Building on Strength, Fueling Growth

INTEGRATED
ANNUAL REPORT
2023

Amanat

2023 was a year of growth and development for Amanat that saw the Company deliver solid growth and profitability, while taking important strides forward on our sustainable value creation strategy.

2023

Integrated Annual Report

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About Amanat

Amanat Holdings PJSC (**"Amanat"** or the **"Company"**) is the MENA region's largest integrated healthcare and education investment company, offering investors access to unique opportunities within two of the region's most resilient and high-growth sectors. Amanat has demonstrated a commitment to driving long-term positive impacts in the societies it operates in, while consistently delivering incremental value to its shareholders. Established and listed on the Dubai Financial Market (DFM) in November 2014 with a paid-up capital of AED 2.5 billion, the Company has built a solid foundation upon which to deliver growth.

Amanat leverages its extensive track record and proven hands-on approach to unlock value and deliver consistent returns for its shareholders. Through strategic investments in healthcare facilities, clinics, universities, schools, day-care centers, and specialized service providers across the UAE, Saudi Arabia (KSA), and Bahrain, the Company has built synergistic platforms that offer comprehensive services and cater to diverse and underserved segments.

In the healthcare sector, Amanat takes pride in its majority stake in Cambridge Medical and Rehabilitation Center ("CMRC"), the GCC's largest and top-ranked post-acute care provider, catering to patients recovering from surgery, chronic illnesses, or injury by providing short-term and long-term comprehensive rehabilitation services. Additionally, the Company holds a majority stake in Al Malaki Specialist Hospital ("MSH"), a specialized multidisciplinary hospital in Bahrain, reinforcing Amanat's commitment to providing top-tier healthcare services.

3

Investments in healthcare

5

Investments in education

462

Operational beds across five hospitals

19.6K

Students and beneficiaries across three universities, nine schools, and 28 day-care and rehabilitation centers

Amanat's foothold in the education sector is marked by influential stakes in three prominent entities. Notably, Amanat holds a significant stake in Human Development Company ("HDC"), the foremost provider of special education and care needs services in KSA. Furthermore, the Company has strategically positioned itself as the leading contributor to tertiary education in the UAE through its holdings in Middlesex University Dubai ("MDX") and NEMA Holding ("NEMA"). Amanat's comprehensive education portfolio encompasses graduate, postgraduate, special education, and care needs services, complemented by corporate and vocational training. As the Company continues to expand its footprint and explore new avenues, it remains committed to fostering positive and sustainable growth across its healthcare and education platforms.

2.8 AED BN

Assets under management as at 31 December 2023

718 AED MN

Total Revenue in FY-2023

274 AED MN

Total EBITDA in FY-2023

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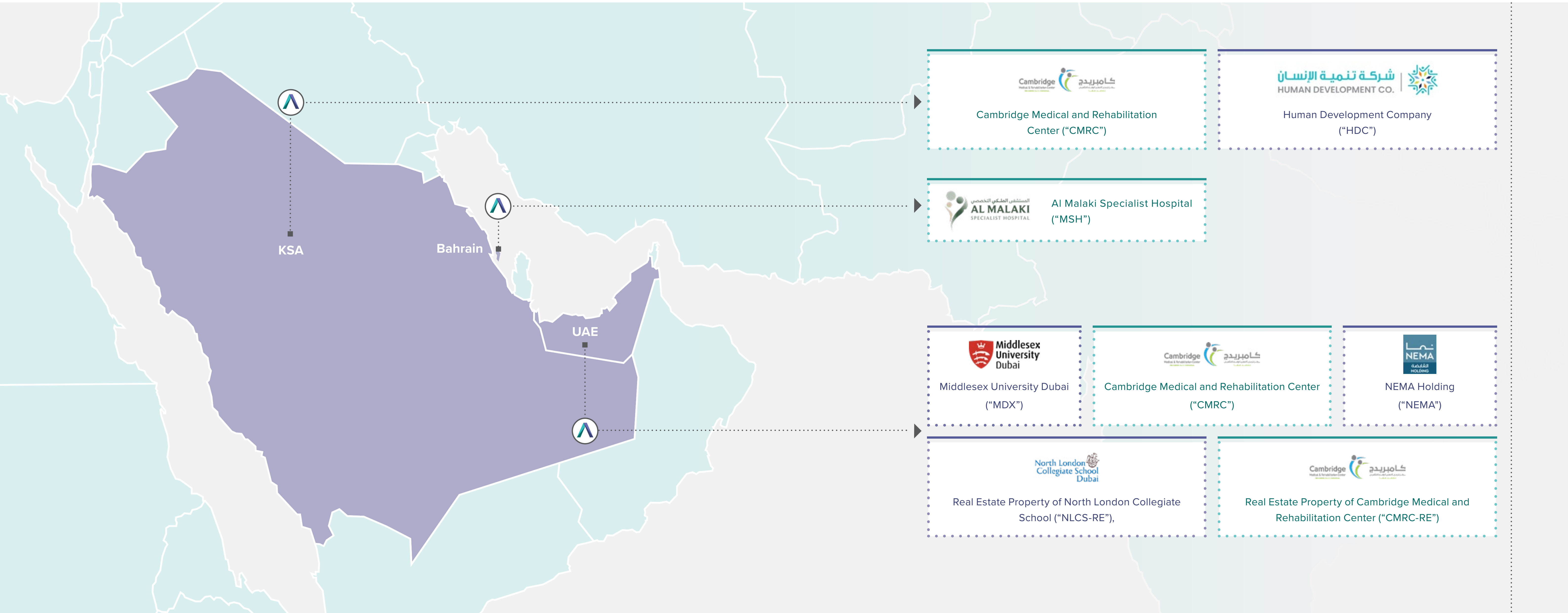
About Amanat

Investing and Growing Market Leading **Healthcare and Education Platforms**

A Unique and Diversified Portfolio

Since its establishment, Amanat has pursued a unique approach to investing in the region's healthcare and education sectors. By focusing on building synergistic platforms within each sector, the Company is able to generate stable returns for shareholders while fostering sustainable and lasting positive impacts on the broader community. Amanat's platforms create multi-investment ecosystems that capitalize on available capital, shared operating partners, and prospective add-on acquisitions, providing investors with diverse avenues to propel future growth. Over time, Amanat has consistently expanded and fine-tuned its portfolio through a well-defined investment strategy that prioritizes the selection of high-quality, unique, and competitively sustainable companies with promising growth prospects. As at year-end 2023, Amanat held influential and controlling stakes in leading companies, ranging from industry pioneers in their respective markets to promising companies poised to shape the region's healthcare and education landscape in the years to come.



About Amanat

Healthcare

Amanat has three investments in the healthcare sector, encompassing post-acute and long-term care, a specialist hospital, and a real estate investment. Today, the Company's healthcare assets operate a total of 462 beds across five specialized hospitals. Amanat's healthcare investment portfolio includes:

Cambridge Medical and Rehabilitation Center (CMRC)

Following the strategic merger with Sukoon Company, CMRC became the largest specialized post-acute care platform in the region with facilities in the UAE and KSA. The platform has 430 beds across four facilities, providing specialized inpatient and outpatient rehabilitation, long-term care, extended critical care, and home care medical services to thousands of patients each year.

4 Hospitals

430 Beds

195 Additional beds under development

Al Malaki Specialist Hospital (MSH)

MSH stands as a specialized acute care private sector hospital in Bahrain, offering end-to-end holistic quality care to serve the entire family.

1 Hospital

32 Beds

Cambridge Medical and Rehabilitation Center – Real Estate – Abu Dhabi, UAE (CMRC-RE)

CMRC's Abu Dhabi real estate comprises approximately 5,500 square meters of land and a built-up area of around 6,600 square meters. This includes two three-leveled building blocks, featuring 106 licensed inpatient beds and rehabilitation facilities.

Education

Amanat's investments in education span a spectrum encompassing graduate and post-graduate programs, corporate and vocational training, education technology, special education and care needs services, and a real estate investment. The Company's education portfolio includes:

Middlesex University Dubai (MDX)

MDX is the first overseas campus of the internationally renowned Middlesex University in London and the largest private university in Dubai. With two campuses in Dubai, MDX is providing students from 118 countries with outstanding educational opportunities. In 2023, MDX launched the Middlesex University Centre for Continuing Education, offering short courses, professional qualifications, and study camps.

1 University (2 campuses)

c. 4.9K Graduate and post-graduate students

NEMA Holding (NEMA)

NEMA is the largest private higher education group in Abu Dhabi and is a leading, nationally ranked private higher education provider with nearly two decades of experience in the UAE market.

2 Universities (5 campuses)

c. 9.7K Students

Human Development Company (HDC)

HDC is the primary provider of special education and care services in KSA. The company's offering includes special high-quality educational, medical, and rehabilitation services to a wide range of beneficiaries. Operating across six provinces, the company manages a network consisting of nine schools, 28 day-care centers, and rehabilitation medical clinics. Through HDC, Amanat is able to capitalize on its existing know-how in both the healthcare and education sectors to lead the development of these sectors with the goal of enhancing quality and access to this vulnerable segment of the population.

9 Schools

28 Day-care and Rehabilitation Centers

c. 5K Beneficiaries

Real Estate Property of North London Collegiate School – Dubai (NLCS)

Amanat owns the real estate assets of NLCS, a distinguished K-12 school offering the International Baccalaureate (IB) curriculum. This investment extends Amanat's portfolio into a resilient asset class, producing appealing yields and establishing a source of long-term recurring income.

BEGiN

Amanat has an ownership interest in the US-based, award-winning, early education company. The Company is participating in the growing EdTech sector, which has gained substantial traction against the backdrop of the pandemic.

Amanat in Figures

Amanat's journey over the years is one characterized by resilience, stability, and strength.

2014–2017:
IPO

- Amanat's IPO on the DFM in November 2014
- Acquisition of a 4.1% stake in Al Noor Hospital
- Acquisition of a 35% stake in Sukoon International Holding Company CJSC
- Amanat sold its stake in Al Noor Hospital
- A further AED 16 MN investment in Sukoon through a capital increase
- Acquisition of a 16.3% stake in Taaleem Holdings PSC for AED 146 MN
- Acquisition of a 13.2% stake in International Medical Center for AED 360 MN[1]
- Increase of stake in Taaleem Holdings PSC to 21.7% for AED 52 MN

2018–2020:
Deploying

- Acquisition of a stake in BEGiN for AED 18.4 MN
- Acquisition of a 69.3% stake in Al Malaki Specialist Hospital in Bahrain (formerly the Royal Hospital for Women and Children) for AED 142 MN
- Acquisition of a 100% stake in Middlesex University Dubai for AED 419 MN
- Acquisition of the real estate assets of North London Collegiate School (NLCS) Dubai for AED 408 MN
- Acquisition of a 35% stake in NEMA Holding (previously Abu Dhabi University Holding Company) for AED 330 MN

2021–2023:
Rebalancing

- Acquisition of 100% of Cambridge Medical and Rehabilitation Center (CMRC) for AED 873 MN
- Amanat divested its 21.7% stake in Taaleem Holdings for AED for 350 MN
- Acquisition of CMRC's real estate assets in Abu Dhabi for AED 53 MN
- Amanat divested its 13.1% stake in IMC for AED 433 MN
- Acquisition of 60% stake in Human Development Company in KSA for c. AED 262 MN[2]
- Amanat merged two of its portfolio companies, CMRC and Sukoon, resulting in the largest pan-GCC post-acute care platform
- MSH shareholder funding of AED 24 MN resulted in the increase of effective shareholding to 69.5%

2024–2027:
Growing to Monetize

- Amanat is actively exploring platform monetization opportunities to unlock value for shareholders and generate capital to invest in attractive targets.

[1] *IMC stake has been diluted to 13.13% in 2019*

[2] *Including maximum contingent consideration of AED 46 MN*

Chairman's Message

I am honored to present Amanat's 2023 annual report as the Company's newly appointed Chairman. I wish to express my gratitude to the Board for the trust that they have placed in me and the opportunity to lead the Company into a new chapter marked by innovation, growth, and sustainable value creation. I am thrilled to be embarking on this journey, returning to Amanat to build on the remarkable growth trajectory that has defined its history.

Today, Amanat represents resilience, adapting its strategy to an evolving market landscape and emerging stronger to capture new opportunities.

A Journey Defined

As we reflect on Amanat's journey, we are reminded of the significant milestones achieved over the years, particularly in developing two market-leading platforms in the GCC Healthcare and Education sectors. Amanat's legacy is characterized by resilience, stability, and robust strategic execution, with its story unfolding over four key phases, each contributing to Amanat's growth and positioning the Company as a stable and growth-oriented entity.

Our journey commenced with our landmark **IPO** on the Dubai Financial Market (DFM) in November 2014. Following this, Amanat made strategic acquisitions to enter the healthcare and education sectors, setting the stage for growth. In the subsequent phase, Amanat underwent **strategic deployments** to prepare for future growth and expansion. The Company delivered on its regional expansion plans in healthcare with preeminent acquisitions, including Cambridge Medical and Rehabilitation Centre (CMRC), Middlesex University Dubai (MDX), Human Development Company (HDC), and NEMA Holding. Amanat's dedication to **scaling** synergistic platforms was demonstrated during the following period, with strategic initiatives, such as the merger of CMRC with Sukoon, which positioned us as the largest, pan-GCC post-acute care platform. These milestones reflect our commitment to advancing healthcare in the region.

Today, Amanat represents resilience, adapting its strategy to an evolving market landscape and emerging stronger to capture new opportunities. Our investments continue to grow, providing a stable foundation for the next chapter of our story, where we will focus on expanding our platforms, improving financial performance, and exploring strategic monetization opportunities for our platforms to unlock and deliver value for our shareholders. As we step into the next phase, we are ready for further **growth and monetization**.

A Vision for Growth

Looking forward, our vision for Amanat in 2024 is one of sustainable growth and value creation. Our focus is on continuing to grow our market-leading platforms and acquiring further cash flow-generating assets with strong growth potential and exceptional management teams. Leveraging our diverse portfolio of investments, we will expand scalable platforms, maximize income generation, and unlock value for shareholders through strategic monetizations.

Our hands-on approach of closely collaborating with the management teams of our portfolio companies has led to significant milestones, such as the successful merger between CMRC and Sukoon, growth at MDX, and the expansion of HDC's network. We remain committed to growing our existing healthcare and education platforms to meet the evolving needs of our community.

A Supportive Landscape

Amanat operates in an environment rich with opportunities. The GCC region, with its aging population, prevalence of lifestyle diseases, and diversifying economies, offers ample opportunities for our platforms. The increasing student-age population and government investments in education strengthen our outlook. With strategic investments in healthcare and education, Amanat is well-positioned to navigate the evolving GCC landscape, ensuring sustained growth and value creation in the coming year.

Entering the new year, we are fueled by renewed optimism following the strong performance of the past 12 months. The fiscal year concluded with AED 718 million in group revenue, marking a notable 40% increase compared to the previous year. This impressive growth is attributed to strong performance in both our healthcare and education platforms. In terms of profitability, EBITDA reached AED 274 million, showcasing a commendable 46% rise from the 2022 figures, and adjusted net profit was AED 154 million, with a strong 34% year-on-year increase. Considering our exceptional performance and the positive business outlook, the Board of Directors has proposed a dividend of AED 50 million for the fiscal year ended on 31 December 2023, pending shareholders' approval.

A Promising Future

Embarking on this new chapter, I am filled with enthusiasm and confidence, eager to lead Amanat into a promising future alongside a dedicated team and an esteemed Board. I extend my sincere gratitude to the Board, management, staff, platform companies, patients, and students for their unwavering trust and support. Our main objective is to consistently deliver sustainable value and make impactful contributions to the wider community.

Dr. Shamsheer Vayalil
Chairman

2023 Highlights

2023 Highlights

2023 was a year of growth and consolidation for Amanat, as the Company navigated dynamic market landscapes and remained committed to its strategic vision, achieving notable milestones and fortifying its position as a key player in the region's healthcare and education sectors. From strategic mergers to impactful investing, the year unfolds as a testament to Amanat's unwavering dedication to creating lasting value for shareholders and contributing to the development of communities.

Over
5K
Annual beneficiaries

Portfolio Optimization

Throughout the year, Amanat and its portfolio companies expanded their footprint, further solidifying their prominent positions in the GCC market. Delivering on ambitious plans, portfolio companies enhanced their capacities and capabilities to meet the anticipated surge in demand for top-tier healthcare and education services in the years to come.

Human Development Company – Capacity Expansion

- HDC is the leading provider of special education and care services in KSA, with schools, day-care centers, and rehabilitation medical clinics operating across six provinces.
- Significant 19% year-on-year growth in enrollment in 2023, further cementing HDC's market-leading position
- In 2023, six day-care centers were added to the company's network, bringing the total number of day-care and rehab centers to 28, in addition to nine schools.

Middlesex University Dubai – New Programs and Capacity Expansion

- Launched the Middlesex University Centre for Continuing Education, offering short courses, professional qualifications, and study camps.
- MDX expanded its new campus in Dubai Knowledge Park to accommodate enrollment growth.
- MDX cemented its position as the number-one university by enrollments in Dubai, with c.40% of students enrolling from overseas.

Over
4.9K
Enrolled students

NEMA Holding – New Programs and Enrollment Growth – Completed Merger

- In 2023, NEMA introduced new programs and courses in line with market needs.
- Core higher education enrollments grew 11% year-on-year, driven by robust student intake at both Abu Dhabi University and Liwa College.
- Completed merger of Liwa College of Technology and Khawarizmi International College to create Liwa College.

Over
9.7K
Enrolled students

430
Beds in the UAE & KSA (CMRC & Sukoon)

195
Additional beds by 2026

Cambridge Medical and Rehabilitation Center and Sukoon International Holding – Merger Completed

- In April 2023, Amanat completed the previously announced acquisition of a majority stake in Sukoon through a merger with CMRC.
- CMRC is now the largest pan-GCC post-acute care provider, with a target to deliver 1,000 pan regional beds by 2027.

Mada International Holding Partnership – Post-Acute Care PPP Project in KSA

- In September 2023, Amanat announced a partnership with Mada to collaborate on Ministry of Health's large-scale PPP projects, starting with 900 post-acute care beds in Riyadh and Dammam.
- The partnership supports Amanat's value creation strategy and the goals of Saudi Arabia's Vision 2030, including efforts to address an estimated 17,000 bed supply gap in the post-acute care.

2023 Highlights

718 AED MN
Group Revenue in FY-2023
(up 40% y-o-y)

274 AED MN
Group EBITDA in FY-2023
(up 46% y-o-y)

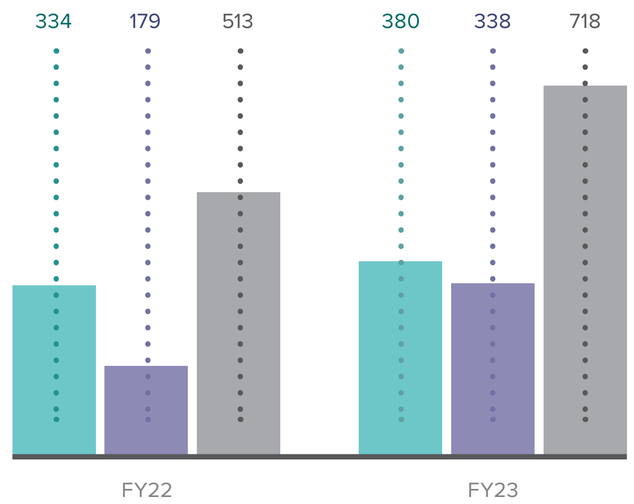
Impact Investing

While Amanat remains dedicated to delivering superior returns to its shareholders, the Company places equal emphasis on creating meaningful long-term effects within communities. With a growing portfolio of investments in healthcare and education, Amanat positively impacts the lives of thousands of patients and students each year, creating a lasting influence on their well-being and educational journeys.

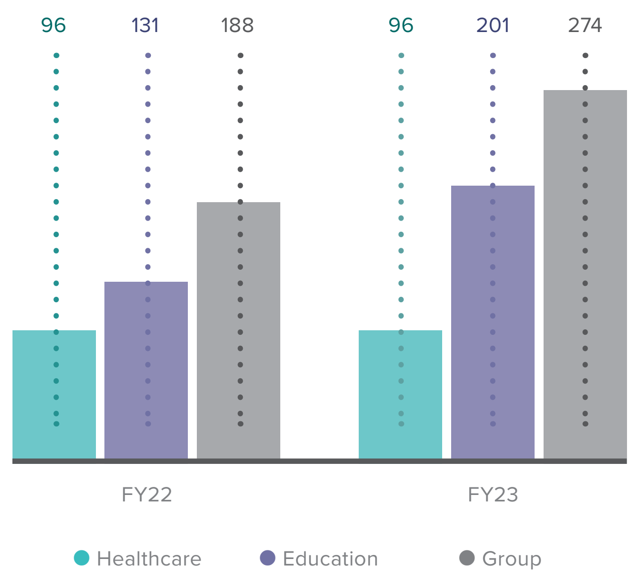
Solid Growth and Profitability

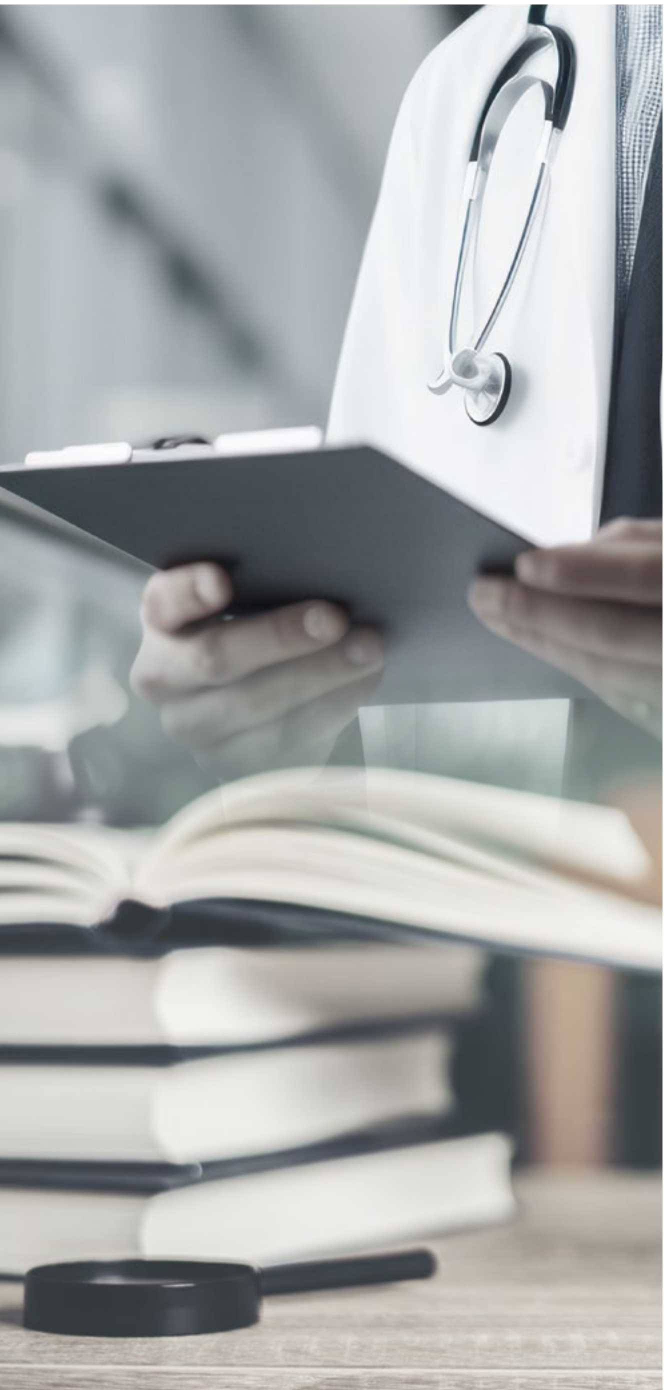
Amanat's healthcare and education platforms continued to record strong growth and profitability in 2023.

Group Revenue (AED MN)



Group EBITDA (AED MN)





Share Price Appreciation

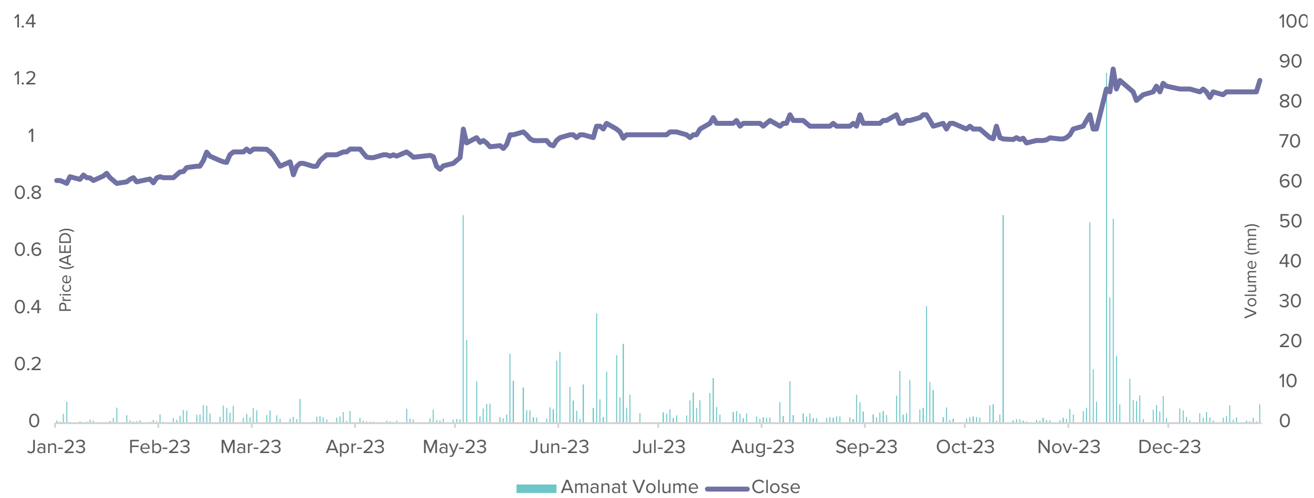
Amanat's share price increased 41% over the course of 2023, driven by strong value creation at Amanat's portfolio companies and a clearly communicated Company strategy.

4.6 AED MN
average value traded in 2023 compared to AED 1.3 MN in 2022

41.2%
year-on-year share appreciation

19.6%
year-on-year increase in international investors

Share Price Performance (January–December 2023)



Strategic Report

Amanat's investment strategy is built around capturing market opportunities and creating long-term, sustainable shareholder value within the GCC's healthcare and education sectors.

Our Business Model: Building Platforms

Amanat's investment strategy centers on seizing market opportunities and fostering sustainable shareholder value in the education and healthcare sectors within the GCC. To achieve this goal, Amanat employs a platform-building approach to unlock synergies between portfolio companies, offering a diverse range of organic and inorganic growth opportunities. Central to the Company's business model is the acquisition of high-potential businesses with successful track records in their respective markets. These businesses, when combined with Amanat's existing investments and expertise, lay the foundation for larger-scale platforms. Amanat's comprehensive and hands-on investment management approach plays a crucial role in systematically transforming these platforms into market-leading operations. This strategy positions Amanat to capitalize fully on the region's promising growth prospects while creating lasting positive impacts in the communities it serves.

Resilient Sectors

Investments focus on resilient sectors with appealing opportunities, underpinned by favorable demographic trends

Growth Prospects

Pursuit and implementation of strategic growth initiatives across a portfolio of market-leading assets

Visibility Advantage

Capitalizing on unparalleled insight into the deal-sourcing pipeline and available exit opportunities

An Attractive Investment Proposition

Amanat is strategically positioned to unlock potential in the healthcare and education sectors of the MENA region, ensuring the provision of sustainable value for shareholders over the long term.

Financial Strength

Leveraging a robust balance sheet and access to competitive debt financing for effective capital utilization

Shareholder Returns

Commitment to delivering compelling shareholder returns through dividends and capital gains

Exceptional Team

A prominent Board of Directors and management team equipped with extensive regional and international expertise

Target Operating Model

Amanat's targeted model revolves around constructing platforms to seize both organic and inorganic growth opportunities in existing and emerging markets. The emphasis on developing extensive, synergistic platforms not only serves as a robust foundation for new acquisitions but also facilitates the creation of larger and more appealing companies. This strategy allows Amanat to monetize effectively while generating additional value through economies of scale and synergy extraction. Moreover, Amanat's platform model facilitates the expansion of AUM, capital raising, and the optimization of head office costs.

The Company's aspirations for platform-building extend beyond short-term growth and shareholder value, emphasizing a commitment to fostering long-term positive impacts on the broader community. As a strategic investor in leading healthcare and education providers in the region, Amanat positively influences thousands of lives every year. Its platform-building approach provides the Company with the scale and influence to shape and propel the development of targeted sectors, particularly focusing on higher education, post-acute care ("PAC"), and special education and care.

To effectively drive long-term value creation and realize Amanat's investment vision, management aims for majority or influential stakes, providing the Company with leverage to implement turnaround and growth strategies. In 2023, the Company completed the strategic merger of CMRC and Sukoon, previously announced in late 2022, to control an 85.1% stake in the newly formed entity, in addition to the existing 69.5% stake in Al Malaki Specialist Hospital. In the education platform, Amanat has a 60% stake in Human Development Company ("HDC") and a 100% stake in Middlesex University Dubai ("MDX").

Our Business Model: Building Platforms

A Portfolio of Market Leading Companies

A well-established portfolio comprising market-leading healthcare and education investments located in the UAE, KSA, and Bahrain. These investments not only generate consistent cash flows but also boast substantial growth potential.

Strategy development
Capital structure optimization
Governance enhancement

Amanat

Deal sourcing
Capital growth / realization
Shareholder returns

Own majority or significant minority stakes with the ability to define strategy

Healthcare Platform
AUM AED 1.3 BN

5 Hospitals | 3 Investments | 462 Beds

Post-Acute and Long-Term Care

Cambridge Medical and Rehabilitation Center
85.1% Holding

Specialized Acute Care

Al Malaki Specialist Hospital
69.5% Holding

Real Estate

Cambridge Medical and Rehabilitation Center – Abu Dhabi
100% Holding

Education Platform
AUM AED 1.5 BN

c. 14.6K Students | c. 5K Beneficiaries | 5 Investments
3 Universities | 9 Schools | 28 Day-care & Rehab Centers

Higher Education and Vocational

Middlesex University Dubai
100% Holding

NEMA Holding
35% Holding

Special Education & Care

Human Development Company
60% Holding

Venture Capital

BEGiN
c. 1% Holding

Real Estate

North London Collegiate School – Dubai
100% Holding

Value Creation Levers

- Optimization and Synergies
- Consolidation
- M&A and Bolt-on Acquisitions
- Asset Contribution Transactions
- Enhanced Exit Opportunities
- Flexible Exit Options (Entity/Platform Level)

Strategic Benefits to Building Platforms

Platform building has been a fundamental element contributing to Amanat's success. The platforms crafted by the Company constitute multi-investment ecosystems, which benefit from capital injections, shared operational partners, and potential future acquisitions. This approach grants a high level of operational flexibility to each asset, offering multiple pathways to enhance yields, improve margins, and achieve a long-term increase in return on investment. Furthermore, the development of scalable platforms equips smaller entities, which might typically struggle in challenging macroeconomic conditions, with the resilience and resources necessary to navigate short-term difficulties and realize their long-term potential.

Diversification

Ensures greater exposure to different business models, beneficiary bases, and regulatory environments, as well as varying stages of maturity and growth profiles.

Control and Optimization

Allows platform companies to drive strategy and operations through strong, specialized management teams, while optimizing operations and facilitating cross-asset partnerships.

Synergy Extraction

Leverages high-potential businesses with successful track records in their markets to create larger-scale platforms.

Multiple Arbitrage

Large-scale and well-managed integrated platforms lead to higher valuations than standalone assets.

Opportunistic Restructuring

Provides Amanat with flexible solutions for capital raising, while allowing it to effectively partner with minority investors in its platforms and expand AUMs.

M&A Firepower

Larger scale provides ample financing capacity to capture M&A opportunities.

Monetization Options

Larger scale, improved business profiles, strong management teams, and leading market positions enable assets to generate additional traction at liquidity events, such as IPOs, and attract additional investments from premier institutional players.

Evaluation Criteria

Amanat's ability to consistently expand and create value for its shareholders hinges on its adept identification of suitable businesses for investment. Amanat seeks investment opportunities in companies characterized by a robust track record, an established market presence, and promising future potential. These targeted acquisitions possess strong fundamentals and promising growth prospects, enabling them to swiftly capture market share and transform into leading operations within Amanat's portfolio. In the quest for potential investment prospects, the Company employs a set of criteria to assess the strengths of a target business and evaluate potential synergies between the new asset and the existing portfolio.

Core Markets

Amanat invests exclusively in healthcare and education companies due to their essential role for society and their non-cyclical, resilient nature. Although the Company's current investments are primarily in the GCC, Amanat remains vigilant for potential opportunities to expand into the broader MENA region, targeting countries that share similar trends and growth profiles with its existing markets.

Business Fundamentals

Prospective investments must demonstrate robust and sustainable strategic and commercial positions, sound financial health, and tangible return potential. A crucial criterion is the presence of an experienced and capable management team, ensuring the necessary guidance and supervision required for driving long-term growth and value creation in alignment with Amanat's strategic objectives.

Value-Creation Profile

Amanat's value-creation profile assesses the growth prospect of potential investments, considering both organic and inorganic growth prospects. To secure a central role in shaping the vision and strategic direction of a potential acquisition, the Company aims to acquire majority or influential stakes, accompanied by Board representation and adequate voting rights. Consistent with the Company's vision, Amanat also possesses the ability to establish best-in-class governance frameworks within its investments, ensuring adherence to responsible business practices and the long-term, sustainable creation of value for its shareholders.

Creating Value

As an active investor, Amanat collaborates closely with the management teams of its portfolio companies, actively contributing to the realization of their growth and value creation strategies. The overarching objective is to cultivate its assets into market-leading operations. Amanat employs a comprehensive, three-tiered value creation strategy, encompassing corporate strategy, corporate finance, and corporate governance, to transform and enhance its investments.

Amanat's Value Added

Corporate Strategy

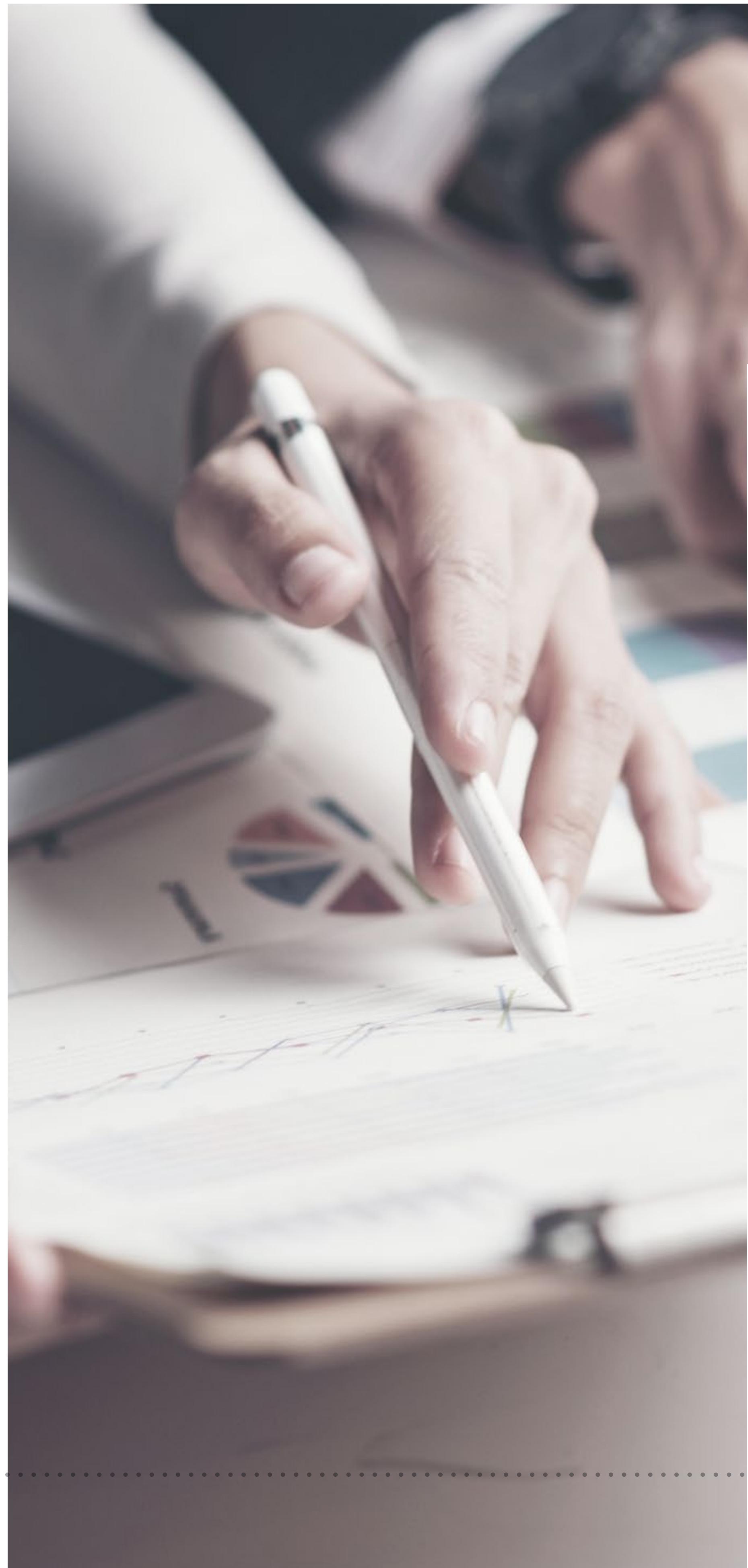
Amanat collaborates with the management teams across its investments to formulate and execute both organic and inorganic growth strategies. Simultaneously, the Company focuses on optimizing operations, enhancing efficiencies, and leveraging cross-asset integration whenever feasible. A notable example of Amanat's hands-on, platform-building approach is exemplified by the recent merger of CMRC with Sukoon. This strategic merger united the two entities to create the largest pan-GCC post-acute care platform in the region, with an ambitious plan to operate approximately 1,000 beds by 2027.

Corporate Finance

On the corporate finance front, the Company primarily focuses on crafting effective financial strategies, which involve optimizing the capital structure and providing support for funding requirements. In 2023, Amanat supported various portfolio companies by evaluating capital structures and funding options for growth plans at CMRC, by improving working capital cycles at MSH, through cash management initiatives to reduce expenses and optimize capital structure for growth at NEMA, by optimizing capital structure for growth at MDX, and by enhancing financial reporting systems and determining optimal capital structures for growth and shareholder returns at HDC.

Corporate Governance

Amanat recognizes the importance of robust corporate governance frameworks in supporting the long-term growth aspirations of a business. Consequently, the Company collaborates closely with its investments to establish and implement best-in-class decision-making frameworks, along with effective governance processes and policies across its portfolio companies. A notable illustration of Amanat's success in this regard is evident in its ongoing partnerships with MDX and NEMA. In the case of MDX, the Company has concentrated on evaluating the university's structural design and enhancing internal systems through the implementation of technology and automation. At NEMA, following the successful implementation of a revised legal structure for the group, Amanat has progressed to optimizing the organizational structure and human capital of the university's operations.



Sustainable Growth

Amanat is the only MENA-listed company focused solely on healthcare and education investments. This strategic positioning enables the Company to generate long-term value, free from the constraints of mandated timeframes and exits. The establishment of platforms fostering sustainable growth brings substantial benefits to all stakeholders. From the perspective of broader communities, increased access to high-quality education and healthcare services positively influences their quality of life in both the short and long terms. Simultaneously, such access provides Amanat with capital that contributes to its growth cycle, offering ample time for the implementation of effective turnaround and growth strategies across its diverse assets.

While maintaining a balanced focus on both healthcare and education, the Company actively explores new avenues for growth within these sectors. In the healthcare sector, Amanat increasingly considers innovative potential investments, encompassing patient-centric models covering the entire patient journey, including primary and secondary care, home diagnostics, pharmaceutical solutions, and disease monitoring. Unlike standalone hospital operators, Amanat's healthcare portfolio provides investors exposure to the region's largest post-acute care platform and a comprehensive healthcare facility in Bahrain.

In the education sector, the Company seeks to embrace innovative models and solutions that tailor the students' experience based on ability rather than age. The portfolio encompasses a leading educational group spanning higher education, vocational and corporate training, as well as a provider of top-quality UK degrees in Dubai. With the accelerated shift toward online learning, Amanat increasingly targets digital solutions to enhance accessibility and customize the learning experience. Notably, addressing the widening supply gap for special education and care services in the region, Amanat recently entered this appealing new subsegment with a strategic acquisition that integrates education and healthcare under the same umbrella.

While Amanat remains steadfast in building long-term sustainable value across both platforms, it concurrently maintains an unwavering commitment to delivering robust, above-market returns to shareholders in the near term. To fulfill its obligations to shareholders, the Company will build upon the significant progress achieved in 2023, optimizing its portfolio and driving new growth across existing assets while investing in new, high-yielding solutions characterized by solid short-term and long-term value-generating potential.

Our Strategy

Amanat adheres to a well-defined strategy focused on acquiring and growing high-potential businesses with capable management teams and strong income generation capabilities. Amanat brings deep strategic and operational expertise and employs a hands-on management approach with its portfolio companies to transform them into market leaders and develop monetizable platforms. Ultimately, Amanat invests in and grows market-leading companies in attractive sectors with strong structural growth trends and explores opportunities for value creation and monetization.

Established Strategy Delivering Results

1

Identify & Invest

Identify cash flow generating assets in healthcare and education that have significant growth opportunities and high-quality management teams

2

Grow

Establish platforms by developing and executing strategic growth opportunities, to scale business, enhance income generation and maximize value creation

3

Monetize

Actively explore platform monetization opportunities to unlock value for shareholders

Identify & Invest

When evaluating potential investment opportunities in the healthcare and education sectors, Amanat employs a defined set of criteria to identify robust businesses with a well-established presence in their respective markets with substantial future growth potential. Amanat's five primary criteria include:

1. Clear value proposition
2. Established capabilities
3. Unified management team
4. Visible market opportunity
5. Income generation

In addition to these criteria, Amanat's investment team actively seeks businesses that can complement the Company's existing investments. This approach enables Amanat to build its platforms, extract synergies, and generate sustainable value for its shareholders. Amanat generally targets majority or influential stakes in its investments, providing the Company with the leverage needed to successfully implement turnaround and growth strategies.

Grow

Amanat takes pride in its hands-on approach, actively collaborating with the management teams of its portfolio companies to scale their business through expansion and the enhancement of their service offerings. The Company's commitment to adding value spans three primary areas: corporate strategy, corporate governance, and corporate finance. This proven approach has resulted in the successful development of several investments into market-leading operations capable of delivering long-term positive impacts to the broader community and attractive returns for Amanat upon divestment.

In 2023, Amanat achieved significant milestones, including the successful completion of the merger between Cambridge Medical and Rehabilitation Center and Sukoon, resulting in the creation of the largest post-acute care platform in the GCC. Additionally, Amanat extended Human Development Company's network of daycares, schools, and clinics further solidifying its presence and impact. Moreover, the Company continued to strategize Middlesex University's market entry across the GCC, paving the way for enhanced educational opportunities in the region.

A fundamental element of Amanat's strategy involves creating synergies within its portfolio companies in the healthcare and education sectors. This strategic integration aims to capture economies of scale, enhance cross-selling capabilities between assets, and introduce shared services models across multiple investments. The increased synergies across Amanat's investments contribute to a continual improvement in the breadth and quality of their respective service offerings, ultimately generating enhanced value for the broader community.

Monetize

A pivotal element of Amanat's strategy to enhance shareholder value is the process of monetization. Since 2015, the Company has successfully executed three exits at attractive multiples. This success is directly attributed to Amanat's demonstrated proficiency in collaborating with its platform companies, driving growth in revenues and profitability, and aiding them in reaching their full potential. Across both the education and healthcare platforms, Amanat's management and investment teams persistently explore potential exit opportunities.

Amanat in 2024

Carrying over the momentum from 2023, Amanat's priorities for 2024 remain clear and unchanged as it delivers on its commitments to its portfolio companies, investors, and the communities it operates in. Amanat's primary focus areas in 2024 are:

Continue to Deliver Growth

Work hands-on with the management teams of Amanat's portfolio companies to broaden their service offerings and enhance value propositions

Evaluate potential acquisition opportunities for portfolio companies to drive growth and expand capacities

Provide support to portfolio companies in the execution of long-term growth and value creation plans

Establish Synergies

Assess and execute on additional opportunities to unlock synergies

Invest in High-Yielding Assets

Direct deployment toward assets with high, stable, and sustainable return on equity (ROE) and dividend yields

Explore expansion and M&A opportunities across the GCC, with a focus on the K-12 education market

Invest in opportunities that capitalize on current market and demand dynamics

Asset Monetization

Prepare assets for potential monetization events

Assess and execute possible monetization opportunities as they arise

Chief Executive Officer's Report

As we step into a new year and phase for Amanat, we are equipped to navigate the evolving landscape with resilience and purpose, contributing to the advancement of the sectors we operate in and the communities we serve.

2023 was a year that marked significant milestones and achievements for Amanat, demonstrating our commitment to excellence, sustainable growth, and value creation. Building on our strength and successes of the past, this year has been another remarkable chapter in Amanat's journey as we continue to drive growth across our portfolio. Our accomplishments highlight the effectiveness of our corporate strategy, which sets out to generate robust returns for our shareholders, adds value to our portfolio companies, and creates a long-term positive impact within our communities.

Our portfolio experienced strong growth in 2023, delivering a 40% year-on-year increase in consolidated revenue to record AED 718 million for the year, driven by stellar performance in our education platform. Solid revenue growth translated into a 46% year-on-year increase in EBITDA to AED 274 million and a 34% year-on-year expansion in adjusted net profit, which reached AED 154 million. This growth was achieved through the execution of our value creation strategy, operational efficiency, and a deep understanding of the evolving needs within the healthcare and education sectors.

Furthermore, the record results achieved in 2023 reflect the inherent strength of our platforms and the prospects they hold for future growth and monetization.

Our two market-leading platforms have strong fundamentals, presenting opportunities to unlock significant value through monetization events. Our education platform thrived in 2023 with AED 338 million in total revenue, up 89% year-on-year, on the back of significant enrollment growth at Middlesex University Dubai ("MDX") and the successful integration of Human Development Company ("HDC"). The healthcare platform achieved AED 380 million in revenue in 2023, up 14% from 2022. We expect the platform's performance to strengthen further as additional capacity comes online in Saudi Arabia and we ramp up operations. In the UAE, we are pursuing revenue diversification opportunities to create new growth avenues.

We take pride in our hands-on management approach to realize the full potential of our portfolio companies and positively impact the communities we serve. In this regard, the completion of the merger of CMRC and Sukoon, which created the GCC's largest post-acute care ("PAC") platform, positions Amanat to capture the growing demand for specialized care and address the region's significant PAC bed supply gap. Additionally, our strategic focus on growing MDX's offering and reach has strengthened our position in the education sector and cemented MDX's position as the number one university by enrollments in Dubai. At HDC, our capacity expansions align with our mission of providing necessary special education and care services across the region. By aligning our objectives with the well-being of society, we are able to create value that extends beyond financial success.

Outlook

As we set our sights on 2024, Amanat is well-positioned for continued success with a clear strategic direction enabling it to navigate potential challenges and maximize value creation opportunities. Our attention is specifically directed toward expanding the monetization potential of our market-leading platforms and identifying opportunities where our expertise can deliver enduring value.

On the healthcare front, our priority for 2024 is driving our PAC platform toward realizing its post-merger growth plans as we deliver on our capacity expansion targets to respond to the growing demand for PAC services. Our healthcare platform is ideally positioned to help bridge the PAC bed supply gap, which is expected to reach 17,000 beds in KSA alone by 2025. Furthermore, we are diversifying our revenue streams and introducing new complementary services to strengthen our market position.

Significant growth is forecasted for the GCC education market, with 1.1 million additional enrollments expected through 2027, supported by population growth and the government's investment in the sector. At our education platform, we will continue building on our existing investments. This will see platform companies pushing ahead with ambitious capacity growth plans, expanding service offerings and exploring entry into new markets in the GCC. Furthermore, Amanat will continue exploring acquisition opportunities across the region, with a particular focus on establishing a strong foothold in the K-12 education sector.

At a corporate level, Amanat is unwavering in its commitment to driving efficiency. We continue to implement cost control initiatives, internalizing most of our transactional requirements, and streamlining our internal processes to ensure that our operations are agile and responsive. As always, our team is dedicated to supporting our portfolio companies, ensuring the delivery of long-term growth through expansion and monetization.

2023 proved our Company is on the right path with a resolute strategy, a clear vision, strong foundations, and outstanding growth potential. As we step into a new year and phase for Amanat, we are equipped to navigate the evolving landscape with resilience and purpose, contributing to the advancement of the sectors we operate in and the communities we serve.

John Ireland
Chief Executive Officer

Financial Highlights

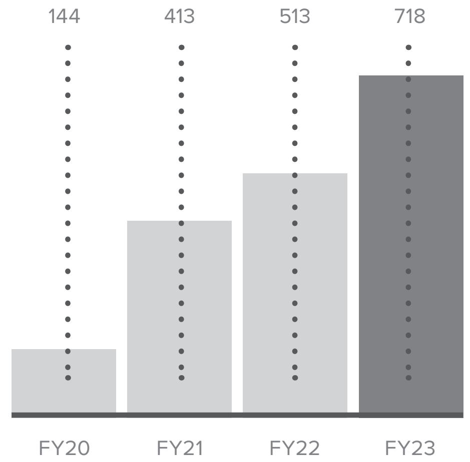
2023 was a stellar year for Amanat, with the Company delivering robust financial results supported by strong operational performances across the healthcare and education platforms. The outcomes achieved during the year reflect the effectiveness of our value-creation strategy as Amanat increasingly focuses on growth and monetization opportunities.

Consolidated Performance

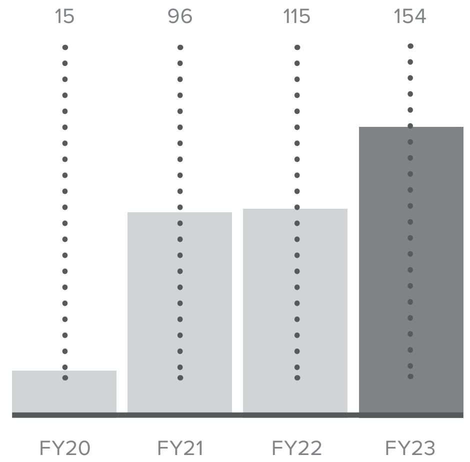
In 2023, consolidated revenue reached AED 718 million, growing by 40% year-on-year from the AED 513 million recorded in the previous year. Revenue was predominantly driven by almost two-fold growth at the education platform, supported by higher enrollments at Middlesex University Dubai ("MDX") and the acquisition of Human Development Company ("HDC"), a special education and care needs business. Growth was further supported by the healthcare platform through the consolidation of Sukoon and the continued expansion of long-term care offering in KSA.

The Company adjusted net profit reached AED 154 million, marking a 34% increase from the AED 115 million recorded in 2022. This growth was attributed to a 47% year-on-year rise in the education platform's profit to AED 165 million, which offset the 16% year-on-year decline in healthcare profit. Adjusted net profit attributable to equity shareholders increased 14% year-on-year to AED 134 million versus AED 117 million in 2022.

Group Revenue (AED MN)



Group Adjusted Net Profit (AED MN)

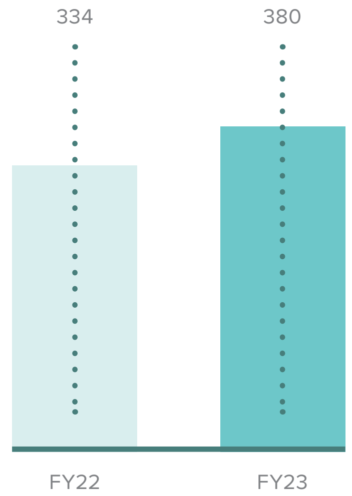


Healthcare Platform Performance

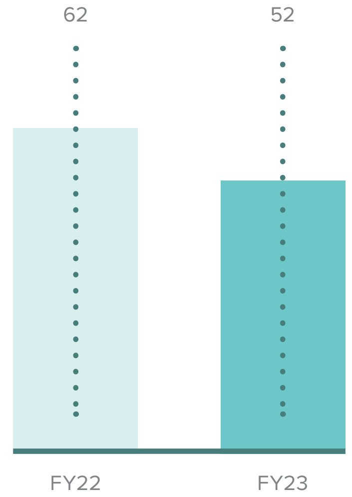
The healthcare platform delivered a 14% year-on-year increase in revenue to AED 380 million. This growth was primarily fueled by an expanding contribution from the KSA market and the merger of CMRC and Sukoon. Despite facing headwinds in the UAE, the platform managed to maintain stable EBITDA, recording AED 96 million, in line with figures from the previous year, and the net profit witnessed a 16% year-on-year decline, amounting to AED 52 million (excluding finance cost associated with acquisition finance, debt and shareholders funding, transactions cost, and any impairment). The growth in KSA operations played a pivotal role in offsetting challenges encountered in the UAE market.

To navigate through challenges and maintain profitability amid the cessation of the ABM program in the UAE, CMRC implemented robust cost containment measures. Despite these efforts, net profit witnessed a 13% year-on-year decline, amounting to AED 69 million (excluding finance cost associated with acquisition finance). This decline in profitability is attributed to several factors, including one-time costs incurred in the UAE, higher expansion-related depreciation, IFRS-16 related expenses in both the UAE and KSA, and one-time gains recognized in the prior year.

Healthcare Platform Revenue (AED MN)



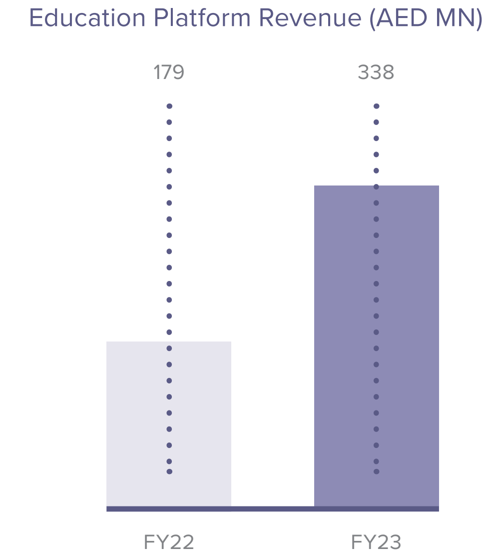
Healthcare Platform Profit[1] (AED MN)

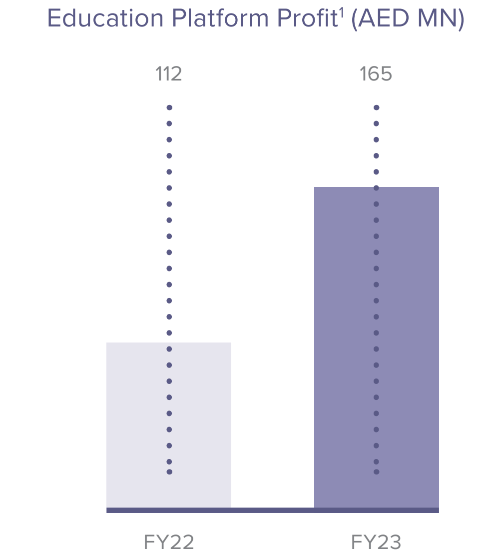


[1] Excluding finance cost associated with acquisition finance, debt and shareholders funding, transactions cost, and any impairment

In Bahrain, Al Malaki Specialist Hospital witnessed a 6% increase in revenue, reaching AED 38 million, driven by the successful ramp-up of the IVF business and specialties in obstetrics and gynecology (OBGYN). However, profitability at Al Malaki Specialist Hospital was impacted by ramp-up losses associated with the introduction of new disciplines and the recruitment of additional doctors.

In line with strategic expansion initiatives, the Company announced plans to capitalize on the burgeoning demand for post-acute care services across the GCC, particularly in KSA. This included a 150-bed expansion underway in Al Khobar, KSA, with construction ongoing and first revenues expected in 1Q 2025, as well as a 200-bed capacity scheduled to be online in Jeddah by 4Q 2024 and the completion of the Al Ain expansion during 2023 resulting in an additional 13 beds. Looking ahead, an additional 195 beds are slated to come online by 2026, bringing the total bed count to 657. Moreover, the Company solidified its position through a strategic partnership, securing a significant collaboration with the Zayed Health Organization in the UAE. Under this partnership, the Company operates 80 beds under a public-private partnership (PPP) model.





[1] *Excluding finance costs associated with debt at HDC, transaction costs and one-off non-recurring items*

Education Platform Performance

The education platform delivered exceptional financial performance in 2023, marked by an 89% year-on-year surge in revenue, reaching AED 338 million. This substantial growth was primarily driven by the full-year contribution from the acquisition of HDC and significant enrollment expansion at MDX. Revenue growth supported profitability, with EBITDA increasing 53% year-on-year to AED 201 million and profit growing 47% year-on-year to AED 165 million.

In 2023, MDX revenue grew to AED 176 million, marking a substantial 19% increase compared to the AED 148 million reported in the prior year. This growth was propelled by an 18% rise in student enrollment, which reached approximately 4,900 students. Furthermore, MDX introduced new programs in line with market needs and enhanced the scope and effectiveness of its international recruitment campaigns, leading to higher student intake. Revenue growth at MDX, combined with stringent cost management practices and favorable operating leverage, played a pivotal role in bolstering the university's financial results and supporting the overall financial performance of the education platform.

HDC exhibited robust financial performance during the year, which directly correlated with its operational achievements. Despite the challenging economic landscape, HDC recorded AED 162 million in revenue and AED 61 million in profit (excluding debt finance cost) for the year. The impressive growth was underpinned by HDC's strategic expansion initiatives, such as the successful launch of new day-care centers, bringing the total number of day-care facilities to 28. Furthermore, heightened enrollment at both day-care centers and schools led to a 19% year-on-year growth in beneficiaries to approximately 5,000 individuals.

At NEMA, revenue grew 7% year-on-year to AED 514 million, mainly driven by the merger of LCT and KIC as well as a substantial 11% year-on-year growth in core higher education enrollment to approximately 9,700 students. Throughout the year, NEMA introduced new programs and courses tailored to market needs, strengthened its student acquisition function, and continued to focus on academic excellence and international recognition. Furthermore, NEMA's prudent cost management practices supported profitability.

In the coming year, we will continue working collaboratively with portfolio companies as we pursue strategic initiatives aimed at driving growth and expanding our footprint across the GCC region. With a keen focus on the K-12 education sector, we will diligently explore expansion opportunities and potential mergers and acquisitions to strengthen our presence and offerings in this key segment. Additionally, we will actively pursue opportunities for vocational and corporate training expansion across the GCC, aligning with market demands and evolving workforce needs. At NEMA and MDX, our commitment to international recruitment will remain steadfast as we seek to attract top talent and enhance diversity within our student body. Furthermore, HDC will continue its trajectory of expansion, with several ongoing projects aimed at adding day-care centers and schools in KSA, while also building additional capacity to support future growth initiatives. Through these strategic priorities, we aim to position our education platform for sustained financial and operational success, while positively contributing to the region's educational landscape.

Balance Sheet

Consolidated equity stood at AED 2.8 billion as at 31 December 2023, compared with AED 2.7 billion at 31 December 2022, with an implied book value per share of AED 1.05. AUM stood at AED 2.8 billion with a 55% and 45% split between education and healthcare, respectively. Amanat's cash balance at year-end was AED 582 million with additional leverage potential.

Our Platforms

Amanat's portfolio spans across the region's healthcare and education sectors, offering unique and diversified exposure into these fast-growing and resilient sectors.

Our Platforms

Our Platforms

Amanat's portfolio extends across the healthcare and education sectors in the region, providing unique and diversified exposure to these rapidly expanding and resilient industries. With market-leading positions, Amanat's investments have significant potential for both organic and inorganic growth, positioning them ideally to meet the growing demand for high-quality services in healthcare and education within the GCC region. Furthermore, Amanat's investments are actively contributing to the long-term value and well-being of the communities they serve, aligning with the Company's overarching mission.

Amanat healthcare Healthcare Investments

Cambridge Medical and Rehabilitation Center

The largest post-acute care ("PAC") platform in the region, operating in the UAE and KSA

Specialization:

Post-Acute Care, Long-Term Care, Inpatient and Outpatient Rehabilitation

Al Malaki Specialist Hospital

An end-to-end holistic quality care facility, including obstetrics and gynecology, orthopedics, internal medicine, ENT, gastroenterology, dermatology and cosmetology, physiotherapy, dentistry, and pediatric services.

Specialization:

Specialized Acute Care

Real Estate of Cambridge Medical and Rehabilitation Center's Abu Dhabi Facility

Two three-level building blocks housing 106 inpatient beds and world-class rehabilitation facilities, including 14 outpatient rooms, three gyms, a hydrotherapy pool, and a series of other amenities.

Specialization:

Post-Acute Care, Long-Term Care, Rehabilitation (Real Estate)

Amanat education Education Investments

Middlesex University Dubai

The largest private university in Dubai and the first overseas campus of Middlesex University in London, a provider of top-quality UK degrees.

Specialization:

Undergraduate and Postgraduate

Human Development Company

A leading provider of special care and education services with a network of 28 day-care centers, nine schools, and specialized rehabilitation medical clinics.

Specialization:

Special Care and Education Services

NEMA Holding

The largest private higher educational group in Abu Dhabi, spanning the higher education, vocational, and corporate training sectors.

Specialization:

Undergraduate, Postgraduate, Corporate Training, and Vocational Training

Real Estate of North London Collegiate School Dubai

Real estate assets of the Dubai campus of a premium K-12 school built and managed in partnership with NLCS London, one of the top schools in the UK.

Specialization:

K-12 (Real Estate)

BEGiN

US-based, award-winning, early education company, offering a portfolio of hands-on and digital products that include activity kits from Little Passports, learning apps from HOMER, codeSpark, Learn with Sesame Street, and one-on-one instruction from KidPass Tutors.

Specialization:

Early Learning Education Technology (Venture Capital)

Head of Investments Report

> *Our investments in healthcare and education have been carefully chosen to create value not only for our shareholders but also for the communities we serve.*

As we reflect on the accomplishments of 2023 and set our sights on a promising 2024, it is with great pride that I present an overview of Amanat's dynamic investment portfolio. We have made strides in advancing our vision of developing an established, market-leading platform in each of our two focus sectors, healthcare and education. Both our platforms are well-positioned to capitalize on structural growth opportunities within these defensive sectors in the UAE, Saudi Arabia, and Bahrain.

In the healthcare sector, our platform has taken shape after we merged two of our investment companies to create the region's largest post-acute care ("PAC") provider with operations across the UAE and KSA. Our platform is further bolstered by our ownership of the real estate assets of Cambridge Medical and Rehabilitation Center's Abu Dhabi facility, which not only diversifies our sector exposure but also yields attractive returns and ensures long-term recurring income.

Amanat's healthcare investments have been strategically positioned to address the evolving needs of the communities we serve by providing accessible and high-quality care in segments that were traditionally underserved. Our PAC platform, which comprises Cambridge Medical and Rehabilitation Center ("CMRC") and Sukoon International Holding Company ("Sukoon"), is now the largest PAC provider in the region. The successful merger of these two entities, which provides us a controlling stake in the merged company, demonstrates our commitment to active portfolio management. The merger allows us to achieve scale, which will accelerate our ability to expand further in both the UAE and Saudi Arabia while extracting cost and revenue synergies. We believe that this combination will ultimately lead to earnings growth that should drive attractive shareholder returns. Saudi Arabia offers a particularly compelling growth opportunity for the PAC sector, given a sizable supply gap in dedicated PAC beds in the Kingdom. This offers an opportunity for experienced private PAC providers to play an increasingly important role in relieving the strain on the public sector and traditional healthcare facilities.

2023 was a transformative year for our PAC platform as we consolidated our investments and put in place a clear growth plan. Our PAC platform has a capacity of over 400 beds with an additional c. 200 beds currently in progress and a target to reach a capacity of 1,000 beds by 2027. This is made possible by our hands-on value creation approach. An example of an initiative we executed in 2023 to aid us in reaching our target is the strategic partnership we formalized with Saudi Arabia's Mada International Holding. Together, we are participating in a 900-bed public-private partnership (PPP) post-acute care tender, which aligns with the goals of Saudi Arabia's Vision 2030 and our aspiration to expand further in the Kingdom.

Our education platform had robust growth in 2023 led by growth across higher education and the special education and care subsectors. We believe that education is the cornerstone of societal progress, and our portfolio reflects this conviction. By investing in world-class educational entities, we are laying the foundation for a knowledge-driven society.

Our education investments are designed to empower individuals with the skills and knowledge needed to succeed in an ever-changing world while catering to different subsectors and needs. The Human Development Company ("HDC") stands out as the leading provider of special education and care services in KSA, serving over 5,000 beneficiaries and playing a pivotal role in advancing this crucial and underserved subsector. Simultaneously, our investments in NEMA Holding ("NEMA"), the largest private higher education player in Abu Dhabi, and Middlesex University Dubai ("MDX"), the largest private university in Dubai, position us well to meet the growing demand for high-quality private higher education in the UAE, spanning undergraduate, postgraduate, and vocational levels.

In 2023, our education platform delivered continued growth, with portfolio companies achieving robust operational milestones, executing on their respective strategies, and expanding their reach. We saw record enrollments at MDX, launched the MDX Centre for Continuing Education, and expanded our footprint at Knowledge Park to accommodate enrollment growth. Similarly, at NEMA, following the merger of Liwa and KIC, the newly formed Liwa College is seeing a notable increase in student enrollment. Lastly, we are excited by the potential HDC holds in addressing the significant challenge of empowering, educating, and rehabilitating people of special needs across the GCC. In 2023 we expanded HDC's footprint by adding six new day-care centers to its ever-growing network, which currently stands at 28 day-care and rehab centers and nine schools.

At the heart of our investment philosophy is our commitment to impact investing. Amanat's strategy focuses on driving financial returns to our shareholders while aiming to make a positive and lasting impact on society. Our investments in healthcare and education have been carefully chosen to create value not only for our shareholders but also for the communities we serve. The platforms we support are built with a focus on sustainability, inclusivity, and social responsibility.

Looking ahead, Amanat is poised to play a key position in shaping the future of healthcare and education in the region. We remain focused on enhancing the performance of our platforms by working closely with their management teams, implementing growth strategies, and identifying operational synergies to drive value creation. Furthermore, we are committed to exploring the market for attractive investment opportunities in the healthcare and education sectors that are aligned with our vision. As we enter a new year, we are confident that Amanat's integrated investment strategy positions us at the forefront of key sectors, contributing not only to financial success but also to the positive transformation in our communities.

Fadi Habib
Head of Investments

Healthcare Investments

Healthcare Investments

Cambridge Medical & Rehabilitation Center (“CMRC”)

After the merger of CMRC and Sukoon

85.1%
Amanat’s Stake

Date of Acquisition

February 2021 – Merged with Sukoon in April 2023

Specialization

Post-Acute Care, Long-Term Care, Inpatient and Outpatient Rehabilitation

4
Hospitals

430
Operational Beds

AED 1 BN[1]
Amanat’s Investment

[1] *Total investment of CMRC AED 873 MN and Sukoon AED 161 MN together.*

CMRC is a provider of specialized inpatient and outpatient rehabilitation and long-term care, with facilities in Abu Dhabi and Al Ain in the UAE, as well as Dhahran and Jeddah in Saudi Arabia, encompassing a total of 430 beds. CMRC provides multidisciplinary and intensive rehabilitation catering to individuals living with a spectrum of medical conditions, including strokes, brain or spinal cord injuries, and congenital conditions such cerebral palsy. At the core of CMRC’s mission is operational and medical excellence, a commitment reflected in its accreditation by the Joint Commission International (JCI), the pre-eminent body for healthcare quality and safety in the world, and Commission on Accreditation of Rehabilitation Facilities (CARF), the gold standard for rehabilitation service providers. CMRC completed its merger with Amanat’s portfolio company, Sukoon, in April 2023 to create the largest pan-GCC post-acute care provider.

Investment Thesis

CMRC operates within a healthcare subsector poised for substantial growth in the coming decades, driven by factors that include increasing life expectancy, an aging population, and the escalating prevalence of lifestyle-related and chronic diseases. Anticipated demand for post-acute services in the UAE is projected to reach 2,000 beds by 2025, reflecting an annual growth rate of 4%. In the KSA, the gap in PAC beds is even more pronounced, estimated to reach 15,000 beds by 2025. This presents significant growth prospects for CMRC, which is well-positioned to seize these opportunities due to its top-notch facilities, established clinical quality, and proficient management team. Furthermore, CMRC's internationally accredited facilities play a pivotal role in attracting both local and international patients, aligning with the company's strategic focus and contributing to the broader UAE medical tourism initiative. The recent merger with Sukoon will enhance operational efficiency and elevate the quality of care provided by the newly formed entity.

Financial Review

In 2023, CMRC's revenue increased 15% year-on-year to AED 342 million, driven by growth in KSA from the Dhahran ramp-up and the positive contribution from Sukoon following the merger. EBITDA remained stable year-on-year at AED 103 million, with a margin of 30% in 2023 compared to 34% in 2022. Profitability was impacted by several factors, including one-time costs incurred in the UAE, higher depreciation associated with expansion efforts, IFRS-16 related costs in the UAE and KSA, and one-time gains recognized in the prior year.

Operational Review

The integration of CMRC and Sukoon is progressing, yielding not only revenue but also operational synergies that position the combined entity for enhanced efficiency. A significant development is the appointment of a new leadership team, featuring Dr. Howard Podolsky as Group Chief Executive Officer and Amer Jeambey as Group Chief Finance and Investment Officer, bringing valuable expertise to steer the organization forward. The successful completion of the Dhahran ramp-up, achieving an impressive c.85% average census, marks a milestone in the Company's expansion efforts. In parallel, a 150-bed expansion in Al Khobar, KSA, is underway, with the first phase scheduled to go online in early 2025. Further expansion is planned in Jeddah, where 200 beds are set to be operational by Q4 2024.

Outlook

Amanat is collaborating closely with the new management team to develop a comprehensive strategy focused on enhancing all three key areas of corporate strategy, corporate finance, and corporate governance. The strategic initiative of rebranding the overall group is underway, reflecting a cohesive identity that aligns with the evolving vision of the organization. Additionally, in the UAE, efforts are underway to diversify revenue streams, with plans for potential synergistic acquisitions across complementary service lines. These collective efforts underscore CMRC's commitment to robust growth, operational excellence, and strategic positioning in the evolving healthcare landscape.

Healthcare Investments (Cont'd)

Al Malaki Specialist Hospital ("MSH")

69.5%
Amanat's Stake

Date of Acquisition
August 2018

Specialization
Specialized Acute Care

1
Hospital

32
Operational Beds

AED 166 MN
Amanat's Investment

Al Malaki Specialist Hospital ("MSH") is a distinguished multi-specialty hospital in the Kingdom of Bahrain. Offering comprehensive and holistic care, the facility covers a spectrum of medical services, including ENT, obstetrics and gynecology, dermatology and cosmetology, physiotherapy, dentistry, gastroenterology, orthopedics, internal medicine, and pediatrics. Commencing its operations in March 2019 with an initial focus on maternity and pediatric care, MSH expanded its services in 2022 to cater to the entire family.

Investment Thesis

MSH provides comprehensive, high-quality holistic quality care services, which positions the multi-specialty healthcare provider strategically within Bahrain's healthcare sector. Its competitive edge is grounded in various factors that distinguish the facility from its counterparts, providing a robust foundation for future development. Firstly, the Hospital leverages the increasing demand for healthcare services that are currently in short supply. Furthermore, MSH has recently broadened its service spectrum to encompass the entire family, inclusive of male patients, enabling access to a diverse patient base. Secondly, the facility boasts a state-of-the-art infrastructure and is located on a large plot of land with an advantageous long-term lease agreement, allowing for future expansions. Located strategically in an affluent area of Bahrain with limited competition and solid growth prospects, the facility is well-positioned for continued success. Finally, MSH's comprehensive service portfolio, covering gynecology, IVF, pre-natal care, obstetrics, and pediatrics services, establishes it as a one-stop destination appealing to patients nationwide. Additionally, this diverse service offering attracts strategic partners eager to support the Hospital's growth initiatives.

Financial Review

In 2023, MSH recorded a 6% year-on-year growth in revenue to AED 38 million, driven by an upsurge in patients seeking IVF and OBG specialties coupled with increased utilization rates in both its inpatient and outpatient departments. EBITDA was impacted by ramp-up losses from the launch of new disciplines, including urology and orthopedics.

Operational Review

MSH's operations during 2023 highlight a series of strategic initiatives that underscore the hospital's commitment to excellence and growth. The activation of seven new outpatient clinics allows for the introduction of additional specialties, enhancing its capacity to serve a broader patient base. Notably, the expansion of service scope introduces new specialized offerings, such as urology and orthopedics, addressing evolving healthcare needs. In tandem, MSH is actively identifying and pursuing additional revenue initiatives and strategic relationships to fortify its market position. The ongoing efforts to enhance the working capital cycle reflect a dedication to operational efficiency.

Outlook

Substantial progress has been achieved on the corporate strategy and governance fronts, positioning the hospital for sustained success and ensuring robust foundations for future development. In 2024, MSH aims to carry the momentum forward to deliver improved financial results, medical outcomes, and patient satisfaction.

Healthcare Investments (Cont'd)

100%
Amanat's Stake

Cambridge Medical and Rehabilitation Center Real Estate – Abu Dhabi **("CMRC-RE")**

AED **53** MN
Amanat's Investment

Date of Acquisition
September 2021

Specialization
Post-Acute Care, Long-Term Care, Inpatient and Outpatient Rehabilitation

In September 2021, Amanat acquired the real estate assets of CMRC's Abu Dhabi facility. The property encompasses 5,500 sqm of land and a built-up area of approximately 6,600 sqm, featuring two three-level building blocks. It is equipped with 106 licensed inpatient beds; rehabilitation facilities, which include 14 outpatient rooms; three gyms; and various other amenities.

Investment Thesis

As Amanat's inaugural venture into healthcare real estate, this acquisition broadened the Company's presence in the sector. This strategic investment plays a pivotal role in fortifying Amanat's PAC platform and contributes to the growth of its diverse portfolio of companies. Amanat also benefits from a sustainable long-term lease arrangement, ensuring a consistent income and resilient yield.

Education Investments

Middlesex University Dubai

Middlesex University Dubai (“MDX”)

100%
Amanat’s Stake

Date of Acquisition
August 2018

Specialization
Undergraduate and Postgraduate

c. 4.9K
Students

1
University **(2 Campuses)**

AED **419** MN
Amanat’s Investment

Established in 2005, MDX is the first overseas campus of the internationally renowned Middlesex University in London. With a student body encompassing approximately 4,900 individuals, the institution operates across two campuses, offering students from the GCC region and beyond the opportunity to pursue a high-caliber UK degree and enjoy an unparalleled student life. This degree is validated and monitored through the same system as its London counterpart, providing students with a top-tier educational experience while residing in Dubai.

Investment Thesis

MDX has established itself as the leader in Dubai's private higher education sector. The distinctive value proposition of MDX, offering high-quality education and prestigious UK degrees, has been pivotal in consistently expanding its market share over the years. Supported by a lively campus atmosphere, a robust recruitment program, and an expanded course portfolio featuring sought-after programs, MDX has consistently outperformed its competitors in the market. Despite a highly competitive market, the university has demonstrated its prowess in surpassing enrollment growth compared to peers and the overall market. MDX's financial strength is underscored by a cash-generating business model, facilitating consistent dividend payments and self-financing of growth initiatives. The university's ability to institutionalize its corporate structure, internal controls, and governance over the years reflects a commitment to robust organizational foundations. This strategic approach has not only fortified MDX's position in the market but also exemplified its resilience and adaptability in navigating the dynamic landscape of higher education.

Financial Review

In 2023, MDX recorded AED 176 million in revenue, up 19% year-on-year, driven primarily by an increase in enrollment. The university’s EBITDA rose 22% year-to-year to AED 66 million, yielding an EBITDA margin of 37%. The positive performance is a result of strong revenue growth during the year coupled with the implementation of cost efficiency initiatives.

Operational Review

In the academic year 2022/2023, MDX demonstrated exceptional resilience and success, achieving a remarkable enrollment growth of 18% despite the challenges posed by the macro environment and the intensifying competition within Dubai's higher education market. The impressive increase in the intake of new international students is a testament to the effectiveness of MDX's revamped international recruitment strategy. For the third consecutive year, the university solidified its standing as the premier institution for enrollment growth among entities regulated by the Knowledge and Human Development Authority (KHDA). Moreover, MDX proactively addressed market needs by introducing new programs tailored to evolving demands. The university also launched the Centre for Continuing Education, a significant initiative encompassing English courses, professional qualifications, and study camps. These strategic moves not only contributed to MDX's enrollment growth but also positioned it as a dynamic and responsive institution in the ever-evolving landscape of higher education in Dubai.

Outlook

In the upcoming year, MDX is strategically positioned to further enhance its program offerings, expand its market share, and integrate technology more extensively into its internal processes. This strategic direction involves the launch of new programs designed to align with evolving market demands, concurrently strengthening international recruitment campaigns in both core and emerging geographical areas. The university remains committed to evaluating opportunities for international expansion and domestic business development, seeking avenues to improve its market presence. Simultaneously, MDX is focused on optimizing its capital structure to facilitate the funding of growth initiatives and undertaking a comprehensive review of its organizational structure design. Prioritizing technological advancements, the organization aims to enhance internal systems through automation, thereby increasing operational efficiency and accuracy.

Education Investments

Education Investments (Cont'd)

شركة تنمية الإنسان
HUMAN DEVELOPMENT CO.

Human Development Company ("HDC")

60%
Amanat's Stake

Date of Acquisition

October 2022

Specialization

Special Care and Education Services

c. 5K
Beneficiaries

37
Schools, Day-care and Rehab Centers

c. AED 262 MN[2]
Amanat's Investment

[2] Including maximum contingent consideration of AED 46 million

The Human Development Company ("HDC") is the leading provider of special care and education services covering educational, medical, and rehabilitation services in KSA. Since its establishment in 2007, HDC has adopted a strategic approach to expansion, underpinned by a codified, scientific, and technical infrastructure. HDC has served over 20,000 beneficiaries and has continuously extended its network of special care and education facilities. Today's network includes nine schools and 28 day-care centers and specialized rehabilitation medical clinics spread across six provinces in KSA, namely Riyadh, the Eastern Province, Mecca, Aseer, Jazan, and Qassim.

HDC is widely recognized for its unwavering commitment to delivering high-quality services, guided by automated digital solutions implemented through its internally developed software, particularly in the company's day-care centers. This dedication to excellence is exemplified by the consistent A+ ratings accorded to HDC's day-care centers by the Ministry of Human Resources and Social Development (MHRSD) in Saudi Arabia, underscoring the organization's focus on providing top-notch services in the field of special care and education.

Investment Thesis

Since its inception, Amanat has consistently focused on investing in companies offering specialized healthcare and education services. The investment in HDC signifies a strategic intersection of both sectors, making it an optimal addition to Amanat's growing portfolio. As a market leader in an underserved sector with robust underlying growth drivers, HDC's asset-light operating model and technology-enabled standardized approach highlight its scalability. This positioning sets HDC favorably to execute its well-defined growth strategy, involving the establishment of new branches in Saudi Arabia, the introduction of new service lines, and potential expansion into the broader GCC region. This investment presents a significant opportunity for Amanat to assume a leadership role in enhancing the quality of the sector and improving access to healthcare and education for an underserved segment of the population.

Financial Review

In its first full year since the acquisition by Amanat, HDC recorded AED 162 million in revenue. Demonstrating strong operational efficiency, EBITDA reached AED 80 million with an associated EBITDA margin of 49%.

Operational Review

The past year has been marked by significant achievements and expansion initiatives. HDC successfully launched new day-care centers, closing the year with a total of 28 centers. Noteworthy is the significant year-on-year increase of approximately 20% in the number of beneficiaries, reaching around 5,000. Ongoing expansion efforts are underway to introduce additional centers and schools in KSA.

Outlook

Under the strategic guidance of Amanat following its acquisition, HDC is poised to explore diverse avenues for growth throughout the broader GCC market while concurrently advancing its existing service portfolio. At the core of its corporate strategy is a dedicated effort to assess and implement both organic and inorganic initiatives to strengthen market presence in KSA and across the GCC region. This strategic vision encompasses the consideration of potential partnerships to introduce innovative service lines, coupled with substantial investments in marketing and advertising initiatives to elevate HDC's brand awareness. From a corporate finance standpoint, HDC is actively engaged in the evaluation and enhancement of its financial reporting systems, policies, and capabilities, with a keen focus on determining the optimal capital structure to facilitate growth and maximize shareholder returns. In tandem, on the corporate governance front, the company is diligently reviewing and reinforcing standard operating policies and procedures in alignment with best practices.

Education Investments

Education Investments (Cont'd)

NEMA Holding
("NEMA")

35%
Amanat's Stake

Date of Acquisition
March 2018

Specialization
Undergraduate, Postgraduate and Corporate Training

c. 9.7K
Students

2
Universities **(5 Campuses)**

AED 330 MN
Amanat's Investment

As the largest private higher education institution in Abu Dhabi, NEMA boasts campuses strategically located in Abu Dhabi, Al Ain, and Dubai. With an enrollment of approximately 9,700 students and nearly two decades of experience across the higher education, vocational, and corporate training sectors, NEMA is dedicated to realizing its mission of emerging as the leading platform in the Arab world for higher education and comprehensive learning solutions.

Investment Thesis

As the leading higher education provider in both Abu Dhabi and Al Ain, NEMA holds the predominant market share among private institutions. Distinguishing itself from other private universities in Abu Dhabi, the group offers a comprehensive and high-quality array of job-relevant programs. NEMA caters to various market segments by owning Abu Dhabi University and Liwa College, which was established through the merger of Liwa College of Technology (LCT) and Khawarizmi International College (KIC). Integrating higher education, vocational training, and corporate programs, NEMA not only enjoys a diversified revenue base but also possesses substantial infrastructure and land assets, positioning it well for future growth initiatives.

Financial Review

NEMA recorded revenue of AED 514 million in 2023, up 7% from the previous year, driven by the merger of LCT and KIC, which also led to a 5% year-on-year increase in EBITDA to AED 148 million with an associated margin of 29%.

Operational Review

Following the merger of LCT and KIC in 2023, Liwa College was established. This strategic consolidation is intended to harness synergies and improve operational efficiency. To meet evolving market demands, NEMA introduced new programs and courses, aligning its academic offerings with the needs of the industry. Focusing on student acquisition, efforts were dedicated to strengthening the function and ensuring a robust and dynamic approach to attracting and retaining students.

Outlook

Looking ahead, NEMA is proactively exploring avenues to optimize the value derived from its real estate assets. Additionally, recognizing the escalating demand for digital learning solutions, the Knowledge Group is expanding its tech-based offerings to cater to this growing segment. In line with a forward-looking approach, NEMA is engaged in a comprehensive assessment of both organic and inorganic growth opportunities, reflecting its commitment to sustained development and innovation in the higher education landscape. In parallel with these initiatives, NEMA is actively working on optimizing its organizational structure, aiming to enhance operational efficiency and streamline internal processes.

Education Investments (Cont'd)

North London Collegiate School Dubai

North London Collegiate School Dubai Real Estate - Dubai **("NLCS-RE")**

100%
Amanat's Stake

AED **408** MN	Date of Acquisition	Specialization
Amanat's Investment	June 2018	K-12 (Real Estate)

In June 2018, Amanat finalized the acquisition of the real estate assets of North London Collegiate School Dubai. Established in the same year, NLCS is a distinguished K-12 school offering a premium International Baccalaureate (IB) curriculum. Renowned as one of the top schools in the UK in terms of academic results in the IB, NLCS operates on a campus with a total land area of 38,217 sqm and a built-up area of 41,143 sqm. Amanat currently leases these assets to the operator through a finance lease arrangement.

Investment Thesis

NLCS marked Amanat's first venture into real estate investment, offering the Company a diversified exposure to the education segment. This strategic investment represents a stable asset class generating attractive yields and ensures a source of long-term recurring income for Amanat. Additionally, the partnership with NLCS positions Amanat alongside a leading UK K-12 education provider specializing in the IB curriculum. Situated in a highly popular neighborhood characterized by a growing population and favorable demographic profile, the campus is well-positioned to capitalize on the increasing demand in the region.

Education Investments

Education Investments (Cont'd)

BEGiN

c. 1%

Amanat's Stake

AED 18.4 MN

Amanat's Investment

Date of Acquisition

October 2020

Specialization

Early learning Education Technology (Venture Capital)

In October 2020, Amanat successfully concluded its first venture capital investment by participating in the Series C funding round of BEGiN, an acclaimed early education technology company based in the United States. BEGiN has garnered support from prominent investors and partners, including renowned children's brands such as Sesame Workshop, LEGO Ventures, Gymboree Play & Music, and Fisher-Price. At the forefront of BEGiN's offerings is its flagship brand, HOMER, which serves as an indispensable proprietary learning framework for young children. The HOMER Method goes beyond imparting academic skills, like literacy and math, extending to the development of personal skills, such as problem-solving and social-emotional awareness. This is achieved through personalized content tailored to children's interests, age, and learning levels.

Investment Thesis

By initiating its venture capital strategy through the investment in BEGiN, Amanat has successfully set in motion a plan to diversify its portfolio with innovative digital solutions in both the education and healthcare sectors.

In BEGiN, Amanat has identified a robust business led by a talented and experienced management team, boasting a proven track record of building highly successful companies. BEGiN's offerings include research-based products featuring top-quality content developed by industry experts, drawing on existing and proprietary pedagogy research with demonstrated engagement and efficacy. This unique approach sets BEGiN apart from competitors, positioning it to capitalize on the rising popularity of online schooling solutions. Recent acquisitions, including the STEM-focused learning platform CodeSpark, have expanded BEGiN's digital offerings while strengthening its tangible Little Passports and experiential KidPass portfolios. Amanat's partnership positions BEGiN ideally for further expansion throughout the MENA region, capitalizing on the current gap in the region's digital education market.

Our Markets

Across Amanat's markets of operations, the Company enjoys a resilient operating environment and solid demographic profiles, providing solid fundamentals from which to drive future growth.

Our Markets

Driving Resilient Growth and Transformation

In the dynamic GCC region, economic resilience and growth set the stage for progressive developments and reduced reliance on traditional oil-centric models. While 2023 saw a moderate GDP growth of around 1%, growth is forecasted to rebound to 3.6% and 3.7% in 2024 and 2025, respectively. As the region navigates global headwinds and volatility in the oil sector, the non-oil sectors are poised to drive overall economic growth.[1] Diversification efforts are underpinned by sustained private consumption, strategic fixed investments, governmental initiatives, and an accommodative fiscal policy. Despite global challenges, the GCC region is flourishing, with a strong focus on expanding non-oil sectors and benefiting from positive population trends. Strategic macroeconomic management, structural reforms, and sector diversification are driving growth, aiming for sustained stability amid oil revenue dependence.

In the UAE, GDP growth remained robust at 3.4% in 2023 despite global challenges. Further improvement is expected in 2024 as OPEC+ production quotas are relaxed. The non-oil sector, with a growth rate of 4.5% in 2023, is set to play a crucial role in supporting economic activity, driven by robust performances in tourism, real estate, construction, transportation, manufacturing, and increased capital expenditure.

Ranking among the top 20 global economies, the KSA's robust GDP of USD 1.1 trillion in 2023 solidifies its status as a high-income country with a highly developed consumer market.[1] Driven by the ambitious Vision 2030 strategy, KSA is spearheading mega greenfield projects, significantly contributing to the GCC's capital expenditure. The deliberate shift away from oil reliance is evident in KSA's economic transformation, marked by removing regulatory barriers, fostering an inclusive labor force, and embracing digitalization. Despite the economic slowdown in 2023, KSA's non-oil private sector exhibited a positive trend, accelerating by approximately 5% in 2023, driven by strong domestic demand. The nation's commitment to Vision 2030 has resulted in a more diverse and dynamic economy, poised for sustained long-term sustainability and prosperity.

Bahrain, while anticipating a moderated growth of 2.8% in 2023, underscores the resilience of its non-oil sector as the key driver for growth. The hydrocarbon sector is expected to register slight growth, and non-hydrocarbon sectors are projected to expand at nearly 4%, buoyed by the recovery in tourism, service sectors, and ongoing infrastructure projects.[1]

1 World Bank, Gulf Economic Update, May 17, 2023

Healthcare

Sector Overview

The GCC's healthcare sector has demonstrated strong growth, adapting well to economic shifts and showing resilience amid challenges. Despite fluctuations, the region consistently invests in healthcare, particularly evident during the COVID-19 pandemic, which acted as a catalyst for the sector's maturation. Over the past two years, the GCC's healthcare sector has transformed operationally, embracing innovation and digitization. This digital shift aligns with the region's favorable demographics, higher life expectancy, and increased incidence of lifestyle-related and non-communicable diseases (NCDs).

Governmental reforms, including public-private partnerships and mandatory health insurance, have played a key role in fostering growth. Collaborative ventures have addressed demand-supply gaps, contributing to a positive landscape. Substantial infrastructure investments and increased purchasing power have propelled healthcare spending upward, especially post-Covid, where the GCC, particularly the UAE, has exhibited robust economic potential.

Current healthcare expenditure (CHE) in the GCC grew at a CAGR of 9.5% from 2020 to 2022, reaching USD 104 billion.[2] Healthcare expenditure in the GCC is projected to reach USD 136 billion in 2027, growing at a CAGR of 5.4% from 2022. Factors driving this growth include an expanding population base[3], high incidence of non-communicable diseases[4], rising cost of treatment, and increasing penetration of health insurance. CHE as a proportion of GDP in the GCC is expected to grow from 5% in 2022 to 5.8% in 2027.

Considering the anticipated population rise, the GCC is expected to require 12,207 new hospital beds by 2027, with an estimated annual average growth of 1.9%. Key drivers include an annualized population growth rate of 1.9% between 2022 and 2027, with the elderly population (50+ years) expected to account for 20.8% of the total by 2027.[5]

As GCC countries heavily invest in technology for healthcare developments, the sector is poised for sustainable growth.

2 Alpen Capital, GCC Healthcare Industry, March 20, 2023

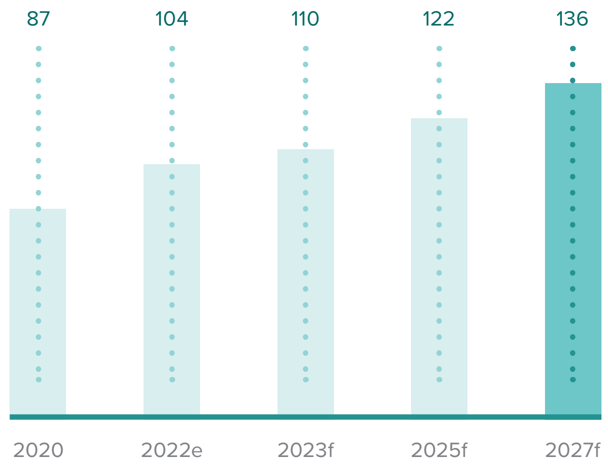
3 World Economic Outlook Database, IMF, October 2022

4 Global Health Observatory data repository, World Health Organization (WHO) 2020

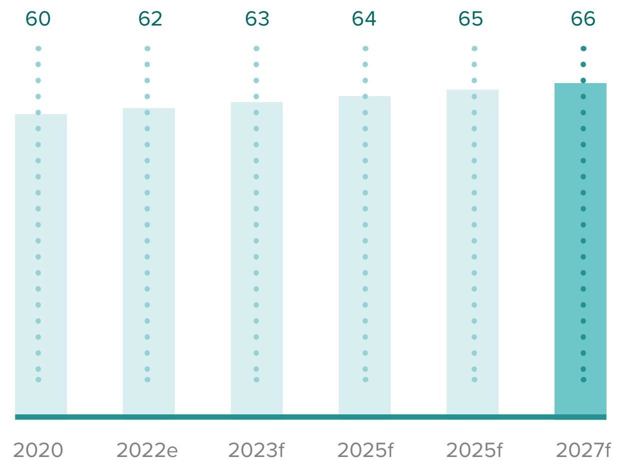
5 GCC Healthcare Industry, Alpen Capital, March 20, 2023

Our Markets

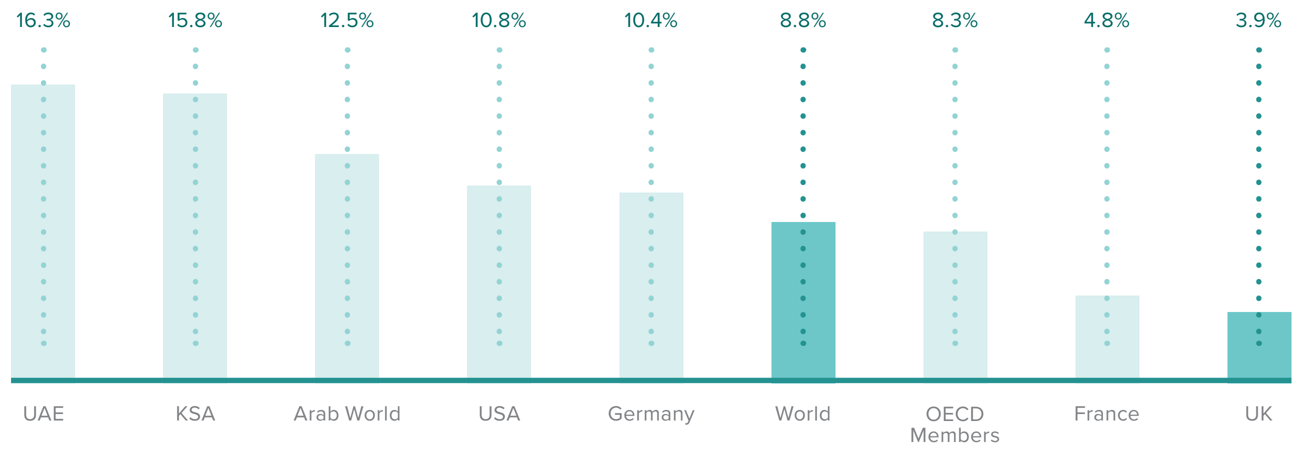
GCC Healthcare-related Expenditure | USD BN[6]



GCC Population Forecast | MN[6]



Diabetes (% of total population)[7]



Post-Acute Care

Post-acute care (PAC) refers to the recovery and rehabilitation period patients require following surgery, injury, chronic or mental illnesses, or disability.The importance of these care and rehabilitation services is growing due to the expanding elderly population and the increasing prevalence of lifestyle diseases in the region.

In response to the rising concern of chronic and lifestyle-related diseases, GCC governments are actively promoting preventive care to alleviate pressure on healthcare resources. Early diagnostic tools, accurate predictive models, and technological innovations are becoming integral to this approach. Long-term and post-acute care (LTPAC) services, including home healthcare and rehabilitation, are gaining popularity due to the region's aging population.

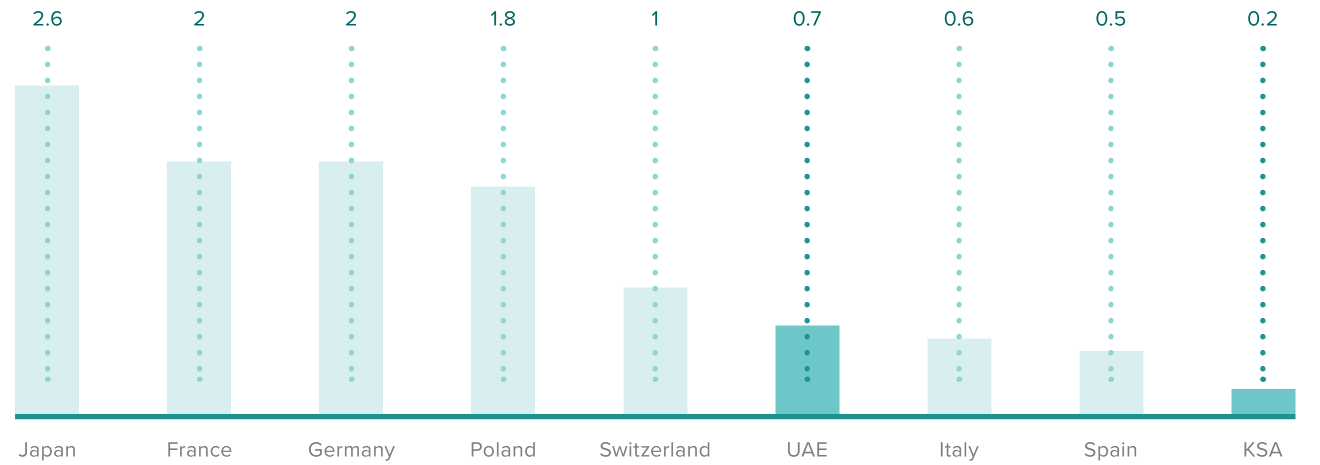
In response to these challenges, the UAE and KSA emerge as pivotal contributors to the evolving landscape of post-acute care within the broader GCC context. The UAE, foreseeing the increasing demand, anticipates a notable growth of approximately 2,000 post-acute beds over the next three years, reflecting a CAGR of 4%.[8] Simultaneously, KSA plans to introduce over 15,000 new post-acute care beds by 2025.[8] Particularly noteworthy is the growing need for long-term, rehabilitation, and home care for individuals with disabilities, prompting active engagement from both governmental and private sector entities across the GCC.

6 Alpen Capital, GCC Healthcare Industry, March 20, 2023

7 PwC

Notably, the construction of the USD 347 million Medical City for Rehabilitation and Treatment in Riyadh, KSA, reflects a strategic effort to add around 1,100 beds, addressing the treatment and therapy requirements of individuals with physical disabilities and rehabilitation needs, anticipated to serve more than 170,000 patients annually.[9]

PAC Beds per Capita[8]



8 The Pulse Series- Healthcare Market Report, 2023

9 Ardent Advisory – GCC Healthcare and Pharmaceutical Sector, June 2021

UAE

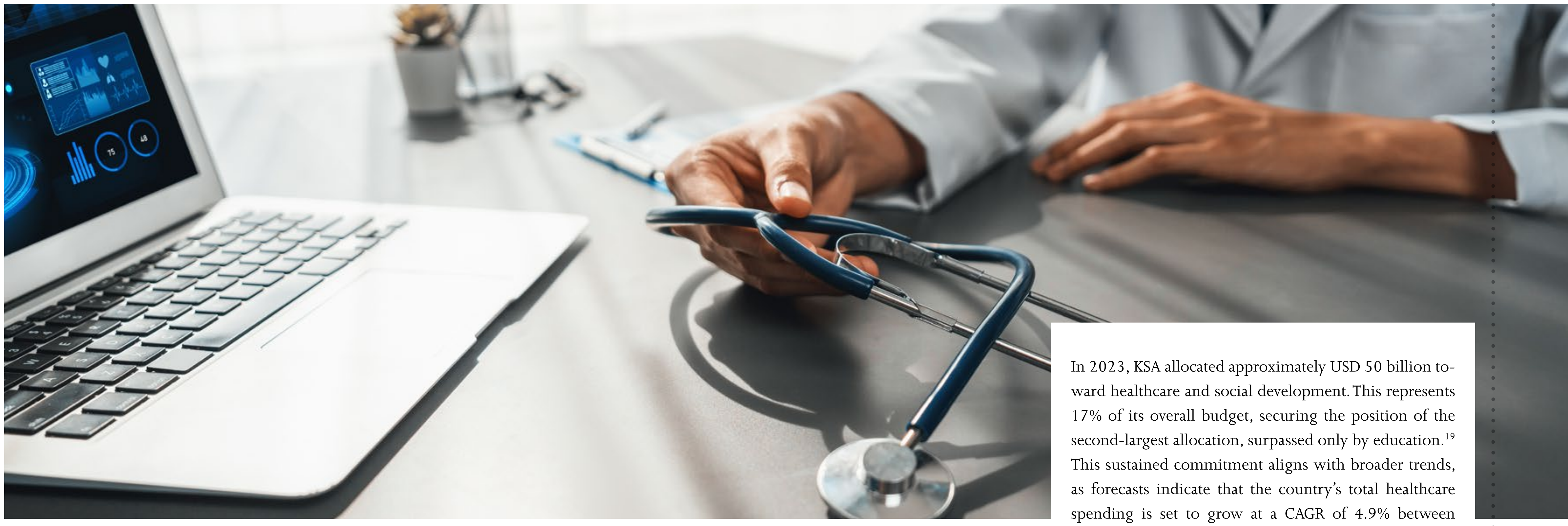
Positioning itself as a global healthcare hub, the UAE strategically aligns its healthcare strategy with demographic shifts, anticipating a significant rise in the 64 and over population from 1.6% in 2021 to 14.2% in 2030. Responding to the prevalence of cardiovascular diseases and the projected increase in diabetes to 18.1% by 2045, the UAE prioritizes a responsive healthcare system.[10]

Actively expanding its medical tourism footprint, the UAE has emerged as a top destination, with both Dubai and Abu Dhabi ranking among the top 10 global medical tourism destinations. In 2021, Dubai doubled its health tourist numbers, with total patient spending reaching around USD 198 million. Focusing on private sector participation and advancing the medical tourism industry, the UAE government allocated 8.4% of the USD 16 billion budget to healthcare in 2022.[11] The favorable regulatory environment supported healthcare market growth, outpacing the GCC average.[12] Under the Centennial 2071 Plan, the UAE government implements programs to improve care standards, develop healthcare infrastructure, and involve the private sector actively. Consolidations in the form of acquisitions, mergers, and tie-ins between public and private sector players are prominent in the healthcare industry.

As the UAE continues to invest in healthcare infrastructure, technology, and regulatory frameworks, it solidifies its position as a leading healthcare destination in the GCC. This commitment aligns with dynamic changes in demographics, technology, and the global healthcare landscape, showcasing an economically smart approach to healthcare development.

KSA

KSA, the GCC's largest country with a population of 32 million, is witnessing transformative changes in its healthcare sector aligned with Vision 2030.[13] The healthcare sector in the Kingdom is swiftly advancing through technology, research and development, and a strategic focus on specialized services within the broader healthcare framework, accentuated by the lessons learned from COVID-19.[14]



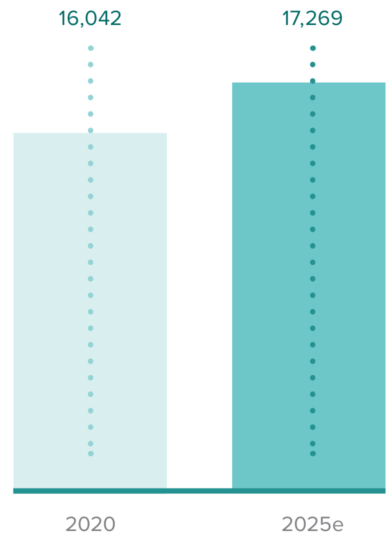
In KSA, the allocation of long-term post-acute care beds stands at one bed per 10,800 individuals, with a notable concentration of approximately 45% in Riyadh, resulting in regional imbalances.[15] The rising demand for LTPAC, rehabilitation, and home care reflects demographic changes, including increased life expectancy, evident in the current utilization of acute care beds. In response, the healthcare sector is strategically expanding rehabilitative services. With the population over 60 years old expected to grow from 4.5% in 2020 to 10.4% by 2030, the Kingdom is proactively addressing the surge in lifestyle-related diseases.[16] This aligns with the Ministry of Health's initiative, emphasizing the augmentation of the private sector's role through targeted PPPs, notably in the extended care sector.

In the GCC healthcare landscape, KSA envisions the highest bed demand, constituting 67.2% of the total GCC additions expected between 2022 and 2027. To align with the projected steady population growth at a 2% CAGR during this period, KSA would need a bed capacity of 86,965 by 2027. This ambitious plan encompasses vital initiatives, including the construction of 20,000 hospital beds and 224 healthcare centers, with an estimated cost of USD 13 billion.[17]

To address healthcare challenges arising from a rapidly growing and aging population susceptible to conditions like cardiovascular issues, diabetes, and obesity, the government is actively turning to the private sector. The private sector is expected to outpace public sector growth, with a forecasted CAGR of 5.6% between 2020 and 2025, compared to a 4.6% CAGR for public spending over the same period.[18]

In 2023, KSA allocated approximately USD 50 billion toward healthcare and social development. This represents 17% of its overall budget, securing the position of the second-largest allocation, surpassed only by education.[19] This sustained commitment aligns with broader trends, as forecasts indicate that the country's total healthcare spending is set to grow at a CAGR of 4.9% between 2022 and 2027 to reach USD 77 billion.[20]

KSA Bed Gap[21]



10 IDF Diabetes Atlas 2021
11 World Economic Outlook Database, IMF, October 2022
12 Annual Budget Publications, UAE Ministry of Finance
13 The Pulse Series- Healthcare Market Report, 2023
14 Health Sector Transformation Program (2020-21) - Saudi Arabia Vision 2030; MoH
15 Healthcare Market Report 2023 I The Pulse Series (19) I Growth Opportunities in Specialised Sectors in KSA
16 World Economic Outlook Database, IMF, October 2022
17 Saudi Arabia Annual Budget Publications – KPMG; SAMA
18 Fitch Solutions, July 2021
19 International Trade Administration – Saudi Arabia, Healthcare, January 2024
20 World Economic Outlook Database, IMF, October 2022
21 PwC

Bahrain

Aligned with global health trends, Bahrain prioritizes promoting healthy lifestyles and addressing the increasing incidence of non-communicable diseases. Bahrain actively evolves its healthcare sector, focusing on infrastructure, technology, and strategic governance. The MoH plays a central role in policymaking and resource development, championing private sector involvement through PPP projects. The government has consistently allocated over 9% of the total budget since 2019.

Bahrain's CHE is estimated to have experienced a CAGR of 6.7% between 2020 and 2022. Projections indicate that healthcare spending in the country will witness an annualized average growth rate of 6.1% over the next five years, reaching USD 2 billion by 2027. This growth is propelled by several factors, including the expanding population size and an anticipated increase in the share of elderly individuals from 2.7% in 2021 to 6.1% in 2031.[22] The proposed mandatory health insurance,[23] rising medical inflation,[24] coupled with the high prevalence of lifestyle ailments like obesity and diabetes, [25] further contribute to growth — specifically, the prevalence of diabetes, which is projected to rise, reaching 12.6% by 2045.[26] Despite these dynamics, Bahrain's share of CHE to the region's total is anticipated to remain constant at 1.6% throughout the forecast period.[27]

Conversely, the country's CHE as a proportion of GDP is forecasted to grow from 3.8% in 2022 to 4.2% in 2027, reflecting a commitment to increased healthcare spending relative to the overall economic output. The projected hospital bed requirement for Bahrain is 2,888 in 2027, indicating an annual average growth of 2% since 2022.[27]

With a strategic focus on privatizing the healthcare sector, the Bahraini government aims to stimulate development while concurrently enhancing the quality of care. As of 2020, the healthcare infrastructure in Bahrain comprised 29 hospitals, showcasing a substantial contribution from the private sector, accounting for 75.9%.[28] Legislation changes implemented in 2018, allowing full foreign ownership of private healthcare facilities and the launch of national health insurance scheme, mark a decisive step toward the industry's diversity.

22 World Economic Outlook Database, IMF, October 2022
23 Compulsory health insurance in Bahrain, Atlas Magazine, January 2021
24 2022 Global Medical Trends Rates Report, Willis Towers Watson
25 Obesity Rates by Country 2023, World population review
26 IDF Diabetes Atlas 2021
27 GCC Healthcare Industry, Alpen Capital, March 20, 2023
28 Bahrain MoH Annual Statistical Database 2020

Other Markets

The opportunities and shifting dynamics in the healthcare sector extend beyond the GCC market, encompassing various nations in the MENA region, including Egypt. With an expected population of 114 million by 2027, Egypt is on track for a significant surge in the demand for healthcare services and facilities. Additionally, the increasing prevalence of metabolic diseases will add pressure to the country's health infrastructure. Looking forward to 2030, Egypt is projected to require a minimum of 38,500 new beds, with an estimated investment between USD 8 to 13 billion, with approximately half expected to come from the public sector. The government's focus on medical tourism, leveraging favorable visa regulations and competitive pricing, further positions Egypt's private healthcare sector as an attractive avenue for developers, investors, and operators in the foreseeable future.[29]

In Kuwait, there was a notable emphasis on healthcare digitization and the adoption of telemedicine services to enhance accessibility and efficiency in healthcare delivery. The country also prioritized investments in preventive care and wellness programs to address lifestyle-related health issues.

Oman focused on expanding its healthcare infrastructure, with investments in new hospitals and medical facilities to improve access to quality healthcare services, especially in rural areas.

Qatar continued to strengthen its healthcare system, leveraging innovative technologies such as artificial intelligence and precision medicine to enhance diagnosis and treatment outcomes. Initiatives such as the Qatar National Health Strategy 2022–2033 aimed to further develop the healthcare workforce and improve patient-centered care.

29 Omnia Health by Informa Markets - Insight into Egypt's healthcare sector (2021)

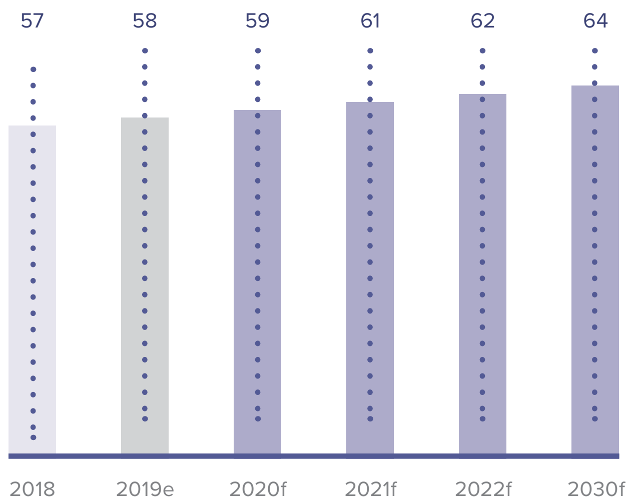
Education

Sector Overview

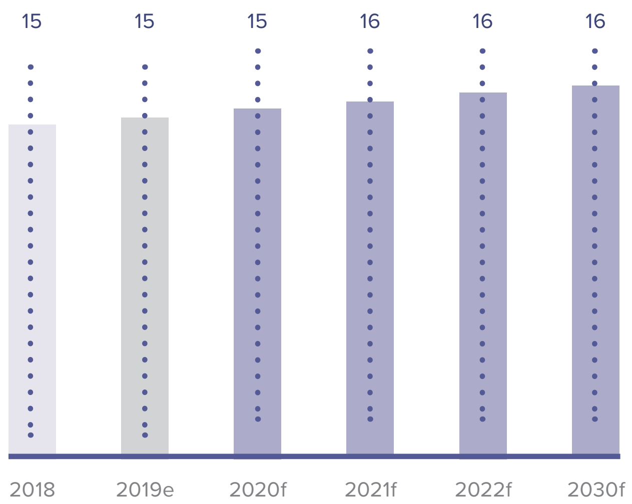
The GCC education sector has witnessed significant progress, propelled by technological integration and substantial government investments. In 2023, the industry witnessed significant growth, with global projections indicating a 9.5% CAGR through 2027.[30] Regionally, the education market is forecasted to achieve a 5% CAGR from 2016 to 2026. The e-learning market in GCC countries is poised for substantial growth, expecting an increase of approximately USD 569 million between 2021 and 2025 and representing a CAGR of nearly 11%. The demand for education within the region is fueled by factors that include a rising school-age population, high per capita income, and an increasing expatriate population as a result of government policies providing long-term residency visas. These factors create an attractive opportunity for investors and school operators.

Despite challenges, such as intensifying competition and high operational costs, the GCC education sector is on a growth trajectory. An estimated 1 million increase in students is projected, reaching 14 million by 2027, with the pre-primary segment expected to grow at a CAGR of 2.2%. KSA remains the largest education market, while Kuwait and the UAE exhibit faster growth rates. Private schools are anticipated to grow at a faster rate compared to public schools, driven by factors that include economic resilience, population growth, increased income levels, and a low-tax environment. In 2023, education spending across GCC nations increased to 13.3%, underscoring a commitment to prioritizing education for long-term economic stability and growth.[31] The region's education sector in 2023 demonstrated promising momentum, fueled by technological integration, government initiatives, and a growing demand for quality education.

Growing Population Across the GCC (MN)[32]



Growing Student-Age Population | Under 15 GCC Population (MN)[32]

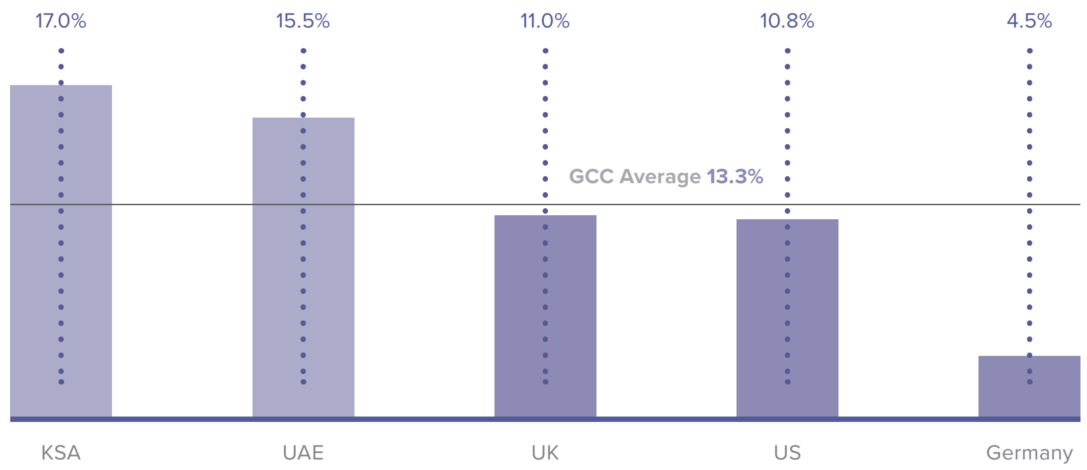


30 *Mordor Intelligence*

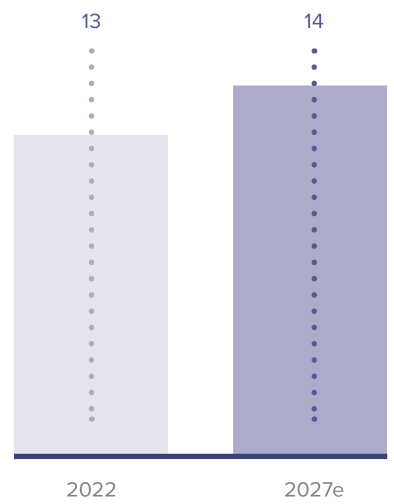
31 *MoF Saudi Arabia, MoF UAE, US Government Spending, GOV.UK, The Federal Government of Germany, MoF Oman, MoF Qatar, MoF Kuwait, MoF Bahrain*

32 *IMF, World Bank*

Education Expenditure as a % of GDP (2023)[33]



GCC Enrollment Trends (MN)[33]



33 *Alpen Capital 2023*

Special Care and Education Services

In 2023, special care and education in the GCC region underwent significant advancements and increased attention. Governments and educational institutions across the region prioritized initiatives aimed at providing comprehensive support and inclusive learning environments for individuals with special needs. This included the implementation of tailored educational programs, the integration of assistive technologies, and the training of educators to better accommodate diverse learning styles. Additionally, awareness campaigns and community outreach efforts were launched to promote understanding and acceptance of individuals with disabilities, fostering a more inclusive society. As a result of these concerted efforts, access to quality special care and education services in the GCC area improved, empowering individuals with special needs to thrive and contribute meaningfully to their communities.

Higher Education Services

In 2023, higher education in the GCC region continued to experience significant growth and transformation. With a strong focus on quality and innovation, universities and colleges across the region implemented various reforms to enhance academic offerings and research capabilities. The presence of reputable foreign institutions, particularly from the UK and the US, further expanded, providing students with diverse educational opportunities without the need to travel abroad. Moreover, initiatives promoting collaboration between academia and industry flourished, leading to the development of specialized programs tailored to meet the evolving demands of the job market. As a result, the GCC solidified its position as a hub for higher education, attracting both local and international students seeking excellence and career prospects in a dynamic and culturally rich environment.

UAE

With approximately 88.5% of the population being expatriates, the UAE boasts the most mature education market in the GCC.[34] The government's emphasis on privatization aligns with its long-term education plans, including the Strategic Education Plan 2017–2021, Vision 2021, and National Strategy for Higher Education 2030. Concurrently, the Ministerial Development Council is actively reviewing proposals for a federal law on Higher Education, indicating a continuous commitment to improvement across various sectors.

The attractiveness of the UAE's education sector to investors is further bolstered by favorable regulations, including 100% foreign investor ownership and 10-year residency visa options. Despite temporary challenges posed by COVID-19, the sector is forecasted to grow at a CAGR of 2% between 2020 and 2025, further solidifying its appeal to investors.[35]

In 2023, the government allocated approximately USD 3 billion to the education sector, marking an increase from 14.8% in 2020 to 15.5% of the total budget, surpassing the allocations of the US, UK, and Germany.[36] A projected growth in the number of schools in the UAE, reaching 1,308 by 2027, highlights the country's leadership within the GCC in enrollment growth. Additionally, the UAE has made significant progress in special education, with government schools catering to the needs of individuals with disabilities through specialized teachers and programs.

34 United Arab Emirates Population Statistics 2023, Global Media Insight, May 26, 2023

35 GCC Education Industry, Alpen Capital, August 02, 2023

36 UAE Ministry of Finance – Budget Statement 2023

KSA

KSA, with approximately 60% of the total GCC population, boasts the largest addressable market for the education sector in the region. To meet growing demand, the Saudi government has intensified efforts to expand infrastructure, primarily through increased private sector participation. As part of the government's long-term privatization goals, the western region PPP project entails the construction of 120 new schools, aiming to provide education for 100,000 pupils, to be completed by 2024.[37]

In 2023, the Kingdom allocated USD 50 billion, equivalent to 17% of its total budget, toward education.[38] Currently, the country is home to over 50 public and private universities and more than 27,455 schools as of 2021 [39], with plans for over 30,000 additional schools, colleges, and institutions.[40] As of April 2023, KSA listed 11 new PPP education projects, encompassing the privatization of operation and maintenance of six Colleges of Excellence, expansion of special education boarding schools, construction and equipping of university hospitals, and collaboration with the private sector to enhance Saudi Electronic University's infrastructure.[41]

In January 2020, the government unveiled investment deals worth USD 773 million, fostering foreign participation drawn by attractive demographics, local interest in private education, and receptiveness to foreign curricula.[42] With an aim to double private education enrollment from 12% to 25% by 2030, the Human Capability Development Program, initiated in 2021, represents the latest in a series of reforms, offering updated action plans and targets for the education sector.

Despite significant improvements, private and foreign participation remains crucial. Reforms, including a 100% foreign ownership limit, regulations promoting private-public partnerships, and the removal of a ban on Saudi parents enrolling children in private international schools, highlight the government's commitment to sectoral growth. These changes have allowed the Kingdom's private and international education segment to propel to approximately USD 12 billion in 2023.[43]

37 How Saudi Arabia is going private to bolster its education sector, Arabian Business, January 11, 2021

38 Saudi Arabia's Ministry of Finance – Budget 2023

39 SAMA (2022)

40 About Saudi Arabia - Education, The Embassy of the Kingdom of Saudi Arabia

41 Saudi Arabia announces 11 education sector projects under PPP programme, Zawya, April 6, 2023

42 Oxford Business Group

43 UCapital – GCC Education Sector, 26 June 2022

Other Markets

The evolving demographics and increasing demand for quality education within the MENA region are prompting investors to explore opportunities in neighboring markets. Egypt, with its current distinction of hosting the largest school-age population, surpassing 23 million in 2020, is anticipated to further grow to 34 million by 2030. Private school enrollments are on track to experience a 6.3% CAGR from 2020 to 2030, reflecting a shift toward higher-quality education alternatives compared to the public sector. A pivotal change occurred in 2020 when the government eliminated the 20% cap on foreign ownership of schools, significantly enhancing the investment landscape within the sector. Looking forward, Egypt is positioned to emerge as a highly appealing destination in the Middle East for investors seeking strategic entry points into the thriving education sector. [44]

Other markets in the MENA region include Oman, with initiatives aimed at modernizing its educational infrastructure and curriculum to align with global standards. As part of Vision 2040 and the National Strategy for Education 2040, the country prioritized investments in vocational training and technical education to address skill gaps and enhance employability.

Qatar's education sector saw a surge in public-private partnerships, fostering innovation and diversity in educational offerings. Initiatives such as the Qatar National Vision 2030 spurred the development of world-class research institutions and centers of excellence.

Kuwait focused on enhancing the quality of higher education through accreditation processes and partnerships with renowned international universities. The country also emphasized the importance of lifelong learning and professional development to meet evolving market demands.

44 Colliers International – Egypt K-12 Education Sector Market Overview

ESG Report

DFM Disclosures

Amanat considers sustainability and promoting social change as key priorities of its overall business strategy and consistently places ESG at the heart of all its decisions.

Environmental, Social, and Governance Report

Environmental

As a financial institution with 21 employees, Amanat's direct operational environmental impact is considered as non-material. Amanat doesn't own the building its offices are in but rents the floor space from the building owner. Hence, energy and water utility bills payments are included as a lump sum in the rental agreement. Amanat's direct footprint arises from business travel and commuting in the Company's cars, of which two are owned and one rented. The petrol consumption of these cars makes up Amanat's Scope 1 emissions. Finally, the data for water consumption is derived from readings from the water meter.

E1. GHG Emissions				
Indicator		2021	2022	2023
E1.1	Total amount of Scope 1 emissions (kg Co2e)[1]	NA	NA	70,076
E1.2	Total amount of Scope 2 emissions (kg Co2e)	NA	NA	NA
E1.3	Total amount of Scope 3 emissions (kg Co2e)	NA	NA	NA
E1.4	Please describe investments, initiatives and projects to reduce CO2 emissions	Refer to Integrated Annual Reports		

[1] *Scope 1: GHG emissions for Scope 1 have been calculated using the carbon conversion factors published in June 2023 by the Department of Environment, Food and Rural Affairs (DEFRA).*

E2. Emission Intensity				
Indicator		2021	2022	2023
E2.1	GHG emissions intensity (kg CO2e / per employee)	NA	NA	2,803
E2.2	Non-GHG-emissions intensity	NA	NA	NA
E3. Energy Usage				
E3.1	Total amount of direct energy consumed (liters of petrol)	NA	NA	28,600
E3.2	Total amount of indirect energy consumed	NA	NA	NA
E4. Energy Intensity				
E4.1	Direct energy use intensity (liters of petrol / employee)	NA	NA	1,144
E4.2	Total indirect energy usage per output scaling factor	NA	NA	NA
E4.3	Please describe investments, initiatives and projects to reduce energy consumption and to increase energy efficiency	NA	NA	NA
E5. Energy Mix				
E5.1	Renewable energy used	NA	NA	NA
E5.2	Non-renewable energy used	NA	NA	NA

E6. Water and Effluents

Indicator		2021	2022	2023
E6.1	Total amount of water withdrawn	NA	NA	NA
E6.2	Total amount of water discharged	NA	NA	NA
E6.3	Total amount of water consumed – liters of utility water	NA	NA	25,740
E6.4	Water recycled	NA	NA	NA
E6.5	Please describe investments, initiatives and projects to reduce water consumption and to increase water recycling	NA	NA	NA

E7. Waste

Indicator		2021	2022	2023
E7.1	Total amount of waste generated (if possible, broken down by Hazardous and Non-hazardous)	NA	NA	NA
E7.2	Total amount of waste diverted from disposal (if possible, broken down by Hazardous and Non-hazardous)	NA	NA	NA
E7.3	Total amount of waste directed to disposal (if possible, broken down by Hazardous and Non-hazardous)	NA	NA	NA
E7.4	Total number and volume of oil spills (if applicable)	NA	NA	NA
E7.5	Please describe investments, initiatives and projects to reduce waste generation consumption and to increase waste recycling	NA	NA	NA

E8. Environmental Management

Indicator		2021	2022	2023
E8.1	Does your company follow a formal Environmental Policy?	No	No	Yes
E8.2	Does your company follow specific waste, water, energy, and/or recycling polices?	No	No	No
E8.3	Does your company adopt a recognized environment and energy management systems such as ISO14001 and ISO50001?	No	No	No
E8.4	Does your company have targets in place with regards to environment, energy, water and waste?	No	No	No
E8.5	Please indicate if any fines received (> USD 10000) for non-compliance with laws and regulations regarding environmental management during the last reporting period		No fines were received	

E9. Climate Risk Management and Oversight

Indicator		2021	2022	2023
E9.1	Does your Board/Management Team oversee and/or manage climate-related risks and opportunities? If yes, describe		The Board/Management team oversees waste and energy reduction issues.	
E9.2	Please describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	NA	NA	NA
E9.3	Please describe the organisation´s processes for identifying and assessing climate-related risks	NA	NA	NA
E9.4	Please describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	NA	NA	NA
E9.5	Total amount invested, periodically, in climate-related infrastructure, resilience and product development	NA	NA	NA
E9.6	Please describe the greenhouse gas emission targets (Scope1, Scope 2 and Scope3) and the related risks	NA	NA	NA
E9.7	Please share your actions to align with UAE's Net Zero Commitment by 2050. Do you have a net zero emissions target in place?	No	No	No

E10. Biodiversity

Indicator		2021	2022	2023
E10.1	Please share number of operational sites owned, managed and/or leased in or adjacent to protected areas and areas of high biodiversity value.	NA	NA	NA
E10.2	Please describe significant impacts of activities, products and services on biodiversity	NA	NA	NA

Environmental, Social, and Governance Report

Social

As the region's leading integrated healthcare and education investment company, Amanat's purpose is to help develop a thriving society by ensuring it has access to high standards of health and education services that are accessible by all. Amanat seeks to work with ethically and socially responsible companies that share its goal of establishing happier and more productive communities while providing an inclusive, diverse, and healthy work environment to all its employees. This section outlines Amanat's social sustainability performance.

S1. CEO Pay Ratio

	Indicator	2021	2022	2023
S1.1	CEO total compensation to median full-time employee (FTE) total compensation[2]	9.6x	10.5x	3.8x*
S1.2	Does your company report this metric (above) in any regulatory filings?	We report on this metric under our ESG reporting practices.		

[2] CEO resigned on 15 March 2023.

Employee Demographic

Diversity and inclusion are key elements of Amanat's ethical principles. The Company promotes diversity and inclusion in all its activities, including the people it hires.

S3. Breakdown with Staff

	Indicator	2021	2022	2023
S3.1	Total number of full-time employees	25	26	21
	Total number of full-time female employees	8	7	5
	% of full-time female employees	32%	27%	24%
	Total number of full-time male employees	17	19	16
	% of full-time male employees	68%	73%	76%
	Total number of full-time employees aged above 50 years old	1	0	0
	% of full-time employees aged above 50 years old	4%	0%	0%
	Total number of full-time employees aged 30–50 years old	18	21	18
	% of full-time employees aged 30–50 years old	72%	81%	86%
	Total number of full-time employees aged under 30 years old	6	5	3
	% of full-time employees aged under 30 years old	24%	19%	14%
	Total number of full-time entry and mid-level positions employees	21	22	19
	% of full-time entry and mid-level positions employees	84%	85%	90%
	Total number of full-time senior and executive-level positions employees	4	4	2
	% of full-time senior and executive-level positions employees	16%	15%	10%
S3.2	Total number of part-time employees	0	0	0
	Total number of part-time female employees	0	0	0
	Total number of part-time male employees	0	0	0
	Total number of part-time employees aged above 50 years old	0	0	0
	Total number of part-time employees aged 30–50 years old	0	0	0
	Total number of part-time employees aged under 30 years old	0	0	0
	Total number of part-time entry and mid-level positions employees	0	0	0
	Total number of part-time senior and executive-level positions employees	0	0	0
S3.3	The total enterprise headcount held by contractors and/or consultants	2	3	5
S3.4	Total number of national employees	1	2	3
	% of national employees	4%	8%	14%
	The total of national female employees	1	1	2
	% of national female employees	4%	4%	10%
	The total of national male employees	0	1	1
	% of national male employees	0%	4%	5%
	National employees aged 30–50 years old	1	2	3
	National employees in entry position	1	1	2
	National employees in mid-level position	0	1	1

S4. Employee Turnover and New Hires				
Indicator		2021	2022	2023
S4.1	% year-over-year change for full-time employees	17%	27%	26%
	% year-over-year change for full-time female employees	0%	13%	33%
	% year-over-year change for full-time male employees	24%	33%	23%
	% year-over-year change for senior and executive level employees	0%	0%	67%
	% year-over-year change for employees older than 50 years old	100%	200%	0%
	% year-over-year change for employees aged 30–50 years old	17%	31%	26%
	% year-over-year change for employees under 30 years old	0%	0%	25%
S4.2	% year-over-year change for part-time employees	0%	0%	0%
S4.3	% year-over-year change for contractor employees	0%	0%	50%
	% year-over-year change for consultant employees	0%	0%	0%
S4.4	Total new hires for the year	8	7	1
	Female new hires for the year	3	0	0
	Male new hires for the year	5	7	1

S5. Gender Diversity and Equality				
Indicator		2021	2022	2023
--	Total number of employees (full, part-time, consultants, and contractors)	27	29	26
S5.1	Number of male employees	19	22	18
	% of male employees out of the total workforce	70%	76%	69%
	Number of female employees	8	7	8
	% of female employees out of the total workforce	30%	24%	31%
S5.2	Total entry and mid-level positions held by men	15	18	16
	% of entry and mid-level positions held by men	56%	62%	62%
	Total entry and mid-level positions held by women	8	7	8
	% of entry and mid-level positions held by women	30%	24%	31%
S5.3	Total senior and executive-level positions held by men	4	4	2
	% of senior and executive-level positions held by men	15%	14%	8%
	Total senior and executive-level positions held by women	0	0	0
	% of senior and executive-level positions held by women	0%	0%	0%
S5.4	The ratio of median male employee compensation to median female employee compensation	78%	78%	72%
S5.5	Please describe your company's initiatives or programs to support the recruitment and retention of female employees, and to support female employees to advance to management positions	NA	NA	Amanat provides additional benefits to the women in its workplace: Increased maternity to four months, and flexibility for mothers

Human Rights and Employee Health and Safety

Amanat values the importance of a safe and fair working environment. The Company ensures this by ensuring the rigorous implementation and adherence of its Employee Handbook, Employee Code of Conduct, and Whistleblowing Policy. In conjunction, these documents describe in detail the responsibilities of employees, the expected behavior at the workplace, and grievance procedures. Amanat emphasizes the importance of non-retaliation and confidentiality throughout the grievance procedure for and by all parties involved. By upholding these principles, the Company aims to foster a safe, fair, and respectful workplace for all. In 2021 and 2022, Amanat did not include Human Rights topics in any of its policies or internal guidelines.

S6. Human Rights	
Indicator	2023 Performance
Does your company follow a harassment and/or non-discrimination policy?	Yes, harassment and non-discrimination are managed through the Employee Handbook guidelines.
Does your company have a formal grievance mechanism in place?	Yes, grievance mechanisms are tackled in the Employee Handbook, Employees Code of Conduct, and the Whistleblowing Policy.
Does your company follow a child and/or forced labor policy?	Amanat strictly adheres to the UAE labor law.
Does your company follow a human rights policy?	Amanat addresses human rights-related concerns within its Employee Handbook.
Does your company provide training on human rights and related internal policies for your employees?	No

As a financial institution, Amanat's employees are not subjected to events that could threaten their safety or cause injuries or fatalities. Nevertheless, the Company takes health and safety seriously and works to ensure a safe work environment. Amanat addresses Health and safety concerns in its Employee Handbook.

S7. Health and Safety			
Indicator	2021	2022	2023
Does your company follow an occupational health and safety policy?	Yes, Amanat's Employee Handbook addresses health and safety concerns.		
Does your company adopt a recognized health and safety management systems, such as ISO45001?	No, Amanat does not adopt a recognized health and safety management system, such as ISO45001. However, it abides by the UAE health and safety laws.		
Please share the total employee and total contractors (if available) in manhours*	187.5	195.0	157.5
Please share the total employee fatalities	0	0	0
Please share the employee lost time injury (LTI)	0	0	0
Please share the lost time injury frequency (LTIF)	0	0	0
Please share the total health and safety training provided to employees	0	0	0

** Calculations are done by multiplying the total number of full-time employees and contractors/consultants by 7.5 hours.*

Amanat's mission is to invest sustainably toward generating impact on society and creating value for its shareholders. Despite the lack of initiatives and investment in community-related projects, Amanat's contribution to society is rooted in its core business model.

S8. Community Engagement			
Indicator	2021	2022	2023
Please share the total amount invested in the community, including philanthropy, donations, and sponsorships.	0	0	0
The total employee volunteering completed during the reporting period.	0	0	0

Environmental, Social, and Governance Report

Governance

The governance structure of Amanat is designed to ensure a systematic oversight of the Company. At the Board level, the Company established, alongside the Board of Directors, the Audit, Risk, and Compliance Committee and the Nomination and Remuneration Committee. Additionally, Amanat has an internal audit function and a compliance officer that support the oversight of the Company.

Board of Directors

The responsibilities of the Board of Directors are defined in the Company's corporate governance rules. The duties of the members include, alongside general governance oversight, the establishment and oversight of the Group's risk management framework and the issuance of the corporate governance report. To ensure the Board members are equipped with the necessary skills to effectively perform their duties, they must lay down suitable development programs.

The Board of Directors at Amanat consists of seven members. With one woman on its Board, Amanat is committed to meeting the minimum requirement of having female representation on the Board of Directors (at least one female member).

G1. Board Diversity				
Indicator		2021	2022	2023
--	Total number of Board members	7	7	7
G1.1	Total Board seats occupied by men	5	5	6
	% of Board seats occupied by men	71%	71%	86%
	Total Board seats occupied by women	2	2	1
	% of Board seats occupied by women	29%	29%	14%
--	Total committee chairs	4	4	2
G1.2	Total committee chairs occupied by men	3	3	2
	% of committee chairs occupied by men	75%	75%	100%
	Total committee chairs occupied by women	1	1	0
	% of committee chairs occupied by women	25%	25%	0%
G2. Board Independence				
G2.1	Does the company prohibit CEO from serving as board chair?		Yes	
G2.2	Please share the total board seats occupied by independents	7	7	6
	% of board seats occupied by independents	100%	100%	86%
G3. Collective Bargaining				
G3.1	Please share the total enterprise headcount covered by collective bargaining agreement(s)		NA	

Supply Chain Management

To ensure Amanat promotes accountability, cost efficiency, quality, and compliance while managing risks and fostering positive supplier relationships, a Procurement Policy is established. Certain elements from the Code of Conduct, including agreements, vendor creation processes, and NDA signatures are embedded in the procurement process. Amanat does not formally certify suppliers for complying with the Code of Conduct, neither are audits on suppliers' environmental and social performance conducted. However, it is expected from all vendors to adhere with the requirements put forward in the Policy.

G4. Supply Chain Management				
Indicator		2021	2022	2023
G4.1	Are your vendors or suppliers required to follow a Code of Conduct?	Yes	Yes	Yes
G4.2	Percentage of suppliers formally certified and compliant with the Code?	NA	NA	NA
G4.3	Please share the suppliers that underwent a supplier's environmental audit during the reporting period	NA	NA	NA
G4.4	Please share the suppliers that underwent a supplier's social audit during the reporting period	NA	NA	NA
G4.5	Please share the new suppliers receiving warning due to the environmental/social screening	NA	NA	NA

Ethics and Anti-Corruption

Amanat follows an Anti-Bribery and Corruption Policy that aims to prevent corrupt and illegal practices and mitigate the risks of employees being involved in corrupt activities. The Policy applies to the Company and provides an overarching framework to the Company's wholly and majority-owned subsidiaries and their directors and officers, as well as full-time, part-time, and seconded employees, and anyone working on Amanat's behalf. No corrective measures had to be taken as no corruption cases were confirmed in the past three years. To ensure we do not face any corruption-related incidents in the future, our team undergoes compliance and ethics training.

G5. Ethics and Anti-Corruption				
Indicator		2021	2022	2023
G5.1	Does your company follow an Ethics and/or Anti-Corruption policy?	Yes	Yes	Yes
G5.2	Please share the workforce formally compliant with the Anti-Corruption Policy	100%	100%	100%
G5.3	Please share the confirmed incidents of corruption during the reporting period	0	0	0
G5.4	Please share the corrective measures taken corresponding to the confirmed incidents of corruption	NA	NA	NA

Data Security

Amanat obtains, keeps, and uses personal information about employees and third parties, such as suppliers and customers. To ensure the obtained data is treated in a fair, transparent, and lawful manner and that all data protection obligations are adhered to, a Data Privacy Policy is implemented.

G6. Data Security				
Indicator		2021	2022	2023
G6.1	Does your company follow a Data Privacy policy?	Yes	Yes	Yes
G6.2	Has your company taken steps to comply with GDPR rules or similar standards?	No	No	Yes
G6.3	Data security breaches during the reporting period (if any)	0	0	0

Sustainability Practices

Amanat has been producing annual sustainability reports since 2021. The 2023 sustainability report will be available on Amanat's website. The report is aligned with the GRI standards, showcasing Amanat's impact on the SDGs and incorporating recommendations by the GHG Protocol. Amanat's sustainability disclosures have been reviewed and approved by Amanat's internal stakeholders but have not been assured by a third-party auditor.

G7. Sustainability Practices				
Indicator		2021	2022	2023
G7.1	Does your company publish a sustainability report?	Yes	Yes	Yes
G7.2	Does your company publish a GRI, WEF SCM, SASB, IIRC, UNGC, or CDP based reporting?	Yes	Yes	Yes
G7.3	Does your company provide training to its employees regarding topics related to sustainability (environment, human rights, ethics, etc.)?	NA	NA	Yes
G7.4	Please share the total sustainability-related training hours provided to all employees.	NA	NA	2 hours
G9. External Assurance				
G9.1	Are your sustainability disclosures assured or validated by a third party?	No	No	No

Corporate Governance

Amanat's corporate governance frameworks are based on best in-class standards and internal controls that protect the interests of all stakeholders.

Corporate Governance

Introduction

At Amanat, corporate governance forms the foundation of our business. Our corporate governance framework allows our business to generate long-term sustainable value for our shareholders and wider stakeholder network, an objective rooted in the Company's strategy and guiding principles. While adhering to all required laws and regulatory obligations, we integrate best-practice international methodologies and have structured our corporate governance framework to best suit our business model and the high-quality outcomes that we aim to deliver to our stakeholders. The framework provides standards and internal controls that protect the interests of all stakeholders.

Amanat's Corporate Governance Framework

Amanat continuously develops and adapts its corporate governance framework and reports it in accordance with the applicable laws and regulations prescribed by the Securities and Commodities Authority (SCA) of the UAE. These include the Chairman of SCA's Board of Directors' Decision No. (3RM/2020) and the Chairman of SCA's Board of Directors' Decision No. (6RM/2022) concerning joint-stock companies' governance guide (SCA Corporate Governance Rules), as well as the rules and regulations set by the Dubai Financial Market. Several committees were formed, which report directly to Amanat's Board (the Audit, Risk, and Compliance Committee; the Nomination and Renumeration Committee; and the Strategy and Investments Committee).

Amanat's robust corporate governance framework is realized through its Board of Directors, multiple Committees, Management, and Internal Audit and Compliance functions. The framework identifies accountabilities that have been created and translated into practices, responsibilities, and procedures, each of which have been clearly outlined in the Company's Corporate Governance Report.

Corporate Governance Highlights from 2023

In 2023, Amanat continued to proactively engage with its shareholders, dedicating resources to governance issues, stakeholder outreach, and the development of applicable policies, including operational frameworks for Amanat's portfolio companies. In tandem, Amanat's Board and Executive Management continued to uphold high levels of transparency through the disclosure of major events, substantial decisions, and clarifications on all matters relating to the Company's operational, and financial and strategic plans and outcomes.

Additionally, the Company broadened its communication channels to share periodic updates across material transactions, strategic objectives of the business, portfolio companies' operational and financial performance, market dynamics, share price performance, and macroeconomic factors impacting the business, as well as industry insights that help navigate the Company's deployment strategy in the short-to-medium term.

Amanat has continuously strengthened its governance practices, and 2023 was no exception. In fact, 2023 was a year of development for Amanat. The Board of Directors proactively and continuously worked with Management to:

- Ensure business continuity through extensive preparation and capabilities across health and safety, digitization of workstreams, and flexibility for working mothers.
- Appoint qualified non-executive members to its committees to add supplementary value and convey the strategy and the future of the business.
- Engage with shareholders and all stakeholders to facilitate high levels of transparency, while maintaining regular updates on the business, both mandatory and voluntary.
- Recognize the transformational impact across the business of the value-driven approach through a carefully curated strategy that is clearly reflected in Amanat's performance and achievements in 2023.
- Approve and implement updated compliance policies and frameworks.

Share Dealings

Ser.	Name Arabic	Name English	Position/Kinship	Owned Shares as at 31/12/2023	Total Sale	Total Buy / Transfer
1	الدكتور شمشير فاياليل	Dr. Shamsheer Vayalil	Chairman	236,000	0	0
2	تى سى بليتز لميتد	TC BLITZ LTD	Owned by Dr. Shamsheer Vayalil	426,076,923	98,923,077	525,000,000
3	السيد حمد عبد الله الشامسي	Mr. Hamad Abdulla Alshamsi	Board Member	1,000,000	0	0
4	الدكتور علي سعيد بن حرمل الظاهري	Dr. Ali Saeed Bin Harmal Aldhaheri	Board Member	25,907,697	0	0
5	سعادة ظافر سحمى الأحبابي	H.E. Dhafer Sahmi Al Ahbabi	Board Member	20,323,864	0	0
6	اف ايه ايه كابيتال للاستثمار ذ.م.م	FAA Capital Investment	Owned by H.E. Dhafer Sahmi Al Ahbabi	0	10,855,178	0
7	سعادة حمد راشد نهيل النعيمي	H.E. Hamad Rashed Nehail Alnuaimi	Board Member until 20 November 2023	20,000,000	0	1,350,000
8	شركه الحصن الغربى للاستثمارات والعقارات	Al-Hosn Al-Gharbi Company for Investments and Real Estate	Owned by H.E. Hamad Rashed Nehail Alnuaimi	3,111,991	0	0

Board of Directors

Amanat's Board of Directors comprises seven members, a majority of whom are UAE nationals. The Board comprises Non-Executive Directors and Independent Directors, in accordance with the rules and regulations relating to the formation of Boards as laid out by SCA. Female representation on Amanat's Board is currently one out of seven members.

The Board is responsible for overseeing, counseling, and directing senior management and the multiple Committees, while ensuring the effective leadership of the Company to deliver sustainable value to stakeholders through the implementation of Amanat's principal business activities and strategies. Among its key duties and responsibilities, the Board adopts Amanat's strategic approaches and objectives, including the rules for insider information and conflicts of interest; establishes and reviews mechanisms to ensure internal compliance and adherence to regulatory frameworks for risk management; ensures the soundness of administrative, financial, and accounting systems; sets the responsibilities, training, and conduct of Board Members; sets a mechanism for receiving shareholders' complaints and proposals; and sets policies that regulate the Company's relationship with its stakeholders, as well as disclosure and transparency policies, in addition to policies related to the distribution of Amanat's profits in a manner that serves the best interests of the shareholders and Company alike.

Composition of the Board of Directors

Dr. Shamsheer Vayalil

Position:
Chairman of the Board of Directors

Category:
Non-Executive

Experience	Dr. Shamsheer is a seasoned strategic investor with a comprehensive background in the healthcare sector. He has played a pivotal role in guiding two of his founded companies to public markets in Abu Dhabi in his entrepreneurial journey spanning over one-and-a-half decades. His expertise lies in recognizing market gaps and orchestrating the expansion of healthcare services to address them, solidifying his position as a leading investor in the largest healthcare companies in the MENA region and India. Dr. Shamsheer works closely with UAE authorities to spearhead transformative initiatives with more significant national and global implications. His visionary concepts, energized by the dynamic milieu of the UAE, prove his appreciation for the nation that has served as the cradle for his innovative ideas. Driven by a deep-seated commitment to cultivating the next generation of leaders in the UAE, he actively engages in various programs to nurture their growth and development. Dr. Shamsheer is the Founder and Chairman of Burjeel Holdings PJSC and a Member of the Board of Directors at Response Plus Holding PJSC (RPM). In addition to his corporate responsibilities, he is dedicated to enhancing healthcare capabilities in the UAE and serves on several prestigious committees, including the UAE Medical Council, the International Health Advisory Committee of the Ministry of Foreign Affairs (MOFA).
Qualifications	Dr. Shamsheer has completed his medical training at Kasturba Medical College, India, after which he received additional specialty training in radiology.
Period served as a Board Member of the Company	Following his election at the General Assembly held on 20 November 2023.
Period served as Chairman of the Company	Following his election at the Board of Directors meeting held on 28 December 2023.

Mr. Abdulla Mohammed Alhosani

Position:
Vice Chairman of the Board of Directors

Category:
Non-Executive

Experience	Mr. Abdulla is a highly seasoned banking professional from the United Arab Emirates, boasting an impressive 30 years of experience in the industry. Throughout his journey, Mr. Abdulla has consistently demonstrated exceptional expertise and leadership within the development of the banking industry, including retail banking, commercial banking, business research, and quality assurance, contributing to the growth and advancement of the UAE's banking sector. Mr. Abdulla has held key leadership positions in renowned banking institutions across the UAE, including National Bank of Abu Dhabi, First Gulf Bank, Commercial Bank of Dubai, Bank of Oman / Mashreq Bank. In addition to his achievements in the banking sector, Mr. Abdulla has played a notable part in growing Al Salem Company Ltd as an investment firm in the UAE market. Mr. Abdulla currently sits on several boards, including Ajman Bank, Union Insurance Company, and Gulf Cement Company.
Qualifications	Mr. Abdullah holds a bachelor's degree in accounting and economics from the United Arab Emirates University.
Period served as a Board Member of the Company	Following his election at the General Assembly held on 20 November 2023.
Period served as Vice Chairman of the Company	Following his election at the Board of Directors meeting held on 28 December 2023.

Mr. Hamad Abdulla Alshamsi

Position:
Board Director

Category:
Non-Executive

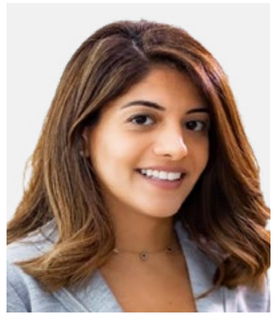
Experience	Mr. Hamad is a UAE national businessman, with a wealth of experience that spans more than two decades, overseeing several businesses across multiple disciplines, including financial services and investments. Mr. Hamad was the CEO of a Private Investment Company specialized in investments and real estate development projects. He also currently serves as a Board member of Dubai Islamic Bank and Americana. In addition, Mr. Hamad was the Chairman of the Board of Directors at ADX, IHC, and Al Qudrah Holdings and Board Member at Etihad Airways, Finance House, and Al Hilal Bank.
Qualifications	Mr. Hamad holds a Bachelor's degree in Business Administration from UAE University and an MBA majoring in finance and banking from the United States of America.
Period served as a Board Member of the Company	Following his election at the General Assembly held on 16 November 2017.

Dr. Ali Saeed Bin Harmal Aldhaheri

Position:
Board Director

Category:
Non-Executive

Experience	Dr. Ali has a proven track record spanning over two decades in both education and business. He has founded, launched, and managed several thriving business ventures in diverse sectors such as IT, education, tourism, and real estate. Moreover, Dr. Ali has been actively engaged in high-level government tourism and development strategies, MICE, and education management. Currently, he holds several significant positions, including Chairman and Founder of Abu Dhabi University, Chairman and CEO of NEMA Education, Chairman of Cambridge Medical and Rehabilitation Center, Managing Director of Bin Harmal Group, and Chairman of Liwa Education and Magna Investments. Furthermore, he serves on the boards of various listed companies, including Chairman of Watania International Holding, Board member of Al Ramz Corporation, and previously the Vice Chairman of Amanat Holdings. Dr. Ali is also the First Vice Chairman of the Abu Dhabi Chamber of Commerce Board of Directors and a member of the Economic Cooperation Committee for Government and Private Sectors in Abu Dhabi.
Qualifications	Dr. Ali holds an MBA from the American University in Washington DC, USA, and a PhD from Durham University, United Kingdom.
Period served as a Board Member of the Company	Following his election at the General Assembly held on 15 November 2020.



Mrs. Sara Khalil Nooruddin

Position:
Board Director

Category:
Non-Executive

Experience	Mrs. Sara is the Deputy Chief Investment Officer at Osool, where she leads the Investment and Asset Allocation functions. Throughout her career, Mrs. Sara has demonstrated expertise in private investing, sourcing, evaluating, and monitoring fund managers and investment opportunities on a global scale. She has been at Osool Asset Management since 2013. Prior to joining Osool Asset Management, Mrs. Sara was a Private Equity Manager at Gulf International bank (GIB). Mrs. Sara serves on the board of a London-based Real Estate Company, Ageila Capital Management, Amlak Real Estate Company, and Al Malaki Specialist Hospital.
Qualifications	Mrs. Sara holds a BBA with a concentration in finance from George Washington University, United States of America and she is a certified Chartered Financial Analyst (CFA).
Period served as a Board Member of the Company	Following her election at the General Assembly held on 8 August 2019.

H.E. Dhafer Sahmi Al Ahbabi

Position:
Board Director

Category:
Non-Executive

Experience	H.E. Dhafer is an accomplished executive, investor, and entrepreneur with over two decades of experience in managing investments by capitalizing on his sharp business acumen, technical expertise, interpersonal skills, and strategic mindset, among other attributes. He was instrumental in penetrating new markets and achieving unprecedented growth for the companies he had previously founded and managed. H.E. Dhafer is currently the Chairman of Al Ramz Corporation PJSC. His previous appointments have been in the Abu Dhabi Investment Authority as a Board Member at First Gulf Bank, Abu Dhabi Islamic Bank, Invest Bank, Al Wathba Insurance, Aabar Investments, and Abu Dhabi University Holding Group.
Qualifications	H.E. Dhafer holds a bachelor's degree in Economics from United Arab Emirates University.
Period served as a Board Member of the Company	Following his election at the General Assembly held on 15 November 2020.

Mr. Omran Mohammedsaleh Alkhoori

Position:
Board Director

Category:
Non-Executive

Experience	Mr. Omran is the leading face of innovation and change in the UAE's private sector. With over two decades of experience spanning the healthcare and oil and gas industries, Mr. Omran's strategic insights and decision-making prowess have been instrumental in steering organizations towards growth and innovation. Mr. Omran's robust educational and social foundation has equipped him with the knowledge and skills to drive impactful change. His career journey has not only been marked by personal success but also by a commitment to revitalizing the allure of the private sector for Emirati professionals, inspiring many with the opportunities and growth prospects within the healthcare industry. Currently, Mr. Omran serves as the Chairman of Response Plus Holding PJSC (RPM), the largest pre-hospital medical services provider in the UAE and KSA. Additionally, he is a Member of the Board of Directors at Burjeel Holdings, Al Maryah Community Bank, and Aman Insurance Company. He also serves as the Chairman of Keita Catering LLC. Beyond his corporate engagements, Mr. Omran is deeply committed to societal advancement, serving as the Secretary General of the Union for Human Rights Association.
Qualifications	Mr. Omran holds a Bachelor's degree in Business Administration and a Diploma in Science from Suffolk University in Boston, United State of America.
Period served as a Board Member of the Company	Following his election at the General Assembly held on 20 November 2023.

Below is the previous Board of Directors who served the Company until 20 November 2023.

Mr. Hamad Abdulla Alshamsi

Chairman

Mrs. Elham Alqasim

Board Director

Dr. Ali Saeed Bin Harmal Aldhaheri

Vice Chairman

H.E. Dhafer Sahmi Al Ahbabi

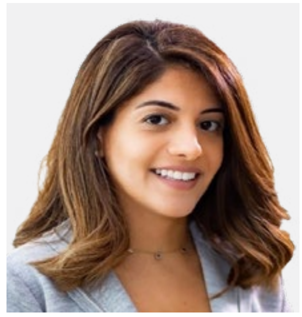
Board Director

H.E. Hamad Rashed Nehail Alnuaimi

Board Director

Mr. Khalaf Sultan Aldhaheri

Board Director



Mrs. Sara Khalil Nooruddin

Board Director

Board Remuneration and Allowances for 2023

Statement of the following:

1- Total remuneration to be paid to Board Members for 2023.

The Board of Directors' remuneration of AED 1.4 million has been proposed for approval at the General Assembly of the shareholders (being AED 200,000 per member).

2- Details of the allowances for attending sessions of the committees emanating from the Board, and/or making special efforts or performing additional work, for the the Board Members for the 2023 fiscal year.

Fees of c. AED 0.6 million proposed for approval at the General Assembly of the shareholders.

Number of Board meetings held during the year 2023 with relevant details:

Ser.	Date	Attendees	Proxy	Names of Absent Members
1	14 February 2023	7		
2	15 March 2023	5	2	
3	31 March 2023	5	1	Mr. Khalaf Sultan Aldhaheri
4	10 May 2023	6	1	
5	13 June 2023	7		
6	9 August 2023	6		H.E. Hamad Rashed Nehail Alnuaimi
7	9 October 2023	5	1	H.E. Hamad Rashed Nehail Alnuaimi
8	7 November 2023	7		
9	23 November 2023	7		
10	20 December 2023	6		Mrs. Sara Khalil Nooruddin
11	28 December 2023	7		

New Board of Directors were elected on the 20 November 2023

Note: All Board meetings were disclosed on the DFM electronic portal "Efsah".

Number of the Board resolutions passed by circulation during the 2023 fiscal year, along with meeting dates.

None

Duties and powers exercised by Board Members or Executive Management members during 2023 based on authorization from the Board:

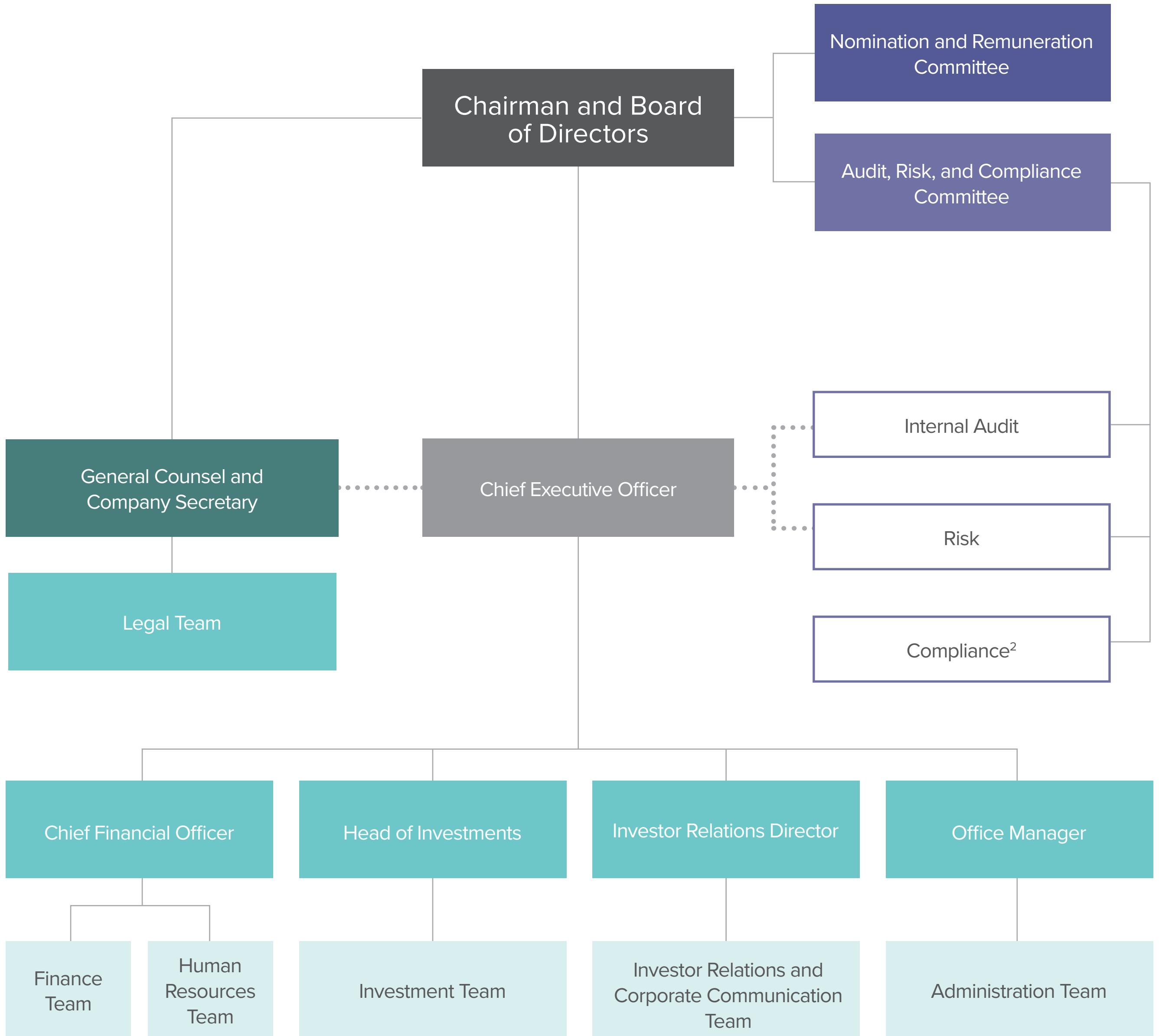
Ser.	Name of the Authorized Person	Power of Authorization	Duration of Authorization
1	Dr. Shamsheer Vayalil	Jointly with other members of the Board or Executive Management to the extent permitted by the law, governing rules, and articles of the Company.	From 28 December 2023 to date
2	Mr. Hamad Abdulla Alshamsi	Jointly with other members of the Board or Executive Management to the extent permitted by the law, governing rules, and articles of the Company.	From 22 November 2017 to 20 November 2023
3	John Ireland	In accordance with the internal authority matrix of the Company.	From 15 March 2023 to date
4	Dr. Mohamad Hamade	In accordance with the internal authority matrix of the Company.	From 1 May 2020 through to resignation on 15 March 2023

Statement of the details of transactions made with the related parties (stakeholders) during 2023:

No transactions made with the related parties (stakeholders) during 2023.

Amanat Holdings Organization Structure[1]

Amanat's Board, Sub-Committees, and Executive Management continue to carry out their responsibilities on a day-to-day basis in line with governing charters and the internal authority matrix. Below is the current organization structure of Amanat.



Note: Solid lines represent functional reporting while dotted lines are for administrative reporting.

[1] *The Strategies and Investments Committee was not reconstituted after 14 November 2023.*
[2] *The administrative reporting line to the General Counsel.*

Executive Management Remuneration

The Amanat Executive Management team consists of senior employees who report to the Chief Executive Officer. The following table lists their titles, appointment dates, and total amounts they received as salaries and bonuses.

The Amanat Executive Management team who served the Company until 31 December 2023:

Name	Designation	Date of Appointment	Date of Exit	Total salary and allowances for 2023 (AED)	Total paid Bonuses for 2023 (AED)	Total of other cash / noncash benefits for 2023 (AED)
John Ireland[3]	Chief Financial Officer	19 September 2021	NA	1,800,000	450,000	274,788
Fadi Habib	Head of Investments	6 April 2015	NA	1,260,000	735,000	274,453
Dr. Mohamad Hamade[4]	Chief Executive Officer	28 November 2017	15 March 2023	1,164,272	0	241,579

[3] *John Ireland was the Acting CEO during 2023 from 15 March 2023.*

[4] *Dr. Mohamad Hamade resigned on 15 March 2023.*

Emiratization Percentage:

Year	No. of Emiratis	Total Staff	% of Emiratis
2020	3	21	14%
2021	1	25	4%
2022	2	26	8%
2023	3	21	14%

Sub-Committees of the Board of Directors

The Board of Directors established the Board Committees to assist it in achieving its duties and responsibilities. The Committees report directly to the Board and comprise the Audit, Risk, and Compliance Committee; the Nomination and Remuneration Committee; and the Strategies and Investments Committee.

Audit, Risk, and Compliance Committee ("ARCO")

The ARCO currently comprises the following members:

1. **Dr. Ali Saeed Bin Harmal Aldhaheri, Chairman**
2. **Mr. Hamad Abdulla Alshamsi, Member**
3. **Mr. Abdulla Mohammed Alhosani, Member**

The previous members until 20 November 2023 are as follows:
- Dr. Ali Saeed Bin Harmal Aldhaheri, Chairman
- Mr. Khalaf Sultan Aldhaheri, Member
- Mr. Laith Alfraih, Member
- Mrs. Elham Alqasim, Member

Amanat's ARCO supports the Board of Directors in overseeing, reviewing, and assessing the effectiveness of the Company's corporate governance, disclosure, internal control, and risk management systems, as well as reviewing the Company's financial and accounting policies and procedures.

The ARCO submits its recommendations to the Board in regard to the selection, resignation, or discharge of the external auditor. The Committee also ensures the availability of the resources required for the internal control department and reviews and monitors its effectiveness.

The ARCO works with the external auditor and regulates the responsibilities, work plan, comments, proposals, concerns, and any substantial inquiries made by the external auditor to management concerning accounting books, financial accounts, control systems, and the scope of the auditing process and its effectiveness according to the approved auditing standards.

The ARCO leads on implementing the policy of engagement with the external auditor and submitting a report to the Board along with the ARCO's recommendations specifying the procedures they deem necessary to be taken in this regard.

The committee's Chairman,acknowledges his responsibility for the committee system in the Company, the review of its work mechanism, and ensuring its overall effectiveness.

The Audit, Risk, and Compliance Committee met six times during 2023 as outlined below:

Committee member	Position	26 January 2023	8 February 2023	1 March 2023	3 May 2023	7 August 2023	6 November 2023
Dr. Ali Saeed Bin Harmal Aldhaheri	Chairman	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Khalaf Sultan Aldhaheri	Member	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Laith Alfraih	Member	Attended	Attended	Attended	Attended	Attended	Attended
Mrs. Elham Alqasim (Appointment date: 10 May 2023)	Member	-	-	-	-	Absent	Attended

External Auditor – Finance

Ernst & Young (EY) is a multinational professional services firm and one of the largest accounting companies in the world.

EY operates as a network of member firms that are separate legal entities in individual countries. It has 250,000 employees in over 700 offices across 150 countries and a global revenue of USD 34.8 billion. EY provides assurance (including financial audit), tax, consulting, and advisory services to companies.

EY has been present in the MENA region since 1923 and in the UAE, specifically, since 1966. EY's Dubai office has over 1,400 staff and serves a wide variety of governmental, private, and multinational clients.

Details of the fees paid to EY for the financial year 2023 auditing services:

Name of the audit office and partner auditor	Ernst and Young Middle East Partner Name: Wardah Ibrahim
Number of years served as the company external auditor	5
The number of years that the partner auditor spent auditing the company's accounts	2
Total fees for auditing the annual consolidated financial statements and reviewing the interim condensed consolidated financial information of Amanat Holdings PJSC for the year ended 31 December 2023	AED 531,500
Other audit related fees (Additional billing regarding PPA reviews, technology fees, out of pocket expenses, translation fees, etc)	AED 108,000
Total audit and review fees of the affiliated entities of Amanat Holdings PJSC for the year ended 31 December 2023	AED 1,573,500
Statement of other services that an external auditor other than the company accounts' auditor provided during 2023, if any. In the absence of another external auditor, this matter must be explicitly stated.	None

A statement explaining the reservations that the company auditor included in their interim and annual financial statements for 2023.

None.

Nomination and Remuneration Committee ("NRC")

The Nomination and Remuneration Committee establishes the policies for bonuses, privileges, incentives and salaries for Company personnel, including Board Members. It determines the Company's executive and staff qualification requirements and sets human resources and training policies. The Committee establishes and updates the policy for nominations to the Board and Executive Management, which includes seeking to achieve greater gender balance. It continually assesses and verifies the independence of independent Board Members. The Committee is required to meet at least once during the year.

The Committee currently comprises the following members:

1. **H.E. Dhafer Sahmi Al Ahbabi, Chairman**
2. **Mr. Omran Mohammedsaleh Alkhoori, Member**
3. **Mrs. Sara Khalil Nooruddin, Member**

The previous members until 20 November 2023 are as follows:

- H.E. Dhafer Sahmi Al Ahbabi, Chairman
- Mrs. Sara Khalil Nooruddin, Member
- Mrs. Elham Alqasim, Member

The Committee Chairman acknowledges his responsibility for the committee system in the Company, his review of its work mechanism and ensuring its overall effectiveness.

The Committee met three times during 2023 as outlined below:

Committee member	Position	10 March 2023	12 June 2023	4 October 2023
H.E. Dhafer Sahmi Al Ahbabi	Chairman	Attended	Attended	Attended
Mrs. Sara Khalil Nooruddin	Member	Attended	Attended	Attended
Mrs. Elham Alqasim	Member	Attended	Absent	Attended

Strategies and Investments Committee ("SIC")

The Strategies and Investments Committee is responsible for reviewing and monitoring the implementation of the Company's strategic initiatives and business plans and providing recommendations to the Board.

During the year 2023, the Committee comprised[5]:

- Mr. Hamad Abdulla Alshamsi, Chairman
- Dr. Ali Saeed Bin Harmal Aldhaheri, Member
- Mrs. Sara Khalil Nooruddin, Member
- H.E. Dhafer Sahmi Al Ahbabi, Member
- Dr. Mohamad Hamade[6], Member

The Committee reviews, assesses, and makes recommendations to the Board based on information regarding strategic and investment matters.

The Committee has the authority to take decisions as per the limits indicated in the delegation of authority adopted by the Company and has the mandate to review and recommend to the Board on matters that have been placed before them.

The Committee may engage and approve the pay of financial, commercial, legal, and other technical advisors to assist the Committee in carrying out its functions. Such advisors may be regular consultants to the Company.

The Committee met four times during 2023 with full quorum:

Committee member	Position	7 February 2023	27 April 2023	2 May 2023	2 June 2023
Mr. Hamad Abdulla Alshamsi	Chairman	Attended	Attended	Attended	Attended
Dr. Ali Saeed Bin Harmal Aldhaheri	Member	Attended	Attended	Attended	Attended
Mrs. Sara Khalil Nooruddin	Member	Attended	Attended	Attended	Attended
H.E. Dhafer Sahmi Al Ahbabi	Member	Absent	Attended	Attended	Attended
Dr. Mohamad Hamade[6]	Member	Attended	-	-	-

[5] *The Strategies and Investments Committee was not reconstituted after 14 November 2023.*
[6] *Dr. Mohamad Hamade resigned on 15 March 2023 from the SIC.*

Insiders' Transactions

Amanat adopts a robust measure to monitor insiders' transactions and periodically updates the market and the Securities and Commodities Authority of the Insider List. The Legal department and the Investor Relations Director maintain the Insider List and continue to implement notifications of prohibition in dealings periods. They are responsible for:

- Establishing and updating the Insiders' Register.
- Notifying individuals on the list of any blackout periods and set awareness for Company employees of any trading restrictions.
- Updating and maintaining an Investor Relations Communication and Trading Policy.

In 2023, the Insider List was maintained and is updated on a quarterly basis and reported to the Dubai Financial Market. The Insider List also cross-checked with the Company's shareholder register to identify and monitor any potential transactions by insiders.

Internal Control

The Internal Control function is responsible for providing reasonable assurance to the Board through the Audit, Risk, and Compliance Committee on the adequacy and effectiveness of internal controls in place and ongoing monitoring of risks. Key responsibilities include reporting on significant risk exposure and control weaknesses, as part of its broader monitoring and evaluation of the Company governance and risk management processes towards achieving the organization's strategic objectives.

During 2023, PricewaterhouseCoopers ("PwC") were appointed as the Amanat's internal auditors and risk officer, assuming their roles and responsibilities from Grant Thornton ("GT"), the Group's previous internal auditors. Following the appointment of PwC, a comprehensive internal audit plan for the Company and its subsidiaries was presented to and approved by the Audit, Risk and Compliance committee ("ARCO") for 2023 and 2024. Accordingly, 10 internal audits were performed and completed during 2023 across various functions and the related findings were presented to the ARCO. In addition, PwC also conducted a follow-up on the outstanding action points from a Control Diagnostics review performed by GT during 2022, the results of which were presented to the ARCO, noting 88% of the outstanding observations were remedied by Management.

Compliance

The Compliance Function is responsible for the ongoing monitoring and reporting to the Audit, Risk, and Compliance Committee on all aspects and status of Amanat's compliance with its internal policies, as set out and approved by the Board of Directors and Board Committees, and the applicable laws and regulations.

In this respect, Amanat has appointed Gunjan Gangwani as the Compliance Officer in October 2023. Gunjan is experienced in compliance, corporate governance, anti-money laundering and KYC rules and regulations. She holds an MBA from IMT, Ghaziabad, an Advanced Diploma in Software Engineering from CMC, New Delhi. She is also a Certified Anti Money Laundering Specialist.

The Board of Directors hereby declares its responsibility for the Internal Control and Compliance function, revisions to its mechanism, and guarantees its effectiveness by safeguarding assets, ensuring integrity and reliability of the financial reporting and systems, disclosing non-compliance instances, and reviewing the ARCO report with respect to the internal audit activities and its reports.

Details of any violations committed during 2023, explaining their causes, how to address them, and how to avoid their recurrence in the future:

None.

Statement of the cash and in-kind contributions made by the Company during 2023 in developing the local community and preserving the environment. (In case of the absence of contributions, it must be mentioned that the Company has not made any.)

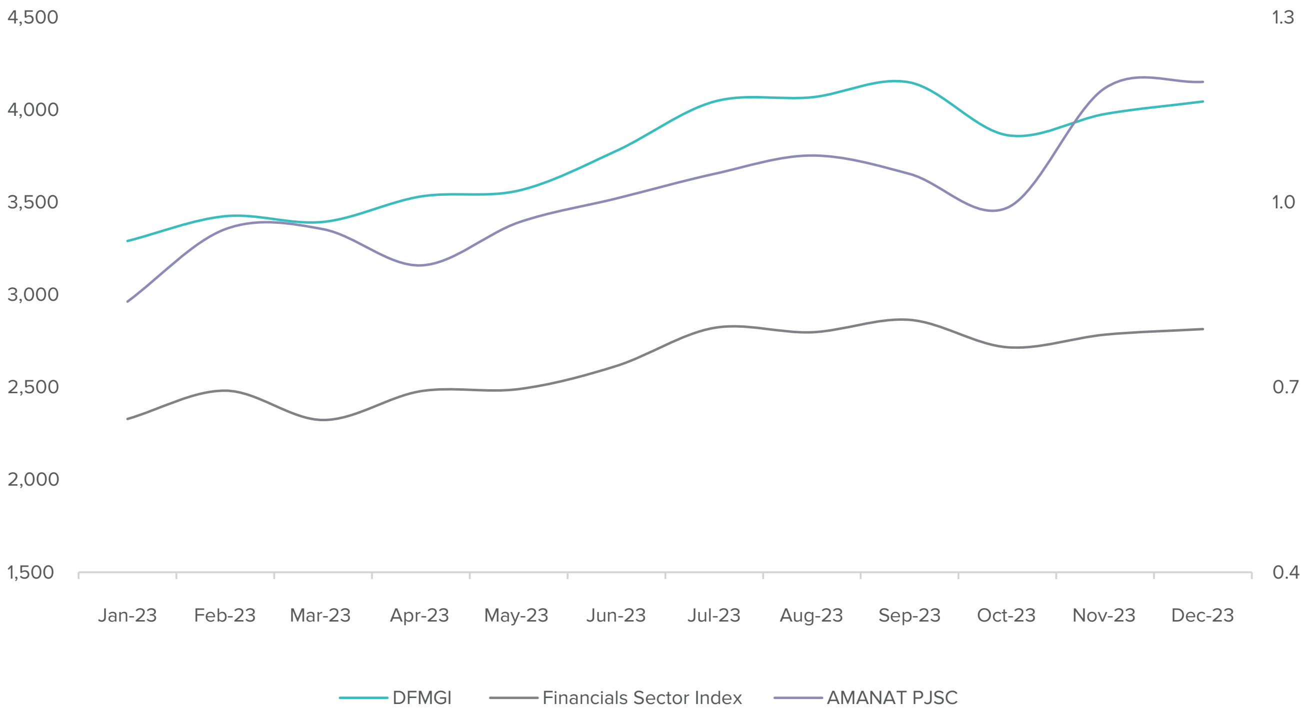
None.

General Information

Statement of the Company's share price in the market (closing price, highest price, and lowest price) at the end of each month during fiscal year 2023 is listed below:

Month	Highest Price	Lowest Price	Closing Price
January	0.88	0.84	0.84
February	0.96	0.84	0.96
March	0.97	0.96	0.96
April	0.96	0.88	0.90
May	1.06	0.90	0.97
June	1.09	0.96	1.01
July	1.07	0.99	1.05
August	1.10	1.03	1.08
September	1.12	1.03	1.05
October	1.05	0.98	1.00
November	1.29	0.99	1.19
December	1.20	1.13	1.20

Statement of the Company's comparative performance with the general market index and sector index to which the Company belongs during 2023.



Statement of ownership distribution of shareholders as at 31 December 2023 (individuals, companies, governments) classified as follows: UAE, GCC, Arab, and foreign.

Shareholders' classification

Shareholder's classification (number of shares)						
Ser.	Geography	Individuals	Banks	Companies	Government	Total
1	UAE	952,440,811	75,813,528	555,944,199	15,000	1,584,213,538
2	GCC	3,386,979	445,379	315,341,884	0	319,174,242
3	Arab	21,849,492	0	656,527	0	22,506,019
4	Others	23,504,667	2,200	550,599,334	0	574,106,201
Total						**2,500,000,000**

Statement of shareholders owning 5% or more of the Company's capital as at 31 December 2023 according to the following schedule:

Ser.	Investor Name	Investor Name (English)	Type	Quantity	%
1	تى سى بليتز لميتد	TC Blitz Limited	Company	426,076,923	17.04%
2	سالم عبدالله سالم الحوسني والمجموعات المرتبطة	Salem Abdulla Salem Al Hosani and Associated Groups	Individual and Company	294,723,115	11.79%
3	سمو الشيخ ذياب بن زايد بن سلطان ال نهيان	H.H. Sheikh Dheyab bin Zayed bin Sultan Al Nahyan	Individual	285,503,132	11.42%
4	شركه اداره الاصول ش.م.ب مقفله	Osool Asset Management Company	Company	250,000,000	10.00%
5	سمو الشيخ نهيان بن زايد ال نهيان	H.H. Sheikh Nahyan bin Zayed Al Nahyan	Individual	159,950,000	6.40%
6	شيميرا للاستثمار	Chimera Investment LLC	Company	151,689,836	6.07%

Statement of how shareholders are distributed according to the size of the equity as at 31 December 2023 based on the following schedule:

Ser.	Share (s) ownership	Number of shareholders	Number of owned shares	Percentage of owned shares of the capital
1	Less Than 50,000	1,824	9,536,202	0.38%
2	Between 50,000 and 500,000	320	52,897,394	2.12%
3	Between 500,000 and 5,000,000	96	157,052,947	6.28%
4	Greater than 5,000,000	43	2,280,513,457	91.22%

Statement of measures taken regarding the controls of investor relationships:

Amanat's Investor Relations function integrates finance, communication, marketing, and securities law compliance to enable the most effective two-way communication between the financial community and other constituencies.

Name of Investor Relations Director: Abdulrahman Al-Suwaidi:

Investor Relations Contact Information	
Title	Investor Relations Director
Name	Abdulrahman Al-Suwaidi
Email	investor.relations@amanat.com
Contact Number	+971 (0) 4 330-9999
Investor Relations Page (Website)	https://amanat.com/for-investors/

Statement of the special decisions presented in the General Assembly held during 2023 and the procedures taken in their regard:

Approval to amend certain articles of the Articles of Association of the Company in accordance with the UAE Federal Decree Law No. 32 of 2021 in respect of Commercial Companies.

Board Secretary Function

Hadef & Partners acted as the Company Secretary and rapporteur until 8 February 2024, after which Tessa Lee was appointed for the role. Hadef therefore had the following duties during the year:

- Documenting Board of Directors (BoD) meetings, preparing their minutes, and making sure they are recorded as required by SCA.
- Recording BoD resolution by circulation and voting results with keeping the files in an organized record, including the names of attendees and any expressed reservations.
- Maintaining a record of all reports submitted to the BoD and reports prepared by the BoD.
- Providing the BoD with the agenda of the meeting and the related materials and any additional information related to the meeting.
- Notifying the BoD members of the meeting date and sending the related material at least seven days in advance as per SCA regulations.
- Circulating the draft of the minutes to the BoD ahead of signing it.
- Informing the Company's executive administration about resolutions of the BoD and its committees and reporting on their implementation and application.
- Coordinating between the BoD members and executive management.

Statement of fundamental events and important disclosures during 2023:

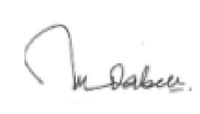
- Chairman appointment
- New Board of Directors election
- 9M 2023 financials - Amanat delivers net profit growth of 73% to AED 88.2 MN in 9M 2023
- Group CEO appointment for Cambridge Medical and Rehabilitation Center
- Partner with Mada International Holding on Post-Acute Care PPP projects in Saudi Arabia
- 1H 2023 financials - Amanat records 1H 2023 profit of AED 96 MN, up 52% YoY
- 1Q 2023 financials - Amanat records 1Q 2023 revenue growth of 42%, delivering profit of AED 44 MN, up 46% YoY
- Merger completion between Cambridge Medical and Rehabilitation Center and Sukoon International Company
- Approve share buyback program and AED 100 MN dividend for 2022
- Launch of Amanat Healthcare
- Acting CEO appointment
- CEO resignation
- FY 2022 financials - Amanat reports 23% growth in 4Q 2022 adjusted net profit, proposing AED 100 MN dividend to Shareholders

Signature of the **Board Chairman**

Signature of the **Audit, Risk, and Compliance Committee Chairman**

Signature of the **Nomination and Remuneration Committee Chairman**

Signature of **Internal Audit and Risk, being PriceWaterhouseCoopers**



Executive Management

Management Team

John Ireland
Chief Executive Officer

John Ireland is the Chief Executive Officer at Amanat.

John has a wealth of experience in the Healthcare and Education sectors. He initially joined Amanat in 2021 as its Chief Financial Officer.

John has over 20 years of experience in finance, strategy, and investment roles across a variety of industries including real estate, media, and entertainment.

Prior to joining Amanat, John served as the Chief Financial and Strategy Officer (CF&SO) of Qiddiya, Saudi Arabia's capital for entertainment, sports and the arts. Before that, he was the (CF&SO) at DXB Entertainments from 2017 to 2020 and the CFO of Rotana Media Group from 2011 to 2017.

Earlier in his career, John worked across various investment, strategy and finance roles for News Corporation, based in London and covering Europe and Asia. He also worked as a Manager at Deloitte UK between 2005 and 2007.

John holds a Bachelor of Arts in business management from the University of Exeter and is a Qualified Chartered Accountant.

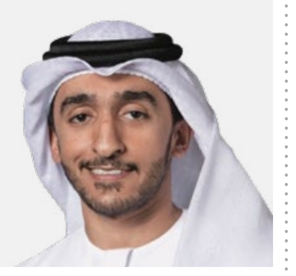
Fadi Habib
Head of Investments

Fadi currently holds the position of Head of Investments at Amanat.

Since joining Amanat in April 2015, Fadi has been instrumental in executing the Company's mandate through evaluating investment opportunities and leading strategic initiatives at portfolio companies. He joined Amanat from Scotiabank Global Banking & Markets in Toronto, where he served as Senior Associate in Equity Research, covering publicly listed Canadian banks and insurance companies, the largest sector on the Toronto Stock Exchange with well over USD 300 billion in market cap.

In the role, Fadi was a key member of one of Canada's top-rated research teams renowned for the publication of actionable and market-moving investment recommendations. Prior to that, Fadi held roles in Corporate Banking and Asset Management at some of Canada's top financial institutions.

He is a CFA charter holder and holds a BSc in Engineering with Honours from Queen's University in Canada and an MBA from McMaster University in Canada.



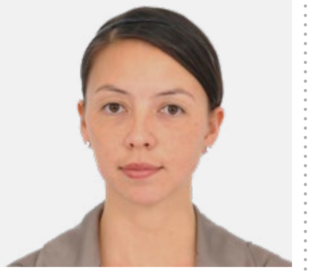
Abdulrahman Al Suwaidi
Investor Relations Director

Abdulrahman is the Investor Relations Director of Amanat.

Abdulrahman brings over 10 years of extensive diversified experience in capital markets and formation, investor relations and business development. Until recently he worked with Dubai Holding as a Director of Investment and Portfolio Management where he was leading the capital formation function.

Prior to joining Dubai Holding and DXB Entertainments, Abdulrahman was part of the Investment and Business development team of Dubai Financial Market (DFM), where he was involved in creating a stakeholder engagement platform that resulted in various new listings and initial public offerings during 2013-2015.

Abdulrahman holds a Bachelor Degree in International Business from the University of Colorado in the United States.

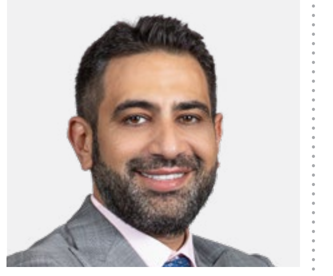


Tessa Lee
General Counsel and Company Secretary

Tessa is the General Counsel and Company Secretary at Amanat.

Tessa Lee brings over 18 years of legal expertise (with 16 years in the UAE) and a rich background in governance, risk and compliance, corporate M&A, investments, real estate and capital markets specifically. She has previously held key in-house positions as General Counsel and Vice President of Legal, Risk & Compliance at Dubai World Trade Centre, Senior Vice President of Meraas Holding, and Board Company Secretary for Dubai Parks & Resorts PJSC; as well as private practice expertise from the Corporate & Financial Services sector within Clyde & Co Middle East.

Tessa has played a pivotal role in developing effective legal structures in multiple jurisdictions, leading complex legal negotiations and building effective compliance strategies. Her work has not only supported the strategic objectives of the organisations she has been part of but also fostered robust legal compliance practices whilst building strong relationships with key stakeholders in the region. Additionally, she is a Hawkamah-certified Board Secretary, further evidencing her commitment to excellence in corporate governance.



Anas Al Masri
Finance Director

Anas is a Finance Director at Amanat.

Anas works closely with Amanat C-levels and is responsible for managing the Company's financial activities, directions, planning, execution of strategic decisions and complex financial statements.

Anas brings more than 21 years of professional experience in Finance such as, financial reporting, treasury and cash management, consolidation, financial analyzing and budgeting.

Prior to joining Amanat, Anas Al Masri served as a Regional Finance Director at a prominent international corporation. He focused on enhancing and overseeing a high-performing finance department across 6 countries worldwide.

Anas holds a bachelor's degree in Accounting, he is a certified Financial Controller and is well trained and highly knowledgeable of IFRS.

Investment Team

Nadim Salha
Investments Director

Nadim is an Investment Director at Amanat, covering Private Equity and Venture Capital Investments. He has overall 18 years of professional experience in the investment scene across the MENA & GCC regions. Before joining Amanat, Nadim was Head of Investment at TAMM Investments, a privately owned investment group with a well-diversified portfolio of holdings across the GCC. Prior to that, Nadim was a Principal at B&Y Venture Partners, a Venture Capital firm investing in technology start-ups on a global level. Nadim has also worked in the Investment Banking department of Audi Capital – Bank Audi Group, where he was involved in the execution of numerous mergers and acquisitions as well as fund-raising transactions in the MENA region. In his early professional years, Nadim worked for PwC and Deloitte. Nadim holds an MBA from INSEAD Business School, France, and a bachelor's degree in Business Administration from the St. Joseph University of Beirut, Lebanon.

Simone Rocco
Investments

Simone is part of the Investment Team, focusing on both new acquisitions as well as management of portfolio companies. Prior to joining Amanat in June 2019, Simone was part of the MENA investment banking team of Barclays in Dubai, working on multiple transactions across M&A, ECM, DCM and Leveraged Finance. Prior to that, he worked for UBS Investment Bank in London and for Vitale&Co., an independent financial advisory boutique firm based in Milan. He holds a MSc in International Finance from HEC Paris and a BSc in Economics and Finance from Bocconi University.

Matthew Siddle
Investments

Matthew is part of the Investment Team. Before joining Amanat, he worked with Mizuho Gulf Capital Partners in private equity in the consumer goods, retail, and logistics sectors and was actively involved in portfolio management. Prior to that, he worked at Citigroup in London as an investment banking associate, where he was involved in deals across the TMT sectors. Matthew started his career working in assurance at EY in London. Matthew is a qualified Chartered Accountant and holds a Bachelor of Science in Accounting and Finance from the University of Bath in the United Kingdom.

Jad El Hajj
Investments

Jad is part of the Investment Team, focusing on both new acquisitions as well as management of the current portfolio companies. Prior to joining Amanat in October 2021, Jad was part of the Investment Banking team at Bemo Securitization SAL (the investment banking arm of Banque BEMO), working on multiple transactions across M&A, Private Corporate Debt, Fiduciary Lending and Asset-backed Securitization Funds. He holds a BSc in Physics from the American University of Beirut.

Grigor Papazyan
Investments

Grigor is part of the Investment Team. Before joining Amanat, he worked at VTB Capital, a leading investment banking group in Eastern Europe, where he worked on valuations, commercial due diligences, and investment strategies on multiple transactions across M&A, ECM, and leveraged finance. Prior to that, he worked for EAC Partners, an independent financial advisory boutique firm based in Sydney, Australia. Grigor holds an MSc in Finance from the University of New South Wales in Sydney, Australia, and a BSc in Business Administration from MGIMO University in Moscow, Russia.

Consolidated Financial Statments

31 DECEMBER 2023

Directors' Report

The Board of Directors of Amanat Holdings PJSC (the "Company") is pleased to submit the audited consolidated financial statements of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2023. These statements comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended, along with the related notes.

Principal Activities

The principal activities of the Company are to invest in companies and enterprises in the sectors of Education and Healthcare and to manage, develop, and operate such companies and enterprises.

Strategy Update

During 2023, the Group advanced its strategy to optimize shareholder value, leveraging its market leading platforms in the Healthcare and Education sectors.

At the Healthcare Platform, the Group successfully completed the acquisition of a majority stake in Sukoon International Holding Company (Sukoon) solidifying its position as the largest regional post-acute care (PAC) platform with 430 beds. Concurrently, on-going expansion projects in the Kingdom of Saudi Arabia (KSA) are underway to add an additional 195 beds. Other strategic initiatives include partnering with MADA International Holding in KSA, to participate in a 900-bed PAC Public-Private Partnership (PPP) tender in Riyadh and the Eastern Province and the award of an 80-bed three-year PPP project in the UAE. The Group aims to achieve a total of 1,000 PAC beds within the next three years, demonstrating its commitment to regional expansion and shareholder value creation.

At the Education Platform, Amanat's student and beneficiary bases increased to approximately 15,000 and 5,000, respectively. This progress was driven by robust organic growth at Middlesex University (MDX) and the recent acquisition of Human Development Company (HDC). The Group is also actively exploring expansion and M&A opportunities, particularly in the K-12 sector. Additionally, strategic geographic growth initiatives are being considered at MDX and HDC.

MSH Strategic Review

Following completion of a strategic review by an external consultant of Al Malaki Specialist Hospital, a revised long term business plan was prepared indicating a mid-term reduction in profitability due to delayed ramp-up of operations and wider challenging market conditions. Accordingly, as required by International Financial Reporting Standards ("IFRS"), an impairment analysis was performed utilizing the revised business plan, resulting in an Impairment charge of AED 95.1 million with AED 85.0 million attributable to equity holders of the Company.

Non-Cash Deferred Tax

Following the introduction of corporate taxation in the United Arab Emirates the Group has recorded a non-cash deferred taxation liability ("DTL") of AED 109.4 million in relation to DTL arising on historic business combinations concluded in the UAE. The DTL is non-cash in nature and no cash liability is expected to crystalise in the future and accordingly has been removed for the purpose of presentation of adjusted performance measures.

Financial Results

The Group recorded revenues of AED 718.1 million in FY23, increasing by 40% when compared to the AED 513.1 million recorded in the prior year, mainly driven by robust student growth at MDX and the full year impact of the HDC acquisition. The consolidation of Sukoon following acquisition, and the steady ramp-up of long-term care operations in KSA also contributed to the growth.

The Group's EBITDA increased to AED 274.3 million from AED 188.4 million in the prior year driven by robust revenue growth and effective cost measures implemented across the Group.

The Group recorded adjusted profit before tax and zakat of AED 159.3 million for the financial year 2023 compared to AED 115.3 million in 2022 while adjusted profit attributable to equity holders of the Company amounted to AED 134.2 million for the financial year 2023 compared with AED 117.4 million in the prior year.

Overall net loss attributable to equity holders, including the recognition of non-cash deferred tax liabilities in relation to goodwill and intangible assets arising on business combinations and the non-cash impairment in relation to Malaki Specialist hospital was AED (53.2) million. The current year's results were also positively impacted by a one-off gain of AED 9.6 million from the disposal of Sukoon under a step-acquisition.

At the Education Platform, performance was primarily driven by a 18% growth in MDX student base and a 19% increase in the number of beneficiaries at HDC. The upside in HDC's performance is attributable to both organic growth and the launch of 6 new day care centers during 2023, bringing the overall number of day care centers to 28 increasing from 22 in December 2022.

Healthcare platform performance was partially impacted by the discontinuation of COVID-related Activity Based Mandate (ABM) program in the UAE during H2'23. However, this was partly alleviated through the implementation of cost mitigation measures with on-going initiatives to diversify revenue streams. Additionally, the consolidation of Sukoon and the ramp-up of operations in Dhahran, KSA, positively impacted performance.

Holding-level costs declined 8% to AED 37.9 million, mainly driven by manpower savings, whilst no transaction costs were incurred during the current year.

Finance income in 2023 reached AED 21.2 million, marking a 1.6x year-on-year increase. This growth was driven by a combination of higher cash balances and interest rates. However, this was partially offset by higher finance costs resulting from increased interest rates on the Group's external financing arrangements.

Total cash and bank balances stood at AED 582.3 million as of 31 December 2023, with AED 50 million allocated for the proposed dividend distribution, subject to shareholders' approval.

Total equity attributable to the owners of the Company on 31 December 2023 amounted to AED 2.6 billion prior to the proposed dividend.

As of 31 December 2023, Amanat's Assets Under Management (AUM) were AED 2.8 billion across 8 investments, 7 of which are classified as either majority or influential stakes.

In accordance with the Article 241 of the UAE Federal Decree-Law No. 32 of 2021, 10% of profit for the year is required to be transferred to the statutory reserve. The Company may resolve to discontinue such annual transfers when the reserve equals 50% of the nominal value of the paid-up share capital.

Accordingly, no amount was transferred to the statutory reserve during the year as the Company reported losses. The statutory reserve is not available for distribution.

The Board of Directors of the Company, in its meeting held on 28 March 2024, approved the audited consolidated financial statements of the Group for the year ended 31 December 2023 and recommends them for approval at the forthcoming General Assembly.

Dividends

The Board of Directors is recommending for approval at the forthcoming General Assembly an AED 50 million cash dividend payout (AED 2 fils per share).

Outlook

Amanat's portfolio comprises market leading platforms across Healthcare and Education, each of which has clear growth strategies and pathways to monetisation.

At the Healthcare platform, the Company is on track to reach 1,000 beds by 2027, whilst at the Education platform it shall continue to grow through a combination of bolt-on-acquisitions and organic growth.

At the newly acquired HDC, expansions are in progress in KSA whilst concurrently exploring regional expansion opportunities.

Looking ahead, Amanat will continue to pursue further acquisitions and opportunities and drive organic growth as the Group prepares its world class platforms for monetization opportunities, creating value and delivering returns to the shareholders.

Board of Directors Reconstitution

A General Assembly was held on 20 November 2023, to reconstitute Amanat's Board of Directors, following the conclusion of their three-year term. Below is a list of the previous and current members at the Company.

Previous Board Members

Mr. Hamad Abdulla Alshamsi	Chairman
Dr. Ali Saeed Bin Harmal Aldhaheri	Vice Chairman
Ms. Elham Alqasim	Board Director
H.E Hamad Rashed Alnuaimi	Board Director
Mr. Dhafer Sahmi Al Ahbabi	Board Director
Mr. Khalaf Sultan Aldhaheri	Board Director
Mrs. Sara Khalil Nooruddin	Board Director

Board of Directors – Reconstituted (Elected on 20 November 2023)

Dr. Shamsheer Vayalil	Chairman
Mr. Abdulla Mohammed Hassan Alhosani	Vice Chairman
Dr. Ali Saeed Bin Harmal Aldhaheri	Board Director
Mrs. Sara Khalil Nooruddin	Board Director
Mr. Omran Mohammedsaleh Alkhoori	Board Director
Mr. Dhafer Sahmi Al Ahbabi	Board Director
Mr. Hamad Abdulla Alshamsi	Board Director

Auditors

Ernst & Young were appointed as external auditors for the Company for the year ended 31 December 2023.

On behalf of the Board of Directors

Dr. Shamsheer Vayalil - Chairman

Dubai, United Arab Emirates
28 March 2024

Ernst & Young Middle East
(Dubai Branch)
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ey.com

PL No. 108937

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AMANAT HOLDINGS PJSC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Amanat Holdings PJSC (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current year. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. Our description of how our audit addressed this matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AMANAT HOLDINGS PJSC (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
Impairment of goodwill and other intangible assets with indefinite life	
As disclosed in Note 10 to the consolidated financial statements, the Group's consolidated statement of financial position as at 31 December 2023 includes AED 1,299,210 thousand (2022: AED 1,272,021 thousand) of goodwill and other intangible assets with indefinite life, representing 34% (2022: 35%) of the Group's total assets. In accordance with IFRS, these balances are allocated to Cash Generating Units (CGUs) which are tested annually for impairment, or whenever changes in circumstances or events indicate that the carrying amount of such intangible assets may not be recoverable. This is a key audit matter as determining whether the carrying values of goodwill and other intangible assets with indefinite life are recoverable requires management to make significant estimates concerning the expected future cash flows and associated discount rates and growth rates based on management's view of future business prospects.	We performed the following procedures: • Checked the mathematical accuracy of the impairment models used for impairment testing, and the extraction of inputs from source documents; • Reviewed the reasonableness of the key assumptions used in the impairment models, including specifically the operating cash flow projections, discount rates, and terminal growth rates; • Engaged our internal specialists to assist us in reviewing the methodologies applied including estimates and judgments made by management; • Considered the sensitivity of the impairment testing models to changes in key assumptions; • For intangible assets with an indefinite life other than goodwill, we reviewed, up to the date of issuance of these consolidated financial statements, that no significant changes have occurred to the basis of recognition of such assets; and • Assessed the adequacy of the related disclosures in the consolidated financial statements in line with the requirements of IFRSs.

Other Information

Other information consists of the information included in the Directors' Report and Annual Report other than the consolidated financial statements and our auditor's report thereon. We obtained the Directors' report prior to the date of this auditor's report, and we expect the Annual Report to be made available to us after the date of this auditor's report. Management is responsible for the other information and the Alternative Performance Measures disclosed in the consolidated financial statements.

Building a better working world

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AMANAT HOLDINGS PJSC (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Other Information (continued)

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Management and Those Charged With Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and in compliance with the applicable provisions of the Articles of Association of the Company and the UAE Federal Decree Law No. (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Building a better working world

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AMANAT HOLDINGS PJSC (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats, or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Building a better working world

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AMANAT HOLDINGS PJSC (continued)

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Decree Law No. (32) of 2021, we report that for the year ended 31 December 2023:

i) the Group has maintained proper books of account;

ii) we have obtained all the information we considered necessary for the purposes of our audit;

iii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Articles of Association of the Company and the UAE Federal Decree Law No. (32) of 2021;

iv) the financial information included in the Directors' report is consistent with the books of account of the Group;

v) investments in shares and stocks during the year ended 31 December 2023 are disclosed in Notes 10, 11 and 12 to the consolidated financial statements;

vi) notes 11 and 14 reflect material related party transactions and the terms under which they were conducted;

vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2023, any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 or of the Articles of Association of the Company which would have a material impact on its activities or its consolidated financial position as at 31 December 2023; and

viii) no social contributions were made by the Group during the year.

For Ernst & Young

Signed by:
Wardah Ebrahim
Partner
Registration No: 1258

28 March 2024

Dubai, United Arab Emirates

Amanat Holdings PJSC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2023

	Notes	*2023 AED'000*	*2022 AED'000*
Revenue	4	**718,101**	513,101
Direct costs	4	**(389,916)**	(283,059)
GROSS PROFIT		**328,185**	230,042
General, selling and administrative expenses	5	**(224,006)**	(173,899)
Share of results of associates	11	**18,208**	25,076
Gain on disposal of an associate under step acquisition	11	**9,629**	-
Income from finance lease	9	**33,271**	33,693
Impairment of goodwill and property and equipment	8 & 10	**(95,091)**	-
Other operating income	6	**26,263**	14,086
OPERATING PROFIT		**96,459**	128,998
Finance income	7	**21,266**	13,152
Finance costs	7	**(46,731)**	(29,993)
PROFIT BEFORE TAX AND ZAKAT		**70,994**	112,157
Zakat and Income taxes		**(5,420)**	(435)
Deferred taxes	28	**(109,405)**	-
(LOSS) / PROFIT FOR THE YEAR		**(43,831)**	111,722
Attributable to:			
Equity holders of the Company		**(53,200)**	114,213
Non-controlling interests		**9,369**	(2,491)
		(43,831)	111,722
Basic and diluted (loss) / earnings per share (AED)	22	**(0.0214)**	0.0458

Alternative Performance Measures (Note 29)

	2023 AED'000	*2022 AED'000*
Earnings before interest, tax, depreciation and amortization (EBITDA)	**274,312**	188,371
Adjusted Profit before Tax and Zakat (Adjusted PBT)	**159,294**	115,346
Adjusted Profit for the year	**153,874**	114,911
Attributable to the equity holders of the Company		
Adjusted Profit for the year	**134,177**	117,402

The attached notes 1 to 29 form part of these consolidated financial statements.

Amanat Holdings PJSC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Notes	*2023 AED'000*	*2022 AED'000*
(LOSS) / PROFIT FOR THE YEAR		**(43,831)**	111,722
Other comprehensive income / (loss)			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Gain on cash flow hedge	25	-	3,236
Other comprehensive income that may be reclassified to profit or loss in subsequent periods		-	3,236
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:			
Change in fair value of financial assets at FVOCI	12	**(662)**	(2,307)
Remeasurement gain / (loss) on employees' benefit obligations		**1,959**	(129)
Share of other comprehensive income of associates	11	-	343
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent years		**1,297**	(2,093)
Total other comprehensive income		**1,297**	1,143
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR		**(42,534)**	112,865
Attributable to:			
Equity holders of the Company		**(52,623)**	115,408
Non-controlling interests	27	**10,089**	(2,543)
		(42,534)	112,865

The attached notes 1 to 29 form part of these consolidated financial statements.

Amanat Holdings PJSC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	2023 AED'000	2022 AED'000 (Restated*)
ASSETS			
Non-current assets			
Property and equipment	8	**496,452**	276,573
Right-of-use assets	9	**183,223**	175,886
Goodwill and intangible assets	10	**1,446,625**	1,429,361
Investments in associates	11	**385,415**	515,726
Finance lease receivables	9	**358,665**	362,954
Financial assets at FVOCI	12	**35,115**	31,521
Other financial assets	25	**1,488**	5,158
Total non-current assets		**2,906,983**	2,797,179
Current assets			
Inventories		**7,763**	7,003
Finance lease receivables	9	**52,691**	51,933
Trade and other receivables	13	**251,394**	197,099
Due from related parties	14	**8,863**	2,727
Cash and bank balances	15	**582,250**	583,939
Total current assets		**902,961**	842,701
TOTAL ASSETS		**3,809,944**	3,639,880
EQUITY AND LIABILITIES			
EQUITY			
Share capital	16	**2,500,000**	2,500,000
Share premium	16	**216**	2,073
Treasury shares	16	**(7,162)**	(33,605)
Statutory reserve	17	**69,656**	69,656
Fair value reserve of financial assets at FVOCI		**(24,499)**	(23,837)
Other reserves		**14,190**	(18,081)
Retained earnings		**62,820**	216,020
Total equity attributable to the equity holders of the Company		**2,615,221**	2,712,226
Non-controlling interests	27	**203,967**	28,000
Total equity		**2,819,188**	2,740,226
LIABILITIES			
Non-current liabilities			
Financing from banks	18	**308,882**	356,358
Lease liabilities	9	**164,241**	161,330
Other long-term payables	19	**3,439**	33,318
Due to a related party	14	**6,384**	5,780
Deferred tax liability	28	**109,405**	-
Provision for employees' end of service benefits	20	**44,756**	33,137
Total non-current liabilities		**637,107**	589,923
Current liabilities			
Bank overdraft	15	**17,145**	11,914
Financing from banks	18	**60,768**	69,282
Lease liabilities	9	**32,275**	27,672
Provisions, accounts and other payables	21	**196,461**	154,265
Contract liabilities	4	**47,000**	46,598
Total current liabilities		**353,649**	309,731
Total liabilities		**990,756**	899,654
TOTAL EQUITY AND LIABILITIES		**3,809,944**	3,639,880

These consolidated financial statements were approved by the Board of Directors on 28 March 2024 and signed on its behalf by:

Dr. Shamsheer Vayalil Parambath
Chairman

Mr. John Ireland
Chief Executive 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 10 for further details.*

The attached notes 1 to 29 form part of these consolidated financial statements.

Amanat Holdings PJSC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	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 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 10)	-	-	-	-	-	-	-	-	-	(6,098)	(6,098)
As at 1 January 2023 (restated)	2,500,000	2,073	(33,605)	69,656	(23,837)	-	(18,081)	216,020	2,712,226	28,000	2,740,226
(Loss)/profit for the year	-	-	-	-	-	-	-	(53,200)	(53,200)	9,369	(43,831)
Other comprehensive (loss)/income	-	-	-	-	(662)	-	1,239	-	577	720	1,297
Total comprehensive (loss)/income	-	-	-	-	(662)	-	1,239	(53,200)	(52,623)	10,089	(42,534)
Treasury shares (Note 16)	-	(1,857)	26,443	-	-	-	-	-	24,586	-	24,586
Dividends (Note 23)	-	-	-	-	-	-	-	(100,000)	(100,000)	-	(100,000)
Acquisition of a subsidiary (Note 10)	-	-	-	-	-	-	-	-	-	75,187	75,187
Partial disposal of a subsidiary (Note 10)	-	-	-	-	-	-	31,032	-	31,032	87,161	118,193
Contribution by non-controlling interests*	-	-	-	-	-	-	-	-	-	3,530	3,530
As at 31 December 2023	**2,500,000**	**216**	**(7,162)**	**69,656**	**(24,499)**	**-**	**14,190**	**62,820**	**2,615,221**	**203,967**	**2,819,188**

* During the year ended 31 December 2023, non-controlling interests in subsidiaries of the Group with direct ownership in Al Malaki Specialist Hospital made an additional capital contribution of AED 3,530 thousand.

The attached notes 1 to 29 form part of these consolidated financial statements.

Amanat Holdings PJSC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the year ended 31 December 2023

	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 reserves AED'000	Retained earnings AED'000	Total AED'000	Non-controlling interests AED'000	Total AED'000
	Attributable to the equity holders of the Company										
As at 1 January 2022	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 year	-	-	-	-	-	-	-	114,213	114,213	(2,491)	111,722
Other comprehensive (loss)/income	-	-	-	-	(2,307)	3,236	266	-	1,195	(52)	1,143
Total comprehensive (loss)/income	-	-	-	-	(2,307)	3,236	266	114,213	115,408	(2,543)	112,865
Gain on ineffective hedge recycled to profit or loss	-	-	-	-	-	(1,590)	-	-	(1,590)	-	(1,590)
Treasury shares (Note 16)	-	(804)	(20,894)	-	-	-	-	-	(21,698)	-	(21,698)
Dividends (Note 23)	-	-	-	-	-	-	-	(150,000)	(150,000)	-	(150,000)
Transfer to statutory reserve (Note 17)	-	-	-	11,421	-	-	-	(11,421)	-	-	-
Acquisition of a subsidiary (Note 10) (restated)	-	-	-	-	-	-	-	-	-	21,692	21,692
Contribution by non-controlling interests*	-	-	-	-	-	-	-	-	-	10,197	10,197
As at 31 December 2022 (restated)	2,500,000	2,073	(33,605)	69,656	(23,837)	-	(18,081)	216,020	2,712,226	28,000	2,740,226

* During the year ended 31 December 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 10,197 thousand.

The attached notes 1 to 29 form part of these consolidated financial statements.

Amanat Holdings PJSC

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	Notes	2023 AED'000	2022 AED'000
OPERATING ACTIVITIES			
Profit before tax and zakat		**70,994**	112,157
Adjustments:			
Share of results of associates	11	**(18,208)**	(25,076)
Gain on disposal of an associate under step acquisition	11	**(9,629)**	-
Dividend income from financial asset at FVOCI	6	**(1,059)**	(1,258)
Depreciation of property and equipment	8	**39,981**	28,293
Depreciation of right-of-use assets	9	**28,393**	19,537
Amortization of intangible assets	10	**11,388**	8,543
Loss on disposal and write-off of property and equipment		**44**	368
Gain on derivative instrument	6	**(1,373)**	(3,568)
Gain on modification and termination of leases		**-**	(2,940)
Allowance for expected credit losses, net of reversal	13	**3,815**	2,541
Provision for employees' end of service benefits	20	**11,922**	9,884
Reversal of expected credit loss on lease receivables	9	**-**	(2,660)
Hedge ineffectiveness and others	7	**(1,129)**	(1,719)
Income from finance lease	9	**(33,271)**	(33,693)
Finance income	7	**(20,137)**	(11,433)
Finance costs	7	**46,731**	29,993
Impairment of goodwill and property and equipment	8&10	**95,091**	-
		223,553	128,969
Working capital changes:			
Inventories		**2,124**	322
Trade and other receivables		**(13,016)**	(16,102)
Due from related parties		**2,659**	(498)
Provisions, accounts and other payables and contract liabilities		**445**	(6,876)
Due to a related party		**604**	551
Cash from operations		**216,369**	106,366
Employees' end of service benefits paid	20	**(7,994)**	(4,672)
Lease payments received	9	**36,802**	42,284
Payment of lease liabilities	9	**(39,697)**	(24,055)
Net cash flows from operating activities		**205,480**	119,923
INVESTING ACTIVITIES			
Acquisition of property and equipment	8	**(91,396)**	(19,409)
Acquisition of a subsidiary, net of cash acquired	10	**44,232**	(204,278)
Settlement of deferred and contingent considerations		**(14,920)**	(3,983)
Changes in Sharia compliant term deposits		**(105,692)**	447,692
Changes in bank term deposits		**40,000**	79,107
Interest received on Sharia compliant term deposits		**14,121**	10,207
Interest received on bank term deposits		**2,074**	159
Proceeds from capital reduction	14	**-**	7,466
Dividend received from an associate	11	**8,750**	15,750
Dividend received from a financial asset at FVOCI		**1,059**	1,258
Net cash flows (used in) / from investing activities		**(101,772)**	333,969
FINANCING ACTIVITIES			
Proceeds from bank financing		**15,964**	4,870
Repayment of bank financing		**(72,503)**	(45,984)
Movements in revolving bank facilities, net		**-**	8,160
Acquisition of treasury shares, net		**24,586**	(21,698)
Net change in cash balances held with a third party and others		**(24,443)**	11,893
Capital contribution by non-controlling interests	27	**3,530**	10,197
Dividend paid	23	**(100,000)**	(150,000)
Finance costs paid		**(31,084)**	(17,575)
Dividend paid to previous shareholder of a subsidiary	10	**(16,813)**	-
Net cash flows used in financing activities		**(200,763)**	(200,137)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		**(97,055)**	253,755
Cash and cash equivalents at 1 January		**346,315**	92,560
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	15	**249,260**	346,315
Non-cash transactions			
Disposal of an associate under a step acquisition	10	**140,648**	-
Additions to right-of-use assets	9	**40,346**	49,100
Additions to lease liabilities	9	**40,406**	54,668
Lease remeasurement	9	**-**	26,578

The attached notes 1 to 29 form part of these consolidated financial statements.

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

1 CORPORATE INFORMATION

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 the 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.

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.

These consolidated financial statements include the financial performance and position of the Company and its operating subsidiaries as listed below (collectively the "Group").

Name	*Equity interest*		*Country of incorporation*	*Principal activities*
	2023	*2022*		
WMCE Company W.L.L. ("WMCE")	**50.32%**	49.69%	Kingdom of Bahrain	Investment in companies in the field of healthcare.
Maternity Holding Company Ltd. ("MHC")	**74.23%**	74.13%	Cayman Islands	Investment in companies in the field of healthcare.
Al Malaki Specialist Hospital W.L.L ("MSH")*	**69.45%**	69.24%	Kingdom of Bahrain	Hospital and healthcare facilities in the Kingdom of Bahrain
Middlesex Associates FZ-LLC ("Middlesex University")	**100%**	100%	United Arab Emirates	Leading university providing tertiary education in the United Arab Emirates
HC Investments 1 Holdings Limited ("HC 1")	**85.11%**	100%	United Arab Emirates	Holding company
CMRC Limited ("CMRC")	**85.11%**	100%	Cyprus	Holding company
Cambridge Medical & Rehabilitation Centre LLC** ("CMRC UAE")	**85.11%**	100%	United Arab Emirates	Healthcare services
CMRC Saudi Arabia LLC** ("CMRC KSA")	**85.11%**	100%	Kingdom of Saudi Arabia	Healthcare services
TVM KSA Acquisition 1 Limited**	**85.11%**	100%	Cyprus	Holding company
Sukoon International Holding Company*** ("Sukoon")	**69.63%**	-	Kingdom of Saudi Arabia	Long-term and critical healthcare

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

1 CORPORATE INFORMATION (continued)

Name	*Equity interest*		*Country of incorporation*	*Principal activities*
	2023	*2022*		
Human Development Company LLC ("HDC")	**60%**	60%	Kingdom of Saudi Arabia	Special education and care needs
Human Rehabilitation Company LLC****	**60%**	60%	Kingdom of Saudi Arabia	Special education and care needs and rehabilitation services

* Investment in MSH is held via MHC and WMCE. In 2022, Royal Hospital for Women and Children W.L.L. changed its legal name to Al Malaki Specialist Hospital W.L.L.

** Investments are held via CMRC Limited.

*** During the year ended 31 December 2023, the Group increased its effective economic stake in Sukoon to 69.63% from 33.25% previously following the completion of a step acquisition. Refer to Note 10 for further details.

**** Investment held via Human Development Company LLC.

The Group holds numerous other subsidiaries that are mainly investment vehicles and are non-operational.

The Group has interests in the following associates as disclosed further in Note 11:

Name	*Equity interest*		*Country of incorporation*	*Principal Activities*
	2023	*2022*		
NEMA Holding Company LLC*	**35%**	35%	United Arab Emirates	Leading tertiary education provider in the United Arab Emirates
Sukoon International Holding Company **	**-**	33.25%	Kingdom of Saudi Arabia	Long-term and critical healthcare

* In 2022, Abu Dhabi University Holding LLC changed its legal name to NEMA Holding Company LLC.

** Refer to Note 10 in relation to increase in effective economic stake in Sukoon.

2 MATERIAL ACCOUNTING POLICY INFORMATION

2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and in compliance with the applicable provisions of the Company's Articles of Association and the UAE Federal Decree-Law No. 32 of 2021.

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at FVOCI, contingent consideration and other financial assets that have been measured at fair value. The consolidated financial statements are presented in Arab Emirates Dirhams (AED) and all values are rounded to the nearest thousand (AED'000), except where otherwise indicated.

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.2 BASIS OF CONSOLIDATION (continued)

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The consolidated statement of profit or loss and each component of OCI are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in consolidated statement of profit or loss. Any investment retained is recognised at fair value.

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the consolidated statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in consolidated statement of profit or loss.

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

a) Business combinations and goodwill (continued)

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in consolidated statement of profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

b) Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investment in its associates are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associates. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the consolidated statement of profit or loss within operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associates are generally prepared for the same reporting period as the Group, when necessary, adjustments are made to bring the accounting period and policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of results of associates' in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in consolidated statement of profit or loss.

Amanat Holdings PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

c) Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period
  Or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
  Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

d) Fair value measurement

The Group measures financial instruments such as financial assets at FVOCI, derivative financial instruments and contingent consideration at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
  Or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Amanat Holdings PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

d) Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

e) Revenue

The Group provides healthcare and education services. Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Tuition fees
Revenue from tuition fees is recognised over the period of each academic term and is reduced by scholarships awarded to students during that period.

Healthcare services
Revenue from healthcare services related to in-patient care and rehabilitation is recognised over time on a straight-line basis, reflective of the fact that the customer simultaneously receives and consumes the benefits from such services provided to them. All other healthcare services are recognised at the point in time when the services are rendered.

Joint services agreements (Schools)
Share of revenue from joint services agreements, net of associated costs, is recognized on a straight-line basis over the period of each academic term.

Contract balances
Contract assets
A contract asset is initially recognised for revenue earned from services because the receipt of consideration is conditional on successful completion of the service. Upon completion of the service and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to the accounting policies on impairment of financial assets in section (m) Financial instruments – initial recognition and subsequent measurement.

Trade receivables
A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (m) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities
A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

f) Government grants

Grants are recognised at their fair value where there is reasonable assurance that the grant will be received, and the Group will comply with all related conditions. Grants are recognised in the consolidated statement of profit or loss over the period necessary to match them with the expense that they are intended to compensate.

g) Value added tax

Expenses and assets are recognised net of the amount of value added tax, except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of value added tax included

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated financial statements.

h) Foreign currencies

The Group's consolidated financial statements are presented in AED, which is also the Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to consolidated statement of profit or loss reflects the amount that arises from using this method.

Transactions and balances
Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to consolidated statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

h) Foreign currencies (continued)

Group companies
On consolidation, the assets and liabilities of foreign operations are translated into AED at the rate of exchange prevailing at the reporting date and their consolidated statement of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to consolidated statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

i) Cash dividend

The Company recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws of United Arab Emirates, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

j) Property and equipment

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in consolidated statement of profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

➢ Leasehold improvements	Shorter of asset life and lease term
➢ Buildings	10 to 40 years
➢ Medical equipment	5 to 15 years
➢ Academic equipment	3 years
➢ Furniture and fixtures	5 to 10 years
➢ Other assets	3 to 7 years

No depreciation is charged on land and capital work in progress.

An item of property and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

k) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

➢ Buildings and offices	3 to 10 years
➢ Leasehold land	45 years
➢ Vehicles	3 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (m) Impairment of non-financial assets.

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

k) Leases (continued)

Group as a lessor
A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as a finance lease.

At the commencement of a finance lease term, the Group records a finance lease receivable in the consolidated statement of financial position at an amount equal to the net investment in the lease. The recognition of finance income is based on a pattern reflecting the constant periodic rate of return on the lessor's net investment in the finance lease.

An operating lease is a lease other than a finance lease. Rental income arising is accounted for on a straight-line basis over the lease term and is included in other income in the consolidated statement of profit or loss due to its non-operating nature.

l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

m) Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed in section (e) Revenue.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

m) Financial instruments – initial recognition and subsequent measurement (continued)

i) Financial assets (continued)

Subsequent measurement
Financial assets at amortised cost (debt instruments)
Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade and other receivables, finance lease receivables and due from related parties.

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the consolidated statement of profit or loss. Dividends are recognised as other income in the consolidated statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to irrevocably classify its listed and unquoted equity investments under this category.

Financial assets designated at fair value through profit or loss (equity instruments)
The Group, upon vesting of allotted equity warrants, recognizes a derivative asset at fair value through profit or loss in the consolidated statement of financial position with the corresponding impact in the consolidated statement of profit or loss including any subsequent changes in fair value. Upon exercise, the derivative asset is subsequently reclassified to equity instruments at FVOCI.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired
  Or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment
The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

m) Financial instruments – initial recognition and subsequent measurement (continued)

i) Financial assets (continued)

Impairment (continued)
ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include accounts and other payables, lease liabilities, due to related parties, loans and borrowings and other long-term liabilities.

Subsequent measurement
Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has designated a contingent consideration for the acquisition of a subsidiary as a financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in consolidated statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

m) Financial instruments – initial recognition and subsequent measurement (continued)

ii) Financial liabilities (continued)

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

n) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

o) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a weighted average basis. Net realisable value is the estimated selling price for inventories less estimated costs of completion and cost necessary to make the sale. Write-down of inventories to net realisable value is recognised in the consolidated statement of profit or loss and other comprehensive income.

p) Cash and bank balances

Cash and bank balances in the consolidated statement of financial position comprise cash at banks and on hand and term deposits.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits with a maturity of three months or less, net of outstanding bank overdrafts and excludes cash balances held with third party and bank financing service reserve account.

q) Provisions, contingent assets and liabilities

Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent assets and liabilities
Contingent liabilities are not recognized in the consolidated financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

r) Employees' end of service benefits

The Group provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

s) Intangible assets

The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

s) Intangible assets (continued)

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

The Group's intangible assets are amortised on a straight-line basis over useful economic lives of the assets (refer to Note 10 for further details).

➢ Agreements with joint ventures	4 years
➢ Expat student relationships	14 years
➢ Other agreement	30 years
➢ Brand names	10 - 25 years

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss.

t) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement
The Group uses derivative financial instruments, such as interest rate swaps, to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedges
The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

t) Derivative financial instruments and hedge accounting (continued)

Cash flow hedges (continued)
The Group uses interest rate swap contracts as hedges of its exposure to interest rate risk in relation to its variable interest-bearing financing from banks. The ineffective portion, if any, relating to interest rate swap contracts is recognised as expense.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to consolidated statement of profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect consolidated statement of profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to consolidated statement of profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

u) Tax and Zakat

Zakat
The Group is subject to Zakat on the computed Zakat base in accordance with the regulations of Zakat, Tax and Customs Authority (Formerly known as "the General Authority of Zakat and Income Tax") ("Authority" or "ZATCA") in the Kingdom of Saudi Arabia which is subject to interpretations. Group's Zakat is charged to the consolidated statement of profit or loss and other comprehensive income.

The Group's management establishes provisions where appropriate on the basis of amounts expected to be paid to the ZATCA and periodically evaluates positions taken in the Tax and Zakat returns with respect to applicable pronouncements and interpretation in subsequent periods.

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

u) Tax and Zakat (continued)

Deferred taxes (continued)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

Where the manner in which the Group recovers (settles) the carrying amount of an asset (liability) affects the tax rate applicable on such recovery (settlement) and/or the tax base of the asset (liability), the Group measures deferred tax liabilities and deferred tax assets using the tax rate and the tax base that are consistent with the expected manner of recovery or settlement i.e via sale or use. In addition, deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

2.4 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretations
The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

IFRS 17 Insurance Contracts
IFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts. 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 a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, 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

These amendments had no impact on the consolidated financial statements of the Group as it did not have any insurance contracts in scope for IFRS 17 as at the reporting date.

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

These amendments had no impact on the consolidated financial statements of the Group.

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.

The amendments had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the consolidated financial statements of the Group.

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.

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

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12
The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

The amendments had no impact on the Group's consolidated financial statements as the Group is not in scope of the Pillar Two model rules as its revenue is less that EUR 750 million/year (i.e. AED 2,966 million).

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

New and amended standards and interpretations (continued)

Standards issued but not yet effective
The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

2.5 CLIMATE-RELATED MATTERS

The Group will consider climate-related matters in estimates and assumptions, where appropriate, in compliance with the requirements of IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures) which are effective for annual periods beginning on or after 1 January 2024. The Group is currently assessing the potential impact from climate-related matters on its consolidated financial statements and is closely monitoring relevant changes and developments, such as new climate-related legislation.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements
In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Property lease classification – Group as lessor
The Group has entered into a finance lease of a school building complex. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments amounting to substantially all of the fair value of the commercial property, that it does not retain substantially all the risks and rewards incidental to ownership of these properties and accounts for the contract as finance lease.

Determining the lease term of contracts with renewal and termination options – Group as lessee
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group's lease contracts include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal periods as part of the lease term for leases of campus building and offices with shorter remaining non-cancellable period (i.e., one year). The Group typically exercises its option to renew these leases because there will be a significant negative effect on the business if a replacement asset is not readily available and with significant costs to be incurred. The renewal periods for leases of land, buildings with longer remaining non-cancellable periods (i.e., 7 to 40 years from the reporting date) are not included part of the lease terms as they are not reasonably certain to be exercised.

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described on the next page. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets (including goodwill and intangible asset with indefinite useful life)
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the most recent projections for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and intangible asset with indefinite useful life recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 10.

Fair value measurement of other long term liabilities
Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor (refer to Note 10 for details).

Leases - Estimating the incremental borrowing rate
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Allowance for expected credit losses of fee receivables
The Group uses a provision matrix to calculate ECLs for fee receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 25.5.

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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4 REVENUE & DIRECT COSTS

4.1 Disaggregated revenue and cost information

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

	For the year ended 31 December 2023		
Segments	***Education AED'000***	***Healthcare AED'000***	***Total AED'000***
Type of goods or service			
Healthcare and medical services	-	**380,281**	**380,281**
Tuition fees, net of scholarship awarded	**182,572**	-	**182,572**
Special education and care needs services	**124,743**	-	**124,743**
Administrative and other service fees from students	**18,728**	-	**18,728**
Share of revenue from joint services agreements	**11,777**	-	**11,777**
Total revenue	**337,820**	**380,281**	**718,101**

	For the year ended 31 December 2023		
Segments	***Education AED'000***	***Healthcare AED'000***	***Total AED'000***
Timing of revenue recognition			
Services transferred over time	**331,726**	**316,150**	**647,876**
Services transferred at a point in time	**6,094**	**64,131**	**70,225**
Total revenue	**337,820**	**380,281**	**718,101**
Direct costs	**(161,023)**	**(228,893)**	**(389,916)**

	For the year ended 31 December 2022		
Segments	*Education AED'000*	*Healthcare AED'000*	*Total AED'000*
Type of goods or service			
Healthcare and medical services	-	334,081	334,081
Tuition fees, net of scholarship awarded	144,076	-	144,076
Special education and care needs services	24,741	-	24,741
Administrative and other service fees from students	5,950	-	5,950
Share of revenue from joint services agreements	4,253	-	4,253
Total revenue	**179,020**	**334,081**	**513,101**
Timing of revenue recognition			
Services transferred over time	175,807	273,545	449,352
Services transferred at a point in time	3,213	60,536	63,749
Total revenue	179,020	334,081	513,101
Direct costs	**(86,329)**	**(196,730)**	**(283,059)**

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

4 REVENUE & DIRECT COSTS (continued)

4.2 Contract balances

	2023 AED'000	*2022 AED'000 (Restated)*
Trade receivables, net (Note 13)	**204,100**	150,409
Contract liabilities (see below)	**47,000**	46,598
Accrued share of revenue from joint services agreements (Note 13)	**7,723**	8,922
Amounts due under joint services agreements (Note 13)	**2,311**	6,211

Trade receivables
Trade receivables are non-interest bearing and are generally on terms of 0 to 180 days from the date of service. In 2023, AED 6,155 thousand was recognised as allowance for expected credit losses on trade receivables in the consolidated statement of profit or loss (2022: AED 4,854 thousand) (Note 5 and Note 13).

Contract liabilities
Contract liabilities comprise of fees collected in advance from students, deferred revenue in relation to educational services and advances received from patients that are short-term in nature.

4.3 Performance obligations

Information about the Group's performance obligations are summarised below:

Education services
The performance obligation is satisfied over time on a straight-line basis over the academic period of the course that students are enrolled in and payment is generally due between 30 and 180 days of the invoice or based on an agreed payment plan.

Healthcare services
The performance obligation for in-patient services of CMRC and Sukoon is satisfied over time on a straight-line basis because the customer simultaneously receives and consumes the benefits provided to them and payment is generally due between 0 and 90 days from invoice date.

The performance obligation of other healthcare services is satisfied at a point in time when the service is rendered and payment is generally due between 0 and 90 days from invoice date.

4.4 Direct costs

	2023 AED'000	*2022 AED'000*
Salaries and employee related costs	**241,264**	158,539
Medical consumables, equipment and other related costs	**47,290**	43,327
Depreciation of property and equipment (Note 8)	**27,247**	17,910
Royalty and profit-sharing arrangements for academic services	**23,994**	18,431
Depreciation of right-of-use assets (Note 9)	**19,694**	16,853
Student related expenses	**13,170**	7,686
Leases (Note 9)	**260**	685
Other direct costs	**16,997**	19,628
	389,916	283,059

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

5 GENERAL, SELLING AND ADMINISTRATIVE EXPENSES

General, selling and administrative expenses mainly include the following:

	2023 AED'000	2022 AED'000
Employee related expenses	**110,119**	87,660
Legal and professional fees	**18,446**	9,177
Depreciation of property and equipment (Note 8)	**12,734**	10,383
Marketing and communications	**12,373**	10,517
Amortization of intangible assets (Note 10)	**11,388**	8,543
Depreciation of right-of-use assets (Note 9)	**8,699**	2,684
IT expenses	**7,429**	5,168
Expected credit losses on trade receivables (Note 4.2 & 13)	**6,155**	4,854
Board and committee remuneration (Note 14)	**2,009**	3,812
Portfolio management expenses	**2,380**	1,176
Leases (Note 9)	**2,017**	1,937
Transaction related costs	**1,547**	5,260
Other expenses	**28,710**	22,728
	224,006	173,899

General, selling and administrative expenses are incurred as follows:

	2023 AED'000	2022 AED'000
Holding Company expenses		
Head office expenses	**37,921**	41,425
Amortization of intangible assets (Note 10)	**5,888**	4,500
Portfolio management expenses	**2,380**	1,176
Transaction related costs	**-**	5,260
Subsidiaries' expenses	**177,817**	121,538
	224,006	173,899

6 OTHER OPERATING INCOME

	2023 AED'000	2022 AED'000
Grant income*	**15,473**	1,718
Dividend income from financial asset at FVOCI	**1,059**	1,258
Gain on derivative instrument	**1,373**	3,568
Gain on termination of leases	**-**	1,271
Other income	**8,358**	6,271
	26,263	14,086

* Represents contribution provided to the Group's subsidiary, Human Development Company LLC, from the Ministry of Human Resources and Social Development of the Kingdom of Saudi Arabia.

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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7 FINANCE INCOME AND FINANCE COSTS

7.1 Finance income

	2023 AED'000	2022 AED'000
Income on term deposits*	**20,137**	11,433
Gain on hedge ineffectiveness	-	1,590
Others	**1,129**	129
	21,266	13,152

* Includes income on Sharia compliant deposits of AED 18,245 thousand and income on non-Sharia compliant deposits of AED 1,892 thousand (2022: AED 8,601 thousand and AED 2,832 thousand, respectively).

7.2 Finance costs

	2023 AED'000	2022 AED'000
Finance costs on financing from banks	**31,410**	21,389
Finance costs on lease liabilities (Note 9)	**11,396**	7,504
Finance costs on bank overdraft	**1,484**	555
Amortization of loan arrangement fees	**550**	545
Others	**1,891**	-
	46,731	29,993

Amanat Holdings PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

8 PROPERTY AND EQUIPMENT

	Land and buildings (2) AED'000	*Leasehold improvements AED'000*	*Medical equipment AED'000*	*Academic equipment AED'000*	*Furniture and fixtures AED'000*	*Other assets AED'000*	*Capital work in progress (3) AED'000*	*Total AED'000*
Cost:								
At 1 January 2022	174,717	86,666	44,774	8,616	11,798	24,134	535	351,240
Additions	458	4,761	4,860	680	1,846	1,373	5,431	19,409
Acquisition of a subsidiary (Note 10) (restated)	-	14,578	5,308	-	9,464	12,836	17,374	59,560
Write-offs	-	(1,584)	-	(5)	(333)	-	-	(1,922)
Disposals	(409)	-	(75)	-	(117)	(11)	-	(612)
Transfers	-	139	100	-	81	33	(353)	-
At 31 December 2022 (restated)	174,766	104,560	54,967	9,291	22,739	38,365	22,987	427,675
Additions	18	2,840	4,363	694	1,172	5,436	76,873	91,396
Acquisition of a subsidiary (Note 10)	232,317	750	51,980	-	14,637	24,429	5,465	329,578
Write-offs	-	-	-	(18)	-	-	-	(18)
Disposals	-	-	(5,510)	-	(204)	(3,284)	-	(8,998)
Transfers	-	15,746	1,281	-	3,728	276	(21,031)	-
At 31 December 2023	**407,101**	**123,896**	**107,081**	**9,967**	**42,072**	**65,222**	**84,294**	**839,633**
Depreciation and impairment:								
At 1 January 2022	17,362	31,388	23,813	6,068	7,356	14,447	-	100,434
Acquisition of a subsidiary (Note 10)	-	7,253	1,739	-	6,295	9,254	-	24,541
Charge for the year (4)	8,384	7,066	6,873	854	1,728	3,388	-	28,293
Write-offs	-	(1,437)	-	(5)	(227)	-	-	(1,669)
Disposals	(307)	-	(71)	-	(109)	(10)	-	(497)
At 31 December 2022	25,439	44,270	32,354	6,917	15,043	27,079	-	151,102
Acquisition of a subsidiary (Note 10)	49,985	750	46,078	-	14,170	17,047	-	128,030
Charge for the year (4)	11,894	9,422	8,829	927	3,520	5,389	-	39,981
Impairment (Note 10)	30,274	-	2,096	-	138	532	-	33,040
Write-offs	-	-	-	(7)	-	-	-	(7)
Disposals	-	-	(5,503)	-	(157)	(3,305)	-	(8,965)
At 31 December 2023	**117,592**	**54,442**	**83,854**	**7,837**	**32,714**	**46,742**	**-**	**343,181**
Net carrying amounts:								
At 31 December 2023	**289,509**	**69,454**	**23,227**	**2,130**	**9,358**	**18,480**	**84,294**	**496,452**
At 31 December 2022 (restated)	149,327	60,290	22,613	2,374	7,696	11,286	22,987	276,573

Amanat Holdings PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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8 PROPERTY AND EQUIPMENT (continued)

(1) During the year ended 31 December 2023, an impairment charge of AED 33,040 thousand was allocated against Property and Equipment balances at Al Malaki Specialist Hospital. Refer to Note 10 for further details.

(2) Land and buildings include a building constructed on long-term leasehold land in Bahrain with a carrying amount of AED 62,900 thousand (2022: AED 99,269 thousand).

(3) Capital work in progress includes on-going Group's expansion projects in the Kingdom of Saudi Arabia.

(4) Depreciation charge for the year has been allocated to the consolidated statement of profit or loss as follows:

	2023 AED'000	*2022 AED'000*
Direct costs (Note 4.4)	**27,247**	17,910
General, selling and administrative expenses (Note 5)	**12,734**	10,383
	39,981	28,293

The cost of fully depreciated assets still in use as at 31 December 2023 is AED 106,359 thousand (2022: AED 36,542 thousand).

9 LEASES

9.1 Group as lessee

The Group has lease contracts for land, buildings, offices and vehicles. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group also has certain leases of residential units and offices with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Leasehold land AED'000	*Buildings and offices AED'000*	*Vehicles AED'000*	*Total AED'000*
As at 1 January 2022	17,078	100,522	228	117,828
Acquisition of a subsidiary (Note 10)	-	38,157	-	38,157
Additions	-	48,749	351	49,100
Termination (1)	-	(34,676)	(26)	(34,702)
Modification (2)	-	25,040	-	25,040
Depreciation	**(430)**	**(18,889)**	**(218)**	**(19,537)**
As at 31 December 2022	16,648	158,903	335	175,886
Additions	-	39,913	433	40,346
Termination	-	(4,616)	-	(4,616)
Depreciation	(430)	(27,779)	(184)	(28,393)
As at 31 December 2023	**16,218**	**166,421**	**584**	**183,223**

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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9 LEASES (continued)

9.1 Group as lessee (continued)

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2023 AED'000	2022 AED'000 (Restated)
As at 1 January	**189,002**	124,241
Acquisition of a subsidiary (Note 10)	-	37,975
Additions	**40,406**	54,668
Accretion of interest (Note 7.2)	**11,396**	7,504
Termination	**(4,591)**	(36,280)
Modification	-	24,949
Payments	**(39,697)**	(24,055)
As at 31 December	**196,516**	189,002
Current	**32,275**	27,672
Non-current	**164,241**	161,330

(1) During the year ended 31 December 2022, a subsidiary of the Group, Middlesex Associates FZ-L.L.C, renegotiated its existing lease agreements in relation to the University's campus at Knowledge Village Park, consequently entering into new and amended lease agreements and recognizing the associated right-of-use assets and lease liabilities, while also terminating certain of the existing agreements and derecognizing the associated right-of-use assets and lease liabilities. In addition, for a few leases, the Group has adjusted for lease modifications.

(2) During the year ended 31 December 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 to reflect changes to the lease payments and recognised an amount AED 26.5 million as lease liability with a corresponding adjustment to the right-of-use asset.

The maturity analysis of lease liabilities is disclosed in Note 25.5.

The following are the amounts recognised in the consolidated statement of profit or loss with respect to leases:

	2023 AED'000	2022 AED'000
Depreciation expense of right-of-use assets – direct (Note 4.4)	**19,694**	16,853
Depreciation expense of right-of-use assets – indirect (Note 5)	**8,699**	2,684
Interest expense on lease liabilities (Note 7.2)	**11,396**	7,504
Expense relating to short-term leases – direct (Note 4.4)	**260**	685
Expense relating to short-term leases – indirect (Note 5)	**2,017**	1,937
Total amount recognised in the consolidated statement of profit or loss	**42,066**	29,663

The Group had total cash outflows for leases of AED 39,697 thousand during 2023 (2022: AED 24,055 thousand). The Group had non-cash additions to right-of-use assets and lease liabilities of AED 40,346 thousand and AED 40,406 thousand, respectively (2022: AED 49,100 thousand and AED 54,668 thousand, respectively). There are no leases that have not yet commenced at the reporting date.

The Group does not have lease contracts that contain variable payments.

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

9 LEASES (continued)

9.1 Group as lessee (continued)

The Group's lease contracts contain extension and termination options, which are further discussed in Note 3.

9.2 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.

Transaction costs amounting to AED 15 million are capitalised as part of the net investment in the lease. The net investment in the lease represents the present value of minimum lease payments discounted at the implicit lease rate and is recorded net of any advance lease instalments received by the Group.

The lease agreement contains put and call options for the lessor and lessee, respectively, giving the lessor the option to sell and the lessee the option to buy the underlying property at a pre-determined exercise prices. The contractually agreed exercise time frame for the put and call options is 27 September 2024 until 26 March 2026 and 27 June 2023 until 26 March 2024 respectively. As of the date of consolidated financial statements signing, no notification has been received from the lessee of any intent to exercise the call option.
In addition, 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.

At 31 December 2023 and 2022, the Group performed an ECL assessment of its lease receivables and concluded that no allowance for expected credit losses is required to be recognised.

The following table provides the movement in finance lease receivables:

	2023 AED'000	2022 AED'000
At 1 January	**414,887**	420,818
Lease payments received	**(36,802)**	(42,284)
Finance lease income	**33,271**	33,693
Reversal of allowance for expected credit loss (Note 25)	-	2,660
At 31 December	**411,356**	414,887

The maturity profile of the gross and net finance lease receivables is as follows:

Gross investment in finance lease receivables

	2023 AED'000	2022 AED'000
Less than one year	**54,799**	54,894
Between one and five years	**152,059**	149,812
More than five years	**633,643**	672,514
	840,501	877,220
Unearned finance income	**(429,145)**	(462,333)
Net investment in finance lease receivables	**411,356**	414,887

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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9 LEASES (continued)

9.2 Group as lessor (continued)

Net investment in finance lease receivables

	2023 AED'000	2022 AED'000
Less than one year	**52,691**	51,933
Between one and five years	**117,515**	115,785
More than five years	**241,150**	247,169
	411,356	414,887
Current	**52,691**	51,933
Non-current	**358,665**	362,954

10 BUSINESS COMBINATIONS

Intangible assets acquired through business combinations are as follows:

	Goodwill AED'000	Agreements and student relationship with definite useful lives AED'000	Agreement with indefinite useful life AED'000	Brand names with definite useful lives AED'000	Total AED'000
Cost:					
At 1 January 2022	515,278	133,300	560,867	39,668	1,249,113
Acquisition of a subsidiary (4) (restated)	215,837	7,714	-	3,798	227,349
At 31 December 2022 (restated)	731,115	141,014	560,867	43,466	1,476,462
Acquisition of a subsidiary (3.2)	89,240	-	-	-	89,240
At 31 December 2023	**820,355**	**141,014**	**560,867**	**43,466**	**1,565,702**
Amortisation and impairment:					
At 1 January 2022	19,961	15,233	-	3,364	38,558
Amortisation (Note 5)	-	4,500	-	4,043	8,543
At 31 December 2022	19,961	19,733	-	7,407	47,101
Amortisation (Note 5)	-	5,667	-	4,258	9,925
Impairment (5)	62,051	-	-	-	62,051
At 31 December 2023	**82,012**	**25,400**	-	**11,665**	**119,077**
Carrying amounts					
At 31 December 2023	**738,343**	**115,614**	**560,867**	**31,801**	**1,446,625**
At 31 December 2022 (restated)	711,154	121,281	560,867	36,059	1,429,361

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

10 BUSINESS COMBINATIONS (continued)

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

	2023 AED'000	2022 AED'000 (Restated)
Middlesex University (1)	**276,770**	276,770
Al Malaki Specialist Hospital (2)	-	62,051
HC Investments 1 Holdings Limited (3)	**245,736**	156,496
Human Development Company (4)	**215,837**	215,837
	738,343	711,154

(1) Middlesex Associates FZ-LLC

On 2 August 2018, the Group acquired 100% of the shares and voting interests in Middlesex Associates FZ-LLC ("Middlesex University") for a total consideration of AED 418,902 thousand.

Fair value measurement
Management had engaged an independent expert to provide valuation support with respect to the determination of the fair values of the assets acquired and liabilities assumed under IFRS 3 whereby a separately identifiable intangible asset was identified in relation to an agreement the subsidiary has entered into with Middlesex UK, which was estimated to have a fair value of AED 133,300 thousand at the acquisition date and a useful life of 30 years from the date of acquisition. Accordingly, AED 133,300 thousand was reduced from the initially recognised amount of goodwill resulting in adjusted goodwill of AED 276,770 thousand at acquisition.

(2) Al Malaki Specialist Hospital W.L.L

On 16 August 2018, the Group acquired 69.24% of the shares and voting interests in Al Malaki Specialist Hospital W.L.L ("MSH") for a total cash consideration of AED 142,107 thousand. During 2022, the Group had acquired additional shares through a cash contribution of AED 23.9 million, increasing its effective shareholding to 69.45% from 69.24% held previously and the related legal formalities were completed during the year ended 31 December 2023.

Fair value measurement
Management had engaged an independent expert to provide valuation support with respect to the determination of the fair values of the assets acquired and liabilities assumed under IFRS 3 whereby no separately identifiable assets had been identified and the entire difference between the total consideration and identified net assets at the date of acquisition of AED 82,012 thousand was accounted for as goodwill. In 2021, the Group has recognized an impairment against goodwill of AED 19,961 thousand and a further impairment of AED 62,051 thousand against the remaining balance has been recorded during the year ended 31 December 2023. Refer to Note 10 (5) for further details.

(3) HC Investments 1 Holdings Limited

Goodwill arising on business combinations in HC Investments 1 Holdings Limited is related to the following sub-cash generating units:

	2023 AED'000	2022 AED'000
CMRC Limited (3.1)	**156,496**	156,496
Sukoon International Holding Company (3.2)	**89,240**	-
	245,736	156,496

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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10 BUSINESS COMBINATIONS (continued)

(3) HC Investments 1 Holdings Limited (continued)

(3.1) CMRC Limited

On 28 February 2021, the Group, through its intermediary holding company, HC Investments 1 Holdings Limited ("HC 1"), acquired 100% of the voting shares in CMRC Limited ("CMRC"), an unlisted holding company based in Cyprus with a 100% effective shareholding in two operating subsidiaries: Cambridge Medical & Rehabilitation Centre LLC that provides healthcare services in the United Arab Emirates and CMRC Saudi Arabia LLC that provides healthcare services in the Kingdom of Saudi Arabia for a total cash consideration of AED 863,953 thousand in addition to a deferred consideration of AED 7,350 thousand which has been fully settled as at 31 December 2023 (2022: AED 6,433 thousand settled).

During the year ended 31 December 2023, the Company transferred 15.31% of its interests in HC 1 to certain shareholders of Sukoon, reducing its effective ownership in HC 1 from 100% previously to 84.69% (Refer to Note 3.2 below). In addition, on 25 October 2023, the Company made an additional cash contribution of AED 25 million which was utilized for on-going expansion projects in the Kingdom of Saudi Arabia, and accordingly, the effective interest in CMRC increased to 85.11% as of 31 December 2023.

Fair value measurement
Management had engaged an independent expert to provide valuation support with respect to the determination of the fair values of the assets acquired and liabilities assumed under IFRS 3 whereby separately identifiable intangible assets have been identified in relation to an indefinite agreement with an insurance provider with an acquisition-date estimated fair value of AED 560,867 thousand as well as brand name with an acquisition-date estimated fair value of AED 39,668 thousand and an expected useful life of 10 years. Accordingly, AED 600,535 thousand was reduced from the initially recognised amount of goodwill resulting in adjusted goodwill of AED 156,496 thousand at acquisition. including additional consideration.

(3.2) 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 effectively transferring 15.31% of its interest held in HC 1 to certain shareholders of Sukoon. Following the additional cash contribution of AED 25 million mentioned above, the Company's effective interest in Sukoon increased to 69.63% from 69.28% previously.

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 11) 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 1,463 thousand in relation to amortization of potential intangible assets during the year ended 31 December 2023 (Note 5). 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.

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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10 BUSINESS COMBINATIONS (continued)

(3) HC Investments 1 Holdings Limited (continued)

(3.2) Sukoon International Holding Company (continued)

The provisional fair values of the identifiable assets and liabilities as at the deemed 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**
	290,646
Liabilities	
Trade and other payables	**(36,208)**
Provision for employees' end of service benefits	**(9,650)**
	(45,858)
Total identifiable net assets at provisional fair values	**244,788**
Non-controlling interests at the proportionate share of the identifiable net assets	**(75,187)**
Goodwill arising on acquisition (provisional)	**89,240**
Purchase consideration	**258,841**
The purchase consideration comprises of the following:	
Fair value of previously held interest in Sukoon (Note 11)	**140,648**
Fair value of HC 1 shares transferred	**118,193**
Purchase consideration	**258,841**

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 consolidated statement of cash flows.

Impact of the acquisition on the Group's results
The consolidated financial statements include the results of Sukoon from 1 May 2023 to 31 December 2023, the deemed date of acquisition being 30 April 2023. Transactions related to the subsidiary between 14 April 2023, date of acquisition, and 30 April 2023 are not material to the Group.

From the date of acquisition, Sukoon has contributed AED 60,692 thousand of revenue, AED 7,638 thousand of profit and AED 5,300 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 87,516 thousand, the profit contribution for the year would have been AED 8,618 thousand and the profit contribution attributable to equity holders of the Company would have been AED 5,979 thousand (excluding transaction related costs).

Cumulative transaction costs of AED 3,728 thousand have been recognized in profit or loss in relation to the acquisition, with AED 1,542 thousand recognized during the year ended 31 December 2023 (2022: AED 1,219 thousand).

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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10 BUSINESS COMBINATIONS (continued)

(4) Human Development Company LLC

On 27 October 2022, the Group acquired 60% of the voting shares of Human Development Company LLC ("HDC"), an unlisted holding company based in the Kingdom of Saudi Arabia and its 100% subsidiary, Human Rehabilitation Company LLC, both of which are engaged in the provision of special education and care needs services, for a total cash consideration of AED 215,723 thousand in addition to 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, and dependent on financial performance. During the year ended 31 December 2023, AED 14,089 thousand has been settled towards the contractually agreed contingent consideration in relation to the financial performance of 2022.

The acquisition was accounted for using the acquisition method under IFRS 3 Business Combinations. During the year ended 31 December 2022, the consolidated financial statements include the results of HDC and its subsidiary from 1 November 2022 to 31 December 2022. Transactions between 27 October 2022 and 31 October 2022 were not material to the Group.

As at the acquisition date, the fair value of the contingent consideration was estimated to be 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.

During the year ended 31 December 2022, HDC contributed AED 30,956 thousand of revenue, AED 12,241 thousand of profit and AED 7,345 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 124,653 thousand, the profit contribution for the year would have been AED 47,899 thousand and the profit contribution attributable to equity holders of the Company would have been AED 28,739 thousand (excluding transaction related costs).

Transaction costs of AED 3,471 thousand were expensed in 2022 and included in general, selling and administrative expenses in the consolidated statement of profit or loss and were part of operating cash flows in the consolidated statement of cash flows.

Fair value measurement
Management had measured the fair values of identifiable assets and liabilities of the subsidiary 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 year ended 31 December 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, which was fully settled during the year.

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.

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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10 BUSINESS COMBINATIONS (continued)

(4) Human Development Company LLC (continued)

Fair value measurement (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.

Consolidated statement of financial position at 31 December 2022	*As previously reported AED'000*	*Retrospective adjustments AED'000*	*As restated AED'000*
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.

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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10 BUSINESS COMBINATIONS (continued)

(4) Human Development Company LLC (continued)

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

	1 November 2022 AED'000 (Restated)
Assets	
Property and equipment	**35,019**
Right-of-use assets	**38,157**
Cash and bank	**11,445**
Inventories	**551**
Due from related parties	**1,616**
Trade and other receivables	**76,043**
	162,831
Liabilities	
Provisions, accounts and other payables	**(50,478)**
Lease liabilities	**(37,975)**
Financing from banks	**(15,165)**
Provision for employees' end of service benefits	**(4,982)**
	(108,600)
Total identifiable net assets at fair value	**54,231**
Non-controlling interests at the proportionate share of the identifiable net assets	**(21,692)**
Goodwill and other intangible assets arising on acquisition	**227,349**
Contingent consideration (discounted)	**(44,165)**
Purchase consideration transferred	**215,723**
Analysis of cash flows on acquisition:	
Net cash acquired with the subsidiary (included in cash flows from investing activities)	**11,445**
Cash paid	**(215,723)**
Net cash flow on acquisition	**(204,278)**

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

10 BUSINESS COMBINATIONS (continued)

(5) Goodwill impairment assessment

Middlesex Associates FZ-LLC

Management has performed an impairment test on goodwill as at 31 December 2023. The recoverable amount of the CGU has been determined at 31 December 2023 based on a value in use calculation using cash flow projections. The cash flows are derived from the most recent projections for the next five years. Cash flows beyond the 5-year period are extrapolated using a growth rate, which management believes approximates the long-term average growth rate for the industry in which the cash-generating unit operates.

The pre-tax discount rate applied to the cash flow projections is 10.9% (2022: 11.4%). Based on the analysis performed, no impairment to goodwill has been identified.

Al Malaki Specialist Hospital W.L.L

Management has performed an impairment test on goodwill as at 31 December 2023. The recoverable amount of the CGU has been determined at 31 December 2023 based on a value in use calculation using cash flow projections. The cash flows are derived from the most recent projections for the next five years. Cash flows beyond the 5-year period are extrapolated using a growth rate, which management believes approximates the long-term average growth rate for the industry in which the cash-generating unit operates.

The pre-tax discount rate applied to the cash flow projections is 12.3% (2022: 12.3%). Based on the analysis performed, an impairment of AED 95,091 thousand was identified of which an amount of AED 62,051 thousand was allocated against the carrying amount of the related goodwill balance and the remaining amount of AED 33,040 thousand was allocated against the Property and Equipment balances of Al Malaki Specialist Hospital. Total impairment charge attributable to equity holders amounts to AED 84,997 thousand.

HC Investments 1 Holdings Limited

Management has performed an impairment test on goodwill balances related to the following CGUs as at 31 December 2023 as follows:

i) CMRC Limited

The recoverable amount of the CGU has been determined at 31 December 2023 based on a value in use calculation using cash flow projections. The cash flows are derived from the most recent projections for the next five years. Cash flows beyond the 5-year period are extrapolated using a growth rate, which management believes approximates the long-term average growth rate for the industry in which the cash-generating unit operates.

The pre-tax discount rate applied to the cash flow projections ranges from 10.8% - 11.9% (2022: 10.5% - 11.0%). Based on the analysis performed, no impairment to goodwill has been identified.

ii) Sukoon International Holding Company

The recoverable amount of the CGU has been determined at 31 December 2023 based on a value in use calculation using cash flow projections. The cash flows are derived from the most recent projections for the next five years. Cash flows beyond the 5-year period are extrapolated using a growth rate, which management believes approximates the long-term average growth rate for the industry in which the cash-generating unit operates.

The pre-tax discount rate applied to the cash flow projections is 11.9% (2022: n/a). Based on the analysis performed, no impairment to goodwill has been identified.

Human Development Company LLC

Management has performed an impairment test on goodwill as at 31 December 2023. The recoverable amount of the CGU has been determined at 31 December 2023 based on a value in use calculation using cash flow projections. The cash flows are derived from the most recent projections for the next five years. Cash flows beyond the 5-year period are extrapolated using a growth rate, which management believes approximates the long-term average growth rate for the industry in which the cash-generating unit operates.

The pre-tax discount rate applied to the cash flow projections is 12.2% (2022: n/a). Based on the analysis performed, no impairment to goodwill has been identified.

Amanat Holdings PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

10 BUSINESS COMBINATIONS (continued)

(5) Goodwill impairment assessment (continued)

The calculation of value in use is most sensitive to the following assumptions:

Revenue

Middlesex Associates FZ-LLC

Revenue is mainly determined based on the number of students enrolled at the university. Management took into consideration the growth in the student numbers in the past 3 years and applied estimates for future enrolments based on expected demand for the university's offerings and programs, both locally and internationally. A reasonable decrease of 5% in the expected number of students is not expected to result in any impairment to goodwill.

Al Malaki Specialist Hospital W.L.L

Revenue is mainly determined based on the number of consultations, deliveries and surgeries at the hospital. Management took into consideration the growth in the number of services it provided from start of operations in April 2019 as well as market research and the future outlook of the industry in Bahrain and applied estimates based on expected demand for the hospital's services, both locally and regionally. A reasonable decrease of 5% to the expected number of consultations, deliveries and surgeries would result in a further impairment to property and equipment of AED 39,948 thousand.

HC Investments 1 Holdings Limited

i) CMRC Limited

Revenue is mainly determined based on the number of in-patients and out-patients at the various hospitals. Management took into consideration estimates for future expected patients and the future outlook of the industry and applied estimates based on expected demand for the hospitals' services, both in the UAE and KSA. A reasonable decrease of 5% in the expected number of patients is not expected to result in any impairment to goodwill.

ii) Sukooon International Holding Company

Revenue is mainly determined based on the number of in-patients and out-patients. Management took into consideration estimates for future expected patients and the future outlook of the industry and applied estimates based on expected demand for the hospitals' services in KSA. A reasonable decrease of 5% in the expected number of patients is not expected to result in any impairment to goodwill.

Human Development Company LLC

Revenue is mainly determined based on the number of students enrolled at the rehabilitation centers. Management took into consideration the historical growth in student numbers and applied estimates for future growth in the number of rehabilitation centers and underlying student enrolments. A reasonable decrease of 5% in the expected number of students is not expected to result in any impairment to goodwill.

Discount rate

The discount rate represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from the weighted average cost of capital (WACC) of each individual CGU. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment from a willing market participant and the cost of debt is based on an estimate of debt available to willing market participants. Segment-specific risk is incorporated by applying individual beta factors.

Any reasonable rise of 0.25% in the discount rate is not expected to result in any impairment to goodwill related to Middlesex Associates FZ-LLC, CMRC Limited, Sukoon International Holding Company or Human Development Company LLC but in a further impairment of AED 2,155 thousand for Al Malaki Specialist Hospital.

Growth rate

The growth rate represents management's best estimate of the applicable market growth rate for the industry segments in which it operates. In 2023 and 2022, management utilized growth rates ranging between 2% and 3%.

Any reasonable decrease in the growth rate by 0.5% is not expected to result in any impairment to goodwill related to Middlesex Associates FZ-LLC, CMRC Limited, Sukoon International Holding Company and Human Development Company LLC but in a further impairment of AED 3,239 thousand to property and equipment related to Al Malaki Specialist Hospital W.L.L.

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11 INVESTMENTS IN ASSOCIATES

The Group's carrying value of investments in associates at 31 December are as follows:

	2023 AED'000	*2022 AED'000*
NEMA Holding Company LLC ("NEMA") (1)	**385,415**	385,034
Sukoon International Holding Company (2)	-	130,692
	385,415	515,726

The movement in the investments in associates during the year is as follows:

	Year ended 31 December 2023		
	Sukoon AED'000	***NEMA AED'000***	***Total AED'000***
At 1 January 2023	**130,692**	**385,034**	**515,726**
Share of results	**327**	**20,881**	**21,208**
Amortization of PPA assets	**-**	**(3,000)**	**(3,000)**
Share of results in profit or loss	**327**	**17,881**	**18,208**
Dividends*	**-**	**(17,500)**	**(17,500)**
Disposal of an associate under a step acquisition (2)	**(131,019)**	**-**	**(131,019)**
At 31 December 2023	**-**	**385,415**	**385,415**

* During the year ended 31 December 2023, the Group has received AED 8,750 thousand of dividends out of AED 17,500 thousand of dividends due to the Group as declared by NEMA (refer to Note 14).

	Year ended 31 December 2022		
	Sukoon AED'000	*NEMA AED'000*	*Total AED'000*
At 1 January 2022	129,170	376,887	506,057
Share of results	1,179	26,897	28,076
Amortization of PPA assets	-	(3,000)	(3,000)
Share of results in profit or loss	1,179	23,897	25,076
Share of other comprehensive income	343	-	343
Dividends received	-	(15,750)	(15,750)
At 31 December 2022	**130,692**	**385,034**	**515,726**

(1) NEMA Holding Company LLC ("NEMA")

The Group has a 35% interest in NEMA Holding Company LLC, acquired on 6 March 2018. NEMA is involved in the provision of tertiary education and vocational services in Abu Dhabi, United Arab Emirates. NEMA is a private entity that is not listed on any public exchange. The Group's interest in NEMA is accounted for using the equity method in the consolidated financial statements.

Amanat Holdings PJSC

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11 INVESTMENTS IN ASSOCIATES (continued)

(1) NEMA Holding Company LLC ("NEMA") (continued)

The following table illustrates the summarised financial information of the Group's investment in NEMA:

	2023 AED'000	*2022 AED'000*
Current assets	**203,104**	213,300
Non-current assets	**1,149,038**	1,164,013
Current liabilities	**(184,806)**	(172,882)
Non-current liabilities	**(419,127)**	(465,884)
Equity attributable to the equity holders of NEMA	**748,209**	738,547
Group's share in net assets at 35% (2022: 35%)	**261,873**	258,492
Goodwill and intangibles at acquisition	**131,194**	131,194
Costs of acquisition capitalised	**9,380**	9,380
Amortization of PPA assets	**(17,032)**	(14,032)
Group's carrying amount of the investment	**385,415**	385,034

	2023 AED'000	*2022 AED'000*
Revenue	**509,263**	481,723
Profit	**59,661**	76,847
Group's share of profit at 35% (2022: 35%)*	**20,881**	26,897

* 2022 includes the Group's share of transaction costs amounting to AED 1,697 thousand in relation to the acquisition of a 100% stake in LIWA College of Technology by NEMA.

(2) Sukoon International Holding Company ("Sukoon")

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 10). 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:

	2023 AED'000 (Unaudited)
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**

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11 INVESTMENTS IN ASSOCIATES (continued)

(2) Sukoon International Holding Company ("Sukoon") (continued)

Prior to disposal, the Group had a 33.25% interest in Sukoon International Holding Company, which provides medical and healthcare services in Jeddah, KSA. Sukoon is a private entity that is not listed on any public exchange. The Group's interest in Sukoon was accounted for using the equity method in the consolidated financial statements up to the date of disposal.

The following table illustrates the summarised financial information of the Group's investment in Sukoon as an associate:

	2023 AED'000	*2022 AED'000*
Current assets	-	87,946
Non-current assets	-	197,408
Current liabilities	-	(32,347)
Non-current liabilities	-	(9,201)
Equity	-	243,806
Group's share in net assets at 33.25%	-	81,067
Goodwill, intangible and other fair value adjustments	-	61,692
Elimination of profit on sale of IMC shares	-	(19,851)
Costs of acquisition capitalised	-	5,064
Amortisation of PPA assets	-	(1,576)
Other adjustments	-	4,296
Group's carrying amount of the investment as an associate	-	130,692

	2023 AED'000	*2022 AED'000*
Revenue	**26,823**	80,729
Profit	**980**	3,546
Group's share of profit at 33.25% (2022: 33.25%)*	**327**	1,179

* 2023 includes the Group's share of profit from 1 January 2023 to 30 April 2023 (Refer to Note 10).

Amanat Holdings PJSC
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12 FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI

	2023 AED'000	2022 AED'000
Emirates NBD REIT Limited – quoted (1)	**12,250**	12,912
BEGiN – unquoted (2)	**22,865**	18,609
At 31 December	**35,115**	31,521

The movement in the financial assets at FVOCI during the year was as follows:

	2023 AED'000	2022 AED'000
At 1 January	**31,521**	33,828
Net change in fair value	**(662)**	(2,307)
BEGiN vested warrants exercised (2)	**4,256**	-
At 31 December	**35,115**	31,521

(1) The investment consists of a 3.60% shareholding in a quoted equity investment made by the Group in Emirates NBD REIT Limited, which is listed on the NASDAQ Dubai exchange.

(2) The investment consists of a shareholding of approximately 1% in a US-based leading education technology company. During the year, the Group exercised 344,958 of the total vested warrants of 400,596 as of 31 December 2023 (2022: 289,320), and accordingly, an amount of AED 4,256 thousand has been reclassified from derivative instruments to financial assets at FVOCI. The remaining vested warrants are classified as derivative instruments at fair value and will be reclassified as equity instruments at FVOCI once exercised.

13 TRADE AND OTHER RECEIVABLES

	2023 AED'000	2022 AED'000 (Restated)
Trade receivables	**247,422**	180,288
Less: allowance for expected credit losses	**(43,322)**	(29,879)
	204,100	150,409
Prepayments	**12,492**	12,051
Refundable deposits	**8,235**	5,915
Accrued share of revenue from joint services agreements	**7,723**	8,922
Accrued income on term deposits	**7,332**	3,209
Advances to suppliers	**3,867**	5,193
Amounts due under joint services agreements	**2,311**	6,211
Other receivables	**5,334**	5,189
	251,394	197,099

The movement in the allowance for expected credit losses is as follows:

	2023 AED'000	2022 AED'000
At 1 January	**29,879**	17,122
Acquired through business combination (Note 10)	**11,688**	10,349
Charge for the year (Note 5)	**6,155**	4,854
Reversal	**(2,340)**	(2,313)
Write-offs	**(2,060)**	(133)
At 31 December	**43,322**	29,879

Information regarding the Group's credit exposures is disclosed in Note 25.

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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14 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.

Balances with related parties

	2023 AED'000	2022 AED'000
Due from related parties		
Associates		
NEMA (Note 11)	**8,750**	-
Sukoon*	-	204
Other related parties	**113**	2,523
	8,863	2,727

	2023 AED'000	2022 AED'000
Due to a related party		
Other related party – non-current	**6,384**	5,780

	2023 AED'000	2022 AED'000
Transactions with related parties		
Key management personnel		
Management fee**	**2,262**	2,555

* During the year ended 31 December 2022, the Group received AED 7,466 thousand of proceeds in relation to a 2020 capital reduction at Sukoon.

** Management fee expense is included under share of results of an associate for services provided by a key management member 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 years ended 31 December 2023 and 2022. Dividend received from associates is disclosed in Note 11.

Key management personnel remuneration

Group key management personnel remuneration including board remuneration disclosed in Note 5, comprise the following:

	2023 AED'000	2022 AED'000
Short-term benefits	**24,424**	24,153
Post-employment benefits	**1,245**	1,096
Board and committee remuneration (Note 5)	**2,009**	3,812

The amounts disclosed above are the amounts recognised as expense during the year related to key management personnel.

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31 December 2023

15 CASH AND BANK BALANCES

Cash and bank balances in the consolidated statement of financial position comprise the following:

	2023 AED'000	2022 AED'000
Cash on hand	**5,232**	544
Current accounts with banks	**128,975**	150,785
Cash balance held with a third party (Note 16.2)	**26,949**	2,506
Bank financing service reserve account	**3,896**	3,896
Shariah compliant term deposits	**337,198**	386,208
Non-Sharia compliant term deposits	**80,000**	40,000
Cash and bank balances	**582,250**	583,939

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

	2023 AED'000	2022 AED'000
Cash and bank balances	**582,250**	583,939
Less:		
Cash balance held with a third party (Note 16.2)	**(26,949)**	(2,506)
Bank financing service reserve account	**(3,896)**	(3,896)
Shariah compliant term deposits (with initial maturity of more than 3 months)	**(285,000)**	(179,308)
Non-Sharia compliant term deposits (with initial maturity of more than 3 months)	**-**	(40,000)
Bank overdraft (Note 25.2)	**(17,145)**	(11,914)
Cash and cash equivalents	**249,260**	346,315

During the year ended 31 December 2023, the Group earned an aggregate profit/interest of AED 20,137 thousand on its term deposits (2022: AED 11,433 thousand) (Note 7.1).

16 SHARE CAPITAL AND TREASURY SHARES

16.1 Share capital

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

As at 31 December 2023 and 2022, the Company had 2,500,000,000 ordinary shares in issuance of AED 1 each which were fully paid up. Holders of these ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Group.

16.2 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 31 December 2023, the Market Maker held 7,162,079 (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 31 December 2023. A cumulative gain of AED 216 thousand has been recognised at 31 December 2023 as Share Premium under equity out of which a net loss of AED 1,857 thousand (2022: net loss of AED 804 thousand) is from the net disposal of shares during the year. 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.

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17 STATUTORY RESERVE

As required by Article 241 of the UAE Federal Decree-Law No. 32 of 2021, 10% of the profit for the year is required to be transferred to the statutory reserve. The Company may resolve to discontinue such annual transfers when the reserve equals 50% of the nominal value of the paid-up share capital. There were no transfers made to the statutory reserve during 2023 as the Company reported losses (2022: AED 11,421 thousand transferred to the statutory reserve). The statutory reserve is not available for distribution.

18 FINANCING FROM BANKS

	2023 AED'000	2022 AED'000
Term loan (1)	**65,706**	70,089
Revolving bank facilities (2)	**11,897**	23,325
Musharaka financing facility (3)	**293,623**	334,125
Less: loan arrangement fees (3)	**(1,576)**	(1,899)
	292,047	332,226
	369,650	425,640
Current	**60,768**	69,282
Non-current	**308,882**	356,358

(1) During 2022, a subsidiary of the Group, Al Malaki Specialist Hospital W.L.L, signed an amended bank facility offer letter in relation to the subsidiary's bank borrowings and overdraft facility. In accordance with the amended terms, principal repayments for the year 2022 were reduced from AED 15.6 million to AED 5.8 million and the remaining principal repayments were realigned, with the final loan repayment date extended to September 2027 from June 2026. As at 31 December 2023, the bank overdraft was partially settled with AED 3.3 million of unutilized facility available, while the bank borrowings facility has been entirely utilised. In addition, a moratorium on covenant testing was agreed for the financial years 2022 and 2023. This loan incurs interest at market rates. The facility is secured against a corporate guarantee from the Company.

(2) As at 31 December 2023, the carrying amount represents revolving bank facilities utilized by the Group's subsidiary, HDC, to finance short term working capital requirements, where required. The loan facilities have a maturity ranging between 6 to 12 months and accrue profit at competitive market rates.

(3) In 2021, the Group obtained a Musharaka term facility of AED 405,000 thousand to finance the acquisition of CMRC. The facility is repayable in quarterly principal instalments of AED 10,125 thousand each plus profit, with profit accruing at market rates, over a period of 7 years with a 30% balloon payment to be made along with the last instalment. The facility is secured against corporate guarantees from the Company and CMRC Limited and its subsidiaries, 100% pledge over the shares of CMRC Limited and its subsidiaries and an assignment of dividends of CMRC Saudi Arabia LLC.

Arrangement fees of AED 2,746 thousand were paid by the Group, which are being amortised over the facility term of 7 years.

The Group is required to maintain certain financial covenants at the level of CMRC UAE, which are all met at the reporting date.

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19 OTHER LONG-TERM PAYABLES

	2023 AED'000	2022 AED'000
Contingent consideration (Note 10)	-	29,782
Unamortised rent incentive – non-current portion	**3,439**	3,536
	3,439	33,318

20 PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

	2023 AED'000	2022 AED'000 (Restated)
Balance as at 1 January	**33,137**	22,814
Acquisition of a subsidiary (Note 10)	**9,650**	4,982
Charge for the year	**11,922**	9,884
Remeasurements	**(1,959)**	129
Payments made during the year	**(7,994)**	(4,672)
Balance as at 31 December	**44,756**	33,137

21 PROVISIONS, ACCOUNTS AND OTHER PAYABLES

	2023 AED'000	2022 AED'000 (Restated)
Accounts payable	**41,636**	24,162
Contingent consideration (Note 10)	**31,861**	14,383
Staff related accruals	**21,460**	19,758
Zakat provision	**17,634**	1,934
VAT payables	**14,212**	19,661
Customer deposits	**4,183**	2,977
Directors' and committee remuneration payable	**1,909**	3,698
Provisions, other accruals and payables*	**63,566**	67,692
	196,461	154,265

*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 determination of the value of any future outflows and the timing of such outflows, involves the use of estimates and the application of judgement as the outcome is inherently uncertain.

In accordance with the above, a provision has been recorded in 2022 for a notice of inquiry received by the Group from a governmental authority. This provision has been recorded based on management's best estimate of the likely outcome of such inquiries and based on expert external advice. Such provisions are included as part of 'Provisions, other accruals and payables' and are not material to the overall consolidated financial statements as assessed by management.

The Company has utilised the exemption available under IAS 37 Provisions, Contingent Liabilities and Contingent Assets and disclosed such provisions within provisions, other accruals and payables in the consolidated statement of financial position.

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22 BASIC AND DILUTED (LOSS) / EARNINGS PER SHARE

The calculation of basic and diluted (loss)/earnings per share is based on the (loss)/profit attributable to the equity holders of the Company for the year and the weighted average number of ordinary shares outstanding during the year.

	2023	2022
(Loss)/profit for the year attributable to equity holders of the Company (AED'000)	**(53,200)**	114,213
Weighted average number of ordinary shares ('000)*	**2,488,103**	2,492,052
Basic and diluted (loss)/earnings per share (AED)	**(0.0214)**	0.0458

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

23 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 was fully settled in May 2023.

Subsequent to the year ended 31 December 2023, the Board of Directors during its meeting held on 28th March 2024, proposed a cash dividend of AED 50 million equivalent to AED 0.02 per ordinary share, which is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

24 COMMITMENTS AND CONTINGENCIES

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

	2023 AED'000	2022 AED'000
Bank guarantees	**6,907**	4,595
Capital commitments *	**65,498**	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.

	2023 AED'000	2022 AED'000
Bank guarantees	**36,855**	20,899

Amanat Holdings PJSC

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25 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

25.1 Financial assets

	2023 AED'000	2022 AED'000 (Restated)
Equity instruments designated at FVOCI		
Listed equity investment	**12,250**	12,912
Non-listed equity investment	**22,865**	18,609
	35,115	31,521
Derivatives not designated as hedging instruments at fair value		
Interest rate swap	**804**	1,590
Warrants	**684**	3,568
	1,488	5,158
Debt instruments at amortised cost		
Trade and other receivables (excluding prepayments & advances)	**235,035**	179,855
Finance lease receivables	**411,356**	414,887
Due from related parties	**8,863**	2,727
	655,254	597,469
Total financial assets*	**691,857**	634,148
Total current	**296,589**	234,515
Total non-current	**395,268**	399,633

* Financial assets, other than cash and bank balances

25.2 Financial liabilities

	2023 AED'000	2022 AED'000 (Restated)
Interest-bearing loans and borrowings		
Lease liabilities	**196,516**	189,002
Bank overdraft	**17,145**	11,914
Financing from banks (net of arrangement fees)	**369,650**	425,640
	583,311	626,556
Financial liabilities at amortised cost		
Accounts and other payables (excluding contingent consideration and staff related accruals)	**115,724**	98,529
Due to related parties	**6,384**	5,780
	122,108	104,309

Amanat Holdings PJSC

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25 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

25.2 Financial liabilities (continued)

	2023 AED'000	2022 AED'000 (Restated)
Financial liabilities at fair value through profit or loss		
Contingent consideration	**31,861**	44,165
Total financial liabilities	**737,280**	775,030
Total current	**254,334**	218,244
Total non-current	**482,946**	556,786

25.3 Hedging activities and derivatives

The Group is exposed to certain risks relating to its ongoing business operations. The primary risk managed using derivative instruments is interest rate risk.

The Group's risk management strategy and how it is applied to manage risk are explained in Note 25.5.

Derivative designated as hedging instrument

Cash flow hedge – Interest rate swap

At 31 December 2023, the Group has an interest rate swap agreement in place with a notional amount of USD 50,997,141 (equivalent to AED 187,312,500) (2022: AED 187,312,500) whereby the Group pays an agreed rate of interest fixed on a quarterly basis and receives a capped interest at a variable rate equal to 3-month USD LIBOR on the notional amount. The swap is being used to hedge the exposure to changes in variable interest rates of the bank financing obtained for the acquisition of CMRC (Note 18).

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap closely match the terms of the hedged item (i.e., maturity, payment and reset dates). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the interest rate swap is identical to the hedged risk component. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instrument against the changes in fair value of the hedged item attributable to the hedged risk.

The hedge ineffectiveness can arise from:

- Differences in timing of cash flows of the hedged item and hedging instrument
- The counterparties' credit risk differently impacting the fair value movements of the hedging instrument and hedged item

Management assessed the effectiveness of the hedge instrument based on the above criteria and concluded that the hedge is ineffective as at 31 December 2023 and 2022. Accordingly, the Group had reclassified the cumulative fair value gain of the derivative instrument of AED 1,590 thousand in consolidated statement of profit or loss from cash flow hedge reserve in 2022 and continues to account for the change in fair value in the hedging instrument in profit or loss during the year ended 31 December 2023.

25.4 Fair values

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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25 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

25.4 Fair values (continued)

The fair value of the Group's financial assets and liabilities approximate their book values as at 31 December 2023 and 2022 based on management's assessment and as follows:

- Management assessed that the fair values of cash and bank balances, trade and other receivables, provisions, accounts and other payables, due from and to related parties approximate their carrying amounts largely due to the short-term maturities of these instruments.
- The quoted financial asset at FVOCI is carried at fair value using quoted price and there is an active market for it.
- The unquoted financial asset at FVOCI is carried at fair value using the latest transaction price.
- Management assessed that the book value of long-term borrowings as at 31 December 2023 approximates their fair values due to the fact that they bear variable interest rates that reflect current market interest rates for similar borrowings. As a result, the values of the future discounted cash flows on those borrowings are not significantly different from their current book values.
- Management assessed that the book value of the finance lease receivables approximates its fair value as the balance has been discounted using an appropriate discount factor.

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 have been no reclassifications made between the valuation levels during the current or previous years.

25.5 Financial instruments risk management objectives and policies

The Group's principal financial liabilities comprise provisions, accounts and other payables, financing from banks, due to related parties, and lease liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, finance lease receivables, due from related parties and bank balances that derive directly from its operations. The Group also holds investments in financial assets.

The Group is exposed to credit risk, liquidity risk, market risk and operational risk.

The Board of Directors has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's senior management are responsible for developing and monitoring the Group's risk management policies and report regularly to the Board of Directors on their activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

This note presents information relating to the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions, finance lease receivables and other financial instruments.

The Group manages its credit risk exposure through diversification of its investments and deposits to avoid concentration of risk with institutions or group of institutions in specific location or business.

The Group's maximum exposure to credit risk for the components of the consolidated statement of financial position at 31 December 2023 and 2022 is the carrying amounts of the financial assets disclosed in Note 25.1.

Amanat Holdings PJSC
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25 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

25.5 Financial instruments risk management objectives and policies (continued)

Credit risk (continued)

Financial instruments and cash deposits
Credit risk from balances with banks and financial institutions is managed by the treasury department of each business unit in accordance with set policies.

Exposure to credit risk is monitored on an ongoing basis. Cash balances are held with the banks and financial institutions which are rated A+ to BBB- based on Standard and Poor's credit ratings. The significant portion of the credit exposure of the Group is in the UAE.

Trade receivables
Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

Education sector
Trade receivables of the education sector relate to amounts receivable by Middlesex University and HDC from students and government ministries for providing academic and special education services, accordingly.

Middlesex extends a credit period of 30 days to its debtors and no interest is charged on overdue receivables. Outstanding receivables are regularly monitored. At 31 December 2023 and 2022, there was no concentration risk related to the trade receivables of the education sector.

HDC extends a credit period of 45 to 180 days to its debtors and no interest is charged on overdue receivables. Outstanding receivables are regularly monitored. At 31 December 2023, HDC had 1 customer (2022: 1 customers) that accounted for approximately 98% (2022: 87%) of the total HDC trade receivables outstanding and 20 % (2022: 52%) of the Group's gross trade receivables outstanding.

Healthcare sector
Trade receivables of the healthcare sector relate to amounts receivable by the subsidiaries HC 1 (CMRC UAE, CMRC KSA and Sukoon) and MSH mainly from governmental authorities and reputable insurance companies operating in the respective countries. At 31 December 2023, the Group had 10 customers (2022: 11) that accounted for approximately 92% (2022: 94%) of the total healthcare trade receivables outstanding and 46% (2022: 37%) of the Group's gross trade receivables outstanding.

Impairment
An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off when considered unrecoverable. The Group does not hold collateral as security.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

31 December 2023		*Days past due*				
	Total AED'000	*Not past due AED'000*	*0-60 days AED'000*	*61-120 days AED'000*	*121-365 days AED'000*	*>365 days AED'000*
Expected credit loss rate		-	**6%**	**4%**	**16%**	**89%**
Estimated total gross carrying amount at default	**247,422**	**81,107**	**53,853**	**25,873**	**51,476**	**35,113**
Expected credit loss	**43,322**	**-**	**2,976**	**1,154**	**7,982**	**31,210**

Amanat Holdings PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

25 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

25.5 Financial instruments risk management objectives and policies (continued)

Credit risk (continued)

Trade receivables (continued)

Impairment (continued)

31 December 2022 (Restated)

			Days past due			
	Total AED'000	*Not past due AED'000*	*0-60 days AED'000*	*61-120 days AED'000*	*121-365 days AED'000*	*>365 days AED'000*
Expected credit loss rate		-	3%	85%	63%	78%
Estimated total gross carrying amount at default	180,288	71,798	70,304	4,154	15,797	18,235
Expected credit loss	29,879	-	2,320	3,511	9,910	14,138

Finance lease receivables

As described in Note 9, the Group entered into a finance lease arrangement as a lessor. The Group's maximum exposure to credit risk on its finance lease receivable is best represented by its carrying value at the reporting date. Prior to entering into this contract, the Group performed the necessary diligence on the credit worthiness of the counter party (lessee) and the quality and performance of the underlying asset. The Group constantly monitors the credit risk on its finance lease receivable.

The agreement grants protective rights to the Group in an event of default allowing it to terminate the contract and physically repossess the property. Such protective rights, in addition to other guarantees as mentioned in Note 9, limit the amount of credit risk on the exposure since it is covered by the fair value of the underlying property.

Due from related parties

Balances due from related parties are settled on an as requested basis, and accordingly, the Group considers these balances to be fully recoverable.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

31 December 2023

	On demand AED'000	***Less than 3 months AED'000***	***3 to 12 months AED'000***	***1 to 5 years AED'000***	***After 5 years AED'000***	***Total AED'000***
Accounts and other payables	**-**	**103,317**	**12,407**	**-**	**-**	**115,724**
Contingent consideration	**-**	**-**	**31,861**	**-**	**-**	**31,861**
Lease liabilities	**-**	**12,762**	**19,703**	**85,358**	**139,353**	**257,176**
Financing from banks	**1,461**	**19,400**	**79,919**	**355,526**	**-**	**456,306**
Bank overdraft	**17,145**	**-**	**-**	**-**	**-**	**17,145**
Due to a related party	**-**	**-**	**-**	**6,384**	**-**	**6,384**
	18,606	**135,479**	**143,890**	**447,268**	**139,353**	**884,596**

Amanat Holdings PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

25 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

25.5 Financial instruments risk management objectives and policies (continued)

Liquidity risk (continued)

31 December 2022 (Restated)

	On demand AED'000	*Less than 3 months AED'000*	*3 to 12 months AED'000*	*1 to 5 years AED'000*	*After 5 years AED'000*	*Total AED'000*
Accounts and other payables	-	74,445	34,296	-	-	108,741
Lease liabilities	-	5,483	18,858	103,726	229,317	357,384
Financing from banks	-	18,368	79,673	437,854	-	535,895
Contingent consideration	-	-	14,383	31,854	-	46,237
Bank overdraft	11,914	-	-	-	-	11,914
Due to a related party	-	-	-	5,780	-	5,780
	11,914	98,296	147,210	579,214	229,317	1,065,951

Market risk

The Group is exposed to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market variables. Market risk arises from foreign currency products, interest bearing products and equity investments, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as currency rates, interest rates, equity prices and credit spreads.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will change because of changes in foreign exchange rates. The Group's foreign currency exposure arises principally from transactions denominated in Saudi Arabian Riyal ("SAR'') and Bahraini Dinar ("BHD"). Since the SAR, BHD and AED are pegged to the United State Dollar ("USD"), the Group has no significant exposure to currency risk.

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's deposits earn interest/profit at fixed rates, hence any changes in interest/profit rate will not have an impact on the consolidated statement of profit or loss of the Group. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The interest rate profile of the Group's financial assets and liabilities are shown in the table below:

	2023 AED'000	*2022 AED'000*
Fixed rate instruments – assets		
Shariah compliant and non-shariah compliant term deposits with banks	**417,198**	426,208
Variable rate instruments – liabilities		
Term loan facility	**(65,706)**	(70,089)
Revolving bank facilities	**(11,897)**	(23,325)
Musharaka financing facility	**(293,623)**	(334,125)
Bank overdraft	**(17,145)**	(11,914)
	(388,371)	(439,453)

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

25 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

25.5 Financial instruments risk management objectives and policies (continued)

Market risk (continued)

Interest rate risk (continued)

Interest rate sensitivity
An increase of 0.5% in interest rates with all other variables held constant would decrease the Group's profit and equity by AED 1,797 thousand (2022: AED 2,022 thousand).

Equity price risk
Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Equity price risk arises from the change in fair value of equity instruments. The Group is exposed to equity price risk, which arises from fair value through other comprehensive income securities.

The Group's equity investment in Emirates NBD REIT is listed on the Nasdaq Dubai. A 5% increase in equity indices of the security at the reporting date would have increased other comprehensive income and equity attributable to the equity holders of the Company by AED 613 thousand (2022: AED 646 thousand) and an equal change in the opposite direction would have decreased other comprehensive income and equity by the same amount.

At the reporting date, the exposure to non-listed equity investments at fair value through OCI was AED 22,865 thousand (2022: AED 18,609 thousand).

Operational risk
Operational risk is the risk of a direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Group's operations and are faced by all business entities.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage, to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The Group has established a framework of policies and procedures to identify, assess, control, manage and report risks. The Group's senior management identifies and manages operational risk to reduce the likelihood of any operational losses. Compliance with policies and procedures is supported by periodic reviews undertaken by the management of the business unit to which they relate, with summaries submitted to the Audit Committee and Board of Directors of the Group.

Capital management
The Group's capital management policy is governed by the Board of Directors of the Company. The Company's objectives of managing capital are to ensure the Company's ability to continue as a going concern and increase the net worth of the Company and shareholders' interests so as to maintain the confidence of its investors, creditors and the market and to sustain future development of the business. For the purpose of the Group's capital management, capital includes share capital, share premium, treasury shares and all other equity reserves attributable to the equity holders of the Company.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is 'debt' divided by total capital plus debt.

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

25 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

25.5 Financial instruments risk management objectives and policies (continued)

Capital management (continued)
The Group includes within net (cash) / debt, interest bearing loans and borrowings excluding lease liabilities, less cash and bank balances.

	2023 ***AED'000***	*2022* *AED'000* *(Restated)*
Interest-bearing loans and borrowings (exc. lease liabilities) (Note 25.2)	**386,795**	437,554
Less: cash and bank balances	**(582,250)**	(583,939)
Net cash	**(195,455)**	(146,385)
Equity	**2,819,188**	2,740,226
Equity and debt	**3,205,983**	3,177,780
Gearing ratio	**12%**	14%

In order to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowings in the current year.

No changes were made in the objectives, policies or processes during the years ended 31 December 2023 and 31 December 2022.

26 SEGMENT INFORMATION

The principal activities of the Group are to invest in the fields of education and healthcare and managing, developing and operating such companies and enterprises.

The details of segment revenue, segment result, segment assets and segment liabilities are as follows:

	Investments *AED'000*	*Education* *AED'000*	*Healthcare* *AED'000*	*Total* *AED'000*	*Eliminations* *AED'000*	*Consolidated* *AED'000*
31 December 2023						
Revenue	**-**	**337,820**	**380,281**	**718,101**	**-**	**718,101**
Direct costs	**(2,295)**	**(161,023)**	**(229,788)**	**(393,106)**	**3,190**	**(389,916)**
General, selling and administrative expenses	**(39,544)**	**(85,219)**	**(104,440)**	**(229,203)**	**5,197**	**(224,006)**
Share of results of associates	**-**	**17,881**	**327**	**18,208**	**-**	**18,208**
Gain on disposal of an associate under step-acquisition	**-**	**-**	**9,629**	**9,629**	**-**	**9,629**
Income from finance lease	**-**	**33,271**	**-**	**33,271**	**-**	**33,271**
Impairment of goodwill and property and equipment	**-**	**-**	**(95,091)**	**(95,091)**	**-**	**(95,091)**
Other operating income	**17,047**	**18,513**	**2,368**	**37,928**	**(11,665)**	**26,263**
Finance income	**19,041**	**2,159**	**1,814**	**23,014**	**(1,748)**	**21,266**
Finance costs	**(1,527)**	**(6,503)**	**(43,727)**	**(51,757)**	**5,026**	**(46,731)**
Zakat and Income taxes	**-**	**(2,698)**	**(2,722)**	**(5,420)**	**-**	**(5,420)**
Deferred taxes	**(109,405)**	**-**	**-**	**(109,405)**	**-**	**(109,405)**
Segment results	**(116,683)**	**154,201**	**(81,349)**	**(43,831)**	**-**	**(43,831)**

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

26 SEGMENT INFORMATION (continued)

	Investments AED'000	Education AED'000	Healthcare AED'000	Total AED'000	Eliminations AED'000	Consolidated AED'000
31 December 2023						
Segment profit/(loss) attributable to:						
Equity holders of the Company	**(116,683)**	**130,244**	**(66,761)**	**(53,200)**	**-**	**(53,200)**
Non-controlling interests	**-**	**23,957**	**(14,588)**	**9,369**	**-**	**9,369**
Total assets	**503,809**	**1,804,655**	**1,594,870**	**3,903,334**	**(93,390)**	**3,809,944**
Total liabilities	**(169,998)**	**(211,768)**	**(702,440)**	**(1,084,206)**	**93,450**	**(990,756)**
Capital expenditure	**(97)**	**(24,909)**	**(66,390)**	**(91,396)**	**-**	**(91,396)**
Depreciation and amortization	**4,068**	**29,896**	**48,988**	**82,952**	**(3,190)**	**79,762**

	Investments AED'000	Education AED'000	Healthcare AED'000	Total AED'000	Eliminations AED'000	Consolidated AED'000
31 December 2022						
Revenue	-	179,020	334,081	513,101	-	513,101
Direct costs	(2,295)	(86,329)	(197,592)	(286,216)	3,157	(283,059)
General, selling and administrative expenses	(47,861)	(48,913)	(79,482)	(176,256)	2,357	(173,899)
Share of results of associates	-	23,897	1,179	25,076	-	25,076
Income from finance lease	-	33,693	-	33,693	-	33,693
Other operating income	15,345	3,528	4,005	22,878	(8,792)	14,086
Finance income	12,222	340	2,204	14,766	(1,614)	13,152
Finance costs	(2,068)	(2,659)	(30,158)	(34,885)	4,892	(29,993)
Zakat	-	(435)	-	(435)	-	(435)
Segment results	**(24,657)**	**102,142**	**34,237**	**111,722**	**-**	**111,722**
Segment profit/(loss) attributable to:						
Equity holders of the Company	(24,657)	97,246	41,624	114,213	-	114,213
Non-controlling interests	-	4,896	(7,387)	(2,491)	-	(2,491)
Total assets (restated)	**572,745**	**1,757,773**	**1,549,745**	**3,880,263**	**(240,383)**	**3,639,880**
Total liabilities (restated)	**(509,155)**	**(237,573)**	**(663,077)**	**(1,409,805)**	**510,151**	**(899,654)**
Capital expenditure	**(1,490)**	**(6,701)**	**(11,218)**	**(19,409)**	**-**	**(19,409)**
Depreciation and amortization	**4,723**	**20,932**	**33,875**	**59,530**	**(3,157)**	**56,373**

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

27 MATERIAL PARTLY-OWNED SUBSIDIARIES

Financial information of the subsidiaries that have material non-controlling interests are provided below:

(1) Proportion of equity interest held by non-controlling interests:

Subsidiaries	Non-controlling interests 2023	2022
Al Malaki Specialist Hospital W.L.L	**30.55%**	30.76%
Human Development Company LLC	**40%**	40%
HC Investments 1 Holdings Limited		
(i) CMRC Limited	**14.89%**	-
(ii) Sukoon International Holding Company	**30.37%**	-

Accumulated balances of non-controlling interests:

	2023 AED'000	2022 AED'000 (Restated)
Al Malaki Specialist Hospital W.L.L	**(13,539)**	1,463
Human Development Company LLC	**51,014**	26,537
HC Investments 1 Holdings Limited		
(i) CMRC Limited	**88,767**	-
(ii) Sukoon International Holding Company	**77,725**	-
Total equity	**203,967**	28,000

(2) Summarised financial information of the subsidiaries before inter-company eliminations

(a) Al Malaki Specialist Hospital W.L.L (continued)

Summarised statement of profit or loss for the year ended 31 December:

	2023 AED'000	2022 AED'000
Revenue	**38,347**	36,324
Costs and expenses	**(87,803)**	(53,104)
Other income	**700**	1,408
Finance costs	**(11,859)**	(8,644)
Loss for the year	**(60,615)**	(24,016)
Attributable to non-controlling interests	**(18,532)**	(7,388)

Summarised statement of financial position as at 31 December:

	2023 AED'000	2022 AED'000
Non-current assets	**84,865**	125,947
Current assets	**12,856**	26,336
Non-current liabilities	**(89,848)**	(105,221)
Current liabilities	**(52,189)**	(42,306)
Total (deficit) / equity	**(44,316)**	4,756
Attributable to non-controlling interests	**(13,539)**	1,463

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

27 MATERIAL PARTLY-OWNED SUBSIDIARIES (continued)

(2) Summarised financial information of the subsidiaries before inter-company eliminations (continued)

(a) Al Malaki Specialist Hospital W.L.L (continued)

Summarised cash flow information for the year ended 31 December:

	2023 ***AED'000***	*2022* *AED'000*
Operating	**(4,321)**	(8,182)
Investing	**(1,279)**	(1,945)
Financing	**341**	18,921
Net (decrease) / increase in cash and cash equivalents	**(5,259)**	8,794

(b) Human Development Company LLC

Summarised consolidated statement of profit or loss for the year ended 31 December:

	2023 ***AED'000***	*2022** *AED'000*
Revenue	**162,238**	30,956
Costs and expenses	**(110,519)**	(19,523)
Other income	**15,473**	1,904
Finance costs	**(4,601)**	(661)
Zakat	**(2,698)**	(435)
Profit for the year / period	**59,893**	12,241
Total comprehensive income	**61,194**	12,112
Attributable to non-controlling interests	**24,477**	4,845

* This represents the summarised consolidated statement of profit or loss for the period from 1 November 2022 to 31 December 2022.

Summarised consolidated statement of financial position as at 31 December:

	2023 ***AED'000***	*2022* *AED'000* *(Restated)*
Non-current assets	**96,968**	73,967
Current assets	**118,318**	103,922
Non-current liabilities	**(41,930)**	(35,111)
Current liabilities	**(45,815)**	(76,432)
Total equity	**127,541**	66,346
Attributable to non-controlling interests	**51,014**	26,537

Amanat Holdings PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

27 MATERIAL PARTLY-OWNED SUBSIDIARIES (continued)

(2) Summarised financial information of the subsidiaries before inter-company eliminations (continued)

(b) Human Development Company LLC (continued)

Summarised consolidated statement of cash flow information for the year ended 31 December:

	2023 ***AED'000***	*2022** *AED'000*
Operating	**60,246**	(3,357)
Investing	**(35,835)**	(2,664)
Financing	**(24,583)**	7,973
Net (decrease)/increase in cash and cash equivalents	**(172)**	1,952

* This represents the summarised consolidated statement of cash flows for the period from 1 November 2022 to 31 December 2022.

(c) HC Investments 1 Holdings Limited

Summarised consolidated statement of profit or loss for the period from 1 May 2023 to 31 December 2023:

	1 May 2023 to 31 December 2023		
	CMRC ***AED'000***	***Sukoon*** ***AED'000***	***Total*** ***AED'000***
Revenue	**181,942**	**60,027**	**241,969**
Costs and expenses	**(151,157)**	**(51,384)**	**(202,541)**
Other income	**1,671**	**-**	**1,671**
Finance income	**719**	**736**	**1,455**
Finance costs	**(21,763)**	**(343)**	**(22,106)**
Tax and zakat	**(834)**	**(1,398)**	**(2,232)**
Profit for the period	**10,578**	**7,638**	**18,216**
Total comprehensive income	**10,578**	**8,297**	**18,875**
Attributable to non-controlling interests	**1,606**	**2,538**	**4,144**

Summarised consolidated statement of financial position as at 31 December:

	2023		
	CMRC ***AED'000***	***Sukoon*** ***AED'000***	***Total*** ***AED'000***
Non-current assets	**1,121,324**	**222,046**	**1,343,370**
Current assets	**133,514**	**76,409**	**209,923**
Non-current liabilities	**(409,593)**	**(9,311)**	**(418,904)**
Current liabilities	**(98,044)**	**(36,060)**	**(134,104)**
Total equity	**747,201**	**253,084**	**1,000,285**
Attributable to non-controlling interests	**88,767**	**77,725**	**166,492**

Amanat Holdings PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

27 MATERIAL PARTLY-OWNED SUBSIDIARIES (continued)

(2) Summarised financial information of the subsidiaries before inter-company eliminations (continued)

(c) HC Investments 1 Holdings Limited (continued)

Summarised consolidated statement of cash flow information for the period from 1 May 2023 to 31 December 2023:

	1 May 2023 to 31 December 2023		
	CMRC AED'000	*Sukoon AED'000*	*Total AED'000*
Operating	**95,152**	**2,123**	**97,275**
Investing	**(28,827)**	**(27,808)**	**(56,635)**
Financing	**(21,607)**	**(14)**	**(21,621)**
Net increase / (decrease) in cash and cash equivalents	**44,718**	**(25,699)**	**19,019**

(3) Movements in non-controlling interests

The following table summarises the information about movements in non-controlling interest for the year:

	Non-controlling interests	
	2023 AED'000	*2022 AED'000 (Restated)*
Balance as at 1 January	**28,000**	(1,346)
Acquisition of a subsidiary (Note 10)	**162,348**	21,692
Shareholder contribution in subsidiary	**3,530**	10,197
Total comprehensive income/(loss) for the year	**10,089**	(2,543)
Balance as at 31 December	**203,967**	28,000

28 TAXES AND ZAKAT

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 consolidated financial statements for accounting periods beginning on or after 1 June 2023.

Decision No. 116 of 2022 (published in December 2022 and considered to be effective from 16 January 2023) specifies that taxable income not exceeding AED 375,000 would be subject to the 0% UAE CT rate, and taxable income exceeding AED 375,000 would be subject to the 9% UAE CT rate. With the publication of this Decision, the UAE CT Law is considered to be substantively enacted for the purposes of accounting for Income Taxes.

The UAE CT Law shall apply to the Group with effect from 1 January 2024. The MoF continue to issue supplemental Decisions of the Cabinet of Ministers of the UAE (Decisions) to further clarify certain aspects of the UAE CT Law. Such Decisions, and other interpretive guidance of the UAE Federal Tax Authority, are required to fully evaluate the impact of the UAE CT Law on the Group.

Since the provisions of UAE CT law will apply to Tax Periods commencing on or after 1 June 2023, the related current taxes shall be accounted for in the consolidated financial statements for the period beginning 1 January 2024. However, the related deferred tax accounting impact has been considered for the financial year ended 31 December 2023. Accordingly, the Group has recorded a deferred tax liability of AED 109,405 thousand as at 31 December 2023.

Amanat Holdings PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

28 TAXES AND ZAKAT (continued)

The deferred tax expense for the year ended 31 December 2023 of AED 109,405 thousand relates to the initial recognition of a deferred tax liability in respect of Purchase Price Allocation (PPA) adjustments carried on the Group's consolidated statement of financial position and attributable to certain UAE-based Group entities. While the PPA adjustments relate to corporate transactions completed in prior accounting periods, the deferred tax liability arises due to the introduction of the UAE CT Law in the UAE, and on the basis that the UAE-based entities to which those PPA adjustments are attributed should be subject to UAE CT in the future.

The Group's subsidiaries in Kingdom of Saudi Arabia and Cyprus are subject to taxation. Income tax for the current year is provided on the basis of estimated taxable income computed by the Group using tax rates, enacted or substantially enacted at the reporting date, applicable in the respective countries in which the subsidiaries operate and any adjustment to tax in respect of previous years. The current income tax and Zakat arising from the operations of these subsidiaries amounted to AED 5,420 thousand for the year ended 31 December 2023 (2022: AED 435 thousand).

29 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 consolidated statement of profit or loss is provided below and may differ from similarly titled measures used by other entities.

(a) Adjusted profit before Tax and Zakat

This APM represents the reported profit before Tax and Zakat adjusted for income/expense related to:

- Gain on disposal of an associate under step-acquisition;
- Impairment charges;
- transaction related costs;
- gain on derivative instrument;
- other one-off non-recurring items

(b) Adjusted profit

This APM represents adjusted profit before Tax and Zakat adjusted for Zakat and Income taxes

(c) Adjusted profit attributable to equity holders

This APM represents adjusted profit adjusted for non-controlling interest's share of for income/expenses

(d) Earnings before interest, tax, depreciation and amortization (EBITDA)

This APM represents the reported profit before Tax and Zakat adjusted for income/expense related to:

- gain on disposal of an associate under step-acquisition;
- impairment charges;
- depreciation and amortization;
- purchase price amortisation of associates
- transaction related costs;
- finance costs and income;
- gain on derivative instrument;
- non-controlling interests;
- other one-off non-recurring items

Amanat Holdings PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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29 ALTERNATIVE PERFORMANCE MEASURES (continued)

(d) Reconciliation

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

	2023 AED'000	2022 AED'000
PROFIT BEFORE TAX AND ZAKAT	**70,994**	112,157
Add/(deduct):		
Transaction related costs (Note 5 & 11)	**1,547**	6,957
Gain on disposal of an associate under step-acquisition	**(9,629)**	-
One-off non-recurring items	**1,291**	(3,768)
Impairment of goodwill and property and equipment	**95,091**	-
Adjusted Profit before Tax and Zakat	**159,294**	115,346
Add/(deduct):		
Zakat and Income Taxes	**(5,420)**	(435)
Adjusted Profit	**153,874**	114,911
Add/(deduct):		
Transaction related costs related to NCI (Note 5 & 11)	**(234)**	-
Impairment of goodwill and property and equipment related to NCI	**(10,094)**	-
Non-controlling interests (Note 27)	**(9,369)**	2,491
Adjusted Profit attributable to Equity holders	**134,177**	117,402
Add:		
Depreciation and amortization	**79,762**	56,373
Purchase price amortisation of associates	**3,000**	3,000
Zakat and Income Taxes	**5,420**	435
Finance income	**(21,266)**	(13,152)
Finance costs	**46,731**	29,993
Transaction related costs related to NCI (Note 5 & 11)	**234**	-
Impairment of goodwill and property and equipment related to NCI	**10,094**	-
Non-controlling interests (Note 27)	**9,369**	(2,491)
Transaction related costs (Note 5 & 11)	**(1,547)**	(6,957)
Gain on disposal of an associate under step-acquisition	**9,629**	-
One-off non-recurring items	**(1,291)**	3,768
Earning before interest, tax, depreciation and amortization	**274,312**	188,371

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