7,843)
		(1,161)	**47,988**

The attached notes 1 to 31 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Notes	2020 AED'000	2019 AED'000
ASSETS			
Non-current assets			
Property and equipment	8	128,302	134,933
Right-of-use assets	9	21,706	25,151
Goodwill and intangible assets	10	481,349	485,849
Investments in associates	11	1,069,755	1,107,774
Finance lease receivables	9	384,529	336,417
Financial assets at fair value through OCI	12	32,968	15,716
Total non-current assets		**2,118,609**	**2,105,840**
Current assets			
Finance lease receivables	9	20,793	28,806
Trade and other receivables	13	31,113	31,551
Due from related parties	14	19,653	26,558
Cash and bank balances	15	530,555	571,702
Total current assets		**602,114**	**658,617**
TOTAL ASSETS		**2,720,723**	**2,764,457**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	16	2,500,000	2,500,000
Share premium	16	523	-
Treasury shares	16	(6,702)	-
Statutory reserve	17	30,152	29,144
Fair value reserve of financial assets at FVOCI		(22,390)	(21,033)
Retained earnings		10,497	55,790
Total equity attributable to the owners of the Company		**2,512,080**	**2,563,901**
Non-controlling interests	29	6,345	16,864
Total equity		**2,518,425**	**2,580,765**
LIABILITIES			
Non-current liabilities			
Bank financing	18	54,582	57,152
Other long-term payable	19	3,821	3,916
Lease liabilities	9	22,421	18,227
Due to a related party	14	4,013	-
Provision for employees' end of service benefits	20	9,609	7,959
Total non-current liabilities		**94,446**	**87,254**
Current liabilities			
Bank overdraft	15	14,105	-
Bank financing	18	7,792	-
Accounts and other payables	21	57,815	30,531
Contract liabilities	4	27,129	31,310
Due to related parties	14	801	3,247
Lease liabilities	9	210	3,500
Financial liability at fair value through profit or loss	10	-	27,850
Total current liabilities		**107,852**	**96,438**
Total liabilities		**202,298**	**183,692**
TOTAL EQUITY AND LIABILITIES		**2,720,723**	**2,764,457**

These consolidated financial statements were approved by the Board of Directors on 25 February 2021 and signed by:

Hamad Al Shamsi
Chairman

Mohamad Hamade
Chief Executive Officer

The attached notes 1 to 31 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

	Attributable to the equity holders of the Company								
	Share capital AED'000	Share Premium AED'000	Treasury shares AED'000	Statutory reserve AED'000	Fair value reserve of financial assets at FVOCI AED'000	Retained earnings AED'000	Total AED'000	Non- con-trolling interests AED'000	Total AED'000
As at 1 January 2019	2,500,000	-	-	23,142	(15,475)	38,635	2,546,302	30,244	2,576,546
Effect of adoption of IFRS 16	-	-	-	-	-	2,120	2,120	-	2,120
As at 1 January 2019 (adjusted)	**2,500,000**	**-**	**-**	**23,142**	**(15,475)**	**40,755**	**2,548,422**	**30,244**	**2,578,666**
Profit/(loss) for the year	-	-	-	-	-	60,023	60,023	(7,843)	52,180
Other comprehensive (loss)/income	-	-	-	-	(5,558)	1,366	(4,192)	-	(4,192)
Total comprehensive (loss)/income	-	-	-	-	(5,558)	61,389	55,831	(7,843)	47,988
Transfer to statutory reserve (Note 17)	-	-	-	6,002	-	(6,002)	-	-	-
Dividends (Note 23)	-	-	-	-	-	(37,500)	(37,500)	(1,843)	(39,343)
Disposal of subsidiary (Note 10)	-	-	-	-	-	-	-	(3,694)	(3,694)
Group's share of other equity movement of an associate (Note 11)	-	-	-	-	-	(2,852)	(2,852)	-	(2,852)
As at 31 December 2019	**2,500,000**	**-**	**-**	**29,144**	**(21,033)**	**55,790**	**2,563,901**	**16,864**	**2,580,765**
Profit/(loss) for the year	-	-	-	-	-	10,082	10,082	(10,519)	(437)
Other comprehensive (loss)/income	-	-	-	-	(1,357)	633	(724)		(724)
Total comprehensive (loss)/income	**-**	**-**	**-**	**-**	**(1,357)**	**10,715**	**9,358**	**(10,519)**	**(1,161)**
Treasury shares (Note 16)	-	523	(6,702)	-	-	-	(6,179)	-	(6,179)
Transfer to statutory reserve (Note 17)	-	-	-	1,008	-	(1,008)	-	-	-
Dividends (Note 23)	-	-	-	-	-	(55,000)	(55,000)	-	(55,000)
As at 31 December 2020	**2,500,000**	**523**	**(6,702)**	**30,152**	**(22,390)**	**10,497**	**2,512,080**	**6,345**	**2,518,425**

The attached notes 1 to 31 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

	Notes	2020 AED'000	2019 AED'000
OPERATING ACTIVITIES			
Profit for the year		(437)	52,180
Adjustments:			
Share of results of associates	11	(22,426)	(43,510)
Dividend income	6	(993)	(342)
Depreciation of property and equipment	8	12,308	9,307
Depreciation of right-of-use assets	9	7,806	10,488
Amortization of intangible asset	10	4,500	6,233
Loss on disposal of property and equipment		614	-
Allowance for expected credit losses	13	4,088	3,221
Remeasurement gain on financial liability at FVTPL	6	-	(20,150)
Provision for employees' end of service benefits	20	2,886	2,134
Finance income	7	(40,869)	(42,098)
Finance costs	7	5,321	4,632
		(27,202)	**(17,905)**
Trade and other receivables		(3,155)	(1,579)
Due from related parties		90	337
Accounts and other payables and contract liabilities		23,008	(9,650)
Due to related parties		1,567	3,247
Cash used in operations		**(5,692)**	**(25,550)**
Employees' end of service benefits paid	20	(1,236)	(1,860)
Net cash flows used in operating activities		**(6,928)**	**(27,410)**
INVESTING ACTIVITIES			
Acquisition of property and equipment	8	(6,291)	(11,033)
Investment in finance lease	9	(22,633)	(10,000)
Lease payments received	9	13,905	-
Changes in Sharia compliant term deposits		275,779	111,364
Changes in bank term deposits		57,999	(25,959)
Interest received on Sharia compliant term deposits		7,268	22,372
Interest received on bank deposits		1,410	1,565
Dividend received from associates		47,943	33,446
Reduction of capital received from an associate		19,950	-
Dividend received from financial asset at FVOCI		1,318	2,252
Investment in financial asset at FVOCI		(18,609)	-
Settlement of financial liability at FVTPL		(27,850)	-
Net cash flows from investing activities		**350,189**	**124,007**
FINANCING ACTIVITIES			
Dividend paid to equity holders of the Company	23	(55,000)	(37,500)
Dividend paid to non-controlling interests	29	-	(1,843)
Proceeds from bank financing		5,222	57,152
Repayment of bank financing		-	(37,012)
Acquisition of treasury shares, net		(6,179)	-
Change in other cash balance		(14,848)	-
Payment of lease liabilities	9	(4,791)	(13,823)
Finance costs paid		(3,987)	(2,601)
Net cash flows used in financing activities		**(79,583)**	**(35,627)**
NET INCREASE IN CASH AND CASH EQUIVALENTS		263,678	60,970
Cash and cash equivalents at 1 January		127,438	66,468
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	15	**391,116**	**127,438**

The attached notes 1 to 31 form part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

1 Corporate information

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. The registered office of the Company is P.O. Box 121012, Dubai, United Arab Emirates.

Federal Decree-Law No. 26 of 2020 which amends certain provisions of Federal Law No. 2 of 2015 on Commercial Companies was issued on 27 September 2020 and the amendments came into effect on 2 January 2021. The Company is in the process of reviewing the new provisions and will apply the requirements thereof no later than one year from the date on which the amendments came into effect.

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.

These consolidated financial statements include the financial performance and position of the Company and its subsidiaries as listed below (collectively the "Group").

Name	Equity interest		Country of incorporation	Principal Activities
	2020	2019		
Amanat Investments L.L.C.	100%	100%	United Arab Emirates	Investment in commercial enterprises and management.
Amanat Education Investments L.L.C.	100%	100%	United Arab Emirates	Investment in education and commercial enterprises, development and management.
Amanat Healthcare Investments L.L.C.	100%	100%	United Arab Emirates	Investment in healthcare and commercial enterprises, development and management.
Amanat H.H. Alpha Investments L.L.C.	100%	100%	United Arab Emirates	Investment in healthcare and commercial enterprises, development and management.
Amanat H.E. Alpha Investments L.L.C.	100%	100%	United Arab Emirates	Investment in education and commercial enterprises, development and management.
Talent Investments L.L.C	100%	100%	United Arab Emirates	Investment in education and commercial enterprises, development and management.
A.H.H. Investments Limited	100%	100%	United Arab Emirates	Investment in healthcare and commercial enterprises, development and management.
A.H.E. Investments Limited	100%	100%	United Arab Emirates	Investment in education and commercial enterprises, development and management.
AHH Alpha Limited	100%	100%	United Arab Emirates	Investment in healthcare and commercial enterprises, development and management.
AHE Alpha Limited	100%	100%	United Arab Emirates	Investment in education and commercial enterprises, development and management.

Name	Equity interest		Country of incorporation	Principal Activities
	2020	2019		
AH Alpha Investments (Holdings) 1 Limited	100%	100%	United Arab Emirates	Investment in education and commercial enterprises, development and management.
AH Alpha investments (Holdings) 2 Limited	100%	100%	United Arab Emirates	Investment in education and commercial enterprises, development and management.
AHE Ethos Limited	100%	100%	United Arab Emirates	Investment in companies in the field of healthcare.
AH Alpha Investments (Holdings) 3 Limited	100%	100%	United Arab Emirates	Investment in education and commercial enterprises, development and management.
Osool Alseha Wal Taaleem for Investments Ltd. ("Osool")	100%	100%	Kingdom of Saudi Arabia	Investment in companies in the field of healthcare.
WMCE Company W.L.L. ("WMCE")*	49.69%	49.69%	Kingdom of Bahrain	Investment in companies in the field of healthcare.
Maternity Holding Company Ltd. ("MHC")*	74.13%	74.13%	Kingdom of Bahrain	Investment in companies in the field of healthcare.
Royal Maternity Hospital Holding W.L.L. ("RMH")*	69.36%	69.36%	Kingdom of Bahrain	Hospital and healthcare facilities in Kingdom of Bahrain
Middlesex Associates FZ-LLC ("Middlesex University")	100%	100%	United Arab Emirates	Leading university providing tertiary education in the United Arab Emirates

2 Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at FVOCI and contingent consideration that have been measured at fair value. The consolidated financial statements are presented in Arab Emirates Dirhams (AED) and all values are rounded to the nearest thousand (AED'000), except when otherwise indicated.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.3 Summary of significant accounting policies

a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

b) Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investment in its associates are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associates. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associates are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of results of associates' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

c) Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

d) Fair value measurement

The Group measures financial instruments such as financial assets at FVOCI, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

Or

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

The principal or the most advantageous market must be accessible by the Group.

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

e) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Tuition fee

Revenue from tuition fee is recognized over time over the period in which the students are studying and is reduced by scholarships awarded to students during that period.

Healthcare services

Revenue from healthcare services is recognized at a point in time when the services are rendered.

Contract balances

Contract assets

A contract asset is initially recognised for revenue earned from services because the receipt of consideration is conditional on successful completion of the service. Upon completion of the service and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (l) Financial instruments – initial recognition and subsequent measurement.

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (l) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

f) Value added tax

Expenses and assets are recognised net of the amount of value added tax, except:

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

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated financial statements.

g) Foreign currencies

The Group's consolidated financial statements are presented in AED, which is also the Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into euros at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

h) Cash dividend

The Company recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws of United Arab Emirates, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

i) Property and equipment

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

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

Buildings	10 to 20 years
Medical equipment	5 to 15 years
Academic equipment	3 years
Furniture and Fixtures	7 years
Other assets	3 to 7 years

An item of property and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

j) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Buildings and infrastructure	3 to 10 years
Land	45 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (m) Impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as a finance lease.

At the commencement of a finance lease term, the Group records a finance lease receivable in the consolidated statement of financial position at an amount equal to the net investment in the lease. The recognition of finance income is based on a pattern reflecting the constant periodic rate of return on the lessor's net investment in the finance lease.

An operating lease is a lease other than a finance lease. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit or loss due to its non-operating nature.

k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

l) Financial instruments – initial recognition and subsequent measurement

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

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed in section (e) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

Financial assets at amortised cost (debt instruments)

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

The Group's financial assets at amortised cost includes trade receivables and due from related parties.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its listed and unquoted equity investments under this category.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired

Or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment
The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

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

ii) Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, lease liabilities, due to related parties and loans and borrowings.

Subsequent measurement
Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has designated a contingent consideration for the acquisition of a subsidiary as a financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii) Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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

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

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

n) Cash and term deposits

Cash and term deposits in the consolidated statement of financial position comprise cash at banks and on hand and term deposits with a maturity of more than three months.

o) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

p) Employees' end of service benefits

The Group provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

q) Intangible assets

The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

The Group's intangible asset is acquired through a business combination and amortized over its useful economic life of 30 years.

2.4 Changes in accounting policies and disclosures

New and amended standards and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group but may impact future periods should the Group enter into any business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the consolidated financial statements of the Group.

Standards issued but not yet effective

There are several standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements and are not expected to have any significant impact on the Group's consolidated financial statements when they become effective, and accordingly, have not been listed in these consolidated financial statements.

3 Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Property lease classification – Group as lessor

The Group has entered into lease of a school building complex. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments amounting to substantially all of the fair value of the commercial property, that it does not retain substantially all the risks and rewards incidental to ownership of these properties and accounts for the contract as finance lease.

Significant influence over an associate

The Group concluded that it has significant influence over International Medical Center ("IMC"), an associate, even though it holds less than 20 per cent of the voting rights of the entity. The Group holds 13.13% (2019: 13.13%) shareholding in the associate. Based on this shareholding and the Group's representation on the Board of Directors and Executive Committee of IMC, the Group concluded that it exercises significant influence over the investee.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 10.

Fair value measurement of financial instruments

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor (see Note 10 for details).

Leases - Estimating the incremental borrowing rate

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

4 Revenue from contracts with customers
4.1 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 Kingdom of Bahrain.

Segments	For the year ended 31 December 2020		
	Education	Healthcare	Total
	AED'000	AED'000	AED'000
Type of goods or service			
Tuition fees, net of scholarship awarded	127,833	-	127,833
Accommodation fee	3,081	-	3,081
Administrative and other service fees from students	642	-	642
Healthcare and medical services	-	12,009	12,009
Total revenue from contracts with customers	**131,556**	**12,009**	**143,565**
Timing of revenue recognition			
Services transferred over time	131,380	-	131,380
Services transferred at a point in time	176	12,009	12,185
Total revenue from contracts with customers	**131,556**	**12,009**	**143,565**
Direct costs	**(59,634)**	**(21,250)**	**(80,884)**

Segments	For the year ended 31 December 2019		
	Education	Healthcare	Total
	AED'000	AED'000	AED'000
Type of goods or service			
Tuition fees, net of scholarship awarded	125,381	-	125,381
Accommodation fee	8,908	-	8,908
Administrative and other service fees from students	3,780	-	3,780
Healthcare and medical services	-	4,034	4,034
Total revenue from contracts with customers	**138,069**	**4,034**	**142,103**
Timing of revenue recognition			
Services transferred over time	135,856	-	135,856
Services transferred at a point in time	2,213	4,034	6,247
Total revenue from contracts with customers	**138,069**	**4,034**	**142,103**
Direct costs	**(58,324)**	**(11,366)**	**(69,690)**

4.2 Contract balances

	2020	2019
	AED'000	AED'000
Trade receivables, net (Note 13)	11,991	10,594
Contract liabilities (see below)	**27,129**	**31,310**

Trade receivables
Trade receivables are non-interest bearing and are generally on terms of 0 to 30 days from the date of service. In 2020, AED 3,923 thousand was recognised as allowance for expected credit losses on trade receivables (2019: AED 3,221 thousand).

Contract liabilities
Contract liabilities comprise fees collected in advance from students and deferred revenue in relation to educational services that are short-term in nature.

4.3 Performance obligations
Information about the Group's performance obligations are summarised below:

Education services
The performance obligation is satisfied over time on a straight-line basis over the period of the course that students are enrolled in and payment is generally due upon receipt of the invoice or based on an agreed payment plan.

Healthcare services
The performance obligation is satisfied at a point in time when the service is rendered and payment is generally due between 0 and 30 days from invoice date.

4.4 Direct costs

	2020	2019
	AED'000	AED'000
Salaries and employee related costs	48,326	39,103
Royalty and profit-sharing arrangements for academic services	15,149	16,098
Leases (Note 9)	11,210	8,734
Student related expenses	2,032	4,030
Depreciation of property and equipment (Note 8)	1,077	424
Other direct costs	3,090	1,301
	80,884	**69,690**

5 General and administrative expenses

General and administrative expenses mainly include the following:

	2020 AED'000	2019 AED'000
Salaries and employee related expenses	41,764	47,610
Investment related expenses	12,050	5,862
Depreciation of property and equipment (Note 8)	11,231	8,883
Depreciation of right-of-use assets (Note 9)	7,806	10,488
Marketing and business promotion	5,447	6,387
Legal and professional fees	4,925	5,042
Amortization of intangible asset (Note 10)	4,500	6,233
Leases (Note 9)	4,361	5,540
Credit losses expense (Note 13)	4,088	3,221
Management fees	3,376	4,151
Board remuneration	**2,293**	**2,100**

6 Other operating income

	2020 AED'000	2019 AED'000
Remeasurement gain on financial liability at FVTPL (Note 10)	-	20,150
Dividend income from financial asset at FVOCI	993	342
Other income	830	2,208
	1,823	**22,700**

7 Finance income and finance costs

7.1 Finance income

	2020 AED'000	2019 AED'000
Finance lease income (Note 9)	31,371	26,692
Income on term deposits*	9,498	15,406
	40,869	**42,098**

* Includes income on Sharia compliant deposits of AED 6,245 thousand and income on Non-Sharia compliant deposits of AED 3,253 thousand (2019: AED 13,698 thousand and AED 1,708 thousand, respectively).

7.2 Finance costs

	2020 AED'000	2019 AED'000
Finance costs on bank financing	3,988	2,601
Finance costs on lease liabilities (Note 9)	1,334	2,031
	5,322	**4,632**

8 Property and equipment

	Building AED'000	Medical equipment AED'000	Academic equipment AED'000	Furniture & fixtures AED'000	Other assets AED'000	Capital work in progress (1) AED'000	Total AED'000
Cost:							
At 1 January 2019	6,401	-	5,470	2,317	5,241	122,323	141,752
Additions	2,914	2,512	1,363	759	3,485	-	11,033
Transfers	119,247	2,629	-	-	447	(122,323)	-
At 31 December 2019	**128,562**	**5,141**	**6,833**	**3,076**	**9,173**	**-**	**152,785**
Additions	382	4,020	904	183	802	-	6,291
Write off	(2,370)	-	-	-	-	-	(2,370)
At 31 December 2020	**126,574**	**9,161**	**7,737**	**3,259**	**9,975**	**-**	**156,706**
Accumulated depreciation:							
At 1 January 2019	2,601	-	2,577	830	2,537	-	8,545
Charge for the year (2)	5,675	424	1,694	430	1,084	-	9,307
At 31 December 2019	**8,276**	**424**	**4,271**	**1,260**	**3,621**	**-**	**17,852**
Charge for the year (2)	7,144	1,075	918	480	2,691	-	12,308
Write off	(1,756)	-	-	-	-	-	(1,756)
At 31 December 2020	**13,664**	**1,499**	**5,189**	**1,740**	**6,312**	**-**	**28,404**
Net carrying amounts:							
At 31 December 2020	**112,910**	**7,662**	**2,548**	**1,519**	**3,663**	**-**	**128,302**
At 31 December 2019	**120,286**	**4,717**	**2,562**	**1,816**	**5,552**	**-**	**134,933**

(1) Capital work-in-progress at 31 December 2019 represents building and other assets related to the construction of a medical center in Bahrain, which was transferred to the respective categories of assets in 2020 upon completion of the construction and availability of the assets for use.

(2) Depreciation charge for the year has been allocated to profit or loss as follows:

	2020 AED'000	2019 AED'000
Direct costs (Note 4.4)	1,077	424
General and administrative expenses (Note 5)	11,231	8,883
	12,308	9,307

9 leases
9.1 Group as lessee

The Group has lease contracts for land, buildings, office and infrastructures used in its operations. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group also has certain leases of buildings, residential units and offices with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Land AED'000	Buildings and Offices AED'000	Properties Total AED'000
As at 1 January 2019	-	-	-
Upon adoption of IFRS	18,367	20,096	38,463
Depreciation (Note 5)	(430)	(10,058)	(10,488)
Remeasurement	-	(2,824)	(2,824)
As at 31 December 2019	**17,937**	**7,214**	**25,151**
Addition	-	4,361	4,361
Depreciation	(430)	(7,376)	(7,806)
As at 31 December 2020	**17,507**	**4,199**	**21,706**

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2020 AED'000	2019 AED'000
As at 1 January	21,727	-
Upon adoption of IFRS 16 (Note 2.4)	-	36,343
Addition	4,361	-
Accretion of interest (Note 7)	1,334	2,031
Remeasurement	-	(2,824)
Payments	(4,791)	(13,823)
As at 31 December	**22,631**	**21,727**
Current	210	3,500
Non-current	**22,421**	**18,227**

The maturity analysis of lease liabilities are disclosed in Note 25.

The following are the amounts recognised in profit or loss:

	2020 AED'000	2019 AED'000
Depreciation expense of right-of-use assets (Note 5)	7,806	10,488
Interest expense on lease liabilities (Note 7.2)	1,334	2,031
Expense relating to short-term leases – direct (Note 4.4)	11,210	8,734
Expense relating to short-term leases – indirect (Note 5)	4,361	5,540
Total amount recognised in profit or loss	24,711	26,793

The Group had total cash outflows for leases of AED 4,791 thousand in 2020 (2019: AED 13,823 thousand). The Company had non-cash additions to right-of-use assets and lease liabilities of AED 4,361 thousand (2019: right-of-use assets of AED 38,463 thousand and lease liabilities of AED 36,343 thousand on adoption of IFRS 16). There are no leases that have not yet commenced at the reporting date.

The Group does not have lease contracts that contain variable payments.

The lease contracts the Group has entered into do not include termination options. The extension options in those leases will require re-negotiations and the mutual consent of the lessee and lessor. Accordingly, there are no exercisable termination or extension options that the Group has accounted for in its lease liabilities.

9.2 Group as lessor

During the year 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. In 2018, 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.

Transaction costs amounting to AED 15 million are capitalized as part of the net investment in the lease. The net investment in the lease represents the present value of minimum lease payments discounted at the implicit lease rate and is recorded net of any advance lease instalments received by the Group.

The lease agreement contains put and call options for the lessor and lessee, respectively, giving the lessor the option to sell and the lessee the option to buy the underlying property at a pre-determined exercise price within a contractually agreed time frame.

During the year, the Group extended AED 22.6 million (2019: AED 10 million) additional financing to the lessee towards the expansion of the leased asset, out of a total contractual financing limit of AED 45 million as per the original lease agreement.

During the fourth quarter 2020, the Company agreed to the lessee's request to reschedule the lease payments effective 26 December 2020 with no changes to the lease term, the effective interest rate, and to the net present value of the future contractual lease payments at the effective date of the rescheduling. Accordingly, the two parties agreed to defer payments that were due in December 2020 and June 2021 whereby the lease payments will resume from September 2021. The amended agreement, including the revised repayment schedule, was signed by the parties subsequent to the year-end. As per the terms of the revised agreement, the lease receivables are secured against the corporate and personal guarantees of the lessee's shareholders and ultimate shareholders as well as pledge over the shares of the lessee to the extent of 25.1%.

At 31 December 2020, the Group performed an ECL assessment of its lease receivables and concluded that no allowance for credit losses is required to be recognized (refer Note 25).

The following table provides the movement in finance lease receivables:

	2020 AED'000	2019 AED'000
At 1 January	365,223	328,531
Additional financing towards the expansion of the leased asset	22,633	10,000
Lease payments received	(13,905)	-
Finance lease income (Note 7)	31,371	26,692
	405,322	**365,223**

The maturity profile of the gross and net finance lease receivables is as follows:

Gross investment in finance lease receivable

	2020 AED'000	2019 AED'000
Less than one year	22,015	30,580
Between one and five years	165,024	130,942
More than five years	748,533	696,070
	935,572	**857,592**
Unearned finance income	(530,250)	(492,369)
Net investment in finance lease receivable	**405,322**	**365,223**

Net investment in finance lease receivable

	2020 AED'000	2019 AED'000
Less than one year	20,793	28,806
Between one and five years	128,647	101,266
More than five years	255,882	235,151
	405,322	**365,223**
Current	20,793	28,806
Non-current	**384,529**	**336,417**

10 Business combinations

Intangible assets acquired through business combinations are as follows:

	Goodwill AED'000	Agreement AED'000	Total AED'000
Cost:			
At 1 January 2019	358,782	133,300	492,082
At 31 December 2019	358,782	133,300	492,082
At 31 December 2020	**358,782**	**133,300**	**492,082**
Amortization:			
At 1 January 2019	-	-	-
Charge for the year (Note 5)	-	6,233	6,233
At 31 December 2019	-	6,233	6,233
Charge for the year (Note 5)	-	4,500	4,500
At 31 December 2020	**-**	**10,733**	**10,733**
Carrying amounts			
At 31 December 2020	**358,782**	**122,567**	**481,349**
At 31 December 2019	**358,782**	**127,067**	**485,849**

Goodwill arising on business combinations is related to the following cash generating units:

	2020 AED'000	2019 AED'000
Middlesex University (1)	276,770	276,770
Royal Maternity Hospital (2)	82,012	82,012
	358,782	**358,782**

(1) Middlesex associates FZ-LLC

On 2 August 2018, the Group acquired 100% of the shares and voting interests in Middlesex Associates FZ-LLC ("Middlesex University") for a total consideration of AED 418,902 thousand.

Consideration transferred

Included in the cost of acquisition of Middlesex Associates FZ-LLC is a contingent consideration with an overall estimated fair value of AED 48,000 thousand recognised at the acquisition date on provisional basis, which has been classified as financial liability at fair value through profit or loss. As per the contractual agreement with the previous selling shareholders, the Company is required to pay a fixed consideration for each additional student that enrolls with Middlesex University during the period from the acquisition date to 30 September 2019, capped at AED 73 million.

The Group has initially estimated the fair value of the contingent consideration payable after considering the Middlesex University's business plans, historic student enrollment rates and external market and economic factors.

At 31 December 2019, the fair value of the contingent liability was reassessed based on the actual number of additional students that enrolled with Middlesex University during the period from the acquisition date to 30 September 2019, and accordingly, an amount of AED 20,150 thousand was recognized as gain in profit or loss recorded under other operating income (Note 6). The reported fair value of the liability at AED 27,850 thousand at 31 December 2019 represents the settlement amount agreed with the previous selling shareholders, which was settled in the current year.

Fair value measurement

The fair value of the assets and liabilities of Middlesex University had been measured on a provisional basis at 31 December 2018. During 2019, management engaged an independent expert to provide valuation support with respect to the determination of the fair values of the assets acquired and liabilities assumed under IFRS 3 whereby a separately identifiable intangible asset has been identified in relation to an agreement the subsidiary has entered into with Middlesex UK, which was estimated to be having a fair value of AED 133,300 thousand at the acquisition date and a useful life of 30 years from the date of acquisition. Accordingly, AED 133,300 thousand was reduced from the initially recognized amount of goodwill resulting in an adjusted goodwill of AED 276,770 thousand at acquisition comprising the value of expected synergies arising from the acquisition.

As required by IFRS 3, adjustments to provisional amounts that are made during the measurement period are recognised as if the accounting for the business combination had been completed at the acquisition date. Accordingly, the Group had restated the 2018 comparative information and reclassified an amount of AED 133,300 thousand from goodwill to agreement. However, the effect of the amortization of the identified intangible asset on 2018 was not considered to be significant, hence had been adjusted in 2019.

(2) Royal Maternity Hospital Holding W.L.L

On 16 August 2018, the Group acquired 69.36% of the shares and voting interests in Royal Maternity Hospital Holding W.L.L ("RMH") for a total cash consideration of AED 142,107 thousand.

Fair value measurement

The fair value of the assets and liabilities of Royal Hospital had been measured on a provisional basis at 31 December 2018. During 2019, management engaged an independent expert to provide valuation support with respect to the determination of the fair values of the assets acquired and liabilities assumed under IFRS 3, whereby no separately identifiable assets had been identified and the entire difference between the total consideration and identified net assets at the date of acquisition of AED 82,012 thousand was accounted for as goodwill comprising the value of expected synergies arising from the acquisition.

(3) Goodwill impairment assessment

Middlesex Associates FZ-LLC

Management has performed an impairment test on goodwill as at 31 December 2020. The recoverable amount of the CGU of AED 287 million has been determined at 31 December 2020 based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. Cash flows beyond the 5-year period are extrapolated using a growth rate, which management believes approximates the long-term average growth rate for the industry in which the cash-generating unit operates.

The pre-tax discount rate applied to the cash flow projections is 11.0% (2019: 12.5%). The growth rate used to extrapolate the cash flows of the unit beyond the five-year period is 2.0% (2019: 2.5%). As a result of the analysis, there is a significant headroom and management did not identify any impairment to goodwill.

Royal Maternity Hospital Holding W.L.L

Management has performed an impairment test on goodwill as at 31 December 2020. The recoverable amount of the CGU of AED 95.2 million has been determined at 31 December 2020 based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. Cash flows beyond the 5-year period are extrapolated using a growth rate, which management believes approximates the long-term average growth rate for the industry in which the cash-generating unit operates.

The pre-tax discount rate applied to the cash flow projections is 12.3%. The growth rate used to extrapolate the cash flows of the unit beyond the five-year period is 1%. As a result of the analysis, there is a significant headroom and management did not identify any impairment to goodwill.

The calculation of value in use is most sensitive to the following assumptions:

Revenue

Middlesex Associates FZ-LLC

Revenue is mainly determined based on the number of students enrolled at the university. Management took into consideration the growth in the student numbers in the past 3 years and applied estimates for future enrolments based on expected demand for the university's offerings and programs, both locally and internationally. A reasonable decrease of 5% to 10% in the expected number of students is not expected to result in any impairment to goodwill.

Royal Maternity Hospital Holding W.L.L

Revenue is mainly determined based on the number of consultations, deliveries and surgeries at the hospital. Management took into consideration the growth in the number of services it provided from start of operations on April 2019 as well as the initial market research and the future outlook of the industry in Bahrain and applied estimates based on expected demand for the hospital's services, both locally and regionally. A reasonable decrease of 2% to 5% in the expected number of consultations, deliveries and surgeries is not expected to result in any impairment to goodwill.

Discount rate

Middlesex Associates FZ-LLC and Royal Maternity Hospital Holding W.L.L

Discount rate represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. Any reasonable rise in the discount rate is not expected to result in any impairment to goodwill.

EBITDA margin

Royal Maternity Hospital Holding W.L.L

EBITDA margins have been mainly determined based on available information on comparable hospitals in the region. Management has benchmarked the estimated EBITDA margins over the 5-year cash flow projections with regional women's health premium hospitals, taking into consideration the ramp up period of the hospital. A reasonable decrease of 5% to 10% in the expected EBIDTA margins is not expected to result in any impairment to goodwill.

(4) Disposal of a subsidiary

During 2019, the Group disposed of its 85.20% shareholding in Loai Reda & Hakeem Company for Trading Ltd, through which the Group owned 15.47% of IMC, an associate of the Group, while retaining the Group's 13.18% effective shareholding in the associate. The transaction resulted in disposal of asset, liability and equity instrument, without any gain, loss or cash flows arising from the disposal. The asset, liability and equity instrument eliminated upon disposal of the subsidiary are as follows:

	2019 AED'000
Investment in an associate – IMC (Note 11)	65,638
Due to NCI Shareholders of LT	(61,944)
Non-controlling interests (Note 29)	(3,694)
Net assets disposed of	**-**

11 Investments in associates

The Group's investments in associates at 31 December are as follows:

	2020 AED'000	2019 AED'000
Sukoon International Holding Company (1)	129,474	182,347
Taaleem Holdings PrJSC (2)	184,174	186,734
International Medical Center (3)	381,700	383,286
Abu Dhabi University Holdings LLC (4)	374,407	355,407
	1,069,755	1,107,774

The movement in the investments in associates during the year is as follows:

	Year ended 31 December 2020				
	Sukoon AED'000	Taaleem AED'000	IMC AED'000	ADU AED'000	Total AED'000
At 1 January 2020	**182,347**	**186,734**	**383,286**	**355,407**	**1,107,774**
Share of results	(25,711)	10,316	4,404	39,704	28,713
Amortization of PPA assets	-	(1,500)	(1,787)	(3,000)	(6,287)
Share of results in profit or loss	(25,711)	8,816	2,617	36,704	22,426
Share of other comprehensive income	35	-	598	-	633
Dividends	-	(11,376)	(4,801)	(17,704)	(33,881)
Capital reduction (refer below)	(27,197)	-	-	-	(27,197)
At 31 December 2020	**129,474**	**184,174**	**381,700**	**374,407**	**1,069,755**

	Year ended 31 December 2019				
	Sukoon AED'000	Taaleem AED'000	IMC AED'000	ADU AED'000	Total AED'000
At 1 January 2019	**192,111**	**188,479**	**443,429**	**347,010**	**1,171,029**
Share of results	(7,320)	16,006	17,202	23,920	49,808
Amortization of PPA assets	-	(1,500)	(1,798)	(3,000)	(6,298)
Share of results in profit or loss	(7,320)	14,506	15,404	20,920	43,510
Share of other comprehensive income	408	-	958	-	1,366
Dividends	-	(16,251)	(10,867)	(12,523)	(39,641)
Other equity adjustments	(2,852)	-	-	-	(2,852)
Disposals (Note 10)	-	-	(65,638)	-	(65,638)
At 31 December 2019	**182,347**	**186,734**	**383,286**	**355,407**	**1,107,774**

(1) Sukoon International Holding Company ("Sukoon")

The Group has a 33.25% interest in Sukoon International Holding Company, which is involved in providing medical and healthcare services in Jeddah, KSA. Sukoon is a private entity that is not listed on any public exchange. The Group's interest in Sukoon is accounted for using the equity method in the consolidated financial statements.

The following table illustrates the summarised financial information of the Group's investment in Sukoon:

	2020 AED'000	2019 AED'000
Current assets	173,304	313,362
Non-current assets	133,175	132,966
Current liabilities	(56,899)	(33,324)
Non-current liabilities	(9,438)	(13,845)
Equity	**240,142**	**399,159**
Group's share in net assets at 33.25% (2019: 33.25%)	79,849	132,722
Goodwill, intangible and other fair value adjustments	61,692	61,692
Elimination of profit on sale of IMC shares	(19,851)	(19,851)
Costs of acquisition capitalized	5,064	5,064
Amortisation of PPA assets	(1,576)	(1,576)
Other adjustments	4,296	4,296
Group's carrying amount of the investment	**129,474**	**182,347**

	2020 AED'000	2019 AED'000
Revenue	85,606	110,330
Loss and other comprehensive income for the year	(77,326)	(22,015)
Group's share of total comprehensive loss at 33.25% (2019: 33.25%)	**(25,711)**	**(7,320)**

During the year ended 31 December 2020, Sukoon International Holding Company reduced its share capital by AED 170.1 million without change in its ownership structure, out of which AED 84.7 million was utilized to absorb the accumulated losses of the associate and the remaining amount of AED 81.7 million was returned to the shareholders. The Group classified its share of the capital return of AED 27,197 thousand under due from related parties, out of which AED 19.2 million was subsequently received by the Group.

(2) Taaleem Holdings PrJSC ("Taaleem")

The Group has a 21.67% interest in Taaleem Holdings PrJSC, which is involved in providing educational services in the United Arab Emirates. Taaleem is a private entity that is not listed on any public exchange. The Group's interest in Taaleem is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Taaleem:

	2020 AED'000	2019 AED'000
Current assets	212,856	184,413
Non-current assets, net of goodwill	1,036,273	1,067,059
Current liabilities	(276,878)	(321,304)
Non-current liabilities	(320,012)	(273,041)
Equity	**652,239**	**657,127**

	2020 AED'000	2019 AED'000
Group's share in net assets at 21.67% (2019: 21.67%)	141,340	142,400
Goodwill and intangibles at acquisition	45,071	45,071
Cost of acquisition capitalized	4,670	4,670
Amortisation of PPA assets	(6,907)	(5,407)
Group's carrying amount of the investment	**184,174**	**186,734**
Revenue	478,699	509,849
Profit	47,605	73,862
Group's share of profit at 21.67% (2019: 21.67%)	**10,316**	**16,006**

(3) International Medical Center ("IMC")

The Group has a 13.13% interest (2019: 13.13%) in International Medical Center, which is involved in providing healthcare services in Jeddah, KSA. IMC is a closed joint stock entity that is not listed on any public exchange. During 2019, the Group disposed of its subsidiary Loai Reda & Hakeem Company for Trading Ltd. while retaining 13.18% direct interest in IMC. Further, the Group's shareholding was diluted to 13.13% as the Group did not subscribe to the additional shares issued by IMC in 2019.

Based on this shareholding, along with the Group's representation on both the Board of Directors and Executive Committee of IMC, the Group believes it exercises significant influence over the operating and financial policies of IMC, and accordingly, has classified IMC as an associated undertaking.

The Group's interest in IMC is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in IMC:

	2020 AED'000	2019 AED'000
Current assets	616,091	530,700
Non-current assets	861,806	862,539
Current liabilities	(335,835)	(281,887)
Non-current liabilities	(204,398)	(174,947)
Equity	**937,664**	**936,405**
Group's share in net assets at 13.13% (2019: 13.13%)	123,151	122,950
Goodwill, intangible and other fair value adjustments	262,425	262,425
Costs of acquisition capitalized	3,283	3,283
Amortisation of PPA assets	(7,159)	(5,372)
Group's carrying amount of the investment	**381,700**	**383,286**
Revenue	1,202,941	1,021,061
Profit and other comprehensive income	33,542	124,970
Group's share of total comprehensive income at 13.13% (2019: 13.13%)	**4,404**	**17,202**

(4) Abu Dhabi University Holding LLC ("ADU")

The Group has a 35% interest in Abu Dhabi University Holding LLC, acquired on 6 March 2018. ADU is involved in providing university educational services in Abu Dhabi, United Arab Emirates. ADU is a private entity that is not listed on any public exchange. The Group's interest in ADU is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in ADU:

	2020 AED'000	2019 AED'000
Current assets	211,568	260,275
Non-current assets	932,155	870,312
Current liabilities	(180,571)	(236,009)
Non-current liabilities	(284,595)	(277,600)
Non-controlling interests	12,487	11,210
Equity attributable to the owners of ADU	**691,044**	**628,188**
Group's share in net assets at 35% (2019: 35%)	241,865	219,865
Goodwill and intangibles at acquisition	131,194	131,194
Costs of acquisition capitalized	9,380	9,380
Amortization of PPA assets	(8,032)	(5,032)
Group's carrying amount of the investment	**374,407**	**355,407**

	2020 AED'000	2019 AED'000
Revenue	468,800	406,618
Profit	113,440	68,341
Group's share of profit at 35% (2019: 35%)	**39,704**	**23,920**

12 Financial assets at fair value through OCI

	2020 AED'000	2019 AED'000
Emirates NBD REIT Limited – quoted (1)	14,359	15,716
BEGiN – unquoted (2)	18,609	-
At 31 December	**32,968**	**15,716**

(1) The investment consists of a 3.54% shareholding in a quoted equity investment made by the Group in Emirates NBD REIT Limited, which is listed on NASDAQ Dubai exchange.

(2) The investment consists of a 0.0073% shareholding in a US-based leading education technology company.

The movement in the FVOCI investments during the year was as follows:

	2020 AED'000	2019 AED'000
At 1 January	15,716	21,274
Acquired during the year	18,609	-
Net change in fair value	(1,357)	(5,558)
At 31 December	**32,968**	**15,716**

13 Trade and other receivables

	2020 AED'000	2019 AED'000
Trade receivables	20,783	15,298
Less: allowance for expected credit losses	(8,792)	(4,704)
	11,991	**10,594**
Prepayments	6,950	8,611
Accrued profit/interest on term deposits	4,692	3,872
Refundable deposits	2,000	1,826
Advances to suppliers	943	2,367
Dividends receivable	-	325
Other receivables	4,537	3,956
	31,113	**31,551**

Movement in the allowance for expected credit losses is as follows:

	2020 AED'000	2019 AED'000
At 1 January	4,704	4,072
Charge for the year (Note 5)	4,088	3,221
Write-offs	-	(2,589)
	8,792	**4,704**

The information about the credit exposures is disclosed in Note 25.

14 Related party transactions

Related parties represent the shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by the Group and such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Balances with related parties

	2020 AED'000	2019 AED'000
Due from related parties		
Associates		
Sukoon	8,045	798
Taaleem	11,594	16,468
IMC	-	4,835
ADU	-	4,339
Other related parties	14	118
	19,653	**26,558**

	2020 AED'000	2019 AED'000
Due to related parties		
Other related parties – non-current	4,013	-
Other related parties – current	**801**	**3,247**

Transactions with related parties

There were no material transactions with related during the years ended 31 December 2020 and 2019. Dividend received from associates is disclosed in Note 11.

Key management personnel remunerations

Company key management personnel compensation, other than board remuneration disclosed in note 5, comprise the following:

	2020 AED'000	2019 AED'000
Short–term benefits	10,890	16,893
Post–employment benefits	**490**	**802**

15 Cash and bank balances

Cash and bank balances in the consolidated statement of financial position comprise the following:

	2020 AED'000	2019 AED'000
Cash on hand	452	122
Current accounts with banks	87,351	127,313
Call deposits with banks	-	3
Cash balance held with a third party (Note 16.2)	14,848	-
Pledged deposit	3,896	3,896
Shariah compliant term deposits	306,040	382,369
Non-Sharia compliant term deposits	117,968	57,999
Cash and bank balances	**530,555**	**571,702**

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

	2020 AED'000	2019 AED'000
Cash and bank balances	530,555	571,702
Less:		
Cash balance held with a third party* (Note 16.2)	(14,848)	-
Pledged deposit	(3,896)	(3,896)
Shariah compliant term deposits (with initial maturity of more than 3 months)	(106,590)	(382,369)
Non-Sharia compliant term deposits (with initial maturity of more than 3 months)	-	(57,999)
Bank overdraft (Note 18)	(14,105)	-
Cash and cash equivalents	**391,116**	**127,438**

During the year ended 31 December 2020, the Group earned an aggregate profit/interest of AED 9,498 thousand on its deposits (2019: AED 15,406 thousand) (Note 7.1).

16 Share capital and treasury shares

16.1 Share capital

Authorised share capital

As at 31 December 2020 and 2019, the authorised share capital of the Company was AED 5 billion.

Issued share capital

As at 31 December 2020 and 2019 the Company had 2,500,000,000 ordinary shares in issuance of AED 1 each. 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.

16.2 Treasury shares

During the year ended 31 December 2020, the Company engaged a third-party licensed Market Maker on the Dubai Financial Market that offers liquidity providing 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 December 2020, the Market Maker held 8,172,689 of Amanat's shares on behalf of the Company, which were purchased at a cost of AED 6,702 thousand and classified under equity as treasury shares at 31 December 2020. Net gain of AED 523 thousand from the disposal of shares during the period has been recognized as Share Premium under equity. 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.

17 Statutory reserves

As required by Article 239 of the U.A.E. Federal Law No. (2) of 2015, 10% of the profit for the year is required to be transferred to the Statutory reserve. The Company may resolve to discontinue such annual transfers when the reserve equals 50% of the nominal value of the paid-up share capital. During 2020, an amount of AED 1,008 thousand (2019: AED 6,002 thousand) has been transferred to statutory reserve. The statutory reserve is not available for distribution.

18 Bank financing

	2020 AED'000	2019 AED'000
Bank term loan		
Current	7,792	-
Non-current	54,582	57,152
	62,374	**57,152**

During 2019, the Group's subsidiary in Bahrain obtained a term loan from a local bank of BHD 5.9 million (equivalent to AED 57,152 thousand) to partially settle the Ijarah facilities availed in previous years and to utilize the additional financing for capital expenditure and working capital requirements. The loan carries interest at 3-month BIBOR + 2.5% per annum. The loan is repayable in quarterly instalments of interest and principal, whereby the repayment of the principal will commence after a grace period of 24 months. The term loan is secured against the corporate guarantee of the Company. During the year, the subsidiary availed additional financing of BHD 500 thousand (equivalent to AED 4,870 thousand)

19 Other long-term payable

	2020 AED'000	2019 AED'000
Unamortised rent incentive – non-current portion	**3,821**	**3,916**

20 Provision for employees' end of service benifits

	2020 AED'000	2019 AED'000
Balance as at 1 January	7,959	7,685
Charge for the year	2,886	2,134
Payments made during the year	(1,236)	(1,860)
Balance as at 31 December	**9,609**	**7,959**

21 Accounts and other payables

	2020 AED'000	2019 AED'000
Accounts payable	9,425	7,921
Staff related accruals	5,504	7,003
Other accruals and payables	39,168	11,356
Directors' remuneration payable	2,178	2,100
Customer deposits	1,540	2,151
	57,815	**30,531**

22 Basic and diluted earnings per share

The calculation of basic and diluted earnings per share is based on the profit attributable to the owners of the company for the year and the number of ordinary shares outstanding during the year.

	2020	2019
Profit for the year attributable to equity holders of the Company (AED'000)	10,082	60,023
Number of ordinary shares ('000)	**2,493,707**	**2,500,000**
Basic and diluted earnings per share (AED)	**0.0040**	**0.0240**

* The weighted average number of shares in 2020 takes into account the weighted average effect of changes in treasury shares during the year

23 Dividends

On 28 April 2020, a cash dividend of AED 0.02 per ordinary share (2019: AED 0.015 per ordinary share) was approved by the shareholders at the Annual General Assembly, as proposed by the Board of Directors in respect of 2019.

24 Commitments and contingencies

Group as lessee

At 31 December 2020, the future minimum lease payments for non-cancellable operating leases payable by the Group were as follows:

	2020 AED'000	2019 AED'000
Due in less than one year	**4,925**	**5,195**

Group as lessor

As mentioned in note 9, the Group entered into a finance lease as a lessor. Under the terms of the contract, subject to fulfilment of certain criteria, the Group may be required to fund an additional amount of up to AED 12.4 million (2019: AED 35 million) for the expansion and improvement of the underlying asset within a contractually agreed time frame.

Contingencies

The Company and its subsidiaries do not have any significant contingent liabilities at the reporting date (2019: Nil). Below are details of the Group's share of its associates' contingent liabilities at the reporting date.

	2020 AED'000	2019 AED'000
Bank guarantees	**35,758**	**28,943**

25 Financial risk management

The Group's principal financial liabilities comprise trade and other payables, borrowings, and lease liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, finance lease receivables, due from related parties and bank balances that derive directly from its operations. The Group also holds an investment in a financial asset.

The Group is exposed to credit risk, liquidity risk, market risk and operational risk.

The Board of Directors has the overall responsibility for the establishment and oversight of the Group's risk management framework. Group's senior management are responsible for developing and monitoring the Group's risk management policies and report regularly to the Board of Directors on their activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

This note presents information relating to the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, finance lease receivables and other financial instruments.

The Group manages its credit risk exposure through diversification of its investments and deposits to avoid concentration of risk with institutions or group of institutions in specific location or business.

The Group's maximum exposure to credit risk for the components of the consolidated statement of financial position at 31 December 2020 and 2019 is the carrying amounts of the financial assets as follows:

	2020 AED'000	2019 AED'000
Trade and other receivables	23,220	17,249
Finance lease receivables	405,322	365,223
Due from related parties	19,653	26,558
Investments in financial assets	32,968	15,716
Cash at banks	530,103	571,580
	1,011,266	**996,326**

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the treasury department of each business unit in accordance with set policies.

Exposure to credit risk is monitored on an ongoing basis. Cash balances are held with the banks and financial institutions which are rated A+ to BBB- based on Standard and Poor's credit ratings. The significant portion of the credit exposure of the Group is in the UAE.

The Group has investments in a quoted and unquoted equities with low credit risk.

Trade receivables

Trade receivables mainly relate to amounts receivable by Middlesex University from students for providing academic services. Middlesex does not extend a credit period to its debtors and no interest is charged on overdue receivables. Outstanding receivables are regularly monitored.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off when considered unrecoverable.

Finance lease receivables

As described in note 9, the Group entered into a finance lease arrangement as a lessor. The Group's maximum exposure to credit risk on its finance lease receivable is best represented by its carrying value at the reporting date. Prior to entering into this contract, the Group performed necessary diligence on the credit worthiness of the counter party (lessee) and the quality and performance of the underlying asset. The Group constantly monitors the credit risk on its finance lease receivable.

The agreement grants protective rights to the Group in an event of default allowing it to terminate the contract and physically repossess the property. Such protective rights, in addition to other guarantees as mentioned in note 9, limit the amount of credit risk on the exposure since it is covered by the fair value of the underlying property.

Due from related parties

Balance due from related parties are mainly related to dividends receivable from associates, which are settled on timely basis, and accordingly, the Group considers these balances to be fully recoverable.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

31 December 2020	On demand	Less than 3 months	3 to 12 months	1 to 5 years	After 5 years	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Trade and other payables	-	50,771	5,504	-	-	56,275
Lease liabilities	-	19	317	20,292	2,676	23,304
Bank financing	-	733	9,991	66,308	-	77,032
Bank overdraft	14,105	-	-	-	-	14,105
Due to related parties	801	-	-	4,013		4,814
	14,906	**51,523**	**15,812**	**90,613**	**2,676**	**175,530**

31 December 2019	On demand	Less than 3 months	3 to 12 months	1 to 5 years	After 5 years	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Trade and other payables	-	21,377	7,003	-	-	28,380
Lease liabilities	-	3,889	1,023	5,454	50,112	60,478
Bank financing	-	714	2,142	46,892	19,484	69,232
Due to related parties	3,247	-	-	-	-	3,247
Financial liability at FVTPL	-	27,850	-	-	-	27,850
	3,247	**53,830**	**10,168**	**52,346**	**69,596**	**189,187**

Market risk

The Group is exposed to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market variables. Market risk arises from foreign currency products, interest bearing products and equity investments, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as currency rates, interest rates, equity prices and credit spreads.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will change because of changes in foreign exchange rates. The Group's foreign currency exposure arises principally from transactions denominated in Saudi Arabian Riyal ("SAR") and Bahraini Dinar ("BHD"). Since the SAR, BHD and AED are pegged to the United State Dollar ("USD"), the Group has no significant exposure to currency risk.

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises principally from its deposits held with banks and borrowings. Since the Group's deposits earn interest/profit at fixed rates, any changes in interest/profit rate will not have an impact on the consolidated profit or loss of the Group.

The interest rate profile of the Group's financial assets and liabilities are shown in the table below:

	2020	2019
	AED'000	AED'000
Fixed rate instruments – assets		
Wakala and term deposits with banks	**424,008**	**444,264**
Variable rate instruments – liabilities	(62,374)	(57,152)
Bank financing	(14,105)	-
Bank overdraft	**(76,479)**	**(57,152)**

A reasonably possible change in interest rates at the reporting date will not have any significant impact on the consolidated financial statements.

Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Equity price risk arises from the change in fair value of equity instruments. The Group is exposed to equity price risk, which arises from fair value through other comprehensive income securities.

The Group's equity investment in Emirates NBD REIT is listed on the Nasdaq Dubai. A 5% increase in equity indices of the security at the reporting date would have increased other comprehensive income and equity attributable to the owners of the Company by AED 718 thousand (2019: AED 786 thousand) and an equal change in the opposite direction would have decreased other comprehensive income and equity by the same amount.

At the reporting date, the exposure to non-listed equity investments at fair value was AED 18,609.

Operational risk

Operational risk is the risk of a direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Group's operations and are faced by all business entities.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage, to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The Group has established a framework of policies and procedures to identify, assess, control, manage and report risks. The Group's senior management identifies and manages operational risk to reduce the likelihood of any operational losses. Compliance with policies and procedures is supported by periodic reviews undertaken by the management of the business unit to which they relate, with summaries submitted to the Audit Committee and Board of Directors of the Group.

Capital management

The Group's capital management policy is governed by the Board of Directors of the Company. The Company's objectives of managing capital are to ensure the Company's ability to continue as a going concern and increase the net worth of the Company and shareholders' interests so as to maintain the confidence of its investors, creditors and the market and to sustain future development of the business. No changes were made in the objectives, policies or processes during the years ended 31 December 2020 and 31 December 2019.

26 Fair value measurement

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair value of the Group's financial assets and liabilities approximate their book values as at 31 December 2020 and 2019 based on management's assessment and as follows:

- Management assessed that the fair values of cash and bank balances, trade and other receivables, trade and other payables, due from and to related parties approximate their carrying amounts largely due to the short-term maturities of these instruments.
- The quoted financial asset at FVOCI is carried at fair value using quoted price.
- The unquoted financial asset at FVOCI is carried at fair value using latest market transaction price.
- Management assessed that the book value of long-term borrowings as at 31 December 2020 approximates their fair values due to the fact that they bear variable interest rates that reflect current market interest rates for similar borrowings. As a result, the values of the future discounted cash flows on those borrowings are not significantly different from their current book values.
- Management assessed that the book value of the finance lease receivables and financial liability at FVTPL approximate their respective fair values as these balances have been discounted using appropriate discount factors.

The Group's financial asset at FVOCI is carried at fair value using level 1 valuation method. The Group's financial asset at FVOCI is carried at fair value using level 2 valuation method. There have been no reclassifications made between the valuation levels during the current year or the previous year.

27 Segment information

The principal activities of the Group are to invest in companies and enterprises in the fields of education and healthcare and managing, developing and operating such companies and enterprises. The Group includes a subsidiary in the field of education and another in the field of healthcare.

The details of segment revenue, segment result, segment assets and segment liabilities are as follows:

	Investments AED'000	Education AED'000	Healthcare AED'000	Total AED'000	Eliminations AED'000	Consolidated AED'000
31 December 2020						
Revenue	-	131,556	12,009	143,565	-	143,565
Direct costs	-	(59,634)	(21,250)	(80,884)	-	(80,884)
General and administrative expenses	(58,400)	(43,176)	(19,338)	(120,914)	(2,000)	(122,914)
Other operating income	3,493	138	692	4,323	(2,500)	1,823
Share of results of associates	22,426	-	-	22,426	-	22,426
Share of results of subsidiaries	661	-	-	661	(661)	-
Finance income	41,944	89	-	42,033	(1,164)	40,869
Finance costs	(42)	-	(6,444)	(6,486)	1,164	(5,322)
Segment results	**10,082**	**28,973**	**(34,331)**	**4,724**	**(5,161)**	**(437)**
Total assets	**2,543,945**	**67,147**	**149,805**	**2,760,897**	**(40,174)**	**2,720,723**
Total liabilities	**(31,865)**	**(56,834)**	**(129,086)**	**(217,785)**	**15,487**	**(202,298)**
Capital expenditure	**(289)**	**(1,047)**	**(4,955)**	**(6,291)**	**-**	**(6,291)**

	Investments AED'000	Education AED'000	Healthcare AED'000	Total AED'000	Eliminations AED'000	Consolidated AED'000
31 December 2019						
Revenue	-	138,069	4,034	142,103	-	142,103
Direct costs	-	(58,324)	(11,366)	(69,690)	-	(69,690)
General and administrative expenses	(51,677)	(51,851)	(17,591)	(121,119)	(2,790)	(123,909)
Other operating income	23,825	2,232	109	26,166	(3,466)	22,700
Share of results of associates	43,510	-	-	43,510	-	43,510
Share of results of subsidiaries	2,939	-	-	2,939	(2,939)	-
Finance income	42,611	212	-	42,823	(725)	42,098
Finance costs	-	(735)	(4,651)	(5,386)	754	(4,632)
Segment results	**61,208**	**29,603**	**(29,465)**	**61,346**	**(9,166)**	**52,180**
Total assets	**2,605,131**	**69,198**	**159,074**	**2,833,403**	**(68,946)**	**2,764,457**
Total liabilities	**(41,230)**	**(51,858)**	**(104,024)**	**(197,112)**	**13,420**	**(183,692)**
Capital expenditure	**(366)**	**(3,449)**	**(7,218)**	**(11,033)**	**-**	**(11,033)**

28 Subsequent events

In the normal course of business, the Group has entered into conditional agreements for potential investments, which are material in nature but for which there is no certainty that they will ultimately be completed.

29 Material partly-owned subsidiary

Financial information of the subsidiary that has material non-controlling interests are provided below:

(1) Proportion of equity interest held by non-controlling interests:

Subsidiary	Non-controlling interests	
	2020	2019
Royal Maternity Hospital Holding W.L.L	30.64%	30.64%

Accumulated balance of non-controlling interests:

	2020	2019
	AED'000	AED'000
Royal Maternity Hospital Holding W.L.L ("RMH")	**6,345**	**16,864**

(2) Summarised financial information of the subsidiary before inter-company eliminations

Summarised consolidated statement of profit or loss for the year ended 31 December 2020:

	2020	2019
	AED'000	AED'000
Revenue from contracts with customers and other income	12,009	4,034
Costs and expenses	(40,588)	(28,957)
Other income	692	109
Finance costs	(6,444)	(4,651)
Loss for the year	**(34,331)**	**(29,465)**
Attributable to non-controlling interests	**(10,519)**	**(9,028)**

Summarised consolidated statement of financial position as at 31 December 2020:

	2020	2019
	AED'000	AED'000
Non-current assets	139,049	142,162
Current assets	10,756	16,912
Non-current liabilities	(92,569)	(95,137)
Current liabilities	(36,517)	(8,887)
Total equity	20,719	55,050
Attributable to non-controlling interests	**6,345**	**16,864**

Summarised cash flow information for the year ended 31 December 2020:

	2020	2019
	AED'000	AED'000
Operating	(16,572)	(16,074)
Investing	(4,955)	(7,124)
Financing	839	30,974
Net decrease in cash and cash equivalents	**(20,688)**	**7,776**

(3) Movements in non-controlling interests

The following table summarises the information about movements in non-controlling interest for the period:

	Non-controlling interest	
	2020	2019
	AED'000	AED'000
Balance as at 1 January	16,864	30,244
Profit/(loss) for the year		
RMH	(10,519)	(9,028)
LT	-	1,185
Dividend paid		
LT	-	(1,843)
Disposal of subsidiary		
LT	-	(3,694)
Balance as at 31 December	**6,345**	**16,864**

30 Impact of coronavirus (COVID-19)

The economic crisis caused by the COVID-19 pandemic and actions taken by various governments globally, including that of the Governments of the United Arab Emirates, Saudi Arabia and Bahrain, to control the spread of the pandemic, such as lock-down, travel restrictions and other measures resulted in some disruption to the Group's business operations, mainly during the period from March to August 2020. The Board of Directors and management initiated a number of measures within the Company and among its personnel to maintain high standards of health and safety in response to the pandemic.

Subsequent to 31 December 2020, as the effect of the pandemic continues to evolve, the Group may face additional risks and uncertainties, if further actions are taken by the countries in which the Group operates.

The extent and duration of such impact remain uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the transmission rate of the coronavirus and the extent and effectiveness of containment actions taken. Given the ongoing economic uncertainty, a reliable estimate of the impact cannot be made at the date of authorisation of these consolidated financial statements. Notwithstanding, these developments could impact the Group's financial results, cash flows and financial condition during 2021.

The main elements related to the Group's consolidated financial statements which are potentially impacted by COVID-19 as of and for the year ended 31 December 2020 are detailed below:

Government assistance

To mitigate the impact of the COVID-19 pandemic, the Group's subsidiary in Bahrain received assistance from the Government of Bahrain in the form of cash payment covering salaries of Bahraini employees in the amount equivalent to AED 451 thousand.

Government assistance received by the Group resulted in a reduction to the respective expense.

31 Comparative figures

Certain comparative figures in the 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 at 31 December 2019 and results of the Group for the year then ended and are summarized as follows.

Consolidated statement of profit or loss

	As previously reported AED'000	Reclassification AED'000	As currently reported AED'000
Direct costs	(60,073)	(9,617)	(69,690)
Gross profit	82,030	(9,617)	72,413
General and administrative expenses	(133,430)	9,521	(123,909)
Other operating income	22,604	96	22,700

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