



Amanat Holdings PJSC

UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS

30 June 2023

INDEPENDENT AUDITOR'S 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"), which comprise the interim consolidated statement of financial position as at 30 June 2023, and the related interim consolidated statement of profit or loss and interim consolidated statement of comprehensive income for the three-month and six-month periods then ended, and the related interim consolidated statements of changes in equity and interim consolidated statement of 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
Wardah Ebrahim
Partner
Registration number: 1258

9 August 2023

Dubai, United Arab Emirates

Amanat Holdings PJSC

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2023

	Notes	Three months ended 30 June		Six months ended 30 June	
		2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited)	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited)
Revenue	3	184,222	126,353	369,409	257,111
Direct costs	3	(101,090)	(68,625)	(194,463)	(137,910)
GROSS PROFIT	3	83,132	57,728	174,946	119,201
General, selling and administrative expenses	3	(52,817)	(39,057)	(107,797)	(83,165)
Share of results of associates	5	7,535	7,888	10,154	15,152
Gain on disposal of an associate under a step acquisition	5	9,629	-	9,629	-
Income from finance lease		8,355	8,451	16,633	16,771
Other operating income		3,968	788	8,137	1,620
OPERATING PROFIT		59,802	35,798	111,702	69,579
Finance income		5,129	2,645	9,579	5,292
Finance costs		(11,882)	(5,500)	(22,885)	(11,504)
PROFIT FOR THE PERIOD BEFORE TAX AND ZAKAT		53,049	32,943	98,396	63,367
Tax and Zakat		(971)	-	(1,950)	-
PROFIT FOR THE PERIOD		52,078	32,943	96,446	63,367
Attributable to:					
Equity holders of the Company		49,567	34,631	89,246	66,645
Non-controlling interests		2,511	(1,688)	7,200	(3,278)
		52,078	32,943	96,446	63,367
Basic and diluted earnings per share (AED)	10	0.020	0.014	0.036	0.027

Alternative Performance Measures

Earnings before interest, tax, depreciation and amortization (EBITDA)	15	81,166	50,607	151,513	99,024
Adjusted earnings before interest, tax, depreciation and amortization (Adjusted EBITDA)	15	72,744	52,839	143,846	101,510
Attributable to the equity holders of the Company					
Adjusted operating profit	15	46,456	39,149	92,943	74,187
Adjusted profit for the period	15	41,145	36,863	81,579	69,131

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



Amanat Holdings PJSC

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2023 AED'000 (Unaudited)</i>	<i>2022 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited)</i>	<i>2022 AED'000 (Unaudited)</i>
PROFIT FOR THE PERIOD	52,078	32,943	96,446	63,367
Other comprehensive income				
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>				
Gain on cash flow hedge	-	1,083	-	2,891
Other comprehensive income that may be reclassified to profit or loss in subsequent periods	-	1,083	-	2,891
<i>Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:</i>				
Change in fair value of financial assets at FVOCI	-	10	-	(983)
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	-	10	-	(983)
Total other comprehensive income	-	1,093	-	1,908
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	52,078	34,036	96,446	65,275
Attributable to:				
Equity holders of the Company	49,567	35,724	89,246	68,553
Non-controlling interests	2,511	(1,688)	7,200	(3,278)
	52,078	34,036	96,446	65,275



Amanat Holdings PJSC

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Notes	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
ASSETS			
Non-current assets			
Property and equipment		469,689	271,872
Right-of-use assets		181,607	175,886
Goodwill and intangible assets	4	1,505,187	1,420,215
Investments in associates	5	394,861	515,726
Finance lease receivables	6	360,880	362,954
Financial assets at FVOCI	6	31,521	31,521
Other financial assets	6	5,172	5,158
Total non-current assets		2,948,917	2,783,332
Current assets			
Inventories		8,978	7,003
Finance lease receivables	6	60,924	51,933
Trade and other receivables	6	306,865	201,999
Due from related parties	6 & 12	2,517	2,727
Cash and bank balances	7	518,425	583,939
Total current assets		897,709	847,601
TOTAL ASSETS		3,846,626	3,630,933
EQUITY AND LIABILITIES			
EQUITY			
Share capital	8	2,500,000	2,500,000
Share (discount)/premium	8	(657)	2,073
Treasury shares	8	(16,359)	(33,605)
Statutory reserve		69,656	69,656
Fair value reserve of financial assets at FVOCI		(23,837)	(23,837)
Other reserves		12,951	(18,081)
Retained earnings		205,266	216,020
Total equity attributable to the equity holders of the Company		2,747,020	2,712,226
Non-controlling interests		203,646	34,098
Total equity		2,950,666	2,746,324
LIABILITIES			
Non-current liabilities			
Financing from banks	6	331,878	356,358
Lease liabilities	6	165,636	163,375
Other long-term payables	6	3,487	33,318
Due to a related party	6 & 12	6,071	5,780
Provision for employees' end of service benefits		45,068	32,900
Total non-current liabilities		552,140	591,731
Current liabilities			
Bank overdraft	6 & 7	12,654	11,914
Financing from banks	6	58,828	69,282
Lease liabilities	6	29,003	26,968
Provisions, accounts and other payables	6	230,409	138,084
Contract liabilities		12,926	46,630
Total current liabilities		343,820	292,878
Total liabilities		895,960	884,609
TOTAL EQUITY AND LIABILITIES		3,846,626	3,630,933

These interim condensed consolidated financial statements were approved by the Board of Directors on 9 August 2023 and signed on its behalf by:



Mr. Hamad Abdulla Alshamsi
Chairman



Mr. John Ireland
Acting Chief Executive Officer
and Chief Financial 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 2023

Attributable to the equity holders of the Company

	Share capital AED'000	Share premium/ (discount) AED'000	Treasury shares AED'000	Statutory reserve AED'000	Fair value reserve of financial assets at FVOCI AED'000	Other reserves AED'000	Retained earnings AED'000	Total AED'000	Non-controlling interests AED'000	Total AED'000
As at 1 January 2023 – Audited	2,500,000	2,073	(33,605)	69,656	(23,837)	(18,081)	216,020	2,712,226	34,098	2,746,324
Profit for the period	-	-	-	-	-	-	89,246	89,246	7,200	96,446
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	89,246	89,246	7,200	96,446
Treasury shares (Note 8)	-	(2,730)	17,246	-	-	-	-	14,516	-	14,516
Dividends (Note 9)	-	-	-	-	-	-	(100,000)	(100,000)	-	(100,000)
Acquisition of a subsidiary (Note 4)	-	-	-	-	-	-	-	-	75,187	75,187
Partial disposal of a subsidiary (Note 4)	-	-	-	-	-	31,032	-	31,032	87,161	118,193
As at 30 June 2023 – Unaudited	2,500,000	(657)	(16,359)	69,656	(23,837)	12,951	205,266	2,747,020	203,646	2,950,666

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 (continued)

For the six months ended 30 June 2022

Attributable to the equity holders of the Company

	<i>Share capital</i>	<i>Share premium</i>	<i>Treasury shares</i>	<i>Statutory reserve</i>	<i>Fair value reserve of financial assets at FVOCI</i>	<i>Cash flow hedge reserve</i>	<i>Other reserve</i>	<i>Retained earnings</i>	<i>Total</i>	<i>Non-controlling interests</i>	<i>Total</i>
	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>
As at 1 January 2022 – <i>Audited</i>	2,500,000	2,877	(12,711)	58,235	(21,530)	(1,646)	(18,347)	263,228	2,770,106	(1,346)	2,768,760
Profit/(loss) for the period	-	-	-	-	-	-	-	66,645	66,645	(3,278)	63,367
Other comprehensive income/(loss)	-	-	-	-	(983)	2,891	-	-	1,908	-	1,908
Total comprehensive income/(loss) for the period	-	-	-	-	(983)	2,891	-	66,645	68,553	(3,278)	65,275
Treasury shares (Note 8)	-	(1,297)	(7,451)	-	-	-	-	-	(8,748)	-	(8,748)
Dividends (Note 9)	-	-	-	-	-	-	-	(150,000)	(150,000)	-	(150,000)
Contribution by non-controlling interests*	-	-	-	-	-	-	-	-	-	4,046	4,046
As at 30 June 2022 – <i>Unaudited</i>	<u>2,500,000</u>	<u>1,580</u>	<u>(20,162)</u>	<u>58,235</u>	<u>(22,513)</u>	<u>1,245</u>	<u>(18,347)</u>	<u>179,873</u>	<u>2,679,911</u>	<u>(578)</u>	<u>2,679,333</u>

* During the period ended 30 June 2022, subsidiaries of the Group with direct ownership in Al Malaki Specialist Hospital W.L.L, resolved to increase their share capital. As per the terms of the capital increase, non-controlling interests contributed AED 4,046 thousand of capital whilst maintaining their overall percentage ownership in the subsidiary.



Amanat Holdings PJSC

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

		<i>Six months ended 30 June</i>	
		2023	2022
		AED'000	AED'000
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>Notes</i>		
OPERATING ACTIVITIES			
Profit before tax and Zakat		98,396	63,367
<i>Adjustments for:</i>			
Share of results of associates	5	(10,154)	(15,152)
Gain on disposal of an associate under a step acquisition	5	(9,629)	-
Depreciation of property and equipment and right-of-use assets		33,253	23,672
Amortisation of intangible assets	3 & 4	5,058	4,273
Gain on derivative instrument		(685)	-
Allowance for expected credit losses	3	2,825	1,248
Provision for employees' end of service benefits		6,320	5,092
Income from finance lease		(16,633)	(16,771)
Finance income		(9,579)	(5,292)
Finance costs		22,885	11,504
		122,057	71,941
<i>Working capital changes</i>			
Inventories		909	(706)
Due from related parties		255	6,930
Trade and other receivables		(56,644)	12,458
Provisions, accounts and other payables and contract liabilities		(8,591)	(49,719)
Due to a related party		291	420
Cash from operations		58,277	41,324
Employees' end of service benefits paid		(3,722)	(1,928)
Lease payments received		9,716	12,978
Payment of lease liabilities		(23,633)	(12,246)
Net cash flows from operating activities		40,638	40,128
INVESTING ACTIVITIES			
Acquisition of property and equipment		(21,790)	(7,371)
Cash acquired with a subsidiary	4	44,232	-
Changes in Sharia compliant term deposits and bank term deposits		(119,775)	136,489
Interest received on Sharia compliant term deposits		5,664	3,491
Interest received on bank deposits		839	1,296
Net cash flows (used in) / from investing activities		(90,830)	133,905
FINANCING ACTIVITIES			
Proceeds from bank financing		10,304	4,870
Repayment of bank financing		(45,515)	(23,357)
Net change in cash balances held with a third party and others		(4,871)	141
Capital contribution by non-controlling interests		-	4,046
Dividends paid	9	(100,000)	(150,000)
Finance costs paid		(15,142)	(7,172)
Net cash flows used in financing activities		(155,224)	(171,472)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(205,416)	2,561
Cash and cash equivalents at the beginning of the period		346,315	92,560
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		140,899	95,121
Non-cash transactions			
Additions of right-of-use assets		18,383	-
Disposal of an associate under a step acquisition	5	140,648	-
Lease remeasurement	6	-	26,578

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 listed on the Dubai Financial Market under UAE Federal Decree-Law No. (32) of 2021. The registered office of the Company is One Central, The Offices 5, Level 1, Unit 107 and 108, Dubai, United Arab Emirates. These interim condensed consolidated financial statements include the financial performance and position of the Company and its subsidiaries (collectively the "Group").

Federal Decree Law No 47 of 2022 was issued on 9 December 2022 relating to taxation of Corporations and Businesses in the United Arab Emirates and is effective for tax periods commencing on or after 1 June 2023. Management is in the process of reviewing the Decree Law and will ensure compliance with the requirements of the law from the effective period applicable to the Company and its subsidiaries. Refer to Note 14.

The principal activities of the Company are to invest in companies and enterprises in the fields of education and healthcare as well as managing, developing and operating such companies and enterprises. The Company may participate or have an interest in any manner in other companies, entities or institutions outside the United Arab Emirates.

2 BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES

2.1 Basis of preparation

These interim condensed consolidated financial statements for the six-month period ended 30 June 2023 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 consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2022. In addition, the results for the six-month period ended 30 June 2023 are not indicative of the results that may be expected for the financial year ending 31 December 2023.

When preparing the interim condensed consolidated financial statements, management undertakes a number of judgements, estimates, and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management.

The interim condensed consolidated financial statements include the assets, liabilities and results from the operations of the Group's subsidiaries: Middlesex Associates FZ-LLC ("Middlesex University"), Al Malaki Specialist Hospital W.L.L ("MSH"), HC Investments 1 Holdings Limited including CMRC Limited and Sukoon International Holding Company (Note 4), and their subsidiaries ("HC 1"), and Human Development Company LLC ("HDC") and its subsidiary (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 2022, except for the adoption of new standards effective as of 1 January 2023, where appropriate. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments listed below apply for the first time in 2023, but do not have an impact on the interim condensed consolidated financial statements of the Group.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers.



2 BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES (continued)**2.2 New standards, interpretations and amendments adopted by the Group (continued)****IFRS 17 Insurance Contracts (continued)**

In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

2.3 Fair value measurement

All financial assets and liabilities are stated at amortised cost or historical cost except for FVOCI investments, contingent consideration and other financial assets comprising of interest rate swap and warrants, which are measured at fair value. The fair values of other financial assets and liabilities are not materially different from their carrying values at the reporting date. The Group's quoted financial asset at FVOCI is carried at fair value using level 1 valuation method. The Group's unquoted financial asset at FVOCI is carried at fair value using level 2 valuation method. 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****3.1.1 Disaggregated revenue and cost information**

Education revenue is related to services rendered in the United Arab Emirates and Kingdom of Saudi Arabia. Healthcare revenue is related to services rendered in the United Arab Emirates, Kingdom of Saudi Arabia and Kingdom of Bahrain.

Six months ended
30 June 2023 - Unaudited

Segments	<i>Education</i> <i>AED'000</i>	<i>Healthcare</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
<i>Type of goods or service</i>			
Healthcare and medical services	-	184,595	184,595
Tuition fees, net of scholarships awarded	115,024	-	115,024
Special education and care needs services	55,602	-	55,602
Administrative and other service fees from students	7,609	-	7,609
Share of revenue from joint services agreements	6,579	-	6,579
Total revenue	184,814	184,595	369,409



3 PROFIT OR LOSS (continued)**3.1 REVENUE (continued)****3.1.1 Disaggregated revenue and cost information (continued)**

	<i>Six months ended 30 June 2023 - Unaudited</i>		
Segments	<i>Education AED'000</i>	<i>Healthcare AED'000</i>	<i>Total AED'000</i>
<i>Timing of revenue recognition</i>			
Services transferred over time	182,280	152,005	334,285
Services transferred at a point in time	2,534	32,590	35,124
Total revenue	184,814	184,595	369,409
Direct costs	(85,168)	(109,295)	(194,463)
Gross profit	99,646	75,300	174,946
	<i>Six months ended 30 June 2022 - Unaudited</i>		
Segments	<i>Education AED'000</i>	<i>Healthcare AED'000</i>	<i>Total AED'000</i>
<i>Type of goods or service</i>			
Healthcare and medical services	-	162,206	162,206
Tuition fees, net of scholarships awarded	92,543	-	92,543
Administrative and other service fees from students	2,362	-	2,362
Total revenue	94,905	162,206	257,111
<i>Timing of revenue recognition</i>			
Services transferred over time	93,095	132,501	225,596
Services transferred at a point in time	1,810	29,705	31,515
Total revenue	94,905	162,206	257,111
Direct costs	(41,194)	(96,716)	(137,910)
Gross profit	53,711	65,490	119,201



3 PROFIT OR LOSS (continued)**3.2 GENERAL, SELLING AND ADMINISTRATIVE EXPENSES**

	<i>Six months ended 30 June</i>	
	<i>2023 AED'000 (Unaudited)</i>	<i>2022 AED'000 (Unaudited)</i>
Employee related expenses	53,529	45,541
Marketing and communications	6,687	6,136
Depreciation of property and equipment	6,227	6,042
Legal and professional fees	6,124	4,069
Amortization of intangible assets (Note 4)	5,058	4,273
Depreciation of right-of-use assets	3,746	556
IT expenses	3,723	2,647
Expected credit losses on trade receivables	2,825	1,248
Transaction related costs	1,907	789
Board and committee remuneration (Note 12)	1,858	1,309
Portfolio management expenses	1,329	373
Short-term leases	1,233	731
Other expenses	13,551	9,451
	<u>107,797</u>	<u>83,165</u>

General, selling and administrative expenses are incurred as follows:

	<i>Six months ended 30 June</i>	
	<i>2023 AED'000 (Unaudited)</i>	<i>2022 AED'000 (Unaudited)</i>
<i> Holding Company expenses</i>		
Head office expenses	22,135	21,436
Amortization of intangible assets (Note 4)	3,038	2,250
Portfolio management expenses	1,329	373
Transaction related costs	1,189	789
Subsidiary expenses	<u>80,106</u>	<u>58,317</u>
	<u>107,797</u>	<u>83,165</u>



4 GOODWILL AND INTANGIBLE ASSETS

Intangible assets acquired through business combinations are as follows:

	<i>Goodwill</i> <i>AED'000</i>	<i>Agreement</i> <i>with definite</i> <i>useful lives</i> <i>AED'000</i>	<i>Agreement</i> <i>with indefinite</i> <i>useful life</i> <i>AED'000</i>	<i>Brand name</i> <i>with definite</i> <i>useful lives</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
<i>Cost:</i>					
At 1 January 2022	515,278	133,300	560,867	39,668	1,249,113
Acquisition of a subsidiary during the year (1)	218,203	-	-	-	218,203
At 31 December 2022	733,481	133,300	560,867	39,668	1,467,316
Acquisition of a subsidiary during the period (2)	89,240	-	-	-	89,240
At 30 June 2023	822,721	133,300	560,867	39,668	1,556,556
<i>Amortisation and impairment:</i>					
At 1 January 2022	19,961	15,233	-	3,364	38,558
Amortisation for the year	-	4,500	-	4,043	8,543
At 31 December 2022	19,961	19,733	-	7,407	47,101
Amortisation for the period (1)	-	2,248	-	2,020	4,268
At 30 June 2023	19,961	21,981	-	9,427	51,369
<i>Carrying amounts</i>					
At 30 June 2023 – Unaudited	802,760	111,319	560,867	30,241	1,505,187
At 31 December 2022 – Audited	713,520	113,567	560,867	32,261	1,420,215

(1) Fair value measurement related to the acquisition of Human Development Company LLC (“HDC”)

The Group measured the fair value of identifiable assets and liabilities of the subsidiary acquired on 27 October 2022, Human Development Company LLC and its subsidiary (“HDC”), on a provisional basis as permitted under IFRS 3, in addition to recording a provision of AED 790 thousand in relation to amortization of intangible assets during the six-month period ended 30 June 2023 (Note 3) and has engaged an independent expert to perform a purchase price allocation exercise and the determination of the fair values of identifiable assets acquired and liabilities assumed under IFRS 3. If new information obtained within one year from 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 at the date of acquisition, then the accounting for the acquisition will be revised.

(2) Acquisition of Sukoon International Holding Company

On 14 April 2023, upon satisfaction of all conditions precedent stipulated in the sale and purchase agreement, the Company increased its effective interest in Sukoon International Holding Company and its subsidiary (collectively “Sukoon”), previously accounted for as an associate, from 33.25% to 69.28%. Sukoon is an unlisted holding company based in the Kingdom of Saudi Arabia that provides long-term medical and nursing care.

The increase in the effective interest in Sukoon was transacted via a non-cash share swap agreement between the Company and certain shareholders of Sukoon resulting in the Company transferring 15.31% of its interest held in HC 1 to certain shareholders of Sukoon, reducing its effective ownership in HC 1 to 84.69% from 100% previously.



4 GOODWILL AND INTANGIBLE ASSETS (continued)**(2) Acquisition of Sukoon International Holding Company (continued)*****Consideration transferred and resulting equity adjustment***

The acquisition has been accounted for using the acquisition method under IFRS 3 *Business Combinations* with a deemed acquisition date of 30 April 2023, as assessed as the practicable effective date of acquisition. The purchase consideration has been determined as the aggregate of the fair value of the previously held 33.25% interest in Sukoon (Note 5) and the fair value of the 15.31% shareholding in HC 1 disposed of. The difference between the carrying amount and the fair value of the previously held 15.31% interest in HC 1 measured at AED 31,032 thousand at the transaction date has been recognized directly in equity representing a transaction between equity owners.

Fair value measurement

The Group measured the fair value of the identifiable assets and liabilities acquired of Sukoon on a provisional basis as permitted under IFRS 3. The Group has engaged an independent expert to provide support with respect to the purchase price allocation exercise and the determination of the fair values of identifiable assets acquired and liabilities assumed under IFRS 3. If new information obtained within one year from 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 at the date of acquisition, then the accounting for the acquisition will be revised.

The provisional fair values of the identifiable assets and liabilities as at the date of acquisition are as follows:

	<i>30 April 2023</i> <i>AED'000</i> <i>(Unaudited)</i>
Assets	
Property and equipment	201,548
Inventories	2,884
Trade and other receivables, net	41,937
Due from related parties	45
Cash and bank balances	44,232
	<hr/> 290,646 <hr/>
Liabilities	
Trade and other payables	(36,208)
Provision for employees' end of service benefits	(9,650)
	<hr/> (45,858) <hr/>
Total identifiable net assets at provisional fair values	<hr/> 244,788 <hr/>
Non-controlling interests at the proportionate share of the identifiable net assets	(75,187)
Goodwill arising on acquisition (provisional)	89,240
	<hr/>
Purchase consideration	<hr/> 258,841 <hr/>
<i>The purchase consideration comprises of the following:</i>	
Fair value of previously held interest in Sukoon (Note 5)	140,648
Fair value of HC 1 shares transferred	118,193
	<hr/>
Purchase consideration	<hr/> 258,841 <hr/>



4 GOODWILL AND INTANGIBLE ASSETS (continued)**(2) Acquisition of Sukoon International Holding Company (continued)***Analysis of cash flows on acquisition*

The acquisition of Sukoon represents a non-cash transaction, and accordingly, the cash and bank balances of AED 44,232 thousand acquired with the subsidiary have been reflected under investment activities in the interim consolidated statement of cash flows.

Impact of the acquisition on the Group's results

The interim condensed consolidated financial statements include the results of Sukoon from 1 May 2023 to 30 June 2023, the deemed date of acquisition being 30 April 2023. Transactions related to the subsidiary between 14 April 2023 and 30 April 2023 are not material to the Group.

From the date of acquisition, Sukoon has contributed AED 13,802 thousand of revenue, AED 1,486 thousand of profit and AED 1,030 thousand of profit attributable to equity holders of the Company. If the acquisition had taken place at the beginning of the year, the revenue contribution would have been AED 40,548 thousand, the profit contribution for the period would have been AED 2,467 thousand and the profit contribution attributable to equity holders of the Company would have been AED 1,709 thousand (excluding transaction related costs).

Cumulative transaction costs of AED 3,054 thousand have been recognized in profit or loss in relation to the acquisition, with AED 868 thousand recognized during the six months ended 30 June 2023.

(3) Impairment testing of goodwill and agreement with indefinite useful life

The Group performs its annual impairment test at year-end and when circumstances indicate that the carrying value may be impaired, whereby the impairment test is based on value-in-use calculations. The key assumptions used to determine the recoverable amount of the Group's cash generating units were disclosed in the consolidated financial statements for the year ended 31 December 2022.

As at 30 June 2023, management has not identified any circumstances that may indicate that the carrying value of goodwill and agreement with an indefinite useful life may be impaired.

5 INVESTMENTS IN ASSOCIATES

The carrying values of the Group's investments in associates are as follows:

	<i>30 June 2023 AED'000 (Unaudited)</i>	<i>31 December 2022 AED'000 (Audited)</i>
Sukoon International Holding Company ("Sukoon")	-	130,692
NEMA Holding Company L.L.C. ("NEMA")	394,861	385,034
	394,861	515,726



5 INVESTMENTS IN ASSOCIATES (continued)

The movement in the investments in associates is as follows:

	<i>Six months ended 30 June 2023 AED'000 (Unaudited)</i>	<i>Year ended 31 December 2022 AED'000 (Audited)</i>
At the beginning of the period/year	515,726	506,057
Share of results	11,654	28,076
Amortization of PPA assets	(1,500)	(3,000)
Share of results in profit or loss (1)	10,154	25,076
Share of other comprehensive income	-	343
Dividends received	-	(15,750)
Disposal of an associate under a step acquisition (2)	(131,019)	-
At the end of the period/year	394,861	515,726

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

	<i>Six months ended 30 June</i>	
	<i>2023 AED'000 (Unaudited)</i>	<i>2022 AED'000 (Unaudited)</i>
Sukoon International Holding Company ("Sukoon") *	327	608
NEMA Holding Company L.L.C. ("NEMA") **	9,827	14,544
	10,154	15,152

* 2023 includes the Group's share of results from 1 January 2023 to 30 April 2023 (refer below and to Note 4).

** 2022 includes the Group's share of transaction costs amounting to AED 1,697 thousand.

(2) On 14 April 2023, the Company completed the non-cash share swap agreement with certain shareholders of Sukoon to obtain control over the investee (Note 4). The transaction has been accounted for as a 'Step Acquisition' under IFRS 3 *Business Combinations*, and accordingly, the Group remeasured the previously held investment in Sukoon at its acquisition-date fair value and recognised the resulting gain in profit or loss as follows:

	<i>Six months ended 30 June 2023 AED'000 (Unaudited)</i>
Acquisition-date fair value	140,648
Net carrying value of the investment at the date of disposal	(131,019)
Gain on disposal recognized in profit or loss	9,629



6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES**6.1 Financial assets**

Set out below is an overview of financial assets, other than cash and bank balances, held by the Group as at 30 June 2023 and 31 December 2022.

	<i>30 June 2023 AED'000 (Unaudited)</i>	<i>31 December 2022 AED'000 (Audited)</i>
Equity instruments designated at FVOCI		
Emirates NBD REIT Limited – quoted	12,912	12,912
BEGiN – unquoted	18,609	18,609
	<u>31,521</u>	<u>31,521</u>
Derivatives not designated as hedging instruments		
Interest rate swap	918	1,590
Warrants*	4,254	3,568
	<u>5,172</u>	<u>5,158</u>
Debt instruments at amortised cost		
Trade and other receivables**	251,912	182,100
Finance lease receivables	421,804	414,887
Due from related parties	2,517	2,727
	<u>676,233</u>	<u>599,714</u>
Total financial assets	<u>712,926</u>	<u>636,393</u>
Total current	<u>315,353</u>	236,760
Total non-current	<u>397,573</u>	<u>399,633</u>

* The Group has recognized 344,958 vested warrants in relation to the minority investment held in BEGiN, which have not been exercised as at 30 June 2023 (31 December 2022: 289,320 vested warrants). The Group has recorded these warrants as derivative instruments at fair value and will classify them as equity instruments at FVOCI once exercised.

** Excludes non-financial assets comprising prepayments and advances to suppliers of AED 54,953 thousand (2022: AED 19,899 thousand).

6.2 Financial liabilities

Set out below is an overview of financial liabilities held by the Group as at 30 June 2023 and 31 December 2022:

	<i>30 June 2023 AED'000 (Unaudited)</i>	<i>31 December 2022 AED'000 (Audited)</i>
Interest-bearing loans and borrowings		
Lease liabilities (1) (2)	194,639	190,343
Bank overdraft	12,654	11,914
Financing from banks (net of arrangement fees)	390,706	425,640
	<u>597,999</u>	<u>627,897</u>



6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)**6.2 Financial liabilities (continued)**

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Financial liabilities at amortised cost		
Accounts and other payables (3) (4)	119,920	40,586
Due to a related party	6,071	5,780
	125,991	46,366
Financial liabilities at fair value through profit or loss		
Contingent consideration (5)	45,209	44,165
Total financial liabilities	769,199	718,428
Total current	262,127	192,915
Total non-current	507,072	525,513

- (1) In 2022, a subsidiary of the Group, Cambridge Medical and Rehabilitation Center L.L.C, entered into a lease amendment agreement in relation to its healthcare facility in Al Ain whereby the lease period was extended to 30 years from 15 years with revised lease payments. The subsidiary remeasured the lease liability during 2022 to reflect changes to the lease payments and recognised an amount AED 26.5 million as a lease liability with a corresponding adjustment to the right-of-use asset.
- (2) In 2022, a subsidiary of the Group, Middlesex Associates FZ-LLC, renegotiated its existing lease agreements in relation to the University's campus at Knowledge Village Park, consequently entering into new and amended lease agreements while terminating certain of the existing agreements. The subsidiary remeasured the lease liability during 2022 with a corresponding adjustment to right-of-use assets.
- (3) In the normal course of business, the Company and its subsidiaries receive inquiries from governmental and regulatory authorities in the geographies in which they operate. Should the Group assess that it is probable that the outcome of such inquiries may result in a financial outflow, and a reliable estimate can be made of the amount of that obligation, a provision is recognised.

The Company has utilised the exemption available under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and disclosed such provisions within provisions, accounts and other payables in the interim condensed consolidated statement of financial position. Management assessed that such provisions are not material to the interim condensed consolidated financial statements.

- (4) Excludes non-financial liabilities comprising employee related provisions and other accruals of AED 68,767 thousand (2022: AED 86,651 thousand).
- (5) During 2022, the Group acquired HDC for an initial consideration of AED 215,723 thousand in addition to potential maximum deferred contingent consideration of up to AED 46,602 thousand payable in two tranches of AED 14,499 thousand and AED 32,103 thousand in 2023 and 2024 respectively, dependent on financial performance.

As at 30 June 2023, the fair value of the contingent consideration was estimated to be AED 46,002 thousand on an undiscounted basis or AED 45,209 thousand on a discounted basis (at acquisition date: AED 46,002 thousand on an undiscounted basis or AED 44,165 thousand on a discounted basis) and was calculated based on a probability assessment utilizing multiple performance scenarios over the performance period.



7 CASH AND BANK BALANCES

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Cash on hand	756	544
Current accounts with banks	82,105	150,785
Cash balance held with a third party (Note 8)	16,520	2,506
Bank financing service reserve account	9,269	3,896
Sharia compliant term deposits	379,775	386,208
Non-Sharia compliant term deposits	30,000	40,000
Cash and bank balances	518,425	583,939

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

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Cash and bank balances	518,425	583,939
Less:		
Cash balance held with a third party (Note 8)	(16,520)	(2,506)
Bank financing service reserve account	(9,269)	(3,896)
Sharia compliant term deposits (with initial maturity of more than 3 months)	(339,083)	(179,308)
Non-Sharia compliant term deposits (with initial maturity of more than 3 months)	-	(40,000)
Bank overdraft	(12,654)	(11,914)
Cash and cash equivalents	140,899	346,315

During the six-month period ended 30 June 2023, the Group earned an aggregate profit of AED 9,312 thousand on its term deposits (30 June 2022: AED 5,273 thousand).

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

The share capital of the Company is AED 2.5 billion (2022: AED 2.5 billion).

As at 30 June 2023, the Company had 2.5 billion 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 Company.

8.2 Treasury shares

In 2020, the Company engaged a third-party licensed Market Maker on the Dubai Financial Market that offers liquidity provision 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 2023, the Market Maker held 16,359,996 (31 December 2022: 33,605,357) of Amanat's shares on behalf of the Company, which are classified under equity as treasury shares at par value at 30 June 2023. A cumulative loss of AED 657 thousand has been recognised at 30 June 2023 as Share Discount (31 December 2022: A cumulative gain of AED 2,073 thousand as Share Premium) under equity out of which a net loss of AED 2,730 thousand (30 June 2022: a net loss of AED 1,297 thousand) is from the net 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 DIVIDENDS

On 17 April 2023, a cash dividend of AED 100,000 thousand equivalent to AED 0.04 per ordinary share (2022: AED 150,000 thousand equivalent to AED 0.06 per ordinary share) was approved by the shareholders at the Annual General Assembly and fully settled in May 2023.

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 weighted average number of ordinary shares issued by the Company.

	<i>Six months ended 30 June</i>	
	2023 <i>(Unaudited)</i>	2022 <i>(Unaudited)</i>
Profit for the period attributable to the equity holders of the Company (AED'000)	89,246	66,645
Weighted average number of ordinary shares* ('000)	2,486,480	2,497,711
Basic and diluted earnings per share (AED)	0.036	0.027

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

11 COMMITMENTS AND CONTINGENCIES***Group as lessor***

In 2018, the Group entered into a sale purchase agreement to acquire a school building complex from a third party for a total consideration of AED 360 million. Subsequently, the Group (acting as the lessor), entered into another agreement with the same third party to lease the school building for a period of 25 years, renewable for a period of 5 years based on mutual consent of both parties. The Group accounted for this transaction as a finance lease as per IAS 17. Given that lessor accounting under IFRS 16 is substantially unchanged from IAS 17, the Group continues to classify this lease as a finance lease using similar principles as in IAS 17.

Out of a total contractual additional financing limit of AED 45 million as per the original lease agreement, the lessee has utilised an amount of AED 32.9 million. Management is currently not aware of any intention by the lessee to expand the leased asset.

Contingencies and commitments

The Group do not have any significant contingent liabilities at the reporting date (2022: Nil) and have the following capital commitments.

	30 June 2023 <i>(Unaudited)</i>	<i>31 December 2022</i> <i>(Audited)</i>
Capital commitments *	92,128	8,604

* Include commitments related to the on-going expansion projects of HC1 in the Kingdom of Saudi Arabia



11 COMMITMENTS AND CONTINGENCIES (continued)*Contingencies and commitments (continued)*

Below are details of the Group's share of an associate's contingent liabilities at the reporting date.

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Bank guarantees	<u>34,177</u>	<u>20,899</u>

12 RELATED PARTY TRANSACTIONS

Related parties represent the major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by the Group and such parties. Pricing policies and terms of these transactions are approved by the Group's management. The following is the list of significant transactions and balances with related parties.

Balances outstanding with related parties

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
<i>Due from related parties</i>		
Sukoon – associate	-	204
Other related parties	<u>2,517</u>	<u>2,523</u>
	<u>2,517</u>	<u>2,727</u>
<i>Due to a related party</i>		
Other related party – non-current	<u>6,071</u>	<u>5,780</u>

Transactions with related parties

	Six months ended 30 June	
	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited)
<i>Key management personnel</i>		
Management fee	<u>938</u>	<u>1,387</u>

Management fee expense is included under share of results of an associate for services provided by a member of key management of the Company to the associate. The above management fee represents the Group's share of the expense.

There were no other material transactions with related parties during the six-month periods ended 30 June 2023 and 2022.



12 RELATED PARTY TRANSACTIONS (continued)

Group key management personnel compensation comprise the following:

	<i>Six months ended 30 June</i>	
	<i>2023 AED'000 (Unaudited)</i>	<i>2022 AED'000 (Unaudited)</i>
Short-term benefits	12,677	13,050
Post-employment benefits	505	639
Board and committee remuneration (Note 3.2)	1,858	1,309

13 SEGEMENT INFORMATION

The following tables present information about the Group's operating segments:

For the six months ended 30 June 2023 - Unaudited

	<i>Investments AED'000</i>	<i>Education AED'000</i>	<i>Healthcare AED'000</i>	<i>Total AED'000</i>	<i>Eliminations AED'000</i>	<i>Consolidated AED'000</i>
Revenue	-	184,814	184,595	369,409	-	369,409
Direct costs	(1,148)	(85,168)	(109,742)	(196,058)	1,595	(194,463)
General, selling and administrative expenses	(24,600)	(40,000)	(47,072)	(111,672)	3,875	(107,797)
Share of results of associates	-	9,827	327	10,154	-	10,154
Gain on disposal of an associate under a step acquisition	-	-	9,629	9,629	-	9,629
Income from finance lease	-	16,633	-	16,633	-	16,633
Other operating income	7,795	7,195	256	15,246	(7,109)	8,137
Finance income	8,660	1,073	691	10,424	(845)	9,579
Finance costs	(821)	(3,038)	(21,510)	(25,369)	2,484	(22,885)
Tax and Zakat	-	(773)	(1,177)	(1,950)	-	(1,950)
Segment results	(10,114)	90,563	15,997	96,446	-	96,446

Segment results attributable to:

Equity holders of the Company	(10,114)	80,466	18,894	89,246	-	89,246
Non-controlling interests	-	10,097	(2,897)	7,200	-	7,200

As at 30 June 2023 - Unaudited

Total assets	495,011	1,745,470	1,690,043	3,930,524	(83,898)	3,846,626
Total liabilities	(82,567)	(170,939)	(726,188)	(979,694)	83,734	(895,960)



13 SEGEMENT INFORMATION (continued)

For the six months ended 30 June 2022 – Unaudited

	<i>Investments</i> <i>AED '000</i>	<i>Education</i> <i>AED '000</i>	<i>Healthcare</i> <i>AED '000</i>	<i>Total</i> <i>AED '000</i>	<i>Eliminations</i> <i>AED '000</i>	<i>Consolidated</i> <i>AED '000</i>
Revenue	-	94,905	162,206	257,111	-	257,111
Direct costs	(1,138)	(41,194)	(96,974)	(139,306)	1,396	(137,910)
General, selling and administrative expenses	(22,604)	(20,834)	(41,107)	(84,545)	1,380	(83,165)
Share of results of associates	-	14,544	608	15,152	-	15,152
Income from finance lease	-	16,771	-	16,771	-	16,771
Other operating income	3,187	974	647	4,808	(3,188)	1,620
Finance income	6,061	-	-	6,061	(769)	5,292
Finance costs	-	(1,070)	(11,615)	(12,685)	1,181	(11,504)
Segment results	<u>(14,494)</u>	<u>64,096</u>	<u>13,765</u>	<u>63,367</u>	<u>-</u>	<u>63,367</u>
<i>Segment results attributable to:</i>						
Equity holders of the Company	(14,494)	64,096	17,043	66,645	-	66,645
Non-controlling interests	-	-	(3,278)	(3,278)	-	(3,278)

As at 31 December 2022 – Audited

Total assets	<u>572,745</u>	<u>1,748,826</u>	<u>1,549,745</u>	<u>3,871,316</u>	<u>(240,383)</u>	<u>3,630,933</u>
Total liabilities	<u>(509,155)</u>	<u>(222,528)</u>	<u>(663,077)</u>	<u>(1,394,760)</u>	<u>510,151</u>	<u>(884,609)</u>

14 CORPORATE TAX IN THE UAE

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime is effective from 1 June 2023, and accordingly, it has an income tax related impact on the interim condensed consolidated financial statements for accounting periods beginning on or after 1 June 2023.

The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted from the perspective of IAS 12 *Income Taxes*. A rate of 9% will apply to taxable income exceeding AED 375,000 and a rate of 0% will apply to taxable income not exceeding AED 375,000 and a rate of 0% on qualifying income of free zone entities.

While a number of regulations with regards to the application of tax legislations have been recently published, clarifications in relation to certain aspects remain pending and the Group will continue to monitor further developments and assess the impact of the corporate tax including any deferred taxes on the Group.

15 ALTERNATIVE PERFORMANCE MEASURES

Management considers the use of non-IFRS Alternative Performance Measures (APMs) to be key in understanding the Group's financial performance as well as assisting in forecasting the performance of future periods.

The presentation of APMs has limitations as analytical tools and should not be considered in isolation or as a substitute for related financial measures prepared in accordance with IFRS.



15 ALTERNATIVE PERFORMANCE MEASURES (continued)

In presenting the APMs management adjusts for certain items that vary between periods and for which the adjustment facilitates comparability between periods.

A reconciliation of the APMs utilised to the most directly reconcilable line items in the interim consolidated statement of profit or loss is provided below and may differ from similarly titled measures used by other entities.

(a) Adjusted profit attributable to the equity holders of the Company

This APM represents the reported profit attributable to the equity holders of the Company adjusted for income/expense related to:

- transaction related costs;
- Gain on disposal of an associate under a step acquisition; and
- one-off non-recurring items.

(b) Adjusted operating profit attributable to the equity holders of the Company

This APM represents the reported adjusted profit attributable to the equity holders of the Company adjusted for finance costs, finance income, tax and Zakat.

(c) Adjusted earnings before interest, tax, depreciation and amortization (Adjusted EBITDA)

This APM represents the reported adjusted operating profit attributable to the equity holders of the Company adjusted for income/expense related to:

- transaction related costs;
- Gain on disposal of an associate under a step acquisition;
- depreciation and amortization;
- purchase price amortisation of associates; and
- one-off non-recurring items.

(d) Reconciliation

The APMs and their reconciliations to the measures reported in the interim consolidated statement of comprehensive income are as follows:

	<i>Six months ended 30 June</i>	
	<i>2023</i>	<i>2022</i>
	<i>AED '000</i>	<i>AED '000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Profit attributable to equity holders of the Company	89,246	66,645
<i>Adjusted for:</i>		
Transaction related costs (Notes 3.2 & 5)	1,907	2,486
Gain on disposal of an associate under a step acquisition (Note 5)	(9,629)	-
One-off non-recurring items	55	-
Adjusted profit for the period attributable to equity holders of the Company	81,579	69,131



15 ALTERNATIVE PERFORMANCE MEASURES (continued)**(d) Reconciliation (continued)**

	<i>Six months ended</i> <i>30 June</i>	
	<i>2023</i> <i>AED'000</i> <i>(Unaudited)</i>	<i>2022</i> <i>AED'000</i> <i>(Unaudited)</i>
Adjusted profit for the period attributable to equity holders of the Company	81,579	69,131
<i>Add/(deduct):</i>		
Finance costs*	19,448	10,348
Finance income	(9,579)	(5,292)
Tax and Zakat**	1,495	-
Adjusted operating profit attributable to equity holders of the Company	92,943	74,187
<i>Add/(deduct):</i>		
Transaction related costs (Notes 3.2 & 5)	(1,907)	(2,486)
Gain on disposal of an associate under a step acquisition (Note 5)	9,629	-
Finance cost attributable to NCI	3,437	1,156
One-off non-recurring items	(55)	-
Tax and Zakat attributable to NCI	455	-
Non-controlling interests	7,200	(3,278)
OPERATING PROFIT	111,702	69,579
<i>Add:</i>		
Depreciation and amortization	38,311	27,945
Purchase price amortisation of associates (Note 5)	1,500	1,500
Earnings before interest, tax, depreciation and amortization	151,513	99,024
<i>Add/(deduct):</i>		
Transaction related costs (Notes 3.2 & 5)	1,907	2,486
Gain on disposal of an associate under a step acquisition (Note 5)	(9,629)	-
One-off non-recurring items	55	-
Adjusted earnings before interest, tax, depreciation and amortization	143,846	101,510

* Finance costs exclude share of non-controlling interests of AED 3,437 thousand (2022: AED 1,156 thousand).

** Tax and Zakat exclude share of non-controlling interests of AED 455 thousand (2022: Nil).





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