

Amanat Announces Record FY-2021 Net Profit of AED 280.8 million and Recommended Record Dividend Payout of AED 150 million

Record net profit of AED 280.8 million in FY-2021, a twenty-eight fold increase year-on-year

Executed 4 transactions worth AED 1.7 billion demonstrating successful delivery of strategic priorities

Highest recommended dividend payout* to date of AED 150 million for FY-2021, equating to 53% of profit attributable to equity holders or 6% of the Company's share capital

**Subject to shareholders' approval*

14 February 2022 | Dubai | Amanat Holdings PJSC ("Amanat" or the "Company"), the GCC's largest healthcare and education investment company, announces record financial results for the year ended 31 December 2021.

The Company recorded total income of AED 367.0 million, a significant five-fold increase on the AED 70.6 million recorded last year. Strong total income growth translated through to Amanat's bottom-line, with the Company reporting record net profit of AED 280.8 million, a twenty-eight fold increase from the AED 10.1 million reported in FY-2020.

As a reflection of the record performance, Amanat has recommended the highest dividend payout to-date of AED 150 million for which the Board of Directors will be seeking shareholders' approval in the Company's upcoming General Assembly Meeting.

Commenting on this year's performance, Amanat's Chairman, Hamad Abdulla Alshamsi said:

"2021 was a transformative year which saw us deliver impressive growth, record profitability, and solid progress on our longer-term value creation strategy. The year's results set a strong foundation for the future of Amanat, demonstrating the underlying strength of our chosen industries and investments, and the effectiveness of our corporate strategy"

"As a testament to our commitment to delivering sustainable value to our shareholders, we are pleased to mark this year with a significant increase in total shareholder returns ("TSR") of c. AED1 billion derived from share price appreciation and our exceptional dividend recommendation* for the year"

"Looking ahead, alongside enhancing our current portfolio's performance and optimizing our capital structure, we will look to invest in yielding assets, grow them into market leaders and build IPO-ready platforms."

Consolidated Performance

Bottom-line profitability was boosted by Amanat's successful divestment of its minority stakes in Taaleem Holdings and International Medical Center KSA, generating a gain on sale of AED 202.9 million and cash proceeds of AED 783 million.

Adjusting for the gain and trading impact of the two exits, Amanat recorded adjusted net profit of AED 103.4 million, a four-fold increase versus FY-2020, and demonstrating the underlying potential of Amanat's investments and the resilience of its chosen industries.

Net profit was supported by continued cost saving and optimization efforts at the corporate level which saw holding level costs decline 25% year-on-year. Nonetheless, the Company started to grow its team towards the end of FY-2021 reflective of a growing portfolio of assets.

Moreover, due to the delayed ramp-up of RHWC mainly attributable to COVID restrictions, Amanat recorded a non-cash impairment charge of AED 20 million against goodwill. Whilst management believes it is early to assess the performance of an asset in its ramp-up phase, based on prudence and in line with the requirements of International Accounting Standards an impairment was recognized.

Platform Performance

The healthcare platform recorded income of AED 40.6 million in 2021 compared to a loss of AED 49.5 million in the prior year, supported by revenue growth of more than twofold at the Royal Hospital for Women and Children ("RHWC") in Bahrain, operational efficiencies at Sukoon resulting in the facility nearing net profit breakeven, and the positive impact of the acquisition of Cambridge Medical and Rehabilitation Center ("CMRC"), which generated income of AED 61.1 million in the ten months from acquisition.

The CMRC acquisition highlights Amanat's ability to execute acquisitions at attractive returns and the effectiveness of its hands-on, holistic investment management approach.

The education platform comprising Amanat's wholly owned Middlesex University in Dubai, Abu Dhabi University Holding Company and the real estate assets of NLCS Dubai recorded income of AED 98.4 million, up 4% year-on-year supported by strong enrolments and increased market share.

To further diversify its exposure, in September, Amanat launched its social infrastructure platform ("SIP"), which currently includes the healthcare real estate of CMRC's Abu Dhabi facility and the education real estate, of North London Collegiate School in Dubai. The SIP will be an enabler of growth and will provide sustainable long-term lease relationships for its portfolio companies.

Chief Executive Officer of Amanat, Dr. Mohamad Hamade, added:

"We enter 2022 with continued confidence stemming from the record results delivered in 2021 and the success of our new corporate strategy. Having executed four transactions amounting to nearly AED 1.7 billion, we have set the stage for our value creation strategy going forward."

"We concluded the year with a strong portfolio of assets, either fully owned or with influential stakes. As we did in 2021, we kick off the new year with a new list of targets to achieve and a clear action plan to deliver on them."

"Our differentiated investment mandate will enable us to deploy capital to enhance and integrate our portfolio through a buy and build model that allows us to extract synergies and create scale for attractive liquidity events in the future. With the support of our strong balance sheet, we are well-positioned to execute our action plan and to continue delivering sustainable growth for our shareholders."

Summary Financial Results (AED) <i>mn</i>	FY-2020	FY-2021	Change
Platform Income, Net¹	44.6	139.0	211%
Healthcare	(49.5)	40.6	N/A
Education ²	94.2	98.4	4%
Interest & Other Income	14.6	10.7	(27) %
Gain on Disposal of Associates	0.0	202.9	n/a
Trading Result from Divested Associates	11.4	14.5	n/a
Total Income³	70.6	367.0	5x
Holding Level Costs	(50.0)	(37.6)	25%
Transaction Related Costs	(10.5)	(20.0)	(90)%
Finance Charges	-	(8.7)	n/a
Goodwill Impairment	-	(20.0)	n/a
Net Profit Attributable to Equity Holders of Amanat	10.1	280.8	28x
<i>Net Profit Margin</i>	<i>14.3%</i>	<i>76.5%</i>	<i>n/a</i>
Adjusted Net Profit	26.0	103.4	297%
<i>Adjusted Net Profit Margin</i>	<i>34.2%</i>	<i>69.1%</i>	<i>n/a</i>
Cash and Bank Balances	530.6	878.0	65%

¹ Includes share of results from associates, net profit from subsidiaries & Finance Lease Income excluding NCI, PPA amortization and excludes share of results from divested associates.

² Assets under Amanat's education platform have a fiscal year ending on the 31st of August and thus Amanat's consolidated results for the twelve months ended 31 December 2021

reflect eight months results from the education platform's fiscal year ended 31 August 2021 in addition to 4 months from 2021/2022 fiscal year.

³ Includes share of results from associates, net profit from subsidiaries, finance income, interest & other operating income excluding NCI.

Consolidated Financial Performance

Total Income recorded was AED 367.0 million in FY-2021, a significant increase from the AED 70.6 million recorded last year.

Total Platform Income was AED 139.0 million in FY-2021, a more than threefold increase from the AED 44.6 million recorded last year. The improvement was driven by the strategic turnaround of Amanat's healthcare platform which recorded a profit of AED 40.6 million for the year, compared to a loss of AED 49.5 million in FY-2020.

At Amanat's education platform, income was AED 98.4 million in FY-2021, up 4% from last year's AED 94.2 million figure. Year-on-year growth was supported by strong enrolments and increased market share in addition to an 8% increase in finance lease income from NLCS as a result of the completion of the school's expansion project, which was funded by Amanat.

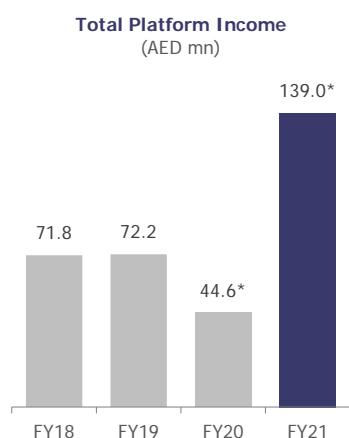
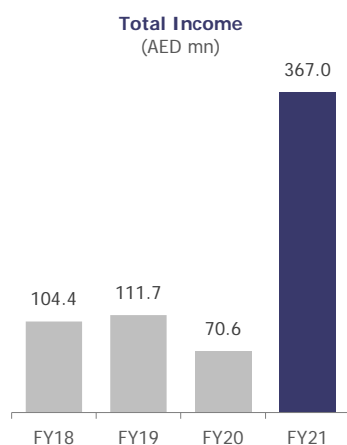
Total Impact from Disposal was AED 217.4 million in FY-2021. This includes gain on sale of AED 202.9 million and share of results of disposed assets of AED 14.5 million. During the year, Amanat successfully completed the divestment of two minority stakes (i) in Taaleem Holdings ("Taaleem") in April 2021 which generated a gain on sale of AED 160.3 million and (ii) International Medical Center KSA ("IMC") in September 2021, which generated a gain on sale of AED 42.6 million.

Interest and other income for the year came in at AED 8.2 million compared with AED 12.1 million in FY-2020. The 32% year-on-year decline is largely attributable to a decrease in interest rates and the deployment of cash reserves for the purchase of CMRC in February 2021.

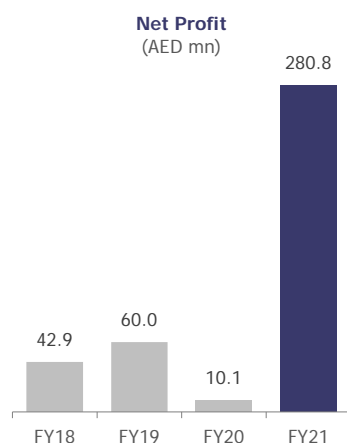
Total Holding Level Expenses stood at AED 37.6 million in FY-2021, down 25% year-on-year supported by ongoing cost saving initiatives, the internalization of professional services and certain one-time cost savings recorded in FY-2021. Total headquarter costs for the year declined 23% to AED 34.7 million, while total portfolio management costs for the year were AED 2.9 million, down 44% from FY-2020. Lower holding level expenses for the year came despite the Company effectively expanding its team towards the end of the year to accommodate for its growing portfolio.

Net Profit was AED 280.8 million in FY-2021, representing the highest bottom-line delivered to date and a twenty-eight-fold increase from last year's figure. Net profit was supported by strong performances at both of Amanat's platforms and was further boosted by a combined gain on sale from Taaleem and IMC of AED 202.9 million. Adjusted net profit stood at AED 103.4 million in FY-2021, a nearly fourfold increase from last year's AED 26.0 million adjusted net profit. The notable improvement in Amanat's underlying profitability displays the strength and potential of its current assets and the effectiveness of management's cost optimization and efficiency strategy at a holding level.

Furthermore, and in accordance with International Financial Reporting standards a one-time non-cash goodwill impairment of AED 20 million was recorded in Q4 2021, reflective of the COVID impacted delayed ramp up of operations at RHWC since opening in March 2019.



*Excludes income from investment generated by Taaleem & IMC in both periods



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Total Cash and Bank Balances stood at AED 878.0 million as at 31 December 2021, providing the Company with ample deployable cash to pursue future investment opportunities to develop and further optimize its portfolio. Total cash and bank balances increased from AED 530.6 million as at year-end 2020, as the deployment of a significant part of Amanat's cash reserves to acquire CMRC in February and later CMRC's Abu Dhabi facility real estate assets in September, was more than offset by the AED 783 million in cash proceeds generated by the sale of Amanat's stakes in Taaleem and IMC.

Healthcare Platform Financial and Operational Review

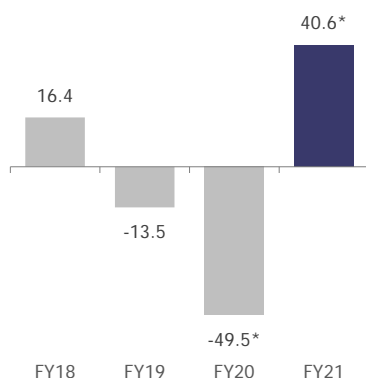
Amanat's healthcare platform was the outperformer for the year, recording income of AED 40.6 million, compared to a loss of AED 49.5 million recorded in FY-2020. The turnaround was supported by strong performance across all healthcare assets, which continued to witness sustained recovery in patient volumes following last year's COVID-19-related slowdown. The platform's results were bolstered by the contribution made by CMRC, which was acquired by Amanat in early 2021.

CMRC generated income of AED 61.1 million in the ten months from March 2021. It is also worth highlighting that CMRC's results for the year include ramp-up costs related to the company's Dhahran branch in KSA. While these did weigh on CMRC's profitability in the first part of the year, the new facility delivered a rapid ramp up of operations, surpassing the 70% occupancy mark by year-end 2021, and turning EBITDA positive in 2H-2022.

Amanat's share of losses at Sukoon narrowed sharply, standing at just AED 300 thousand in FY-2021, versus the AED 25.7 million loss recorded last year. In the fourth quarter of the year, Sukoon completed its turnaround, generating positive net profit AED 100 thousand. The continued improvement at Sukoon are directly attributable to the effective implementation of the facility's turnaround strategy, coupled with a sustained recovery in patient volumes over the course of the year. The multipronged turnaround strategy, rolled out at the tail end of 2019 by Sukoon's new management, is to (i) renovate and expand its facility, (ii) reduce its cost base, and (iii) develop new revenue streams. The ongoing facility expansion is progressing well, and phase one completion is expected in 2H-2022. Once done, the facility will increase the hospital's operational capacity to up to 230 beds and will have the potential to improve patient flow and overall operational efficiency.

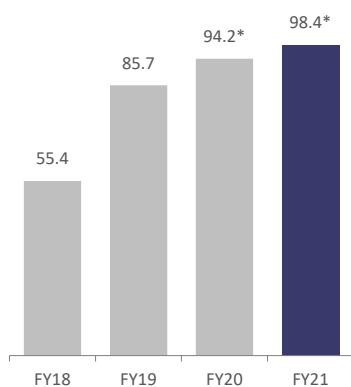
Finally, at RHWC losses declined to AED 17.3 million in FY-2021 from AED 23.8 million last year. Narrowing losses came on the back of a 153% year-on-year rise in the facility's revenue as volumes and utilization across both the facility's inpatient and outpatient segments continued to improve supported by the ramp up of RHWC's obstetrics, gynecology and general surgery departments and the launch of its new IVF and plastic surgery departments. Revenues were further buoyed by the multiple on-going partnerships, and by the hospital's agreement with Salmaniya Hospital for the referral of labor and delivery patients to RHWC.

Healthcare Platform Income
(AED mn)



*Excludes income from investment generated by IMC in both periods

Education Platform Income
(AED mn)



*Excludes income from investment generated by Taaleem Holdings in both periods.

Education Platform Financial and Operational Review

Amanat's education platform recorded income of AED 98.4 million in FY-2021, up 4% year-on-year. The increase was supported by higher revenue at ADUHC and an increase in finance lease income from NLCS, with MDX recording stable income.

ADUHC recorded income of AED 41.3 million in FY-2021, up 4% from the AED 39.7 million figure recorded last year. The improvement was supported by higher enrollment rates, coupled with cost optimization initiatives, partially attributable to the provision of courses online due to COVID-19. Over the last year, ADUHC has continued to attract a growing number of students leveraging its enhanced recruitment capabilities, its continuously improving academic standing, and an expanded program portfolio that includes several new in-demand degrees aligned with the requests of the job market. In parallel, high levels of student satisfaction with distance learning also played an important role in helping to grow and retain the ADUHC student body.

MDX recorded income of AED 31.1 million in FY-2021, unchanged from last year's figure. In the twelve months to 31 December 2021, the university reported revenues of AED 137.0 million, up 4% year-on-year supported by record-breaking student intake in January and September. Strong enrolment rates were supported by MDX's new successful virtual initiatives and events launched for prospective students, a fully integrated multi-channel domestic marketing campaign, a highly effective international outreach strategy, newly launched programs as well as a dynamic blended online-offline model for academic provision. In September, MDX also launched its second campus in Dubai International Academic City, which will help the university accommodate for further enrolment growth in the coming years. Profitability was mainly impacted by higher staff and marketing costs incurred throughout the year on the back of new hires needed to cater for growing student body and expanded domestic and international recruitment efforts.

Meanwhile, finance lease income generated by the North London Collegiate School ("NLCS") recorded AED 33.4 million in FY-2021, 8% above last year's figure. The increase comes on the back of the completion of the school's expansion project funded by Amanat to increase the school's capacity to c.1,700 students.

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About Amanat Holdings PJSC

Amanat Holdings PJSC is the region's largest integrated healthcare and education investment company with paid-up capital of AED 2.5 billion. Listed on the Dubai Financial Market (DFM) since 2014, Amanat's mandate is to establish, acquire and integrate companies in the healthcare and education sectors, and develop, manage, and operate these companies within the MENA region and beyond. Amanat's healthcare platform includes Cambridge Medical and Rehabilitation Center (CMRC), a leading post-acute care and rehabilitation provider in the UAE and KSA; Sukoon, a leading provider of post-acute care services ranging from extended critical care and home care medical services in Jeddah, Saudi Arabia and the Royal Hospital for Women and Children (RHWC), a world-class hospital for women and children located in the Kingdom of Bahrain. Amanat's education platform includes Abu Dhabi University Holding Company, a leading provider of higher education; Middlesex University Dubai, the first overseas campus of the internationally renowned Middlesex University in London; and BEGiN, a US-based award-winning education technology company. Amanat also owns the real estate assets of the North London Collegiate School in Dubai, UAE, and the real estate assets of Cambridge Medical and Rehabilitation Center in Abu Dhabi, UAE.

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