



Amanat Holdings PJSC

UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS

30 September 2023



**Ernst & Young Middle East
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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 condensed consolidated statement of financial position as at 30 September 2023, and the related interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of comprehensive income for the three-month and nine-month periods then ended, and the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of 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
Wardah Ebrahim
Partner
Registration No.: 1258

7 November 2023

Dubai, United Arab Emirates

Amanat Holdings PJSC

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the nine months ended 30 September 2023

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited)	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited)
Revenue	3	125,622	87,178	495,031	344,289
Direct costs	3	(88,218)	(58,053)	(282,681)	(195,963)
GROSS PROFIT	3	37,404	29,125	212,350	148,326
General, selling and administrative expenses	3	(49,176)	(40,253)	(156,973)	(123,418)
Share of results of associates	5	(3,294)	(8,076)	6,860	7,076
Gain on disposal of an associate under a step acquisition	5	-	-	9,629	-
Income from finance lease		8,418	8,443	25,051	25,214
Other operating income		5,576	2,186	13,713	3,806
OPERATING (LOSS) / PROFIT		(1,072)	(8,575)	110,630	61,004
Finance income		5,174	3,447	14,753	8,739
Finance costs		(11,496)	(7,137)	(34,381)	(18,641)
(LOSS) / PROFIT FOR THE PERIOD BEFORE TAX AND ZAKAT		(7,394)	(12,265)	91,002	51,102
Tax and Zakat		(809)	-	(2,759)	-
(LOSS) / PROFIT FOR THE PERIOD		(8,203)	(12,265)	88,243	51,102
Attributable to:					
Equity holders of the Company		(8,119)	(10,422)	81,127	56,223
Non-controlling interests		(84)	(1,843)	7,116	(5,121)
		(8,203)	(12,265)	88,243	51,102
Basic and diluted earnings per share (AED)	10	(0.003)	(0.004)	0.033	0.023

Alternative Performance Measures

Earnings before interest, tax, depreciation and amortization (EBITDA)	15	22,191	6,495	173,704	105,519
Adjusted earnings before interest, tax, depreciation and amortization (Adjusted EBITDA)	15	21,467	8,600	165,313	110,111
Attributable to the equity holders of the Company					
Adjusted operating profit	15	(4,434)	(5,320)	88,509	68,868
Adjusted profit for the period	15	(9,002)	(8,317)	72,577	60,815

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 nine months ended 30 September 2023

	<i>Three months ended</i> <i>30 September</i>		<i>Nine months ended</i> <i>30 September</i>	
	<i>2023</i> <i>AED'000</i> <i>(Unaudited)</i>	<i>2022</i> <i>AED'000</i> <i>(Unaudited)</i>	<i>2023</i> <i>AED'000</i> <i>(Unaudited)</i>	<i>2022</i> <i>AED'000</i> <i>(Unaudited)</i>
(LOSS) / PROFIT FOR THE PERIOD	(8,203)	(12,265)	88,243	51,102
Other comprehensive income				
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>				
Gain on cash flow hedge	-	516	-	3,407
Other comprehensive income that may be reclassified to profit or loss in subsequent periods	-	516	-	3,407
<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	662	(662)	662	(1,645)
Other comprehensive income / (loss) that will not be reclassified to profit or loss in subsequent periods	662	(662)	662	(1,645)
Total other comprehensive income / (loss)	662	(146)	662	1,762
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	(7,541)	(12,411)	88,905	52,864
Attributable to:				
Equity holders of the Company	(7,457)	(10,568)	81,789	57,985
Non-controlling interests	(84)	(1,843)	7,116	(5,121)
	(7,541)	(12,411)	88,905	52,864

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



Amanat Holdings PJSC

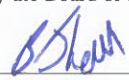
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

	Notes	30 September 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited) (Restated*)
ASSETS			
Non-current assets			
Property and equipment		479,151	276,573
Right-of-use assets		184,399	175,886
Goodwill and intangible assets	4	1,511,109	1,429,361
Investments in associates	5	382,817	515,726
Finance lease receivables	6	335,445	362,954
Financial assets at FVOCI	6	36,440	31,521
Other financial assets	6	1,502	5,158
Total non-current assets		2,930,863	2,797,179
Current assets			
Inventories		8,184	7,003
Finance lease receivables	6	85,960	51,933
Trade and other receivables	6	331,497	197,099
Due from related parties	6 & 12	234	2,727
Cash and bank balances	7	560,101	583,939
Total current assets		985,976	842,701
TOTAL ASSETS		3,916,839	3,639,880
EQUITY AND LIABILITIES			
EQUITY			
Share capital	8	2,500,000	2,500,000
Share (discount)/premium	8	(615)	2,073
Treasury shares	8	(12,898)	(33,605)
Statutory reserve		69,656	69,656
Fair value reserve of financial assets at FVOCI		(23,175)	(23,837)
Other reserves		12,951	(18,081)
Retained earnings		197,147	216,020
Total equity attributable to the equity holders of the Company		2,743,066	2,712,226
Non-controlling interests		197,464	28,000
Total equity		2,940,530	2,740,226
LIABILITIES			
Non-current liabilities			
Financing from banks	6	319,654	356,358
Lease liabilities	6	168,746	161,330
Other long-term payables	6	3,463	33,318
Due to a related party	6 & 12	6,226	5,780
Provision for employees' end of service benefits		46,112	33,137
Total non-current liabilities		544,201	589,923
Current liabilities			
Bank overdraft	6 & 7	18,365	11,914
Financing from banks	6	61,171	69,282
Lease liabilities	6	29,810	27,672
Provisions, accounts and other payables	6	221,284	154,265
Contract liabilities		101,478	46,598
Total current liabilities		432,108	309,731
Total liabilities		976,309	899,654
TOTAL EQUITY AND LIABILITIES		3,916,839	3,639,880

These interim condensed consolidated financial statements were approved by the Board of Directors on 7 November 2023 and signed on its behalf by:


Mr. Hamad Abdulla Alshamsi
Chairman


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

* Restated following the completion of purchase price allocation exercise in relation to the acquisition of Human Development Company LLC as permitted by IFRS. Refer to note 4 for further details.

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 nine months ended 30 September 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 – As previously reported	2,500,000	2,073	(33,605)	69,656	(23,837)	(18,081)	216,020	2,712,226	34,098	2,746,324
Retrospective adjustment to non-controlling interests (Note 4)	-	-	-	-	-	-	-	-	(6,098)	(6,098)
As at 1 January 2023 – <i>Audited</i> (<i>restated</i>)	2,500,000	2,073	(33,605)	69,656	(23,837)	(18,081)	216,020	2,712,226	28,000	2,740,226
Profit for the period	-	-	-	-	-	-	81,127	81,127	7,116	88,243
Other comprehensive income	-	-	-	-	662	-	-	662	-	662
Total comprehensive income for the period	-	-	-	-	662	-	81,127	81,789	7,116	88,905
Treasury shares (Note 8)	-	(2,688)	20,707	-	-	-	-	18,019	-	18,019
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 September 2023 <i>– Unaudited</i>	2,500,000	(615)	(12,898)	69,656	(23,175)	12,951	197,147	2,743,066	197,464	2,940,530

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 nine months ended 30 September 2022

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 of financial assets at FVOCI AED '000	Cash flow hedge reserve AED '000	Other reserve AED '000	Retained earnings AED '000	Total AED '000	Non- controlling interests AED '000	Total AED '000
As at 1 January 2022– Audited	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	-	-	-	-	-	-	-	56,223	56,223	(5,121)	51,102
Other comprehensive income/(loss)	-	-	-	-	(1,645)	3,407	-	-	1,762	-	1,762
Total comprehensive income/ (loss) for the period	-	-	-	-	(1,645)	3,407	-	56,223	57,985	(5,121)	52,864
Treasury shares (Note 8)	-	1,602	(12,372)	-	-	-	-	-	(10,770)	-	(10,770)
Dividends (Note 9)	-	-	-	-	-	-	-	(150,000)	(150,000)	-	(150,000)
Contribution by non-controlling interests*	-	-	-	-	-	-	-	-	-	4,046	4,046
As at 30 September 2022 – Unaudited	2,500,000	4,479	(25,083)	58,235	(23,175)	1,761	(18,347)	169,451	2,667,321	(2,421)	2,664,900

* During the period ended 30 September 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 nine months ended 30 September 2023

		<i>Nine months ended 30 September</i>	
		2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited)
	<i>Notes</i>		
OPERATING ACTIVITIES			
Profit before tax and Zakat		91,002	51,102
<i>Adjustments for:</i>			
Share of results of associates	5	(6,860)	(7,076)
Gain on disposal of an associate under a step acquisition	5	(9,629)	-
Dividend income from financial asset at FVOCI		(596)	(661)
Depreciation of property and equipment and right-of-use assets		52,748	35,855
Amortisation of intangible assets	3 & 4	8,076	6,410
Write down of property and equipment		19	52
Gain on modification of right-of-use assets		-	(396)
Gain on derivative instrument		(1,030)	-
Allowance for expected credit losses on trade receivables	3	3,272	1,603
Provision for employees' end of service benefits		8,349	7,381
Income from finance lease		(25,051)	(25,214)
Finance income		(14,753)	(8,739)
Finance costs		34,381	18,641
		139,928	78,958
<i>Working capital changes</i>			
Inventories		1,703	(73)
Due from related parties		2,538	130
Trade and other receivables		(89,072)	1,356
Provisions, accounts and other payables and contract liabilities		67,488	(4,456)
Due to a related party		446	404
Cash from operations		123,031	76,319
Employees' end of service benefits paid		(5,023)	(2,872)
Lease payments received		18,451	33,186
Payment of lease liabilities		(31,494)	(19,231)
Net cash flows from operating activities		104,965	87,402
INVESTING ACTIVITIES			
Acquisition of property and equipment		(37,859)	(15,127)
Settlement of deferred consideration		-	(2,450)
Cash acquired with a subsidiary	4	44,232	-
Changes in Sharia compliant term deposits and bank term deposits		(67,192)	107,489
Interest received on Sharia compliant term deposits		13,125	3,491
Interest received on bank deposits		1,245	1,296
Dividend received from associate		8,750	8,750
Dividend received from financial asset at FVOCI		596	661
Proceeds from capital reduction		-	7,466
Net cash flows (used in) / from investing activities		(37,103)	111,576
FINANCING ACTIVITIES			
Proceeds from bank financing		15,964	4,870
Repayment of bank financing		(61,150)	(34,944)
Net change in cash balances held with a third party and others		(4,584)	(15,029)
Capital contribution by non-controlling interests		-	4,046
Dividends paid to previous shareholder of a subsidiary	4	(14,835)	-
Dividends paid	9	(100,000)	(150,000)
Finance costs paid		(23,340)	(12,131)
Net cash flows used in financing activities		(187,945)	(203,188)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(120,083)	(4,210)
Cash and cash equivalents at the beginning of the period		346,315	92,560
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7	226,232	88,350
Non-cash transactions			
Additions to right-of-use assets and lease liabilities		28,556	-
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 in the United Arab Emirates (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 nine-month period ended 30 September 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 nine-month period ended 30 September 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 and its subsidiaries ("HC 1"), including CMRC Limited and Sukoon International Holding Company (Note 4) and their subsidiaries, and Human Development Company LLC and its subsidiary ("HDC") (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.

Nine months ended
30 September 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	-	283,771	283,771
Tuition fees, net of scholarships awarded	118,924	-	118,924
Special education and care needs services	73,332	-	73,332
Administrative and other service fees from students	11,643	-	11,643
Share of revenue from joint services agreements	7,361	-	7,361
Total revenue	211,260	283,771	495,031



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

	<i>Nine months ended 30 September 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	207,350	236,483	443,833
Services transferred at a point in time	3,910	47,288	51,198
Total revenue	211,260	283,771	495,031
Direct costs	(110,468)	(172,213)	(282,681)
Gross profit	100,792	111,558	212,350
	<i>Nine months ended 30 September 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	-	246,883	246,883
Tuition fees, net of scholarships awarded	94,373	-	94,373
Administrative and other service fees from students	3,033	-	3,033
Total revenue	97,406	246,883	344,289
<i>Timing of revenue recognition</i>			
Services transferred over time	95,183	203,101	298,284
Services transferred at a point in time	2,223	43,782	46,005
Total revenue	97,406	246,883	344,289
Direct costs	(49,442)	(146,521)	(195,963)
Gross profit	47,964	100,362	148,326



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

	<i>Nine months ended 30 September</i>	
	<i>2023 AED'000 (Unaudited)</i>	<i>2022 AED'000 (Unaudited)</i>
Employee related expenses	79,970	66,965
Marketing and communications	10,749	7,248
Legal and professional fees	9,899	6,051
Depreciation of property and equipment	8,725	7,791
Amortization of intangible assets (Note 4)	8,076	6,410
Depreciation of right-of-use assets	5,902	855
IT expenses	5,741	4,203
Expected credit losses on trade receivables	3,272	1,603
Board and committee remuneration (Note 12)	2,784	2,011
Short-term leases	1,453	1,360
Portfolio management expenses	1,542	838
Transaction related costs	1,155	2,895
Other expenses	17,705	15,188
	156,973	123,418

General, selling and administrative expenses are incurred as follows:

	<i>Nine months ended 30 September</i>	
	<i>2023 AED'000 (Unaudited)</i>	<i>2022 AED'000 (Unaudited)</i>
<i> Holding Company expenses</i>		
Head office expenses	30,444	31,888
Amortization of intangible assets (Note 4)	5,044	3,378
Portfolio management expenses	1,235	595
Transaction related costs	-	2,895
Subsidiary expenses	120,250	84,662
	156,973	123,418



4 GOODWILL AND INTANGIBLE ASSETS

Intangible assets acquired through business combinations are as follows:

	<i>Goodwill</i> <i>AED'000</i>	<i>Agreements and student relationship with definite useful lives</i> <i>AED'000</i>	<i>Agreement with indefinite useful life</i> <i>AED'000</i>	<i>Brand names with definite 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 (<i>restated</i>) (1)	215,837	7,714	-	3,798	227,349
At 31 December 2022 – Audited (restated) (1)	731,115	141,014	560,867	43,466	1,476,462
Acquisition of a subsidiary during the period (2)	89,240	-	-	-	89,240
At 30 September 2023	820,355	141,014	560,867	43,466	1,565,702
<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 (2)	-	4,302	-	3,190	7,492
At 30 September 2023	19,961	24,035	-	10,597	54,593
<i>Carrying amounts</i>					
At 30 September 2023 – Unaudited	800,394	116,979	560,867	32,869	1,511,109
At 31 December 2022 - Audited (restated) (1)	711,154	121,281	560,867	36,059	1,429,361

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

The Group had measured the fair values of identifiable assets and liabilities of the subsidiary acquired on 27 October 2022 on a provisional basis as permitted under IFRS 3 and had 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.

During the quarter ended 30 September 2023, the purchase price allocation exercise was completed whereby separately identifiable intangible assets have been identified in relation to agreements with joint ventures, expat student relationships and brand name with acquisition-date estimated fair values of AED 2,492 thousand, AED 5,222 thousand and AED 3,798 thousand, respectively, and estimated useful lives of 4 years, 14 years and 25 years, respectively. In addition, the acquisition-date fair values of the identifiable assets acquired, liabilities assumed and non-controlling interests in the acquiree have been adjusted (refer below) based on information obtained by the Group about facts and circumstances that existed as of the acquisition date which also includes dividends due to the previous shareholder of HDC of AED 16,813 thousand as per the shareholders’ agreement in relation to the pre-acquisition period, of which AED 14,835 thousand has been settled during the nine month period ended 30 September 2023.

Consequently, as a result of the above, the initially recognized provisional amount of goodwill at acquisition of AED 218,203 thousand has been remeasured to AED 215,837 thousand.



4 GOODWILL AND INTANGIBLE ASSETS (continued)**(1) Fair value measurement related to the acquisition of Human Development Company LLC and its subsidiary (“HDC”) (continued)**

The following table summarizes the retrospective adjustments made to the provisional amounts of assets, liabilities and non-controlling interests at the acquisition date and their impact on the Group’s previously reported line items in the consolidated statement of financial position at 31 December 2022.

<i>Consolidated statement of financial position at 31 December 2022</i>	<i>As previously reported AED’000</i>	<i>Retrospective adjustments AED’000</i>	<i>As restated AED’000</i>
Assets			
Property and equipment	271,872	4,701	276,573
Goodwill and intangible assets	1,420,215	9,146	1,429,361
Total non-current assets	2,783,332	13,847	2,797,179
Trade and other receivables	201,999	(4,900)	197,099
Total current assets	847,601	(4,900)	842,701
Total assets	3,630,933	8,947	3,639,880
Liabilities			
Lease liabilities	163,375	(2,045)	161,330
Provision for employees’ end of service benefits	32,900	237	33,137
Total non-current liabilities	591,731	(1,808)	589,923
Lease liabilities	26,968	704	27,672
Provisions, accounts and other payables	138,084	16,181	154,265
Contract liabilities	46,630	(32)	46,598
Total current liabilities	292,878	16,853	309,731
Total liabilities	884,609	15,045	899,654
Equity			
Non-controlling interests	34,098	(6,098)	28,000
Total equity	2,746,324	(6,098)	2,740,226

The above adjustments did not have any impact on the previously reported profit or loss, cash flows, and equity attributable to the equity holders of the Company.

(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 a closed joint stock 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, 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, in addition to recording a provision of AED 584 thousand in relation to amortization of intangible assets during the nine-month period ended 30 September 2023 (Note 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:

	30 April 2023 AED'000 (Unaudited)
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
	<u>290,646</u>
Liabilities	
Trade and other payables	(36,208)
Provision for employees' end of service benefits	(9,650)
	<u>(45,858)</u>
Total identifiable net assets at provisional fair values	<u>244,788</u>
Non-controlling interests at the proportionate share of the identifiable net assets	(75,187)
Goodwill arising on acquisition (provisional)	89,240
	<u>258,841</u>
Purchase consideration	<u>258,841</u>
<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
	<u>258,841</u>
Purchase consideration	<u>258,841</u>



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 investing 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 September 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 36,932 thousand of revenue, AED 3,935 thousand of profit and AED 2,726 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 63,756 thousand, the profit contribution for the period would have been AED 4,916 thousand and the profit contribution attributable to equity holders of the Company would have been AED 3,405 thousand (excluding transaction related costs).

Cumulative transaction costs of AED 3,341 thousand have been recognized in profit or loss in relation to the acquisition, with AED 1,155 thousand recognized during the nine months ended 30 September 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 September 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:

	30 September 2023	31 December 2022
	AED'000	AED'000
	(Unaudited)	(Audited)
Sukoon International Holding Company ("Sukoon")	-	130,692
NEMA Holding Company L.L.C. ("NEMA")	382,817	385,034
	382,817	515,726



5 INVESTMENTS IN ASSOCIATES (continued)

The movement in the investments in associates is as follows:

	<i>Nine months ended 30 September 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	9,110	28,076
Amortization of PPA assets	(2,250)	(3,000)
Share of results in profit or loss (1)	6,860	25,076
Share of other comprehensive income	-	343
Dividends received	(8,750)	(15,750)
Disposal of an associate under a step acquisition (2)	(131,019)	-
At the end of the period/year	382,817	515,726

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

	<i>Nine months ended 30 September</i>	
	<i>2023 AED'000 (Unaudited)</i>	<i>2022 AED'000 (Unaudited)</i>
Sukoon International Holding Company ("Sukoon") *	327	949
NEMA Holding Company L.L.C. ("NEMA") **	6,533	6,127
	6,860	7,076

* 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>Nine months ended 30 September 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 September 2023 and 31 December 2022.

	<i>30 September 2023 AED'000 (Unaudited)</i>	<i>31 December 2022 AED'000 (Audited) (Restated)</i>
Equity instruments designated at FVOCI		
Emirates NBD REIT Limited – quoted	13,574	12,912
BEGiN – unquoted	22,866	18,609
	<u>36,440</u>	<u>31,521</u>
Derivatives not designated as hedging instruments		
Interest rate swap	1,161	1,590
Warrants*	341	3,568
	<u>1,502</u>	<u>5,158</u>
Debt instruments at amortised cost		
Trade and other receivables**	292,947	179,480
Finance lease receivables	421,405	414,887
Due from related parties	234	2,727
	<u>714,586</u>	<u>597,094</u>
Total financial assets	<u>752,528</u>	<u>633,773</u>
Total current	<u>379,141</u>	234,140
Total non-current	<u>373,387</u>	<u>399,633</u>

* During the quarter ended 30 September 2023, the Group exercised 344,958 of the total vested warrants of 372,777 as of 30 September 2023 (31 December 2022: 289,320) and accordingly an amount of AED 4,256,782 has been reclassified to equity instruments at FVOCI. The remaining vested warrants are recorded as derivative instruments at fair value and will be classified as equity instruments at FVOCI once exercised.

** Excludes non-financial assets of AED 38,550 thousand as at 30 September 2023 (31 December 2022: AED 17,619 thousand).



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

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

	<i>30 September 2023 AED'000 (Unaudited)</i>	<i>31 December 2022 AED'000 (Audited) (Restated)</i>
Interest-bearing loans and borrowings		
Lease liabilities (1) (2)	198,556	189,002
Bank overdraft	18,365	11,914
Financing from banks (net of arrangement fees)	380,825	425,640
	597,746	626,556
Financial liabilities at amortised cost		
Accounts and other payables (3) (4)	108,941	56,769
Due to a related party	6,226	5,780
	115,167	62,549
Financial liabilities at fair value through profit or loss		
Contingent consideration (5)	45,579	44,165
Total financial liabilities	758,492	733,270
Total current	252,256	176,484
Total non-current	506,236	556,786

(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 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 70,227 thousand as at 30 September 2023 (31 December 2022: AED 86,649 thousand).



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

- (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 September 2023, the fair value of the contingent consideration was estimated to be AED 46,002 thousand on an undiscounted basis or AED 45,579 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

	<i>30 September 2023 AED'000 (Unaudited)</i>	<i>31 December 2022 AED'000 (Audited)</i>
Cash on hand	1,200	544
Current accounts with banks	130,547	150,785
Cash balance held with a third party	19,771	2,506
Bank financing service reserve account	9,233	3,896
Sharia compliant term deposits	349,350	386,208
Non-Sharia compliant term deposits	50,000	40,000
Cash and bank balances	560,101	583,939

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

	<i>30 September 2023 AED'000 (Unaudited)</i>	<i>31 December 2022 AED'000 (Audited)</i>
Cash and bank balances	560,101	583,939
Less:		
Cash balance held with a third party	(19,771)	(2,506)
Bank financing service reserve account	(9,233)	(3,896)
Sharia compliant term deposits (with initial maturity of more than 3 months)	(286,500)	(179,308)
Non-Sharia compliant term deposits (with initial maturity of more than 3 months)	-	(40,000)
Bank overdraft	(18,365)	(11,914)
Cash and cash equivalents	226,232	346,315

During the nine-month period ended 30 September 2023, the Group earned an aggregate profit of AED 14,487 thousand on its term deposits (30 September 2022: AED 8,500 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 September 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 September 2023, the Market Maker held 12,898,672 (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 September 2023. A cumulative loss of AED 615 thousand has been recognised at 30 September 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 2,688 thousand (30 September 2022: a net gain of AED 1,602 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>Nine months ended 30 September</i>	
	2023 <i>(Unaudited)</i>	2022 <i>(Unaudited)</i>
Profit for the period attributable to the equity holders of the Company (AED'000)	81,127	56,223
Weighted average number of ordinary shares* ('000)	2,487,070	2,495,761
Basic and diluted earnings per share (AED)	0.033	0.023

* 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

Below are details of the Group's contingent liabilities and capital commitments at the reporting date.

	30 September 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Bank guarantees	2,080	-
Capital commitments *	90,306	8,604

* Include commitments related to the on-going expansion projects of HC 1 in the Kingdom of Saudi Arabia

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

	30 September 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
Bank guarantees	33,652	20,899

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 September 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
<i>Due from related parties</i>		
Sukoon – associate	-	204
Other related parties	234	2,523
	234	2,727
<i>Due to a related party</i>		
Other related party – non-current	6,226	5,780



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

	<i>Nine months ended 30 September</i>	
	<i>2023 AED'000 (Unaudited)</i>	<i>2022 AED'000 (Unaudited)</i>
<i>Key management personnel</i>		
Management fee	1,856	1,965

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.

Group key management personnel compensation comprise the following:

	<i>Nine months ended 30 September</i>	
	<i>2023 AED'000 (Unaudited)</i>	<i>2022 AED'000 (Unaudited)</i>
Short-term benefits	18,502	19,392
Post-employment benefits	1,089	824
Board and committee remuneration (Note 3.2)	2,784	2,011

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

13 SEGMENT INFORMATION

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

For the nine months ended 30 September 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	-	211,260	283,771	495,031	-	495,031
Direct costs	(1,721)	(110,468)	(172,884)	(285,073)	2,392	(282,681)
General, selling and administrative expenses	(31,288)	(55,593)	(76,068)	(162,949)	5,976	(156,973)
Share of results of associates	-	6,534	326	6,860	-	6,860
Gain on disposal of an associate under a step acquisition	-	-	9,629	9,629	-	9,629
Income from finance lease	-	25,051	-	25,051	-	25,051
Other operating income	12,439	11,592	508	24,539	(10,826)	13,713
Finance income	13,558	1,449	1,037	16,044	(1,291)	14,753
Finance costs	(1,231)	(4,548)	(32,351)	(38,130)	3,749	(34,381)
Tax and Zakat	-	(773)	(1,986)	(2,759)	-	(2,759)
Segment results	(8,243)	84,504	11,982	88,243	-	88,243



30 September 2023

13 SEGMENT INFORMATION (continued)

	<i>Investments</i>	<i>Education</i>	<i>Healthcare</i>	<i>Total</i>	<i>Eliminations</i>	<i>Consolidated</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>Segment results attributable to:</i>						
Equity holders of the Company	(8,243)	73,186	16,184	81,127	-	81,127
Non-controlling interests	-	11,318	(4,202)	7,116	-	7,116

As at 30 September 2023 - Unaudited

Total assets	511,662	1,814,983	1,703,456	4,030,101	(113,262)	3,916,839
Total liabilities	(107,734)	(266,757)	(715,166)	(1,089,657)	113,348	(976,309)

For the nine months ended 30 September 2022 – Unaudited

	<i>Investments</i>	<i>Education</i>	<i>Healthcare</i>	<i>Total</i>	<i>Eliminations</i>	<i>Consolidated</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>
Revenue	-	97,406	246,883	344,289	-	344,289
Direct costs	(1,716)	(49,442)	(146,898)	(198,056)	2,093	(195,963)
General, selling and administrative expenses	(35,327)	(30,462)	(59,643)	(125,432)	2,014	(123,418)
Share of results of associates	-	6,127	949	7,076	-	7,076
Income from finance lease	-	25,214	-	25,214	-	25,214
Other operating income	5,415	1,995	1,150	8,560	(4,754)	3,806
Finance income	9,709	67	163	9,939	(1,200)	8,739
Finance costs	-	(1,458)	(19,030)	(20,488)	1,847	(18,641)
Segment results	(21,919)	49,447	23,574	51,102	-	51,102
<i>Segment results attributable to:</i>						
Equity holders of the Company	(21,919)	49,447	28,695	56,223	-	56,223
Non-controlling interests	-	-	(5,121)	(5,121)	-	(5,121)

As at 31 December 2022 – Audited (restated)

Total assets	572,745	1,757,773	1,549,745	3,880,263	(240,383)	3,639,880
Total liabilities	(509,155)	(237,573)	(663,077)	(1,409,805)	510,151	(899,654)

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.



14 CORPORATE TAX IN THE UAE (continued)

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.

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.



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

The APMs and their reconciliations to the measures reported in the interim consolidated statement of profit or loss are as follows:

	<i>Nine months ended 30 September</i>	
	2023 <i>AED'000</i> <i>(Unaudited)</i>	2022 <i>AED'000</i> <i>(Unaudited)</i>
Profit attributable to equity holders of the Company	81,127	56,223
<i>Adjusted for:</i>		
Transaction related costs (Notes 3.2 & 5)*	996	4,592
Gain on disposal of an associate under a step acquisition (Note 5)	(9,629)	-
One-off non-recurring items	83	-
Adjusted profit for the period attributable to equity holders of the Company	72,577	60,815
<i>Add/(deduct):</i>		
Finance costs**	28,405	16,792
Finance income**	(14,591)	(8,739)
Tax and Zakat***	2,118	-
Adjusted operating profit attributable to equity holders of the Company	88,509	68,868
<i>Add/(deduct):</i>		
Transaction related costs (Notes 3.2 & 5)	(996)	(4,592)
Gain on disposal of an associate under a step acquisition (Note 5)	9,629	-
Finance cost attributable to NCI	5,976	1,849
Finance income attributable to NCI	(162)	-
One-off non-recurring items	(83)	-
Tax and Zakat attributable to NCI	641	-
Non-controlling interests	7,116	(5,121)
OPERATING PROFIT	110,630	61,004
<i>Add:</i>		
Depreciation and amortization	60,824	42,265
Purchase price amortisation of associates (Note 5)	2,250	2,250
Earnings before interest, tax, depreciation and amortization	173,704	105,519
<i>Add/(deduct):</i>		
Transaction related costs (Notes 3.2 & 5)	1,155	4,592
Gain on disposal of an associate under a step acquisition (Note 5)	(9,629)	-
One-off non-recurring items	83	-
Adjusted earnings before interest, tax, depreciation and amortization	165,313	110,111

* Transaction related costs exclude share of non-controlling interests of AED 159 thousand (2022: nil).

** Finance costs and finance income exclude share of non-controlling interests of AED 5,976 thousand and AED 162 thousand, respectively (2022: AED 1,849 thousand and nil, respectively).

*** Tax and Zakat exclude share of non-controlling interests of AED 641 thousand (2022: Nil).





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