

# **AMANAT HOLDINGS PJSC**

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

**30 SEPTEMBER 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 September 2021, and the related interim consolidated statements of profit or loss and other comprehensive income for the three-month and nine-month periods then ended, and the interim consolidated statements of changes in equity and cash flows for the nine-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

9 November 2021

Dubai, United Arab Emirates

# Amanat Holdings PJSC

## INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the nine months ended 30 September 2021

		<i>Three months ended</i>		<i>Nine months ended</i>	
		<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
		<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
		<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
	<i>Notes</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenue	3	89,358	6,266	284,995	99,229
Direct costs		(51,146)	(16,113)	(149,518)	(63,851)
<b>GROSS PROFIT/(LOSS)</b>		<b>38,212</b>	<b>(9,847)</b>	<b>135,477</b>	<b>35,378</b>
General and administrative expenses	3	(46,103)	(22,788)	(118,513)	(82,222)
Other operating income		1,019	469	2,177	1,559
<b>OPERATING (LOSS)/PROFIT</b>		<b>(6,872)</b>	<b>(32,166)</b>	<b>19,141</b>	<b>(45,285)</b>
Share of results of associates	6	(3,927)	8,308	30,429	(827)
Gain on disposal of associates	6	42,626	-	202,881	-
Finance income		9,817	9,999	27,677	29,955
Finance cost		(4,875)	(1,308)	(12,198)	(3,725)
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>36,769</b>	<b>(15,167)</b>	<b>267,930</b>	<b>(19,882)</b>
<b>Attributable to:</b>					
Equity holders of the Company		38,479	(12,476)	273,820	(11,890)
Non-controlling interests		(1,710)	(2,691)	(5,890)	(7,992)
		<b>36,769</b>	<b>(15,167)</b>	<b>267,930</b>	<b>(19,882)</b>
<b>Basic and diluted earnings per share (AED)</b>	11	<b>0.0154</b>	<b>(0.0050)</b>	<b>0.1095</b>	<b>(0.0048)</b>

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

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Amanat Holdings PJSC

INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the nine months ended 30 September 2021

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</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>
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>36,769</b>	<b>(15,167)</b>	<b>267,930</b>	<b>(19,882)</b>
<b>Other comprehensive loss</b>				
<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	-	(992)	(132)	(5,459)
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>	<b>36,769</b>	<b>(16,159)</b>	<b>267,798</b>	<b>(25,341)</b>
<b>Attributable to:</b>				
Equity holders of the Company	38,479	(13,468)	273,688	(17,349)
Non-controlling interests	(1,710)	(2,691)	(5,890)	(7,992)
	<b>36,769</b>	<b>(16,159)</b>	<b>267,798</b>	<b>(25,341)</b>

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

# Amanat Holdings PJSC

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

	Notes	30 September 2021 AED'000 Unaudited	31 December 2020 AED'000 Audited
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	4	250,986	128,302
Right-of-use assets		122,112	21,706
Goodwill and intangible assets	5	1,229,781	481,349
Investments in associates	6	511,068	1,069,755
Finance lease receivables	7	389,165	384,529
Financial assets at fair value through OCI	7	32,836	32,968
<b>Total non-current assets</b>		<b>2,535,948</b>	<b>2,118,609</b>
<b>Current assets</b>			
Finance lease receivables	7	33,001	20,793
Trade and other receivables	7	98,362	31,113
Due from related parties	13	8,549	19,653
Cash and bank balances	8	871,663	530,555
<b>Total current assets</b>		<b>1,011,575</b>	<b>602,114</b>
<b>TOTAL ASSETS</b>		<b>3,547,523</b>	<b>2,720,723</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	9	2,500,000	2,500,000
Share premium	9	2,608	523
Treasury shares	9	(10,888)	(6,702)
Statutory reserve		30,152	30,152
Fair value reserve		(22,522)	(22,390)
Retained earnings		284,317	10,497
<b>Total equity attributable to the equity holders of the Company</b>		<b>2,783,667</b>	<b>2,512,080</b>
Non-controlling interests		455	6,345
<b>Total equity</b>		<b>2,784,122</b>	<b>2,518,425</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financing from banks	7	405,216	54,582
Other long-term payables	7	3,654	3,821
Lease liabilities	7	114,013	22,421
Due to a related party	13	4,013	4,013
Provision for employees' end of service benefits		22,274	9,609
<b>Total non-current liabilities</b>		<b>549,170</b>	<b>94,446</b>
<b>Current liabilities</b>			
Bank overdraft	8	19,044	14,105
Financing from banks	7	48,775	7,792
Accounts and other payables	7	97,383	57,815
Contract liabilities		33,793	27,129
Due to related parties	13	822	801
Lease liabilities	7	14,414	210
<b>Total current liabilities</b>		<b>214,231</b>	<b>107,852</b>
<b>Total liabilities</b>		<b>763,401</b>	<b>202,298</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,547,523</b>	<b>2,720,723</b>

These interim condensed consolidated financial statements were authorized for issue by the Board of Directors on 9 November 2021 and signed on its behalf by:

  
Hamad Al Shamsi  
Chairman

  
Mohamad Hamade  
Chief Executive Officer

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

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*Attributable to the equity holders of the Company*

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

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	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 AED '000	Retained earnings / (accumulated losses) AED '000	Total Equity AED '000
						Non-controlling interests AED '000	Total AED '000
As at 1 January 2020 – Audited	2,500,000	-	-	29,144	(21,033)	55,790	2,563,901
Loss for the period	-	-	-	-	-	(11,890)	(11,890)
Other comprehensive loss	-	-	-	-	(5,459)	-	(5,459)
Total comprehensive loss for the period	-	-	-	-	(5,459)	(11,890)	(17,349)
Treasury shares (Note 9)	-	251	(6,200)	-	-	-	(5,949)
Dividend declared (Note 10)	-	-	-	-	-	(55,000)	(55,000)
As at 30 September 2020 – Unaudited	2,500,000	251	(6,200)	29,144	(26,492)	(11,100)	2,485,603
						8,872	2,494,475

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

# Amanat Holdings PJSC

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2021

	<i>Nine months ended 30 September</i>	
	<i>2021 AED'000 Unaudited</i>	<i>2020 AED'000 Unaudited</i>
<b>OPERATING ACTIVITIES</b>		
Profit/(loss) for the period	267,930	(19,882)
Adjustments for:		
Share of results of associates	(30,429)	827
Gain on disposal of associates	(202,881)	-
Depreciation of property and equipment and right-of-use assets	22,438	16,275
Amortisation of intangible assets	6,878	3,375
Provision for employees' end of service benefits	4,768	1,576
Dividend income	(583)	(350)
Finance income	(27,677)	(29,955)
Finance costs	12,198	3,725
	<b>52,642</b>	<b>(24,409)</b>
Due from related parties	11,104	25,331
Trade and other receivables	3,943	10,938
Accounts and other payables and contract liabilities	9,360	8,669
Due to related parties	21	(2,618)
	<b>77,070</b>	<b>17,911</b>
Cash from operations	(2,132)	(419)
Employees' end of service benefits paid		
Net cash flows from operating activities	<b>74,938</b>	<b>17,492</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	(64,626)	(5,105)
Acquisition of a subsidiary, net of cash acquired	(853,166)	-
Settlement of deferred consideration	(2,450)	-
Proceeds from disposal of associates	782,686	-
Investment in finance lease	(302)	(17,960)
Lease payments received	9,605	6,985
Changes in Sharia compliant term deposits and bank term deposits	(209,207)	134,769
Income received on sharia compliant term deposits	2,381	4,930
Interest received on bank deposits	2,587	2,278
Settlement of financial liability at fair value through profit or loss	-	(27,850)
Dividend received from associates	13,619	6,795
Dividend received from financial assets at FVOCI	583	350
	<b>(318,290)</b>	<b>105,192</b>
Net cash flows (used in) / from investing activities		
<b>FINANCING ACTIVITIES</b>		
Proceeds from bank financing	413,169	2,815
Repayment of bank financing	(29,801)	-
Payment of lease liabilities	(10,763)	(4,449)
Change in other cash balance	2,844	(15,295)
Acquisition of treasury shares, net	(2,101)	(5,949)
Dividend paid	-	(55,000)
Finance cost paid	(190)	(3,725)
	<b>373,158</b>	<b>(81,603)</b>
Net cash flows from / (used in) financing activities		
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>129,806</b>	<b>41,081</b>
Cash and cash equivalents at the beginning of the period	391,116	127,438
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>520,922</b>	<b>168,519</b>



## Amanat Holdings PJSC

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2021

#### 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 the 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 is considered a sharia compliant entity in line with the rules and requirements and sharia principles as defined by the 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 nine months ended 30 September 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 Hospital for Women and Children W.L.L. (“Royal Hospital for Women and Children”) and CMRC Limited (“CMRC”), which was acquired during the current period (refer note 5.1 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.

## Amanat Holdings PJSC

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 September 2021

#### 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:

- Fees earned from academic services and other related services provided by the Company's subsidiary, Middlesex University, amounting to AED 92,098 thousand (2020: AED 91,287 thousand), which represent services transferred over time.
- Revenue earned from healthcare and other related services provided by the Company's subsidiary, Royal Hospital for Women and Children, amounting to AED 21,179 thousand (2020: 7,942 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, amounting to AED 171,718 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>Nine months ended 30 September</i>	
	<i>2021 AED'000 Unaudited</i>	<i>2020 AED'000 Unaudited</i>
Employee related expenses <sup>(1)</sup>	55,688	32,060
Transaction related costs	2,761	7,643
Amortisation of intangible assets (Note 5.2)	6,878	3,375
Other expenses <sup>(2)</sup>	53,186	39,144
	<b>118,513</b>	<b>82,222</b>

(1) Included within employee related expenses are amounts pertaining to subsidiaries of AED 38,384 thousand (2020: AED 13,840 thousand).

(2) Included within other expenses are amounts pertaining to subsidiaries of AED 48,033 thousand (2020: AED 25,923 thousand).

#### 4 PROPERTY AND EQUIPMENT

On 9 September 2021, the Company entered into a sale and purchase agreement to acquire the previously leased hospital land and buildings of Cambridge Medical and Rehabilitation Center LLC, a subsidiary of CMRC Limited, for a total consideration of AED 53 million. The acquisition value has been allocated to land and buildings in the amount of AED 7.1 million and AED 45.9 million, respectively, in accordance with a valuation performed by a third party certified independent valuer.

## Amanat Holdings PJSC

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 September 2021

#### 5 BUSINESS COMBINATIONS

##### 5.1 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 with a 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, 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 seven-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><b>Fair value recognised on acquisition* AED'000 Unaudited</b></i>
<b>Assets</b>	
Property and equipment	73,347
Right-of-use assets	65,795
Cash	10,787
Inventories	4,329
Trade and other receivables	70,302
	<b>224,560</b>
<b>Liabilities</b>	
Accounts and other payables	(27,290)
Lease liabilities	(71,250)
Provision for employees' end of service benefits	(10,027)
	<b>(108,567)</b>
<b>Total identifiable net assets at fair value</b>	<b>115,993</b>
Goodwill arising on acquisition (provisional) <sup>(1)</sup>	755,310
Deferred consideration (included under current liabilities) <sup>(2)</sup>	(7,350)
<b>Purchase consideration transferred</b>	<b>863,953</b>
<b>Analysis of cash flows on acquisition:</b>	
Net cash acquired with the subsidiary (included in cash flows from investing activities)	10,787
Cash paid	(863,953)
<b>Net cash flow on acquisition</b>	<b>(853,166)</b>

<sup>(1)</sup> 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 September 2021, Management 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.

<sup>(2)</sup> Out of which AED 2,450 thousand was settled during the period.

## Amanat Holdings PJSC

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 September 2021

#### 5 BUSINESS COMBINATIONS (continued)

##### 5.1 Acquisition of CMRC (continued)

From the date of acquisition, CMRC has contributed AED 171,718 thousand of revenue and AED 37,540 thousand to the profit of the Group (AED 43,711 thousand, excluding finance cost). If the acquisition had taken place at the beginning of the period, the revenue contribution would have been AED 218,389 thousand and the profit contribution for the period would have been AED 46,621 thousand (AED 52,792 thousand, excluding finance costs).

Based on management's preliminary assessment, it is expected that the major portion of goodwill will be reallocated to an intangible asset related to a customer contract. It is expected that management will complete this assessment during the fourth quarter of 2021.

Transaction costs of AED 2,628 thousand have been expensed in the year 2020 and are included in transaction related costs within general and 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.

##### 5.2 Goodwill and intangible assets

A 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>Other intangible</i> <i>assets</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
<b>Gross carrying amount</b>			
At 1 January 2021 - <i>Audited</i>	358,782	133,300	492,082
Acquisition of a subsidiary (Note 5.1)	755,310	-	755,310
At 30 September 2021 - <i>Unaudited</i>	<b>1,114,092</b>	<b>133,300</b>	<b>1,247,392</b>
<b>Accumulated amortisation</b>			
At 1 January 2021 - <i>Audited</i>	-	10,733	10,733
Amortisation for the period	-	6,878	6,878
At 30 September 2021 - <i>Unaudited</i>	-	<b>17,611</b>	<b>17,611</b>
<b>Net book value</b>			
At 30 September 2021 - <i>Unaudited</i>	<b>1,114,092</b>	<b>115,689</b>	<b>1,229,781</b>
At 1 January 2021 - <i>Audited</i>	358,782	122,567	481,349

##### 5.3 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 September 2021, the management has not identified circumstances that may indicate that the carrying value of goodwill may be impaired.

## Amanat Holdings PJSC

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 September 2021

#### 6 INVESTMENTS IN ASSOCIATES

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

	<b>30 September 2021 AED'000 Unaudited</b>	<b>31 December 2020 AED'000 Audited</b>
Abu Dhabi University Holding LLC ("ADU")	<b>381,990</b>	374,407
Sukoon International Holding Company ("Sukoon") <sup>(1)</sup>	<b>129,078</b>	129,474
Taaleem Holdings PrJSC ("Taaleem") <sup>(2)</sup>	-	184,174
International Medical Center ("IMC") <sup>(3)</sup>	-	381,700
	<b>511,068</b>	<b>1,069,755</b>

- (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 first half of 2022.
- (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:

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

- (3) During the current period, the Group signed a sale and purchase agreement with a private investor for the sale of its 13.13% interest in International Medical Center KSA ("IMC") for a total consideration of AED 433,284 thousand. The sale was approved by the Board of Directors on 14 August 2021.

# Amanat Holdings PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 September 2021

### 6 INVESTMENTS IN ASSOCIATES (continued)

The sale and purchase transaction was completed on 15 September 2021 whereby the investment in IMC 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>Nine months ended 30 September 2021 AED'000 Unaudited</i>
Consideration received	433,284
Net carrying value of the investment at the date of disposal	(386,350)
Other expenses	(4,308)
	<u>42,626</u>

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

	<i>Nine months ended 30 September</i>	
	<i>2021 AED'000 Unaudited</i>	<i>2020 AED'000 Unaudited</i>
Abu Dhabi University Holding LLC ("ADU")	16,332	18,704
Sukoon International Holding Company ("Sukoon")	(396)	(23,812)
Taaleem Holdings PrJSC ("Taaleem")	4,973	4,596
International Medical Center ("IMC")	9,520	(315)
	<u>30,429</u>	<u>(827)</u>

The movement in the investments in associates is as follows:

	<i>30 September 2021 AED'000 Unaudited</i>	<i>31 December 2020 AED'000 Audited</i>
At the beginning of the period	1,069,755	1,107,774
Share of results	34,445	28,713
Amortisation of PPA assets	(4,016)	(6,287)
Share of results in profit or loss	30,429	22,426
Share of other comprehensive income	-	633
Dividends	(13,619)	(33,881)
Capital reduction	-	(27,197)
Disposal of associates	(575,497)	-
At the end of the period	<u>511,068</u>	<u>1,069,755</u>

# Amanat Holdings PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2021

### 7 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 September 2021 and 31 December 2020:

	<i>30 September 2021 AED'000 Unaudited</i>	<i>31 December 2020 AED'000 Audited</i>
<b>Debt instruments at amortised cost:</b>		
Trade receivables	70,182	11,991
Deposits	950	2,000
Other current assets	17,587	10,173
Finance lease receivable	422,166	405,322
Due from related parties	8,549	19,653
<b>Debt instrument at fair value through OCI</b>		
Emirates NBD REIT Limited - quoted debt instrument	14,227	14,359
Conscious Content Media, Inc. - unquoted debt instrument (trading as BEGiN)	18,609	18,609
<b>Total</b>	<b>552,270</b>	<b>482,107</b>
<b>Total current</b>	<b>130,269</b>	<b>64,610</b>
<b>Total non-current</b>	<b>422,001</b>	<b>417,497</b>

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

	<i>30 September 2021 AED'000 Unaudited</i>	<i>31 December 2020 AED'000 Audited</i>
<b>Financial liabilities at amortised cost:</b>		
Accounts and other payables	97,383	57,815
Other long-term payables	3,654	3,821
Due to related parties	822	801
Lease liabilities	128,427	22,631
Financing from banks		
Non-revolving Ijarah term facility	70,543	62,374
Musharaka financing facility*	383,448	-
<b>Total</b>	<b>684,277</b>	<b>147,442</b>
<b>Total current</b>	<b>161,394</b>	<b>66,618</b>
<b>Total non-current</b>	<b>522,883</b>	<b>80,824</b>

\* During the current period, the Group obtained a Musharaka term facility of AED 405,000 thousand to finance the acquisition of CMRC (note 5.1). The facility is repayable immediately post disbursement in equal quarterly principal instalments of AED 10,125 thousand each plus profit, with profit accruing at competitive market rates, over a period of 7 years with a 30% balloon payment to be made along with the last instalment. The facility is secured against corporate guarantees from the Company and CMRC Limited and its subsidiaries, 100% pledge over the shares of CMRC Limited and its subsidiaries and an assignment of dividends of CMRC Saudi Arabia LLC.

## Amanat Holdings PJSC

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 September 2021

#### 8 CASH AND BANK BALANCES

	<i>30 September 2021 AED'000 Unaudited</i>	<i>31 December 2020 AED'000 Audited</i>
Cash on hand	787	452
Current accounts with banks	539,179	87,351
Cash balance held with a third-party (Note 9.2)	12,004	14,848
Pledged deposit	3,896	3,896
Sharia compliant term deposits	266,000	306,040
Non-Sharia compliant term deposits	49,797	117,968
<b>Cash and bank balances</b>	<b>871,663</b>	<b>530,555</b>

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

	<i>30 September 2021 AED'000 Unaudited</i>	<i>31 December 2020 AED'000 Audited</i>
<b>Cash and bank balances</b>	<b>871,663</b>	<b>530,555</b>
Less:		
Cash balance held with a third-party (Note 9.2)	(12,004)	(14,848)
Pledged deposit	(3,896)	(3,896)
Sharia compliant term deposits	(266,000)	(106,590)
Non-Sharia compliant term deposits	(49,797)	-
Bank overdrafts	(19,044)	(14,105)
<b>Cash and cash equivalents</b>	<b>520,922</b>	<b>391,116</b>

During the period ended 30 September 2021, the Group earned an aggregate profit of AED 2,775 thousand on its sharia compliant and non-sharia compliant term deposits (2020: AED 5,098 thousand).

#### 9 SHARE CAPITAL AND TREASURY SHARES

##### 9.1 Share capital

The share capital of the Company is AED 2.5 billion (2020: AED 2.5 billion).

As at 30 September 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.

##### 9.2 Treasury shares

In 2020, the Company engaged a third-party licensed Market Maker on the Dubai Financial Market that offers liquidity 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 September 2021, the Market Maker held 9,923,352 of Amanat's shares on behalf of the Company, which were purchased at a cost of AED 10,888 thousand and classified under equity as treasury shares at 30 September 2021. A cumulative gain of AED 2,608 thousand has been recognised at 30 September 2021 as Share Premium under equity out of which a net gain of AED 2,085 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.



## Amanat Holdings PJSC

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 September 2021

#### 10 DIVIDEND

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

#### 11 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>Nine months ended 30 September</i>	
	<i>2021 Unaudited</i>	<i>2020 Unaudited</i>
Profit/(loss) for the period attributable to the equity holders of the Company (AED'000)	273,820	(11,890)
Weighted number of ordinary shares* ('000)	2,499,505	2,494,284
Basic and diluted earnings per share (AED)	0.1095	(0.0048)

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

#### 12 COMMITMENTS

##### *Group as lessee*

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

	<i>30 September 2021 AED'000 Unaudited</i>	<i>31 December 2020 AED'000 Audited</i>
Due in less than one year	10,537	4,925

##### *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.

	<i>30 September 2021 AED'000 Unaudited</i>	<i>31 December 2020 AED'000 Audited</i>
Bank guarantees	19,483	35,758

# Amanat Holdings PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 September 2021

### 13 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 September 2021 AED'000 Unaudited	31 December 2020 AED'000 Audited
<b>Due from related parties</b>		
Associates		
Sukoon	8,542	8,045
Taaleem	-	11,594
Other related parties	7	14
	<u>8,549</u>	<u>19,653</u>
<b>Due to related parties</b>		
Other related parties – non-current	4,013	4,013
Other related parties – current	822	801

#### Transactions with related parties

	Three months ended 30 September		Nine months ended 30 September	
	2021 AED'000 (Unaudited)	2020 AED'000 (Unaudited)	2021 AED'000 (Unaudited)	2020 AED'000 (Unaudited)
<b>Associates</b>				
Dividend received from ADUHC	-	-	8,750	1,545
Dividend received from IMC	-	-	4,869	-

Director and key managerial persons' compensation comprised the following:

	Three months ended 30 September		Nine months ended 30 September	
	2021 AED'000 (Unaudited)	2020 AED'000 (Unaudited)	2021 AED'000 (Unaudited)	2020 AED'000 (Unaudited)
Short-term benefits	3,739	1,963	12,217	8,383
Post-employment benefits	257	83	498	284

# Amanat Holdings PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 September 2021

### 14 SEGEMENT INFORMATION

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

#### *Nine months ended 30 September 2021 - 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	-	92,098	192,897	-	284,995
Segment profit/(loss)	(25,058)	220,054	72,934	-	267,930

#### *Segment profit/(loss) attributable to:*

Equity holders of the Company	(25,058)	220,054	78,824	-	273,820
Non-controlling interests	-	-	(5,890)	-	(5,890)

#### *Nine months ended 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 *	-	91,287	7,942	-	99,229
Segment (loss)/profit *	(28,792)	59,120	(50,210)	-	(19,882)

#### *Segment (loss)/profit attributable to:*

Equity holders of the Company	(28,792)	59,120	(42,218)	-	(11,890)
Non-controlling interests	-	-	(7,992)	-	(7,992)

The following table presents assets and liabilities information for the Group's operating segments as at 30 September 2021 and 31 December 2020, 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>					
30 September 2021 - Unaudited	905,374	1,325,541	1,762,537	(445,929)	3,547,523
31 December 2020 - Audited*	542,666	1,448,940	737,263	(8,146)	2,720,723
<b>Liabilities</b>					
30 September 2021 - Unaudited	454,461	111,592	643,338	(445,990)	763,401
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.

## Amanat Holdings PJSC

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 September 2021

#### 15 COMPARATIVE 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 nine months period ended 30 September 2020*

	<i>As previously reported AED '000</i>	<i>Reclassification AED '000</i>	<i>As currently reported AED '000</i>
Direct costs	(51,289)	(12,562)	(63,851)
Gross profit	47,940	(12,562)	35,378
General and administrative expenses	(94,784)	12,562	(82,222)

##### *Consolidated statement of profit or loss for the three months period ended 30 September 2020*

	<i>As previously reported AED '000</i>	<i>Reclassification AED '000</i>	<i>As currently reported AED '000</i>
Direct costs	(13,259)	(2,854)	(16,113)
Gross loss	(6,993)	(2,854)	(9,847)
General and administrative expenses	(25,642)	2,854	(22,788)

#### 16 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.