

# **AMANAT HOLDINGS PJSC**

## **UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**31 MARCH 2020**

## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF AMANAT HOLDINGS P.J.S.C**

### ***Introduction***

We have reviewed the accompanying interim condensed consolidated financial statements of Amanat Holdings P.J.S.C (the “Company”) and its subsidiaries (collectively referred to as the “Group”), comprising the interim consolidated statement of financial position as at 31 March 2020, and the related interim consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the three-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 *Interim Financial Reporting* (IAS 34). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### ***Scope of Review***

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

### ***Conclusion***

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

For Ernst & Young



Signed by  
Ashraf Abu-Sharkh  
Partner  
Registration number: 690

10 August 2020

Dubai, United Arab Emirates

# Amanat Holdings PJSC

## INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three months ended 31 March 2020

		<i>Three months ended 31 March</i>	
	<i>Notes</i>	<i>2020 AED'000 (Unaudited)</i>	<i>2019 AED'000 (Unaudited)</i>
Revenue from contracts with customers	3	46,160	44,128
Direct costs		(19,778)	(21,337)
<b>GROSS PROFIT</b>		<b>26,382</b>	22,791
General and administrative expenses	3	(35,269)	(28,062)
Other operating income	3	932	2,027
<b>OPERATING LOSS</b>		<b>(7,955)</b>	(3,244)
Share of results of associates	5	2,015	13,177
Finance income		10,024	11,467
Finance costs		(1,190)	(438)
<b>PROFIT FOR THE PERIOD</b>		<b>2,894</b>	20,962
<b>Attributable to:</b>			
Equity holders of the Company		5,736	20,656
Non-controlling interests		(2,842)	306
		<b>2,894</b>	20,962
<b>Basic and diluted earnings per share (AED)</b>	10	<b>0.002</b>	0.0083

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

# Amanat Holdings PJSC

## INTERIM CONSOLIDATED STATEMENT OF COMPERHENSIVE INCOME

For the three months ended 31 March 2020

	<i>Three months ended 31 March</i>	
	<i>2020</i>	<i>2019</i>
<i>Notes</i>	<i>AED'000</i>	<i>AED'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<b>PROFIT FOR THE PERIOD</b>	<b>2,894</b>	20,962
<b>Other comprehensive loss</b>		
<i>Items that would not be reclassified to profit or loss in subsequent periods:</i>		
Change in fair value of financial asset at FVOCI	<b>(4,202)</b>	(2,581)
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD</b>	<b>(1,308)</b>	18,381
<b>Attributable to:</b>		
Equity holders of the Company	<b>1,534</b>	18,075
Non-controlling interests	<b>(2,842)</b>	306
	<b>(1,308)</b>	18,381

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

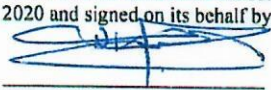
# Amanat Holdings PJSC

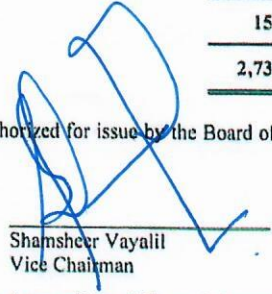
## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2020

	Notes	31 March 2020 AED'000 Unaudited	31 December 2019 AED'000 Audited
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		131,181	134,933
Right-of-use assets		23,141	25,151
Goodwill and intangible asset	4	484,724	485,849
Investments in associates	5	1,108,244	1,107,774
Finance lease receivables	6	362,931	336,417
Financial asset at fair value through OCI	6	11,514	15,716
<b>Total non-current assets</b>		<b>2,121,735</b>	<b>2,105,840</b>
<b>Current assets</b>			
Finance lease receivables	6	22,206	28,806
Trade and other receivables	6	29,800	31,551
Due from related parties	12	1,298	26,558
Cash and bank balances	7	556,786	571,702
<b>Total current assets</b>		<b>610,090</b>	<b>658,617</b>
<b>TOTAL ASSETS</b>		<b>2,731,825</b>	<b>2,764,457</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	8	2,500,000	2,500,000
Share discount	8	(1,047)	-
Treasury shares	8	(6,505)	-
Statutory reserve		29,144	29,144
Fair value reserve		(25,235)	(21,033)
Retained earnings		61,526	55,790
<b>Total equity attributable to the equity holders of the Company</b>		<b>2,557,883</b>	<b>2,563,901</b>
Non-controlling interests		14,022	16,864
<b>Total equity</b>		<b>2,571,905</b>	<b>2,580,765</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Bank financing	6	59,564	57,152
Other long-term payables	6	4,013	3,916
Lease liabilities	6	17,291	18,227
Provision for employees' end of service benefits		8,556	7,959
<b>Total non-current liabilities</b>		<b>89,424</b>	<b>87,254</b>
<b>Current liabilities</b>			
Accounts and other payables	6	35,112	30,531
Contract liabilities		34,016	31,310
Due to related parties	12	377	3,247
Lease liabilities	6	991	3,500
Financial liability at fair value through profit or loss		-	27,850
<b>Total current liabilities</b>		<b>70,496</b>	<b>96,438</b>
<b>Total liabilities</b>		<b>159,920</b>	<b>183,692</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,731,825</b>	<b>2,764,457</b>

These interim condensed consolidated financial statements were authorized for issue by the Board of Directors on 10 August 2020 and signed on its behalf by:

  
Hamad Alshamsi  
Chairman

  
Shamsheer Vayalil  
Vice Chairman

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 three months ended 31 March 2020

	<i>Attributable to the equity holders of the Company</i>							<i>Non-controlling interests</i>	<i>Total</i>
	<i>Share capital AED'000</i>	<i>Share discount 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>AED'000</i>	<i>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	-	-	-	-	-	5,736	5,736	(2,842)	2,894
Other comprehensive loss	-	-	-	-	(4,202)	-	(4,202)	-	(4,202)
Total comprehensive income/ (loss) for the period	-	-	-	-	(4,202)	5,736	1,534	(2,842)	(1,308)
Treasury shares (Note 8)	-	(1,047)	(6,505)	-	-	-	(7,552)	-	(7,552)
<b>As at 30 March 2020 - <i>Unaudited</i></b>	<b>2,500,000</b>	<b>(1,047)</b>	<b>(6,505)</b>	<b>29,144</b>	<b>(25,235)</b>	<b>61,526</b>	<b>2,557,883</b>	<b>14,022</b>	<b>2,571,905</b>

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 three months ended 31 March 2019

	<i>Attributable to the equity holders of the Company</i>					<i>Non-</i>	<i>Total</i>
	<i>Share capital AED '000</i>	<i>Legal reserve AED '000</i>	<i>Fair value reserve AED '000</i>	<i>Retained earnings AED '000</i>	<i>Total equity AED '000</i>	<i>controlling interests AED '000</i>	
As at 1 January 2019 - <i>Audited</i>	2,500,000	23,142	(15,475)	38,635	2,546,302	30,244	2,576,546
Profit for the period	-	-	-	20,656	20,656	306	20,962
Other comprehensive loss	-	-	(2,581)	-	(2,581)	-	(2,581)
Total comprehensive income for the period	-	-	(2,581)	20,656	18,075	306	18,381
Dividend declared (Note 9)	-	-	-	(37,500)	(37,500)	-	(37,500)
Impact of IFRS 16 adoption	-	-	-	2,120	2,120	-	2,120
As at 31 March 2019 - <i>Unaudited</i>	2,500,000	23,142	(18,056)	23,911	2,528,997	30,550	2,559,547

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 three months ended 31 March 2020

	<i>Three months ended 31 March</i>	
	<i>2020 AED'000 Unaudited</i>	<i>2019 AED'000 Unaudited</i>
<b>OPERATING ACTIVITIES</b>		
Profit for the period	2,894	20,962
<i>Adjustments for:</i>		
Share of results of associates	(2,015)	(13,177)
Depreciation of property and equipment and right-of-use assets	6,580	2,944
Amortization of intangible asset	1,125	1,125
Provision for employees' end of service benefits	810	660
Interest income from deposits	(3,100)	(4,590)
Dividend income	-	(623)
Interest income from finance lease	(6,879)	(6,879)
Finance cost on lease liabilities	323	438
Finance cost on bank financing	867	-
	<b>605</b>	<b>860</b>
Due from related parties	25,260	18,778
Trade and other receivables	1,751	11,997
Accounts and other payables and contract liabilities	7,384	27,821
Due to related parties	(2,870)	-
Cash from operations	32,130	59,456
Employees' end of service benefits paid	(213)	(1,081)
Interest received on call and term deposits with conventional banks	580	270
Income received on sharia compliant term deposits	2,520	4,320
<b>Net cash flows from operating activities</b>	<b>35,017</b>	<b>62,965</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	(818)	(717)
Investment in finance lease receivables	(13,035)	-
Changes in wakala and term deposits		
with original maturity of more than 3 months	426,235	346,284
Settlement of financial liability at fair value through profit or loss	(27,850)	-
Dividend income received from equity accounted investees	1,545	8,184
Dividend received from investment at FVOCI	-	623
<b>Net cash flows from investing activities</b>	<b>386,077</b>	<b>354,374</b>
<b>FINANCING ACTIVITIES</b>		
Dividend paid	-	(37,500)
Proceeds from bank financing	2,412	4,870
Payment of lease liabilities	(3,768)	(2,780)
Change in other cash balance	(13,944)	-
Acquisition of treasury shares, net	(7,552)	-
Finance cost paid	(867)	-
<b>Net cash flows used in financing activities</b>	<b>(23,719)</b>	<b>(35,410)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>397,375</b>	<b>381,929</b>
Cash and cash equivalents at the beginning of the period	127,438	66,468
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>524,813</b>	<b>448,397</b>

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



## 1 BACKGROUND AND PRINCIPAL ACTIVITIES

Amanat Holdings PJSC (the “Company”) was incorporated on 17 November 2014 and is registered as a Public Joint Stock Company 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.

## 2 BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES

### 2.1 Basis of preparation

These interim condensed consolidated financial statements for the three months ended 31 March 2020 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 2019.

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”) and Royal Maternity Hospital Holding W.L.L (“Royal Maternity Hospital”).

### 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 2019, except for the adoption of new standards effective as of 1 January 2020. 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 2020, but do not have an impact on the interim condensed consolidated financial statements of the Group.

#### ***Amendments to IFRS 3: Definition of a Business***

The amendment to IFRS 3 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 clarified 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 uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments had 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.”

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

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

#### ***Amendments to IAS 1 and IAS 8: Definition of Material (continued)***

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.

The revised Conceptual Framework includes some new concepts, provides 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.

### **2.3 Fair value measurement**

All financial assets and liabilities are stated at amortized cost or historical cost except for FVOCI investment and contingent consideration, which are 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 investment qualifies for Level 1 fair value hierarchy. There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the period.

### **2.4 New accounting policy adopted by the Group**

As mentioned in Note 8.2, during the current period, the Company acquired own equity instruments, for which it applied the below accounting policy:

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium or discount.

## **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 44,161 thousand (2019: AED 44,128 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 1,999 thousand (2019: Nil), which represent services transferred at a point in time.

**3 PROFIT OR LOSS (continued)****3.2 General and administrative expenses**

	<i>Three months ended 31 March</i>	
	<i>2020</i>	<i>2019</i>
	<i>AED'000</i>	<i>AED'000</i>
	<i>Unaudited</i>	<i>Unaudited</i>
Employee related expenses (1)	<b>16,613</b>	9,837
Transaction related costs (2)	<b>4,127</b>	3,060
Other expenses (3)	<b>14,529</b>	15,165
	<b>35,269</b>	28,062

(1) This amount includes the subsidiaries' related expenses of AED 9,256 thousand (2019: 5,870 thousand)

(2) This amount includes the subsidiaries' related expenses of AED 1,195 thousand (2019: Nil ).

(3) This amount includes the subsidiaries' related expenses of AED 10,576 thousand (2019: 7,691 thousand).

**3.3 Other operating income**

	<i>Three months ended 31 March</i>	
	<i>2020</i>	<i>2019</i>
	<i>AED'000</i>	<i>AED'000</i>
	<i>Unaudited</i>	<i>Unaudited</i>
Student accommodation fees	<b>736</b>	341
Miscellaneous income	<b>196</b>	1,686
	<b>932</b>	2,027

**4 GOODWILL AND INTANGIBLE ASSET****4.1 Goodwill**

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

	<i>31 March 2020</i>	<i>31 December 2019</i>
	<i>AED'000</i>	<i>AED'000</i>
	<i>Unaudited</i>	<i>Audited</i>
Middlesex Associates FZ L.L.C	<b>276,770</b>	<b>276,770</b>
Royal Maternity Hospital Holding W.L.L.	<b>82,012</b>	<b>82,012</b>
	<b>358,782</b>	<b>358,782</b>

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 2019.

As at 31 March 2020, the management has not identified circumstances that may indicate that the carrying value of goodwill may be impaired.

**4 GOODWILL AND INTANGIBLE ASSET (continued)****4.2 Intangible asset**

Intangible asset with net carrying amount of AED 125,942 thousand (December 2019: 127,067 thousand) comprises intangible asset acquired through business combination of Middlesex University and represents the fair value of a long-term agreement with a useful life of 30 years from the date of acquisition.

**4.3 Potential sale of a subsidiary**

On 2 July 2020, the Group signed a sale and purchase agreement with Study World Education Holding Group for the potential sale of Middlesex University. The transaction is subject to the satisfactory completion of customary conditions, including regulatory approvals and estimation of final consideration, which were not finalized at the date of the issuance of these interim condensed consolidated financial statements.

**5 INVESTMENTS IN ASSOCIATES**

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

	<b>31 March 2020 AED'000 Unaudited</b>	<b>31 December 2019 AED'000 Audited</b>
Sukoon International Holding Company ("Sukoon")	<b>177,950</b>	182,347
Taaleem Holdings PrJSC ("Taaleem")	<b>191,194</b>	186,734
International Medical Center ("IMC")	<b>382,752</b>	383,286
Abu Dhabi University Holding LLC ("ADU")	<b>356,348</b>	355,407
	<b><u>1,108,244</u></b>	<b><u>1,107,774</u></b>

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

	<b>Three months ended 31 March</b>	
	<b>2020 AED'000 Unaudited</b>	<b>2019 AED'000 Unaudited</b>
Sukoon International Holding Company ("Sukoon")	<b>(4,394)</b>	82
Taaleem Holdings PrJSC ("Taaleem")	<b>4,457</b>	4,438
International Medical Center ("IMC")	<b>(546)</b>	5,537
Abu Dhabi University Holding LLC ("ADU")	<b>2,498</b>	3,120
	<b><u>2,015</u></b>	<b><u>13,177</u></b>

**5 INVESTMENTS IN ASSOCIATES (continued)**

The movement in the investments in associates is as follows:

	<i><b>31 March 2020 AED'000 Unaudited</b></i>	<i><b>31 December 2019 AED'000 Audited</b></i>
At the beginning of the period	<b>1,107,774</b>	1,171,029
Share of results	<b>3,612</b>	49,808
Amortization of PPA assets	<b>(1,597)</b>	(6,298)
Share of results in profit or loss	<b>2,015</b>	43,510
Share of other comprehensive income	-	1,366
Dividends	<b>(1,545)</b>	(39,641)
Other equity adjustments	-	(2,852)
Disposals	-	(65,638)
At the end of the period	<b>1,108,244</b>	1,107,774

Subsequent to the reporting 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 2020.

**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 31 March 2020 and 31 December 2019:

	<i><b>31 March 2020 AED'000 Unaudited</b></i>	<i><b>31 December 2019 AED'000 Audited</b></i>
<b><i>Debt instruments at amortised cost:</i></b>		
Trade receivables	<b>19,380</b>	10,594
Deposits and prepayments	<b>3,835</b>	10,437
Other current assets	<b>6,585</b>	10,520
Finance lease receivable	<b>385,137</b>	365,223
Due from related parties	<b>1,298</b>	26,558
<b><i>Debt instrument at fair value through OCI</i></b>		
Quoted debt instrument	<b>11,514</b>	15,716
<b>Total</b>	<b>427,749</b>	439,048
<b>Total current</b>	<b>53,304</b>	86,915
<b>Total non-current</b>	<b>374,445</b>	352,133

# Amanat Holdings PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2020

### 6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Set out below is an overview of financial liabilities held by the Group as at 31 March 2020 and 31 December 2019:

	<i>31 March 2020 AED'000 Unaudited</i>	<i>31 December 2019 AED'000 Audited</i>
<b><i>Financial liabilities at fair value through profit or loss :</i></b>		
Contingent consideration	-	27,850
<b><i>Financial liabilities at amortised cost:</i></b>		
Accounts and other payables	<b>35,112</b>	30,531
Other long-term payables	<b>4,013</b>	3,916
Due to related parties	<b>377</b>	3,247
Interest bearing loans and borrowings		
Lease liabilities	<b>18,282</b>	21,727
Non revolving Ijarah term facility	<b>59,564</b>	57,152
<b>Total</b>	<b>117,348</b>	144,423
<b>Total current</b>	<b>36,480</b>	65,128
<b>Total non-current</b>	<b>80,868</b>	79,295

### 7 CASH AND BANK BALANCES

	<i>31 March 2020 AED'000 Unaudited</i>	<i>31 December 2019 AED'000 Audited</i>
Call deposits with banks	<b>3</b>	3
Current accounts with banks	<b>137,825</b>	127,313
Cash on hand	<b>66</b>	122
Sharia compliant term deposits shor-term deposits	<b>296,795</b>	-
Other short-term deposits	<b>90,124</b>	-
<b>Cash and cash equivalents</b>	<b>524,813</b>	127,438
Sharia compliant term deposits	<b>-</b>	382,369
Term deposits with conventional banks	<b>18,029</b>	61,895
Cash balance held with a third-party (Note 8)	<b>13,944</b>	-
<b>Cash and bank balances</b>	<b>556,786</b>	571,702

During the period ended 31 March 2020, the Group earned an aggregate profit of AED 3,100 thousand on its Wakala, term and call deposits (2019: AED 4,590 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 (2019: AED 5 billion).

##### *Issued share capital*

As at 31 March 2020 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 SHARE CAPITAL AND TREASURY SHARES (continued)****8.2 Treasury shares**

During the period ended 31 March 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 March 2020, the Market Maker held 10,007,748 of Amanat's shares on behalf of the Company, which were purchased at a cost of AED 6,065 thousand and classified under equity as treasury shares at 31 March 2020. Net loss of AED 1,047 thousand from the disposal of shares during the period has been recognized as Share Discount 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.

**9 DIVIDEND**

Subsequent to the period end, a cash dividend of AED 0.02 per ordinary share was approved by the shareholders at the Annual General Assembly, as proposed by the Board of Directors in respect of 2019. During the period ended 31 March 2019, a cash dividend of 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 2018.

**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>Three months ended 31 March</i>	
	<i>2020 Unaudited</i>	<i>2019 Unaudited</i>
Profit for the period attributable to the equity holders of the Company (AED'000)	<b>5,736</b>	20,656
Weighted number of ordinary shares* ('000)	<b>2,495,098</b>	2,500,000
Basic and diluted earnings per share (AED)	<b>0.002</b>	0.0083

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

**11 COMMITMENTS**

As part of the Group's purchase and lease back agreement for a school building complex with a third party, the Group had entered into an AED 32.5 million financing agreed to be extended by the Group towards the expansion of the leased asset, out of which AED 10 million were paid in 2019. During 2020, the Group extended additional AED 13 million as part of the financing agreement, whereby the remaining commitment of AED 9.5 million is expected to be extended during the second half of 2020.

**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**

	<b>31 March 2020 AED'000 Unaudited</b>	<b>31 December 2019 AED'000 Audited</b>
<b><i>Due from related parties</i></b>		
Associates		
Sukoon	<b>798</b>	798
Taaleem	<b>218</b>	16,468
IMC	<b>11</b>	4,835
ADU	-	4,339
Other related parties	<b>271</b>	118
	<b>1,298</b>	26,558
<b><i>Due to related parties</i></b>		
Other related parties	<b>377</b>	3,247

**Transactions with related parties**

	<b>Three months ended 31 March</b>	
	<b>2020 AED'000 (Unaudited)</b>	<b>2019 AED'000 (Unaudited)</b>
Dividend received from ADU	<b>1,545</b>	-
Dividend received from Taaleem	-	17,876
Expenses paid on behalf of IMC	-	61

Director and key managerial persons' compensation comprised the following:

	<b>Three months ended 31 March</b>	
	<b>2020 AED'000 (Unaudited)</b>	<b>2019 AED'000 (Unaudited)</b>
Short-term benefits	<b>4,485</b>	8,879
Post-employment benefits	<b>78</b>	104



**13 SEGEMENT INFORMATION**

The following tables presents revenue and profit information for the Group's operating segments for the three months ended 31 March 2020 and 2019, respectively:

**Three months ended 31 March 2020 - Unaudited**

	<i>Investment AED'000</i>	<i>Education AED'000</i>	<i>Healthcare AED'000</i>	<i>Elimination/ adjustment AED'000</i>	<i>Total AED'000</i>
Revenue	-	44,161	1,999	-	46,160
Segment profit/loss	5,736	14,138	(9,274)	(7,706)	2,894

**Three months ended 31 March 2019 – Unaudited**

	<i>Investment AED'000</i>	<i>Education AED'000</i>	<i>Healthcare AED'000</i>	<i>Elimination/ adjustment AED'000</i>	<i>Total AED'000</i>
Revenue	-	44,128	-	-	44,128
Segment profit/loss	9,480	13,412	(1,892)	(38)	20,962

The following tables presents assets and liabilities information for the Group's operating segments as at 31 March 2020 and 31 December 2019, respectively:

	<i>Investment AED'000</i>	<i>Education AED'000</i>	<i>Healthcare AED'000</i>	<i>Elimination/ Adjustment AED'000</i>	<i>Total AED'000</i>
<b>Assets</b>					
<b>31 March 2020 – Unaudited</b>	<b>2,568,578</b>	<b>86,196</b>	<b>149,597</b>	<b>(72,546)</b>	<b>2,731,825</b>
31 December 2019 – Audited	2,604,106	123,325	135,437	(5,876)	2,856,992
<b>Liabilities</b>					
<b>31 March 2020 – Unaudited</b>	<b>11,629</b>	<b>56,892</b>	<b>105,517</b>	<b>(14,118)</b>	<b>159,920</b>
31 December 2019 – Audited	156,682	92,377	54,038	(5,652)	297,445

**14 COMPARITIVE FIGURES**

Certain reclassifications were made in the comparative interim consolidated statement of profit or loss to conform 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 three months ended 31 March 2019 and are summarized as follows.

	<i>As previously reported AED'000</i>	<i>Reclassification AED'000</i>	<i>As currently reported AED'000</i>
<i>Interim consolidated statement of profit or loss</i>			
Revenue from contracts with customers	40,603	3,525	44,128
Direct costs	(19,856)	(1,481)	(21,337)
General and administrative expenses	(29,357)	1,295	(28,062)
Other operating income	5,366	(3,339)	2,027

In addition to the above, the Group made changes in the presentation of the interim consolidated statement of profit or loss and elected to present an additional line item to disclose the operating profit.

## **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.



9<sup>th</sup> August 2020

## SHARIA CERTIFICATION

### Investing in Shares of Amanat Holdings PJSC (the “Company”)

The Company has requested the review of activities and financial ratios in order to ascertain its compliance with the principles of Sharia as set out under the AAOIFI Sharia Standards and DFM Sharia Standards. The Company is currently listed on Dubai Financial Market with Symbol as “AMANAT”.

For this purpose, we have reviewed the following:

1. Condensed Consolidated Financial Statements for the three months period ended 31<sup>st</sup> March 2020.

Further to our review of the abovementioned document, we hereby confirm that:

1. Activities and objectives of the Company are investing and managing companies which are in the fields of education and health care. These activities were found to be in accordance with the principles of Islamic Sharia;
2. The financials of the Company as of 31<sup>st</sup> March 2020, the financial ratios (Conventional borrowing ratio, Conventional investments ratio, Liquid Assets ratio and Non-compliant income ratio) are within the acceptable limits prescribed by the AAOIFI Sharia Standards and the Dubai Financial Market (DFM) Standard for trading Shares.
3. The Company financials must be reviewed quarterly in order to ascertain the ongoing Sharia compliance based on any changes in the financial position and activities.

In light of the above, we hereby confirm that the shares of the Company are Sharia compliant for the purpose of investment therein and trading thereof.

Allah knows the best.

Yours truly,

Mian Muhammad Nazir  
Chief Executive Officer.

