

AMANAT HOLDINGS PJSC

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2021



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

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Amanat Holdings P.J.S.C (the “Company”) and its subsidiaries (collectively referred to as the “Group”), comprising the interim consolidated statement of financial position as at 30 June 2021, and the related interim consolidated statements of profit or loss and other comprehensive income for the three-month and six-month periods then ended, and the interim consolidated statements of changes in equity and cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 *Interim Financial Reporting* (IAS 34). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Conclusion

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

For Ernst & Young

Signed by
Ashraf Abu-Sharkh
Partner
Registration number: 690

11 August 2021

Dubai, United Arab Emirates

Amanat Holdings PJSC

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2021

		<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
		<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
<i>Notes</i>		<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenue from contracts with customers	3	121,965	46,803	195,637	92,963
Direct costs		(60,711)	(22,006)	(98,368)	(46,091)
GROSS PROFIT		61,254	24,797	97,269	46,872
General and administrative expenses	3	(41,582)	(30,119)	(72,530)	(61,081)
Other operating income		659	158	1,158	1,090
OPERATING PROFIT/(LOSS)		20,331	(5,164)	25,897	(13,119)
Share of results of associates	5	17,110	(11,150)	34,356	(9,135)
Gain on disposal of an associate	5	160,255	-	160,255	-
Finance income		9,089	9,932	17,861	19,956
Finance costs		(4,864)	(1,227)	(7,211)	(2,417)
PROFIT/(LOSS) FOR THE PERIOD		201,921	(7,609)	231,158	(4,715)
Attributable to:					
Equity holders of the Company		203,822	(5,150)	235,338	586
Non-controlling interests		(1,901)	(2,459)	(4,180)	(5,301)
		201,921	(7,609)	231,158	(4,715)
Basic and diluted earnings per share (AED)	10	0.082	(0.002)	0.094	0.0002

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

Amanat Holdings PJSC

INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2021

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2021</i> <i>AED'000</i> <i>(Unaudited)</i>	<i>2020</i> <i>AED'000</i> <i>(Unaudited)</i>	<i>2021</i> <i>AED'000</i> <i>(Unaudited)</i>	<i>2020</i> <i>AED'000</i> <i>(Unaudited)</i>
PROFIT/(LOSS) FOR THE PERIOD	201,921	(7,609)	231,158	(4,715)
Other comprehensive loss				
<i>Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:</i>				
Change in fair value of financial assets at FVOCI	-	(265)	(132)	(4,467)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	201,921	(7,874)	231,026	(9,182)
Attributable to:				
Equity holders of the Company	203,822	(5,415)	235,206	(3,881)
Non-controlling interests	(1,901)	(2,459)	(4,180)	(5,301)
	201,921	(7,874)	231,026	(9,182)

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.


Amanat Holdings PJSC

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Notes	30 June 2021 AED'000 Unaudited	31 December 2020 AED'000 Audited
ASSETS			
Non-current assets			
Property and equipment		196,361	128,302
Right-of-use assets		87,389	21,706
Goodwill and intangible asset	4	1,232,409	481,349
Investments in associates	5	901,345	1,069,755
Finance lease receivables	6	390,156	384,529
Financial assets at fair value through OCI	6	32,835	32,968
Total non-current assets		2,840,495	2,118,609
Current assets			
Finance lease receivables	6	28,952	20,793
Trade and other receivables	6	106,125	31,113
Due from related parties	12	8,600	19,653
Cash and bank balances	7	466,642	530,555
Total current assets		610,319	602,114
TOTAL ASSETS		3,450,814	2,720,723
EQUITY AND LIABILITIES			
Equity			
Share capital	8	2,500,000	2,500,000
Share premium	8	1,325	523
Treasury shares	8	(8,613)	(6,702)
Statutory reserve		30,152	30,152
Fair value reserve		(22,522)	(22,390)
Retained earnings		245,835	10,497
Total equity attributable to the equity holders of the Company		2,746,177	2,512,080
Non-controlling interests		2,165	6,345
Total equity		2,748,342	2,518,425
Liabilities			
Non-current liabilities			
Financing from banks	6	411,996	54,582
Other long-term payables	6	6,128	3,821
Lease liabilities	6	85,605	22,421
Due to a related party	12	4,013	4,013
Provision for employees' end of service benefits		21,372	9,609
Total non-current liabilities		529,114	94,446
Current liabilities			
Bank overdraft	7	18,928	14,105
Financing from banks	6	46,241	7,792
Accounts and other payables	6	90,073	57,815
Contract liabilities		3,783	27,129
Due to related parties	12	7,481	801
Lease liabilities	6	6,852	210
Total current liabilities		173,358	107,852
Total liabilities		702,472	202,298
TOTAL EQUITY AND LIABILITIES		3,450,814	2,720,723

These interim condensed consolidated financial statements were authorised for issue by the Board of Directors on 11 August 2021 and signed on its behalf by:



Hamad Al Shamsi
Chairman



Mohamad Hamade
Chief Executive Officer

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

Amanat Holdings PJSC

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

Attributable to the equity holders of the Company

	<i>Share capital AED '000</i>	<i>Share premium AED '000</i>	<i>Treasury shares AED '000</i>	<i>Statutory reserve AED '000</i>	<i>Fair value reserve AED '000</i>	<i>Retained earnings AED '000</i>	<i>Total Equity AED '000</i>	<i>Non-controlling interests AED '000</i>	<i>Total AED '000</i>
As at 1 January 2021 – <i>Audited</i>	2,500,000	523	(6,702)	30,152	(22,390)	10,497	2,512,080	6,345	2,518,425
Profit/(loss) for the period	-	-	-	-	-	235,338	235,338	(4,180)	231,158
Other comprehensive loss	-	-	-	-	(132)	-	(132)	-	(132)
Total comprehensive income/(loss) for the period	-	-	-	-	(132)	235,338	235,206	(4,180)	231,026
Treasury shares (Note 8)	-	802	(1,911)	-	-	-	(1,109)	-	(1,109)
As at 30 June 2021 – <i>Unaudited</i>	2,500,000	1,325	(8,613)	30,152	(22,522)	245,835	2,746,177	2,165	2,748,342

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

Amanat Holdings PJSC

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2020

Attributable to the equity holders of the Company

	<i>Share capital AED '000</i>	<i>Share premium AED '000</i>	<i>Treasury shares AED '000</i>	<i>Statutory reserve AED '000</i>	<i>Fair value reserve AED '000</i>	<i>Retained earnings AED '000</i>	<i>Total Equity AED '000</i>	<i>Non-controlling interests AED '000</i>	<i>Total AED '000</i>
As at 1 January 2020 – <i>Audited</i>	2,500,000	-	-	29,144	(21,033)	55,790	2,563,901	16,864	2,580,765
Profit/(loss) for the period	-	-	-	-	-	586	586	(5,301)	(4,715)
Other comprehensive loss	-	-	-	-	(4,467)	-	(4,467)	-	(4,467)
Total comprehensive (loss)/income for the period	-	-	-	-	(4,467)	586	(3,881)	(5,301)	(9,182)
Treasury shares (Note 8)	-	727	(3,472)	-	-	-	(2,745)	-	(2,745)
Dividend declared (Note 9)	-	-	-	-	-	(55,000)	(55,000)	-	(55,000)
As at 30 June 2020 – <i>Unaudited</i>	<u>2,500,000</u>	<u>727</u>	<u>(3,472)</u>	<u>29,144</u>	<u>(25,500)</u>	<u>1,376</u>	<u>2,502,275</u>	<u>11,563</u>	<u>2,513,838</u>

The attached notes 1 to 15 form part of these interim condensed consolidated financial statements.

Amanat Holdings PJSC

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

	<i>Six months ended 30 June</i>	
	<i>2021 AED'000 Unaudited</i>	<i>2020 AED'000 Unaudited</i>
OPERATING ACTIVITIES		
Profit/(loss) for the period	231,158	(4,715)
<i>Adjustments for:</i>		
Share of results of associates	(34,356)	9,135
Gain on disposal of an associate	(160,255)	-
Depreciation of property and equipment and right-of-use assets	12,518	11,659
Amortisation of intangible assets	4,250	2,250
Provision for employees' end of service benefits	3,052	1,578
Finance income	(17,861)	(19,878)
Finance costs	7,211	2,996
	45,717	3,025
Due from related parties	11,053	25,295
Trade and other receivables	(4,590)	3,861
Accounts and other payables and contract liabilities	(23,429)	(13,598)
Due to related parties	6,680	(2,759)
Cash from operations	35,431	15,824
Employees' end of service benefits paid	(1,317)	(337)
Net cash flows from operating activities	34,114	15,487
INVESTING ACTIVITIES		
Acquisition of property and equipment	(4,245)	(1,610)
Acquisition of a subsidiary, net of cash acquired	(853,166)	-
Proceeds from disposal of an associate	349,402	-
Investment in finance lease	(302)	(13,084)
Lease payments received	3,704	-
Changes in Sharia compliant term deposits and bank term deposits	(259,207)	400,829
Income received on sharia compliant term deposits	2,294	3,701
Interest received on bank deposits	2,587	1,397
Settlement of financial liability at fair value through profit or loss	-	(27,850)
Dividend received from associates	13,619	1,545
Net cash flows (used in) / from investing activities	(745,314)	364,928
FINANCING ACTIVITIES		
Proceeds from bank financing	407,264	2,815
Repayment of bank financing	(16,350)	-
Payment of lease liabilities	(6,194)	(4,109)
Change in other cash balance	1,606	(18,751)
Acquisition of treasury shares, net	(1,109)	(2,745)
Dividend paid	-	(55,000)
Finance cost paid	(354)	(2,350)
Net cash flows from / (used in) financing activities	384,863	(80,140)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(326,337)	300,275
Cash and cash equivalents at the beginning of the period	391,116	127,438
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	64,779	427,713

1 BACKGROUND AND PRINCIPAL ACTIVITIES

Amanat Holdings PJSC (the “Company”) was incorporated on 17 November 2014 and is registered as a Public Joint Stock Company on Dubai Financial Market. These interim condensed consolidated financial statements include the financial performance and position of the Company and its subsidiaries (collectively the “Group”).

The principal activities of the Company are investing in companies and enterprises in the education and healthcare sectors, and 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.

The Company intends to have its share as Sharia compliant for the purpose of investment and trading in accordance with Sharia parameters provided by Dubai Financial Market.

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.

2 BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES

2.1 Basis of preparation

These interim condensed consolidated financial statements for the six months ended 30 June 2021 have been prepared in accordance with IAS 34: *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2020.

The interim condensed consolidated financial statements include the asset, liabilities and result of operation of the Group’s subsidiaries: Middlesex Associates FZ L.L.C (“Middlesex University”), Royal Maternity Hospital Holding W.L.L (“Royal Maternity Hospital”) and CMRC Limited (“CMRC”), which was acquired during the current period (refer note 4.1 for more details), (collectively “the Group”).

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of new standards effective as of 1 January 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2021, but do not have an impact on the interim condensed consolidated financial statements of the Group.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

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

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

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

3 PROFIT OR LOSS**3.1 Revenue**

Revenue comprises the following:

- Fee earned from academic services and other related services provided by the Company's subsidiary, Middlesex University, in the amount of AED 87,961 thousand (2020: AED 88,392 thousand), which represent services transferred over time.
- Revenue earned from healthcare services and other related services provided by the Company's subsidiary, Royal Maternity Hospital, in the amount of AED 12,218 thousand (2020: 4,571 thousand), which represent services transferred at a point in time.
- Revenue earned from healthcare services and other related services provided by the Company's subsidiary, CMRC Limited, in the amount of AED 95,458 thousand from the date of acquisition to the reporting date, which represent services transferred at a point in time.

3.2 General and administrative expenses

	<i>Six months ended 30 June</i>	
	<i>2021</i>	<i>2020</i>
	<i>AED'000</i>	<i>AED'000</i>
	<i>Unaudited</i>	<i>Unaudited</i>
Employee related expenses (1)	32,937	22,316
Transaction related costs	5,208	7,452
Other expenses (2)	34,385	31,313
	72,530	61,081

(1) This amount includes the subsidiaries' related expenses of AED 22,810 thousand (2020: AED 9,279 thousand).

(2) This amount includes the subsidiaries' related expenses of AED 28,847 thousand (2020: AED 23,189 thousand).

4 BUSINESS COMBINATIONS**4.1 Acquisition of CMRC**

On 28 February 2021, the Group acquired 100% of the voting shares in CMRC Limited (“CMRC”), an unlisted holding company based in Cyprus having 100% shareholding in three subsidiaries: Cambridge Medical & Rehabilitation Centre LLC that provides healthcare services in the United Arab Emirates, CMRC Saudi Arabia LLC that provides healthcare services in Saudi Arabia, and TVM KSA Acquisition 1 Ltd that is a holding company. The acquisition has been accounted for using the acquisition method. The interim condensed consolidated financial statements include the results of CMRC for the four-month period from the acquisition date.

The fair values of the identifiable assets and liabilities of CMRC as at the date of acquisition were as follows:

	<i>Fair value recognised on acquisition* AED'000 Unaudited</i>
Assets	
Property and equipment	73,347
Right-of-use assets	65,795
Cash	10,787
Inventories	4,329
Trade and other receivables	70,302
	<u>224,560</u>
Liabilities	
Accounts and other payables	(27,290)
Lease liabilities	(71,250)
Provision for employees' end of service benefits	(10,027)
	<u>(108,567)</u>
Total identifiable net assets at fair value	<u>115,993</u>
Goodwill arising on acquisition (provisional)*	755,310
Deferred consideration (included under current and non-current liabilities)	(7,350)
Purchase consideration transferred	<u>863,953</u>
Analysis of cash flows on acquisition:	
Net cash acquired with the subsidiary (included in cash flows from investing activities)	10,787
Cash paid	(863,953)
Net cash flow on acquisition	<u>(853,166)</u>

*The fair value of the assets and liabilities of CMRC have been measured on a provisional basis. The Group has engaged an independent expert to provide support with respect to the purchase price allocation and the determination of the fair values of the assets acquired and liabilities assumed under IFRS 3. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised. As at 30 June 2021, the Directors of the Company have assessed on a preliminary basis that the fair value of all the assets and liabilities of CMRC correspond to their respective book values.

4 BUSINESS COMBINATIONS (continued)**4.1 Acquisition of CMRC (continued)**

From the date of acquisition, CMRC has contributed AED 95,458 thousand of revenue and AED 23,777 thousand to the profit of the Group. If the acquisition had taken place at the beginning of the period, the contributed revenue would have been AED 142,128 thousand and the contributed profit for the period would have been AED 32,010 thousand.

The goodwill recognised is primarily attributed to the expected synergies and other benefits from combining the assets and activities of CMRC with those of the Group.

Transaction costs of AED 2,628 thousand have been expensed in the year 2020 and are included in Administrative expenses in the consolidated statement of profit or loss for the year ended 2020 and are part of operating cash flows in the consolidated statement of cash flows for the year ended 2020.

4.2 Goodwill and intangible assets

Reconciliation of the carrying amount of goodwill and intangible assets at the beginning and end of the reporting period is presented below:

	<i>Goodwill</i> <i>AED'000</i>	<i>Intangible</i> <i>assets</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Gross carrying amount			
At 1 January 2021 - <i>Audited</i>	358,782	133,300	492,082
Acquisition of a subsidiary (Note 4.1)	755,310	-	755,310
	<u>1,114,092</u>	<u>133,300</u>	<u>1,247,392</u>
Accumulated amortisation			
At 1 January 2021 - <i>Audited</i>	-	10,733	10,733
Amortisation for the period	-	4,250	4,250
	<u>-</u>	<u>14,983</u>	<u>14,983</u>
Net book value			
At 30 June 2021 - <i>Unaudited</i>	<u>1,114,092</u>	<u>118,317</u>	<u>1,232,409</u>
At 1 January 2021 - <i>Audited</i>	<u>358,782</u>	<u>122,567</u>	<u>481,349</u>

4.3 Impairment testing of goodwill

The Group performs its annual impairment test in December and when circumstances indicate that the carrying value may be impaired. The Group's impairment test for goodwill is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual consolidated financial statements for the year ended 31 December 2020.

As at 30 June 2021, the management has not identified circumstances that may indicate that the carrying value of goodwill may be impaired.

5 INVESTMENTS IN ASSOCIATES

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

	<i>30 June 2021 AED'000 Unaudited</i>	<i>31 December 2020 AED'000 Audited</i>
Sukoon International Holding Company ("Sukoon") (1)	129,296	129,474
Taaleem Holdings PrJSC ("Taaleem") (2)	-	184,174
International Medical Center ("IMC")	383,871	381,700
Abu Dhabi University Holding LLC ("ADU")	388,178	374,407
	901,345	1,069,755

- (1) During the current period, Sukoon's Ministry of Health license expired, and a renewal request has been submitted by Sukoon, which is still under process by the Ministry of Health of the Kingdom of Saudi Arabia at the date of the issuance of these interim condensed consolidated financial statements. The management of the Company assessed that, based on the history of renewals of the license and the fact that Sukoon has all the required documentation in place, it is not expected that there will be any complications in the license renewal process, which is expected to be renewed during the third quarter of 2021.
- (2) During the current period, the Group signed a sale and purchase agreement with Knowledge Fund Establishment for the sale of the Group's entire shareholding in Taaleem Holdings for a total cash consideration of AED 349,402 thousand, which was approved by the Board of Directors in its meeting dated 22 April 2021. The sale and purchase transaction was completed on 28 April 2021 whereby the investment in Taaleem has been disposed of and the difference between the carrying amount of the investment on the date of disposal and the sale consideration has been recorded as gain in profit or loss as follows:

	<i>Six months ended 30 June 2021 AED'000 Unaudited</i>
Consideration received	349,402
Net carrying value of the investment at the date of disposal	(189,147)
	160,255

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

	<i>Six months ended 30 June</i>	
	<i>2021 AED'000 Unaudited</i>	<i>2020 AED'000 Unaudited</i>
Sukoon International Holding Company ("Sukoon")	(178)	(22,154)
Taaleem Holdings PrJSC ("Taaleem")	4,973	4,906
International Medical Center ("IMC")	7,040	(4,541)
Abu Dhabi University Holding LLC ("ADU")	22,521	12,654
	34,356	(9,135)

Amanat Holdings PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021

5 INVESTMENTS IN ASSOCIATES (continued)

The movement in the investments in associates is as follows:

	<i>30 June 2021 AED'000 Unaudited</i>	<i>31 December 2020 AED'000 Audited</i>
At the beginning of the period	<u>1,069,755</u>	<u>1,107,774</u>
Share of results	37,251	28,713
Amortisation of PPA assets	(2,895)	(6,287)
Share of results in profit or loss	<u>34,356</u>	<u>22,426</u>
Share of other comprehensive income	-	633
Dividends	(13,619)	(33,881)
Capital reduction	-	(27,197)
Disposal of an associate	(189,147)	-
At the end of the period	<u><u>901,345</u></u>	<u><u>1,069,755</u></u>

6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below, is an overview of financial assets, other than cash and short-term deposits, held by the Group as at 30 June 2021 and 31 December 2020:

	<i>30 June 2021 AED'000 Unaudited</i>	<i>31 December 2020 AED'000 Audited</i>
<i>Debt instruments at amortised cost:</i>		
Trade receivables	75,260	11,991
Deposits and prepayments	12,369	6,950
Other current assets	18,496	12,172
Finance lease receivable	419,108	405,322
Due from related parties	8,600	19,653
<i>Debt instrument at fair value through OCI</i>		
Emirates NBD REIT Limited - quoted debt instrument	14,227	14,359
BEGiN - unquoted debt instrument	18,608	18,609
Total	<u><u>566,668</u></u>	<u><u>489,056</u></u>
Total current	<u><u>143,677</u></u>	<u><u>71,559</u></u>
Total non-current	<u><u>422,991</u></u>	<u><u>417,497</u></u>

6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Set out below is an overview of financial liabilities held by the Group as at 30 June 2021 and 31 December 2020:

	<i>30 June 2021 AED'000 Unaudited</i>	<i>31 December 2020 AED'000 Audited</i>
<i>Financial liabilities at amortised cost:</i>		
Accounts and other payables	90,073	57,815
Other long-term payables	6,128	3,821
Due to related parties	7,481	801
Lease liabilities	92,457	22,631
Financing from banks		
Non-revolving Ijarah term facility	64,638	62,374
Musharaka financing facility*	393,599	-
Total	654,376	147,442
Total current	150,647	66,618
Total non-current	503,729	80,824

* During the six months ended 30 June 2021, the Group obtained a Musharaka term facility from a local bank of AED 405,000 thousand to finance the acquisition of CMRC (note 4.1). The facility is repayable immediately post disbursement in quarterly instalments of AED 12,861 thousand each including profit at the rate of EIBOR + 2.25% per annum, over a period of 7 years with 30% balloon payment to be made along the last instalment. The facility is secured against the corporate guarantees of the Company and CMRC Limited and its subsidiaries, 100% pledge over the shares of CMRC Limited and its subsidiaries and assignment of dividends of CMRC Saudi Arabia LLC.

7 CASH AND BANK BALANCES

	<i>30 June 2021 AED'000 Unaudited</i>	<i>31 December 2020 AED'000 Audited</i>
Cash on hand	610	452
Current accounts with banks	83,097	87,351
Cash balance held with a third-party (Note 8.2)	13,242	14,848
Pledged deposit	3,896	3,896
Sharia compliant term deposits	316,000	306,040
Non-Sharia compliant term deposits	49,797	117,968
Cash and bank balances	466,642	530,555

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

	<i>30 June 2021 AED'000 Unaudited</i>	<i>31 December 2020 AED'000 Audited</i>
Cash and bank balances	466,642	530,555
Less:		
Cash balance held with a third-party (Note 8.2)	(13,242)	(14,848)
Pledged deposit	(3,896)	(3,896)
Sharia compliant term deposits	(316,000)	(106,590)
Non-Sharia compliant term deposits	(49,797)	-
Bank overdrafts	(18,928)	(14,105)
Cash and cash equivalents	64,779	391,116

7 CASH AND BANK BALANCES (continued)

During the period ended 30 June 2021, the Group earned an aggregate profit of AED 1,499 thousand on its sharia compliant and non-sharia compliant term deposits (2020: AED 5,098 thousand).

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

The authorised share capital of the Company is AED 5 billion (2020: AED 5 billion).

Issued share capital

As at 30 June 2021 the Company had 2,500,000,000 ordinary shares in issuance of AED 1 each which were fully paid up. Holders of these ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Group.

8.2 Treasury shares

In 2020, the Company engaged a third-party licensed Market Maker on the Dubai Financial Market that offers liquidity 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 30 June 2021, the Market Maker held 8,612,683 of Amanat's shares on behalf of the Company, which were purchased at a cost of AED 8,613 thousand and classified under equity as treasury shares at 30 June 2021. Cumulative gain of AED 1,325 thousand has been recognised at 30 June 2021 as Share Premium under equity out of which net gain of AED 802 thousand is from the disposal of shares during the current period. At the end of the contract term with the Market Maker, the Company will have the option to either transfer the outstanding shares under its name or dispose of the shares in the market.

9 DIVIDEND

No dividend was declared during the current period (2020: AED 0.02 per ordinary share).

10 BASIC AND DILUTED EARNINGS PER SHARE

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

	<i>Six months ended 30 June</i>	
	<i>2021</i>	<i>2020</i>
	<i>Unaudited</i>	<i>Unaudited</i>
Profit for the period attributable to the equity holders of the Company (AED'000)	235,338	586
Weighted number of ordinary shares* ('000)	2,499,548	2,494,110
Basic and diluted earnings per share (AED)	0.094	0.0002

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

11 COMMITMENTS***Group as lessee***

At 30 June 2021, the future minimum lease payments for non-cancellable operating leases payable by the Group were as follows:

	30 June 2021 AED'000 Unaudited	31 December 2020 AED'000 Audited
Due in less than one year	1,160	4,925

Group as lessor

The Group has 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 0.2 million (2020: AED 12.4 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 (2020: Nil). Below are details of the Group's share of its associates' contingent liabilities at the reporting date.

	30 June 2021 AED'000 Unaudited	31 December 2020 AED'000 Audited
Bank guarantees	20,261	35,758

12 RELATED PARTY TRANSACTIONS

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

Balances outstanding with related parties

	30 June 2021 AED'000 Unaudited	31 December 2020 AED'000 Audited
<i>Due from related parties</i>		
Associates		
Sukoon	8,517	8,045
Taaleem	-	11,594
Other related parties	83	14
	8,600	19,653
<i>Due to related parties</i>		
Other related parties – non-current	4,013	4,013
Other related parties – current	7,481	801

12 RELATED PARTY TRANSACTIONS (continued)**Transactions with related parties**

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2021</i> <i>AED'000</i> <i>(Unaudited)</i>	<i>2020</i> <i>AED'000</i> <i>(Unaudited)</i>	<i>2021</i> <i>AED'000</i> <i>(Unaudited)</i>	<i>2020</i> <i>AED'000</i> <i>(Unaudited)</i>
<i>Associates</i>				
Dividend received from ADU	-	-	8,750	1,545
Dividend received from IMC	4,869	-	4,869	-

Director and key managerial persons' compensation comprised the following:

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2021</i> <i>AED'000</i> <i>(Unaudited)</i>	<i>2020</i> <i>AED'000</i> <i>(Unaudited)</i>	<i>2021</i> <i>AED'000</i> <i>(Unaudited)</i>	<i>2020</i> <i>AED'000</i> <i>(Unaudited)</i>
Short-term benefits	3,652	1,935	8,376	6,420
Post-employment benefits	132	123	241	201

13 SEGEMENT INFORMATION

The following tables presents revenue and profit information for the Group's operating segments for the six months ended 30 June 2021 and 2020, respectively:

Six months ended 30 June 2021 - Unaudited

	<i>Investment</i> <i>AED'000</i>	<i>Education</i> <i>AED'000</i>	<i>Healthcare</i> <i>AED'000</i>	<i>Elimination/</i> <i>adjustment</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Revenue	-	87,961	107,676	-	195,637
Segment (loss)/profit	(16,623)	232,785	14,996	-	231,158

Segment (loss)/profit attributable to:

Equity holders of the Company	(16,623)	232,785	19,176	-	235,338
Non-controlling interests	-	-	(4,180)	-	(4,180)

Six months ended 30 June 2020 - Unaudited

	<i>Investment</i> <i>AED'000</i>	<i>Education</i> <i>AED'000</i>	<i>Healthcare</i> <i>AED'000</i>	<i>Elimination/</i> <i>adjustment</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Revenue*	-	88,392	4,571	-	92,963
Segment (loss)/profit*	(19,864)	59,886	(44,006)	(731)	(4,715)

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13 SEGEMENT INFORMATION (continued)

Six months ended 30 June 2020 - Unaudited (continued)

Segment (loss)/profit attributable to:

	<i>Investment</i> <i>AED'000</i>	<i>Education</i> <i>AED'000</i>	<i>Healthcare</i> <i>AED'000</i>	<i>Elimination/ adjustment</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Equity holders of the Company	(19,864)	59,886	(38,705)	(731)	586
Non-controlling interests	-	-	(5,301)	-	(5,301)

The following table presents assets and liabilities information for the Group's operating segments as at 30 June 2021 and 31 December 2020, respectively:

	<i>Investment</i> <i>AED'000</i>	<i>Education</i> <i>AED'000</i>	<i>Healthcare</i> <i>AED'000</i>	<i>Elimination/ adjustment</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Assets					
30 June 2021 - Unaudited	467,191	1,265,937	2,140,883	(423,197)	3,450,814
31 December 2020 - Audited*	542,666	1,448,940	737,263	(8,146)	2,720,723
Liabilities					
30 June 2021 - Unaudited	439,045	33,775	652,900	(423,248)	702,472
31 December 2020 - Audited*	30,304	56,834	128,878	(13,718)	202,298

* The Group reclassified certain investments and the related liabilities, income and expenses from the 'Investment' segment to the 'Education' and 'Healthcare' reporting segments to conform to the current period's disclosure.

14 COMPARITIVE FIGURES

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

Consolidated statement of profit or loss for the six months period ended 30 June 2020

	<i>As previously reported</i> <i>AED'000</i>	<i>Reclassification</i> <i>AED'000</i>	<i>As currently reported</i> <i>AED'000</i>
Direct costs	(38,030)	(8,061)	(46,091)
Gross profit	54,933	(8,061)	46,872
General and administrative expenses	(69,142)	8,061	(61,081)

Consolidated statement of profit or loss for the three months period ended 30 June 2020

	<i>As previously reported</i> <i>AED'000</i>	<i>Reclassification</i> <i>AED'000</i>	<i>As currently reported</i> <i>AED'000</i>
Direct costs	(18,252)	(3,754)	(22,006)
Gross profit	28,551	(3,754)	24,797
General and administrative expenses	(33,873)	3,754	(30,119)

15 RISK MANAGEMENT

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

The Group has considered the potential impact (based on the best available information) of the uncertainties caused by the Covid-19 pandemic and taken in to account the economic support and relief measures of governments.

Notwithstanding, these developments could further impact the future financial results, cash flows and financial position of the Group.