Amanat

Annual Report

2021

A Transformative Year

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About Amanat

As the region's largest integrated healthcare and education investment company, Amanat Holdings leverages its extensive track record and proven holistic, hands-on management approach to consistently deliver incremental value to its shareholders. At the same time, Amanat continues to positively impact the societies it operates in, setting new standards across both its chosen sectors while expanding access to high quality services. Amanat was established and listed on the Dubai Financial Market in November 2014, with a paid-up capital of AED 2.5 billion.

Today, Amanat's portfolio encompasses investments in the UAE, Saudi Arabia, and Bahrain with plans to further grow its footprint across the MENA region and beyond. In the healthcare sector, Amanat controls the GCC's largest post-acute care platform, providing vital specialized long-term care to patients recovering from surgery, chronic and mental illness, or disability. It also owns a majority stake in Bahrain's sole women- and children-focused private sector hospital. Meanwhile, in the education sector, Amanat's diversified offering, which ranges from graduate and postgraduate education to corporate and vocational training, continues to attract top regional and international talent equipping them with the knowledge and skills necessary to become tomorrow's leaders. The Company is also increasing its exposure to HealthTech and EdTech while expanding its investments in social infrastructure as it looks to drive the digitalization of both sectors and support long-term sustainable growth across its portfolio.

- **4** — Investments in healthcare
- **4** — Investments in education
- **418** — Operational beds across 5 specialized hospitals
- **11k** — Students across 3 leading universities

- **367.0** AED MN — Amanat's total income in FY-2021
- **98.4** AED MN — Total income from education in FY-2021
- **40.6** AED MN — Total income from healthcare in FY-2021
- **202.9** AED MN — Total gain on disposal in FY-2021
- **103.4** AED MN — Amanat's adjusted net profit in FY-2021
- **280.8** AED MN — Amanat's net profit in FY-2021
- **2.4** AED MN — Total assets under management as at 31 December 2021
- **2.4** AED BN — Capital deployed as at 31 December 2021

About Amanat

Leaders in Healthcare & Education Investing

A Unique and Diversified Portfolio

The Company's platforms have been designed to create long-term value through scale and synergy. They offer multi-investment ecosystems that benefit from capital infusions, shared operating partners and future add-on acquisitions, thereby offering Amanat's investments multiple avenues from which to drive future growth. Over the years, Amanat has been able to consistently grow and optimize its portfolio employing a clear investment strategy focused on selecting high quality, distinctive and competitively sustainable companies offering attractive future growth prospects. As at year-end 2021, Amanat held stakes in eight companies, including several industry leaders in their respective markets, providing unique and diversified exposure to the region's healthcare and education sectors.

Healthcare

Amanat has four investments in the healthcare sector encompassing specialized care facilities and an investment in real-estate. Today, the Company's healthcare assets operate a total of 418 bed across five specialized hospitals. Amanat's investments include:

Sukoon International Holding Company (Sukoon)

Through its flagship JCI-accredited facility International Extended Care Center (IECC), the company provides acute extended care, critical care and home care medical services to patients who are no longer suited for care within a traditional hospital setting.

130 Operational beds

Cambridge Medical and Rehabilitation Center (CMRC)

CMRC is a leading post-acute care and rehabilitation provider in the UAE and Saudi Arabia with more than 250 beds across three facilities. When combined with Sukoon, this sees Amanat control the GCC's largest post-acute care platform.

256 Operational beds

Royal Hospital for Women & Children (RHWC)

RHWC is the only private sector hospital in Bahrain focused on offering women and children healthcare services. The facility's strategic location, strong relationships with local partners, and a favorable long-term lease agreement offer RHWC a strong base from which to drive future growth.

32 Operational beds

Real Estate Property of CMRC's Abu Dhabi Facility

CMRC's Abu Dhabi real estate comprises around 6,000 square meters of land and a built-up area of more than 6,600 square meters encompassing two three-leveled building blocks with 106 beds alongside rehabilitation facilities. This is Amanat's first investment in healthcare real estate further diversifying the Company's exposure in the sector.

Education

Amanat's education investments cover graduate, post-graduate, corporate and vocational training as well as education technology and an investment in real-estate. The Company's education investments include:

Abu Dhabi University Holding Company (ADUHC)

A leading, nationally ranked private higher education provider with a track record of almost 20 years in the UAE market.

c. 7,500 Graduate and post-graduate students

Middlesex University Dubai (MDX)

MDX is the first overseas campus of the internationally renowned Middlesex University in London, providing exceptional education opportunities across its two campuses for students from more than 118 different nationalities.

c. 3,500 Graduate and post-graduate students

North London Collegiate School Dubai (NLCS)

Amanat owns the real estate assets of NLCS, a premium International Baccalaureate curriculum K-12 school. This was Amanat's first social infrastructure investment giving the company access to a stable asset class generating attractive yields and long-term recurring income.

BEGiN

Amanat holds a stake in the US-based, award-winning education technology company, broadening the Company's holdings in the sector and delivering on its vision of leading digitalization across the education sector as BEGiN's partner of choice in the region.

Chairman's Message

As I reflect back on the last twelve months, I can confidently say that we have delivered on all fronts, reporting record-high profitability, closing four transactions in excess of AED 1.7 billion to optimize our portfolio, and witnessing a significant hike in our share price from last year's lows

On behalf of the Board of Directors, I am honored to present to you Amanat's 2021 annual report. The year that just ended was a transformative year for the Company, which saw us put the challenges of 2020 in the rearview mirror and start a fresh chapter of growth and value creation for our stakeholders.

At the start of 2021, just as countries around the world were beginning the rollout of COVID-19 vaccines and the global economy was showing signs of a sustained recovery, at Amanat we were inaugurating our new strategic roadmap, outlining our post-COVID-19 strategy and longer-term three-year vision for the Company. As I reflect back on the last twelve months, I can confidently say that we have delivered on all fronts, reporting record-high profitability, closing four transactions in excess of AED 1.7 billion to optimize our portfolio, and witnessing a significant hike in our share price from last year's lows.

In 2021, we delivered strong financial and operational results driven by solid performances across all our investments and further bolstered by cost-saving and optimization initiatives implemented at the corporate level. In fact, we closed the year reporting our highest ever bottom-line figure of AED 281 million, testament to the incredible work done by our team during the last extraordinarily challenging period.

Meanwhile, on the portfolio optimization front, we kicked off the year with the acquisition of Cambridge Medical and Rehabilitation Center ("CMRC"), marking our first wholly-owned investment in the healthcare sector in the UAE and one of the biggest GCC healthcare deals in recent years. We followed this up in September with the acquisition of the real estate property of CMRC's facility in Abu Dhabi, our first investment in healthcare real estate. In parallel, we also divested our minority stakes in Taaleem and IMC, generating attractive returns and ample cash to reinvest in opportunities better aligned with our long-term vision.

Concurrently, we launched our third platform focused on social infrastructure, which will aim to enable our portfolio companies to grow, while providing sustainable long-term lease relationships.

In turn, the new platform offers us an opportunity to further diversify our exposure across the healthcare and education sectors and create a portfolio of real estate assets with a sustainable and resilient yield.

That said, the value we are delivering across multiple fronts has become inherently apparent and has equally been reflected on our share price, which recorded a steady appreciation throughout the year on the back of growing interest from investors. The increasing appetite is also directly attributable to our efforts to revamp our investor relations and communication strategies as we integrated best-practice and better aligned them to investor requirements.

We continue to positively impact the societies we operate in, setting new standards across both our chosen sectors while driving long-term change in the way education and healthcare services are accessed and delivered. More specifically, throughout the year we continued to actively support the healthcare and education agendas of GCC governments. On the healthcare front, we are taking part in the advancement of medical tourism and patient repatriation in the region, effectively leveraging our integrated healthcare platforms to offer high-quality specialized medical services that have the ability to compete with those offered by other emerging markets. In parallel, our post-acute care platform, which is now the largest in the region, is playing an increasingly important part in alleviating pressure from traditional healthcare facilities as the region's elderly population continues to grow and the prevalence of lifestyle-related diseases remains high. On the education front, in line with the UAE government's Vision 2021 National Agenda, we have continued to expand access to high-quality education and professional training for students across the UAE. As a company based and listed in the UAE, we have been firm believers in the UAE's transformation roadmap since day one and are proud to have played a role in its realization.

At Amanat, we understand that investors' decisions, including our own as an active investor, are increasingly being made with a focus on the social and environmental impact of a business. As such, across our operations both at the corporate and portfolio company level we have taken on a proactive role to deliver innovative strategies that drive long-term sustainable value. Over the past year, we have focused on evaluating the impacts and opportunities of our businesses and aligning our future goals and strategies to those of communities around the region and the UN's Sustainable Development Goals. While I am pleased with our progress thus far, I am cognizant that our journey is still ongoing.

In the coming year, our attention will shift towards integrating ESG global best practices relating to governance, business strategy, sustainability, and performance management into all aspects of our operations. On this front, we look forward to showcasing our efforts and ESG roadmap in our upcoming report, while also providing a wide range of performance indicators to measure our future progress. Ultimately, we want to ensure that ESG is at the heart of all the decisions we make so that we can continue to deliver sustainable value to all stakeholders.

2022 is shaping out to be an exciting year for Amanat. While the global healthcare and economic challenges related to COVID-19 are likely to remain with us well into the new year, countries around the world are continuing to demonstrate an increasing ability to coexist with the virus and its variants. This same ability continues to be demonstrated by Amanat and by all our portfolio companies as we successfully adapted to challenging operating conditions during 2020 and then effectively capitalized on the post-COVID-19 rebound in 2021. In light of the strong financial and operational results delivered in the last year I am confident that we are ideally placed to make the most of changing market dynamics and deliver an even stronger performance in 2022.

As the region's only publicly listed investment company focused on healthcare and education, we are also looking to drive long-term change in the communities and industries we operate in. For us, this means investing in companies that are pioneering solutions that address some of the key issues impacting our chosen sectors, and which help support the delivery of government healthcare and education agendas across the region.

Finally, I would like to extend my utmost gratitude to our shareholders, Board of Directors, management, and employees for their continued efforts in helping us deliver on our strategic objectives. I am privileged to have the opportunity to work with you during this journey and I look forward to another successful year together.

Hamad Abdulla Alshamsi
Chairman

2021 Highlights

2021 was a transformational year for Amanat, as the Company made the most of the post-COVID-19 rebound, recording strong growth and record-breaking profitability while delivering on all its short- and longer-term strategic targets. Highlights from the year included the optimization of its portfolio through a series of transactions amounting to AED 1.7 billon, the launch of its new Social Infrastructure Platform, the continued enhancement of its operations both at the corporate and portfolio company level, and the notable appreciation of its share price.

Improving Operating Environment

Throughout 2021, the steady ramp up of vaccination campaigns, the gradual lifting of restrictive measures, and the increasing willingness and ability of governments and citizens to coexist with the virus supported widespread economic recovery in the MENA region and beyond.

United Arab Emirates

COVID-19 vaccination campaign kicked off in December 2020.

In-person learning was reinstated for the FY2020/21 school year. In November 2021, health officials announced that all schools and universities will return to 100 percent capacity from January 2022.

Travel restrictions and requirements were progressively eased throughout the year. As at year-end 2021 both Abu Dhabi and Dubai did not require quarantines for vaccinated travelers.[1]

99% share of eligible population having received at least one dose of COVID-19 vaccines

4.6% forecasted GDP growth for 2022

Saudi Arabia

COVID-19 vaccination campaign kicked off in December 2020.

Travel restrictions were progressively eased during 2021 and in November the government announced that boarders would reopen for all vaccinated international travelers.

Several other COVID-19-related restrictions were also progressively eased across the country as the country pushed forward with its vaccination efforts.

71% share of eligible population having received at least one dose of COVID-19 vaccines

4.9% forecasted GDP growth for 2022

[1] *Subject to specific requirements related to PCR tests and to individual exceptions for certain countries.*
[2] *Subject to specific requirements related to PCR tests.*

Bahrain

COVID-19 vaccination campaign kicked off in December 2020.

In July 2021, Bahrain adopted the traffic light system to aid in the decision making with regards to restrictions and protocols related to COVID-19.

Travel restrictions remain in place for red-list countries as well as non-vaccinated passengers. Quarantines are not required for vaccinated passengers.[2]

>69% share of eligible population having received at least one dose of COVID-19 vaccines

3.1% forecasted GDP growth for 2022

Portfolio Optimization

Amanat made considerable progress on its portfolio optimization strategy in 2021, completing two exits from minority investments and strengthening its current portfolio with two strategic acquisitions.

Cambridge Medical and Rehabilitation Center – Acquired in February 2021

In February, the Company acquired 100% CMRC at an enterprise value of AED 873 million.

This enabled Amanat to form the biggest post-acute care (PAC) provider in the region, operating nearly 400 beds in Saudi Arabia and the UAE .

CMRC immediately began making a remarkable contribution to Amanat's consolidated results, generating income from investment of AED 61.1 million in the ten months from March 2021.

Real Estate of CMRC Abu Dhabi Facility – Acquired in September 2021

In September, Amanat acquired CMRC's real estate assets in Abu Dhabi for AED 53 million.

The deal marks Amanat's first investment in healthcare real estate and comprises c. 6,000 square meters of land and a built-up area of c. 6,600 square meters.

The newly purchased asset generated lease finance income of AED 0.4 million in its four months since acquisition.

Taaleem Holdings – Exited in April 2021

In April, the Company sold its 21.7% stake in Taaleem for a total value of AED 350 million.

The divestment resulted in Amanat generating a total cash return of AED 225 million, including dividends, since its investment in Taaleem, translating in a money-on-money multiple of 2.2x and an IRR of 21%.

International Medical Center KSA – Exited in September 2021

In September, Amanat completed the sale of its 13.13% stake in IMC for AED 433 million.

The divestment resulted in a total cash return of AED 100 million, including dividends, and saw the Company report a gain from sale of AED 43 million.

2021 Highlights

Social Infrastructure Platform (SIP)

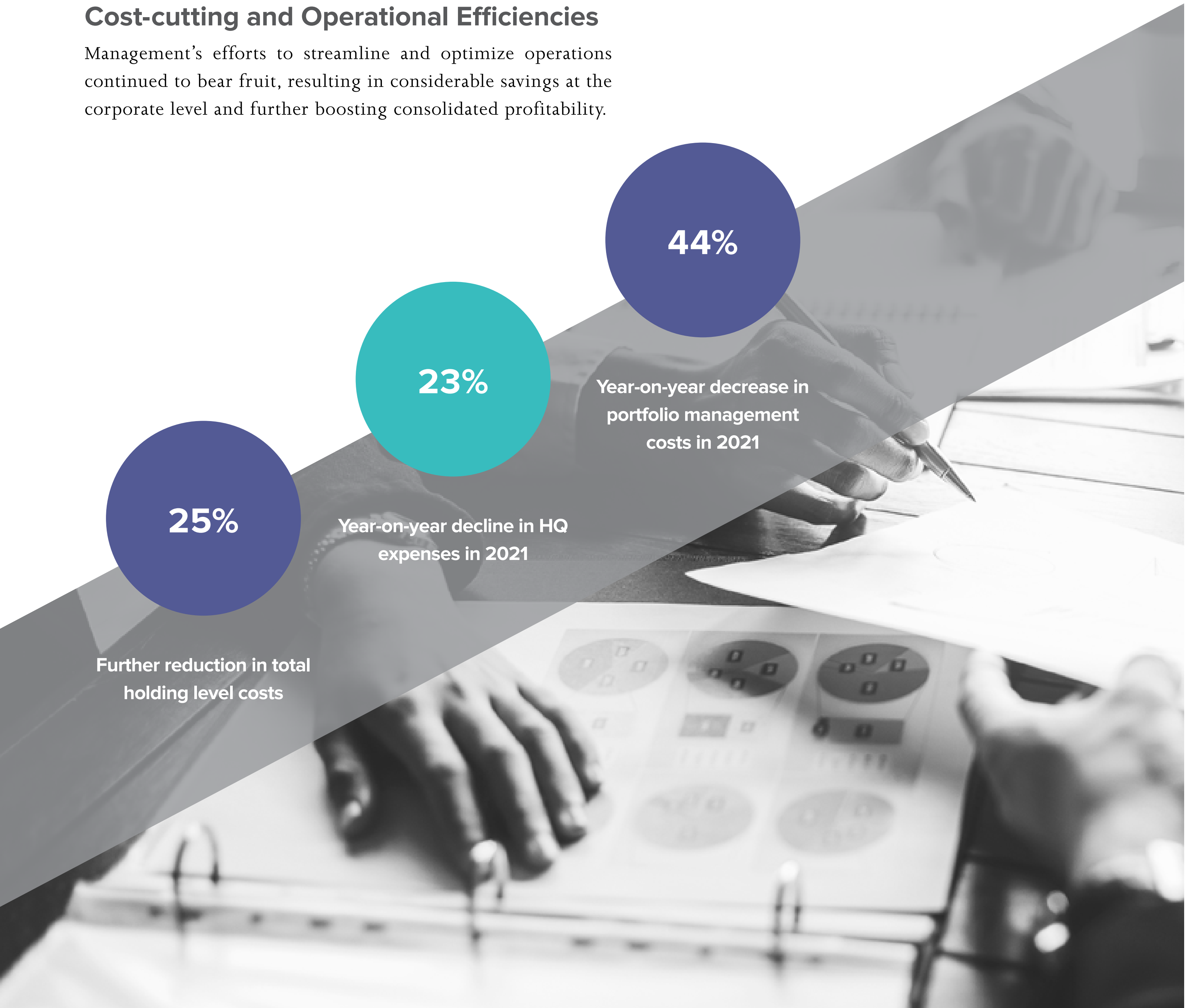
Amanat launched the SIP to serve as an enabler for the growth and sustainability of Amanat's other portfolio companies. The Platform will allow Amanat to further diversify its exposure across the healthcare and education sectors and create a sizeable and diversified portfolio of real estate assets with a sustainable and resilient yield.

The Platform currently includes two investments: the real estate property of CMRC's Abu Dhabi facility and the real estate assets of North London Collegiate School in Dubai.

Amanat will look to build up the platform and create a sizeable and diversified portfolio of real estate assets with a sustainable and resilient yield.

Cost-cutting and Operational Efficiencies

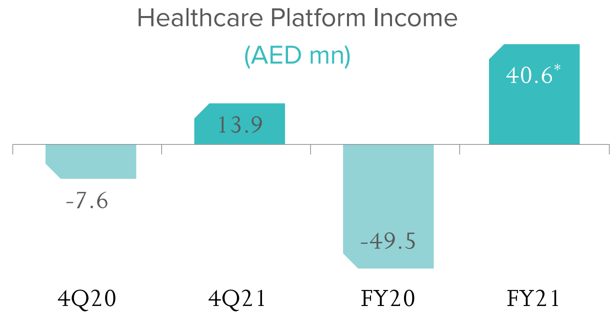
Management's efforts to streamline and optimize operations continued to bear fruit, resulting in considerable savings at the corporate level and further boosting consolidated profitability.

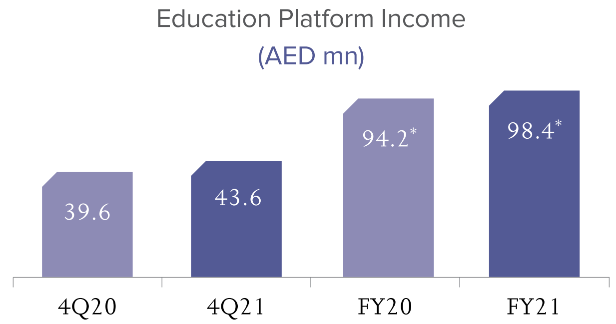


Record Performance Underlying Growth

Amanat reported strong top- and bottom-line growth in 2021 supported by solid results at both its healthcare and education platforms with profitability further boosted by the successful divestment of the Company's minority stakes in Taaleem and IMC.

40.6 AED MN	Healthcare platform[3] income in FY-2021 (vs an AED 49.5 million loss in FY-2020)
98.4 AED MN	Education platform[4] income in FY-2021 (up 4% year-on-year)
367.0 AED MN	Total Income in FY-2021
202.9 AED MN	Total gain on disposal in FY-2021
280.8 AED MN	Total net profit in FY-2021 (vs an AED 10.1 million net profit in FY-2020)
103.4 AED MN	Total adjusted net profit in FY-2021 (vs an AED 26.1 million in FY-2020)





** Excludes income from investment generated by Taaleem & IMC in both periods*

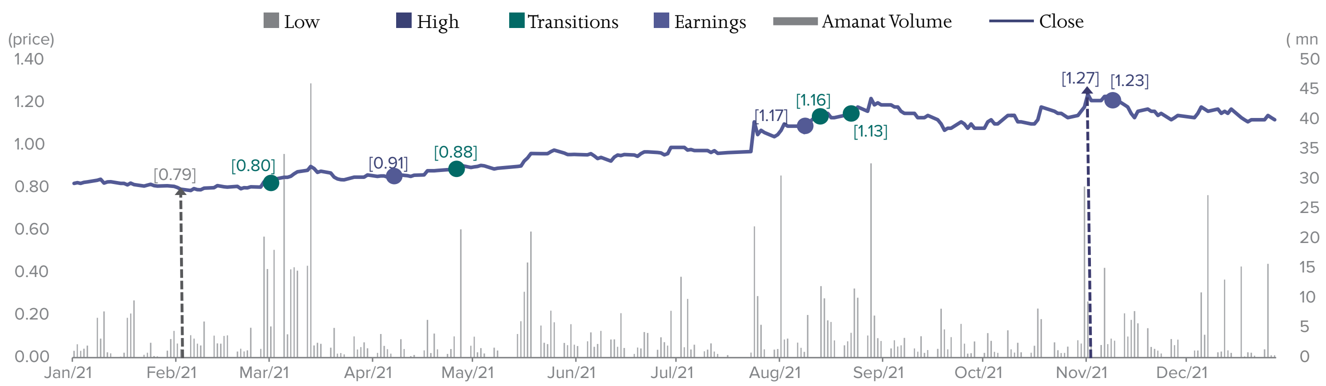
Share Price Appreciation

Amanat's share price increased 40% over the course of 2021 as the strong value generated by Amanat's portfolio coupled with a revamped Investor Relations (IR) program supported a steady rise in investor appetite.

- Revamped IR and communication strategy to integrate best-practice and better align them to investor preferences while making information more accessible and improving transparency.
- Appointed a liquidity provider
- Re-included in the FTSE Index
- Worked closely with Dubai Financial Market (DFM) to enhance engagement and disclosure levels.
- Increased focus on ESG reporting to increase accountability

4.6 AED MN	average value traded in 2021, nearly a three-fold increase from the AED 1.9 million traded in 2019
40%	YTD share appreciation, outperforming DFMGI index by 12%
18%	year-on-year increase in international investors

Share Price Performance



[3] Includes finance lease income generated by CMRC' Abu Dhabi real estate
[4] Includes finance lease income generated by the North London Collegiate School ("NLCS")

Strategic Report

2021 was an all-around transformative year for Amanat, which saw the Company deliver impressive growth, record-breaking profitability, and solid progress on its longer-term value creation strategy.

Strategic Report

Chief Executive's Report

This year's achievements were built on the strong foundations laid during an exceptionally difficult 2020 and demonstrated the underlying strength of our chosen industries and investments, and the effectiveness of our refined corporate strategy

2021 was an all-around transformative year for Amanat, which saw the Company deliver impressive growth, record-breaking profitability, and solid progress on our longer-term value creation strategy. This year's achievements were built on the strong foundations laid during an exceptionally difficult 2020 and demonstrated the underlying strength of our chosen industries and investments, and the effectiveness of our refined corporate strategy.

Our new strategy is grounded on a series of guiding principles including the establishment and development of specialized platforms across our two chosen sectors; growing Amanat's earnings and improving its key return metrics; the delivery of a sustainable dividend; and driving digitalization through strategic investments in EdTech and HealthTech. To make headway on these strategic objectives and strengthen our stakeholder accountability, we also set out a clear action plan for the year aimed at enhancing our portfolios' performance and profitability, accelerating new investments in yielding assets, and further optimizing our capital structure.

During the last twelve months, we recorded strong results across both our healthcare and education platforms. Most notably, during 2021 our healthcare platform delivered an outstanding turnaround, reporting income of AED 41 million for the year versus a loss of AED 50 million in 2020. The outperformance was supported by a significant narrowing of losses at Sukoon, further improvements at Royal Hospital for Women and Children in Bahrain ("RHWC") and a robust contribution from our latest acquisition, Cambridge Medical and Rehabilitation Center ("CMRC"), which delivered AED 61 million of income in the ten months from acquisition.

At our education platform, we recorded an income of AED 98 million in 2021 4% above last year's figure. Across both Middlesex University Dubai ("MDX") and Abu Dhabi University Holding Company ("ADUHC"), enhanced recruitment strategies and high levels of student satisfaction saw enrollments reach record-highs throughout the year. Coupled with growing academic fees and lower costs, this saw ADUHC report a 4% increase in income for FY-2021, and MDX record a 6% growth in net tuition revenue..

This year's performance is a testament to our ability to execute acquisitions at attractive returns and to the successful implementation of our turnaround strategies. The latter exemplifies the effectiveness of a holistic and hands-on approach to investment management, which over the years has enabled us to build multiple market-leading operations across both sectors. It is also directly attributable to the growth strategies we have devised together with each portfolio company's management team, which helped attract a growing number of patients and students over the last year, and which will continue to do so in the coming years.

Over the last year, we also launched a third platform focused on social infrastructure. The new platform will have the dual goal of acting as a growth enabler for our other healthcare and education investments while providing us with a predictable inflow of finance lease income. We currently hold two investments in social infrastructure including the real estate assets of North London Collegiate School in Dubai and CMRC's Abu Dhabi facility. We will continue to be prudent and selective as we build up the platform through new investments, always ensuring that its impact on our consolidated results and on the growth of our other investments is value accretive.

At the corporate level, we built on the work done during 2020 and continued to streamline our operations and drive further cost savings. In fact, total holding expenses were down an additional 25% versus 2020. Combined with the strong generated by our platforms and further boosted by the AED 203 million in gains on sale realized from our divestments of Taaleem and IMC, we closed the year reporting our highest ever bottom-line figure at AED 281 million, a nearly twenty eight-fold increase year-on-year. Our adjusted net profit, which excludes the contributions from our two exits, recorded AED 103 million in 2021, up from AED 26 million last year.

Outlook

We enter 2022 with renewed confidence stemming from the strong results delivered over the course of the last year and the success of our corporate strategy. As we did in 2021, we kick off the new year with a new list of targets to achieve and a clear action plan to deliver on them. Over the coming twelve months, we will continue to work to deliver sustainable growth in returns for our shareholders through a carefully executed strategy centered on enhancing our current portfolio's performance, optimizing our capital structure, and accelerating investments in yielding assets.

On the one hand, we will continue to create value across our existing investments, employing our proven three-pronged approach covering corporate strategy, corporate finance, and corporate governance. This will entail working even closer with management teams across our portfolio to devise and implement strategies aimed at capitalizing on changing market dynamics, drive top-line growth and support further improvements in underlying profitability. At the same time, we will utilize a wide range of KPIs to assess the performance of our existing assets and identify possible strategic bolt-on acquisitions and expansion plans to fuel further growth across our portfolio.

On the other hand, we will look to deploy existing cash reserves into new opportunities more strategically aligned with our long-term vision. In 2022 we will focus on further developing our holdings, investing in assets characterized by both short- and longer-term value-generating capabilities, which can diversify our exposure, integrate with our existing assets, and generate scale that will help us develop IPO-ready platforms.

In healthcare, we will look to further build out our portfolio by investing in additional specialized healthcare providers and innovative HealthTech players which can complement our current offering. Acquiring CRMC early in the year saw us add a profitable and scalable business to our portfolio,

and together with our investment in Sukoon create one of the region's largest private post acute care and rehabilitation providers, helping to bridge the growing supply gap for long-term care beds in the region.

Meanwhile, in the education sector, we are is looking to tap into innovative models and solutions that offer tailored student experiences and increased accessibility. In particular, we are aiming to grow our footprint with a focus on developing our K-12 and higher education offerings in KSA, UAE, and Egypt while increasing our exposure to EdTech both through our existing portfolio and new investments.

At the corporate level, we have now relocated to our new offices and have begun growing the Amanat team to accommodate for our expanding portfolio of assets and simultaneously source and execute on value accretive transactions. We remain committed to maintaining a lean and optimized capital structure as displayed by the effectiveness of our cost savings initiatives and the internalization of the majority of transactional requirements.

All in all, 2021 was a remarkable year, which marked a new beginning for Amanat. As always, all that the Company achieved in the last twelve months would have not been possible without the incredible work of our team, who continue to demonstrate professionalism and dedication. I am extremely grateful for all your efforts, and I look forward to working by your side for many years to come.

Dr. Mohamad Hamade
Chief Executive Officer

Strategic Report

Our Business Model: Building Platforms

Amanat's investment strategy aims to capture market opportunities and create long-term, sustainable stakeholder value within the education and healthcare sectors in the GCC and beyond. To do so, the Company adopts a platform-building approach, acquiring high-potential businesses with successful track records in their markets to create larger-scale platforms that allow for synergy extraction. At the same time, across its investments Amanat employs a holistic and hands-on management approach in order to develop them into market-leading operations and capitalize on its assets' attractive growth profiles.

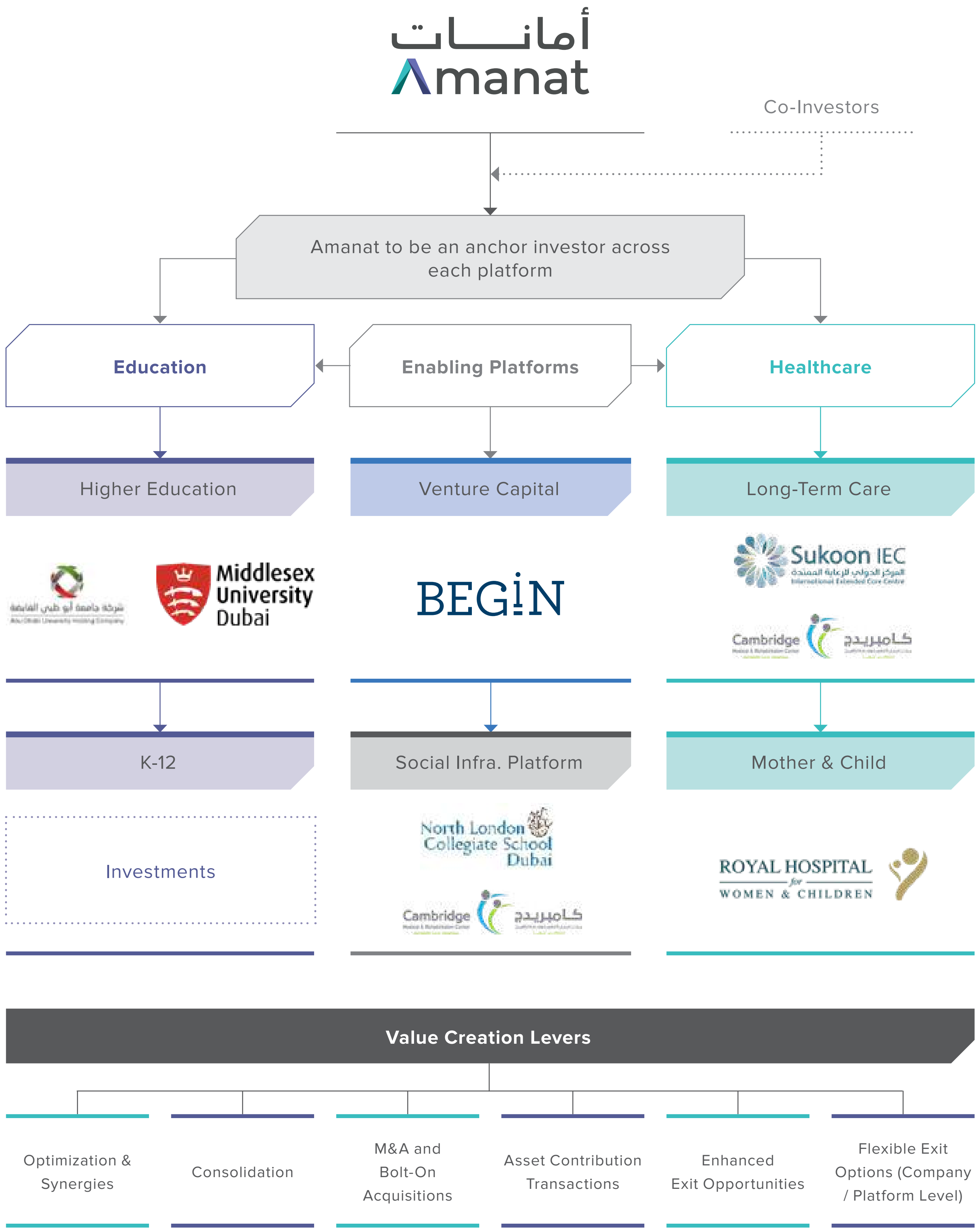
Target Operating Model

Amanat's target model is centered on building platforms from which to drive new organic and inorganic growth. More specifically, the Company's large-scale, integrated platforms provide a solid base from which to complete new acquisitions, develop larger and more attractive companies for monetization, and create incremental value leveraging economies of scale and potential synergy extraction. Moreover, Amanat's platform approach enables the Company to effectively expand AUMs, raise capital and leverage head office costs.

Within its traditional education and healthcare sectors, the Company has recently broadened its focus to also develop growth-enabling platforms. On top of aiding sustainable growth and value creation across its other investments, these platforms will allow Amanat to further diversify its exposure within its chosen sectors and capitalize on changing market dynamics and trends. On the one hand, through its Social Infrastructure Platform (SIP), the Company will target strategic real estate acquisitions with attractive yields to promote stable landlord and tenant relationships in the future. On the other hand, having recently expanded its strategic scope to focus increasingly on disruptive technologies, Amanat will target opportunities where healthcare and education intersect with digitalization through venture capital and co-investments at the portfolio level, as well as targeting yielding opportunities.

While the Company has proven to effectively drive value creation irrespective of whether it holds a majority and minority stake in the asset, management is looking to exit minority investments where the path to control is challenging or limited and focus on being influential shareholders. This was evident throughout 2021, with Amanat exiting its minority stakes in Taaleem and International Medical Center (IMC) and concurrently acquiring 100% of Cambridge Medical and Rehabilitation Center (CMRC).

Target Operating Model



Strategic Benefits to Building Platforms

The Company's platforms offer multi-investment ecosystems which stand to benefit from capital infusions, shared operating partners and future add-on acquisitions. This presents a high degree of operating flexibility for each asset and provides them with multiple avenues to grow yields, improve margins, and increase ROI over the long-term.

As smaller players find it more challenging to survive and market consolidation continues in 2022, Amanat is ideally placed to capitalize on these opportunities with its platforms offering an optimal base for future acquisitions and expansions.

Diversification – Ensures greater exposure to different business models, customer 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 – Shared services and marketing channels enable platform companies to extract cost efficiencies as well as revenue and cost synergies.

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

Opportunistic Restructuring – Offers Amanat flexible solutions to raise capital at platform level, partner with minority investors and increase AUMs.

Multiple Arbitrage – Large-scale and well-managed integrated platforms lead to higher valuations than stand-alone assets.

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.

Strategic Benefits to Building Platforms

A key aspect which enables Amanat to consistently grow and generate new value for its stakeholders is the Company's ability to identify the right businesses to invest in. Amanat looks for businesses with a strong track record, an established market position, and most importantly, strong future potential. By acquiring businesses characterized by strong fundamentals and solid growth prospects, the Company is able to quickly gain market share and build its portfolio companies into market-leading operations. When searching for potential investment opportunities, the Company employs a set of criteria to evaluate the strengths of a target company and assess the potential synergies between the new asset and the Company's existing portfolio.

Core Markets

The Company has chosen to focus on the healthcare and education sectors due to their essential role in society, and their non-cyclical, defensive nature. Although the Company's portfolio is currently concentrated in the GCC, Amanat is actively assessing potential opportunities to expand within the MENA region, in markets where there are significant supply gaps to fill and consolidation opportunities to capitalize on.

Business Fundamentals

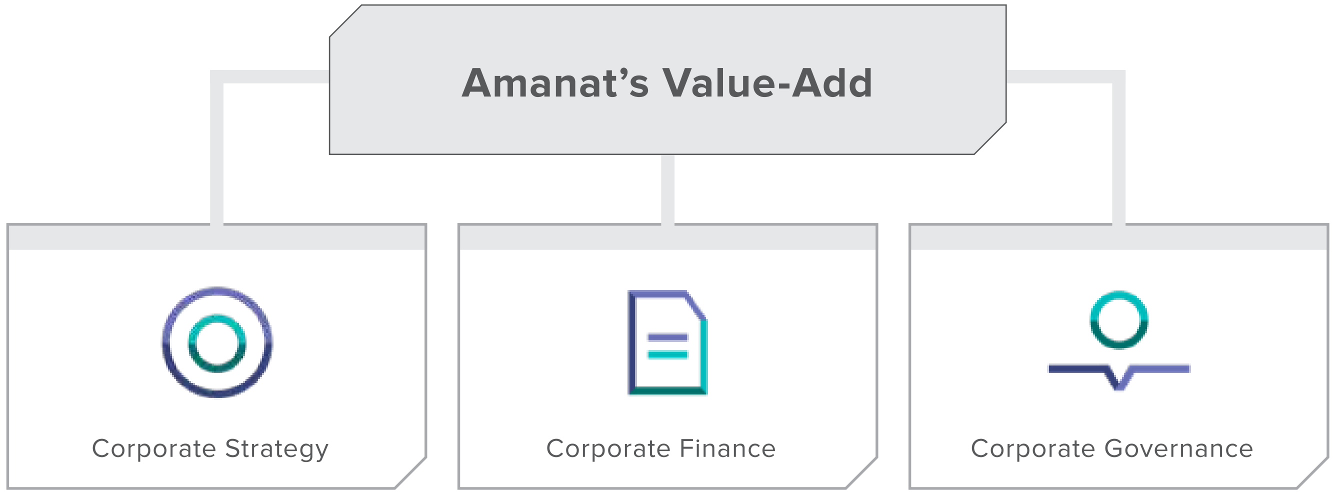
Potential investments have to demonstrate strong and sustainable strategic and commercial positions, solid financials, and measurable return potential. They must also boast a strong existing or potential management team to guarantee a level of guidance and supervision that is conducive to long-term growth and value generation, in line with Amanat's strategy.

Value-Creation Profile

Amanat's value-creation profile evaluates the growth potential of a target company, considering both organic and inorganic expansion opportunities. To ensure that Amanat will have a leading role in setting out the potential acquisition's vision and strategic direction, the Company targets majority stakes or a significant minority with Board representation and adequate voting rights. In line with the Company's vision, Amanat must also be able to develop best-in-class governance frameworks within the target company to guarantee sustainability and long-term value creation to its stakeholders.

Creating Value

As an active investor, Amanat provides comprehensive and hands-on management for its investments, leveraging its knowledge and expertise to build them into market-leading operations. The Company approaches value creation through its three-pronged approach covering corporate strategy, corporate finance and corporate governance.



Amanat works closely with management teams across its portfolio to develop and implement organic and inorganic growth strategies. In parallel, the Company also focuses on enhancing operations, driving efficiencies and capitalizing on cross-asset integration whenever possible. A prime example of the efficacy of Amanat's hands-on approach with regards to corporate strategy can be seen in the impressive turnaround delivered by Sukoon. Despite the challenging operating environment faced over the last year and a half, the long-term care provider, successfully generated a positive EBITDA in FY-2021 and delivered a larger-than-expected narrowing in its bottom-line losses nearly breaking even in the year. These impressive results are directly attributable to management's turnaround strategy, which includes the (i) renovation of its facility, (ii) reduction of its cost base and (iii) development of new revenue streams. Strong progress on all three pillars is enabling Sukoon to grow patient volumes while simultaneously driving important cost savings.

As part of Amanat's support with regards to corporate finance, the Company primarily works with platform companies to formulate efficient financial strategies comprising capital structure optimization and the support of funding requirements. For the Company, this also entails leading in the execution of opportunistic add-on and bolt-on acquisitions, joint ventures and public-private partnerships (PPP). Amanat's work with RHWC displays how the Company generated important value related to corporate finance. For example, at the peak of the COVID-19 crisis, which coincided with the hospital's ramp-up phase, the Company stepped in alongside RHWC's management to ensure business continuity and a healthy balance sheet. The Company also helped RHWC in structuring its loans to secure access to the necessary financing while optimizing the hospital's cost of capital.

Amanat views strong corporate governance frameworks as a key component in supporting a business long-term growth ambitions. As such, the Company works closely with its investments to develop and implement sound decision-making frameworks and to establish best-in-class processes and policies across its assets. Amanat's success on this front is best exemplified by its work with Middlesex University Dubai (MDX).

Sustainable Growth

Amanat is the only healthcare and education investment company listed in the MENA region. This unique position allows Amanat to generate long-term value, without being bound by mandated timeframes and exits. Developing platforms that deliver sustainable growth generates significant benefits for all of the Company's stakeholders. On the one hand, communities benefit from increased access to high quality services which positively impact their lives in the short- and longer-term. On the other hand, it provides Amanat with long-term capital that feeds into the growth cycle and with ample time to implement successful turnaround and growth strategies across its investments.

While maintaining its focus equally on healthcare and education, the Company has been actively exploring new avenues for growth across both sectors. In the healthcare sector, Amanat is increasingly looking at businesses which incorporate innovation, encircling patient-centric models that capture the entire patient journey including primary and secondary care, home diagnostics, pharmaceutical solutions, and disease monitoring solutions. As always, the Company is assessing opportunities that complement its current investments, as it aims to further optimize its healthcare portfolio. Contrary to standalone hospital operators, Amanat's healthcare portfolio already offers investors exposure to the region's largest post-acute care platform, as well as a specialized women and children's hospital. In the coming year, the Company will look for ways to further build out its current offering, investing in additional specialized healthcare providers and innovative HealthTech players.

Meanwhile, in the education sector, the Company is looking to tap into innovative models and solutions that tailor the student experience based on their ability rather than on their age. Moreover, in light of the increasing shift towards online learning, the Company is specifically targeting digital solutions which allow for both an increase in accessibility and the customization of the learning experience. Looking ahead, Amanat will strive to increase its exposure to EdTech both through its existing portfolio and new investments, while also growing its footprint with a focus on developing its K-12 and higher education offerings in KSA, UAE and Egypt.

While focusing on building long-term sustainable value across both platforms, in the nearer-term Amanat remains committed to continue delivering solid returns to shareholders. To ensure it fulfills its obligations towards shareholders, the Company will build on the progress made throughout 2021 and further develop its portfolio, driving new growth across its current assets while investing in new, yielding solutions characterized by solid short- and longer-term value generating potential.

Strategic Report

Our Strategy

At the start of 2021, Amanat rolled out a new strategic roadmap providing the business with a clear vision and action plan to deliver sustainable growth, increase total shareholder returns (TSR), and take full advantage of the post-COVID-19 rebound across Amanat's markets of operation. The new strategy, which was developed under the guidance of Amanat's board of directors, is based on in series of guiding principles aimed at generating value in both the short- and longer-term. These pillars include:

1. Invest in healthcare and education and establish specialized platforms
2. Establish majority positions in platforms with operational capability
3. Grow earnings and improve key return metrics
4. Deliver solid and sustainable returns to shareholders
5. Drive long-term change across chosen sectors

In order to deliver on all its strategic priorities and improve its stakeholder accountability, Amanat also deployed a series of clearly outlined initiatives aimed at improving its portfolios' performance and profitability, accelerate investments in yielding assets, and further optimize its capital structure.

Throughout the last twelve months, Amanat worked tirelessly to push forward on all fronts, and as at year-end 2021 the Company has outperformed versus its targets for the year, delivering on its objectives for 2021 and already making solid progress on its targets for 2022.

1 Invest in healthcare and education

As at year-end 2021, the Company boasts AED 2.4 billion in assets under management, equally split between its two chosen sectors. Just in the last year, Amanat has deployed more than AED 900 million to further develop its healthcare platform, acquiring Cambridge Medical Rehabilitation Center (CMRC), a leading post-acute care provider in the region, as well as its real estate assets in Abu Dhabi. Today, Amanat's eight investments operate more than 418 beds and serve over 11 thousand students each year. The Company currently controls the largest post-acute care platform in the GCC and its two universities are amongst the highest ranked institutions not just in the UAE, but across the wider region as well. The Company is also working closely with management teams across its portfolio to expand their capacity and accommodate the growing demand for high-quality services across both sectors. These have included the funding of North London Collegiate School's (NLCS) campus expansion which came online in the second half of 2021, and the refurbishment of Sukoon's facility, which is scheduled for completion in the first half of 2022. This will be followed on with a further 100-bed capacity expansion.

2 Optimize platforms and establish majority or influential stakes

To create long-term, sustainable stakeholder value, Amanat employs a hands-on, holistic management approach across its investments. To ensure it is able to take a leading role in setting out the assets' vision, and strategic direction, the Company aims to acquire majority or influential stakes in its investments. Throughout 2021, Amanat executed multiple transactions to deliver on this front, divesting its two minority stakes in Taaleem and International Medical Center KSA, while acquiring full ownership of CMRC and its Abu Dhabi real estate assets. The divestments saw the Company further optimize its portfolio and generate AED 783 million in cash proceeds to reinvest in new opportunities which are more strategically aligned with Amanat's long-term vision. As at year-end 2021, across its two core platforms, Amanat either fully owned or controlled majority stakes in five of its eight assets and held influential stakes of more than 30% in two others.

3 Grow earnings and improve key return metrics

2021 was an exceptional year for Amanat as it delivered record financial and operational results at both the corporate level and across all its investments. In the last year, Amanat's healthcare platform delivered an significant turnaround, reporting income of AED 40.6 million in 2021 versus a loss of AED 49.5 million last year. Meanwhile, at its education platform, the Company recorded a solid income of AED 98.4 million. The results not only highlighted Amanat's ability to execute acquisitions at attractive returns but also the effectiveness of its hands-on approach to investment management which over the years has seen the Company consistently build its investments into market-leading operations. The latter is clearly visible in the notable turnaround reported by Sukoon, where losses have steadily narrowed since the rollout of the facility's turnaround strategy in 2019, and across its two higher education providers, where Amanat's work in partnership with the assets' management teams resulted in record-high enrolments throughout 2021. Over the course of the year, thanks to two successful divestments, the Company also generated gains from sale in excess of AED 203 million, further boosting the Company's bottom-line which stood at AED 280.8 million, the highest net profit figure on record. Similarly, adjusted net profit for the period which excludes the gain and trading impact of the two exits, expanded and continued to highlight the fundamental strength and potential of Amanat's investment portfolio and the effectiveness of it cost optimization and efficiency efforts.

4 Deliver solid and sustainable returns to shareholders

Since inception, Amanat has been committed to building long-term sustainable value while delivering solid returns to shareholders over the medium-term. Amanat's historic pre-COVID-19 average dividend yield stood at 1.7%. Having voted not to distribute a dividend for 2020, Amanat set out in 2021 with the clear aim of working towards paying a sustainable cash dividend to its shareholders. As part of its roadmap to achieve this, the Company planned to simultaneously strengthen its current portfolio's performance while investing in yielding assets to grow its earnings in 2021 and beyond. Having delivered on all fronts, Amanat ended the year with cash reserves available to distribute a competitive dividend for 2021, and to continue to deliver solid returns to its shareholders in the years to come. As a reflection of the record performance, Amanat has recommended the highest dividend payout to-date of AED 150 million for which the Board of Directors will be seeking shareholders' approval in the Company's upcoming General Assembly Meeting.

5 Drive long-term change across chosen sectors

As the sole investment firm in the region focused exclusively on the education and healthcare sectors, Amanat is committed to driving long-term change across both industries. Amanat's efforts on this front have been focused on multiple fronts from driving digitalization across both sectors to supporting governments around the region deliver on their agendas. In recent years and particularly in the aftermath of the COVID-19 pandemic, Amanat has placed digitalization front and center both across its current assets and when looking for new businesses to invest in. Across its healthcare and education investments, Amanat has been working closely with management teams to incorporate technology across various aspects of the companies' day-to-day operations, helping to reshape how the services are accessed and delivered. In parallel, the Company has been actively surveying the market for attractive HealthTech and EdTech opportunities to invest in. On the other hand, Amanat has also been keenly playing a frontline role in helping governments deliver on their healthcare and education agendas. For example, Amanat's investments in the post-acute care segment are helping build additional capacity in a subsector which in the coming years is expected to play an increasingly important role in supporting the long-term healthcare needs of the communities Amanat operates in.

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Strategic Report

Amanat in 2022

Amanat enters 2022 with a clear action plan to build on its successes from 2021 and deliver a new year of growth and value creation. In the coming twelve months, the Company will continue to work to enhance its current portfolio's performance, optimize its capital structure and invest in yielding assets.

Enhance portfolio's performance

Ramp-up of brownfield assets	Drive top-line growth and further improvements in underlying profitability	Work closely with management teams across portfolio to devise and implement strategies aimed at capitalizing on changing dynamics	Assess strategic divestures to further optimize portfolio

Optimize capital structure

Deploy existing cash reserves to seize new opportunities more strategically aligned with long-term vision	Raise debt financing to be deployed into new investments	Re-invest proceeds from sale of assets into higher yielding companies	Execute on share swap deals through newly issued Amanat shares

Invest in yielding assets

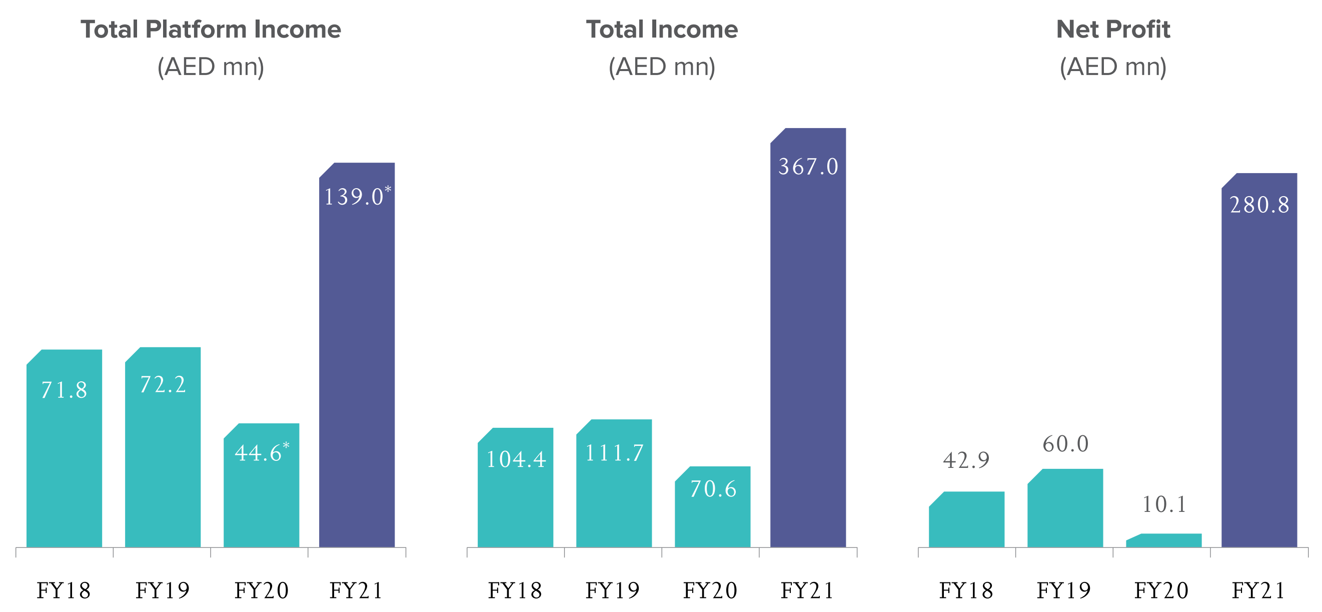
Prioritize deployment in assets characterized by high, stable and sustainable return on equity (ROE) and dividend yields	Allocate funds to venture capital, with a view to generate substantial capital gains and high money-on-money multiples	Capitalize on M&A opportunities arising in the aftermath of COVID-19	Invest in opportunities to take advantage of changing market and demand dynamics

Strategic Report

Chief Financial Officer's
Financial and Operational Report

2021 was a record year for Amanat, with the Company reporting strong operational and financial results at both the corporate level and across our healthcare and education investments. The solid performance was supported by a continued post-COVID-19 recovery across both our chosen industries, the strength of our platforms, and the success of our turnaround and growth strategies across our investments. Our results are also directly attributable to the strategic decisions taken throughout 2020 and further implemented in 2021 which saw us lay the foundations for a stronger, leaner, and growth-oriented Amanat.

Consolidated Performance



* *Excludes income from investment generated by Taaleem & IMC in both periods*

The Company recorded total income of AED 367.0 million in 2021, a significant fivefold increase from the AED 70.6 million recorded last year. Consolidated income growth was driven by a more than threefold year-on-year increase in total platform income for the year which recorded AED 139.0 million up from AED 44.6 million in the previous twelve months. The notable improvement was supported by a turnaround across our healthcare platform and solid results posted by our education assets. Total income growth was further boosted by Amanat's divestment of its minority stakes in Taaleem Holdings and International Medical Center ("IMC") KSA, which together generated a gain on sale of AED 202.9 million in 2021. Adjusting for the gain on sale and current and prior period results from Taaleem and IMC, as well as other one-time non-recurring items, adjusted total income recorded AED 149.7 million in 2021, up 97% from the AED 76.1 million recorded in 2020.

Total holding level expenses stood at AED 37.6 million in 2021, down 25% year-on-year supported by ongoing cost-saving initiatives, the internalization of professional

services and certain one-time cost savings recorded throughout the year. More specifically, total headquarter costs for the year declined 23% to AED 34.7 million, while total portfolio management costs were AED 2.9 million for the year, down 44% from 2020. Lower holding level expenses for the year came despite effectively expanding our team towards the end of the year to accommodate for our growing portfolio.

Strong total income growth coupled with cost savings reflected on Amanat's bottom-line, resulting in a twenty-eight-fold increase to record AED 280.8 million, compared with AED 10.1 million reported in 2020. Meanwhile, adjusted net profit stood at AED 103.4 million in 2021, a fourfold increase from last year's AED 26.0 million net profit. The improvement in our underlying profitability displays the strength and potential of our current assets and the effectiveness of management's cost optimization and efficiency strategy at the holding level.

Healthcare Platform Performance

Our healthcare platform was the outperformer for the year, recording income of AED 40.6 million, compared to a loss of AED 49.5 million recorded in FY-2020. The turnaround was supported by strong performance across all healthcare assets, which continued to witness sustained recovery in patient volumes following last year's COVID-19-related slowdown. The platform's results were bolstered by the contribution made by CMRC, which was acquired by Amanat in early 2021. CMRC generated income of AED 61.1 million in the ten months from March 2021. It is also worth highlighting that CMRC's results for the year include ramp up costs related to the company's Dhahran branch in KSA. While these did weigh on CMRC's profitability in the first part of the year, the new facility delivered a rapid ramp up of operations, surpassing the 70% occupancy mark by year-end 2021, and turning EBITDA positive in 2H-2022.

Amanat's share of losses at Sukoon narrowed sharply, standing at just AED 300 thousand in FY-2021, versus the AED 25.7 million loss recorded last year. In the fourth quarter of the year, Sukoon completed its turnaround, generating positive net profit AED 100 thousand. The continued improvement at Sukoon is directly attributable to the effective implementation of the facility's turnaround strategy, coupled with a sustained recovery in patient volumes over the course of the year. The multipronged turnaround strategy, rolled out at the tail end of 2019 by Sukoon's new management, is to (i) renovate and expand its facility, (ii) reduce its cost base, and (iii) develop new revenue streams. The ongoing facility expansion is progressing well, and phase one completion is expected in 2H-2022. Once done, the facility will increase the hospital's operational capacity to up to 230 beds and will have the potential to improve patient flow and overall operational efficiency.

Finally, at RHWC losses declined to AED 17.3 million in FY-2021 from AED 23.8 million last year. Narrowing losses came on the back of a 153% year-on-year rise in the facility's revenue as volumes and utilization across both the facility's inpatient and outpatient segments continued to improve supported by the ramp up of RHWC's obstetrics, gynecology and general surgery departments and the launch of its new IVF and plastic surgery departments. Revenues were further supported by the multiple on-going partnerships, and by the hospital's agreement with Salmaniya Hospital for the referral of labor and delivery patients to RHWC.

Education Platform Performance

Our education platform recorded income of AED 98.4 million in FY-2021, up 4% year-on-year. The increase was supported by higher revenue at ADUHC and an increase in finance lease income from NLCS, with MDX recording a steady income year-on-year.

MDX recorded income of AED 31.1 million in FY-2021, unchanged from last year's figure. In the twelve months to 31 December 2021, the university reported revenues of AED 137.0 million, up 4% year-on-year supported by record-breaking student intake in January and September. Strong enrolment rates were supported by MDX's new successful virtual initiatives and events launched for prospective students, a fully integrated multi-channel domestic marketing campaign, a highly effective international outreach strategy, newly launched programs as well as a dynamic blended online-offline model for academic provision. In September, MDX also launched its second campus in Dubai International Academic City, which will help the university accommodate for further enrolment growth in the coming years. Profitability was mainly impacted by higher staff and marketing costs incurred throughout the year on the back of new hires needed to cater for growing student body and expanded domestic and international recruitment efforts.

Meanwhile, finance lease income generated by the North London Collegiate School ("NLCS") recorded AED 33.4 million in FY-2021, 8% above last year's figure. The increase comes on the back of the completion of the school's expansion project funded by Amanat to increase the school's capacity to c.1,700 students.

Heading into 2022, our focus remains unchanged, as we continue to work closely with all our platform companies to further enhance their operations and optimize their capital structures to generate additional value for all stakeholders. In parallel, we will continue to assess investment opportunities which are both aligned with our long-term vision and have the potential of generating strong contributions to our consolidated results in the short- to medium-term.

John Ireland
Chief Financial Officer

Our Platforms

Across its investments, Amanat adopts a hands-on approach leveraging its technical expertise, sector insights and capabilities to maximize each portfolio company's potential.

Our Platforms

Amanat's current portfolio provides unique and diversified exposure to the region's healthcare and education sectors. Across its platforms, Amanat's assets boast market leading positions, with ample room for further organic and inorganic growth. With three investments in each of the education and healthcare sectors, the Company is ideally positioned to continue catering to the growing demand across the region for high quality services, delivering long-term value across its communities. Meanwhile, the recently launched social infrastructure platform, which currently includes one investment in healthcare real estate and one in education real estate, will serve as an enabler of growth for its other investments while providing sustainable long-term lease relationships for Amanat's portfolio companies.

Healthcare Investments

Sukoon International Holding Company (Sukoon)

A JCI-accredited facility providing long-term critical care services. Specialization: Acute and post-acute care

Cambridge Medical and Rehabilitation Center (CMRC)

a leading post-acute care and rehabilitation ("PAC") provider in the UAE and KSA. Specialization: Post-acute care and rehabilitation

Royal Hospital for Women & Children (RHWC)

A world-class hospital for women and children that provides end-to-end holistic care. Specialization: Women and children's healthcare

Education Investments

Abu Dhabi University Holding Company (ADUHC)

A market leader in the private education sector with a nearly two-decade-long track record in higher education and vocational and corporate training. Specialization: Undergraduate and postgraduate studies

Middlesex University Dubai (MDX)

The first overseas campus of Middlesex University in London and a provider of top-quality UK degrees. Specialization: Undergraduate and postgraduate studies

BEGiN

US-based leading education technology company behind the proven early learning program, HOMER. Specialization: Early learning Education Technology

Social Infrastructure Investments

Real estate Property of CMRC's Abu Dhabi Facility

Two three-level building blocks consisting of 106 inpatient beds, and world-class rehabilitation facilities including 14 outpatient rooms and three gyms. Specialization: Post-acute care and rehabilitation (real estate acquisition)

Real Estate Assets of North London Collegiate School Dubai

North London Collegiate School Dubai (NLCS)

A premium K-12 school built and managed in partnership with NLCS London, a leader in academic results in the UK. Specialization: K-12 (real estate acquisition)

Our Platforms

Healthcare Investments

Looking ahead, our focus remains unchanged. On the one hand, we will work with management teams from our portfolio companies to further improve the performance of our current assets. On the other hand, we will continue to be on the lookout for attractive opportunities to further grow our portfolio

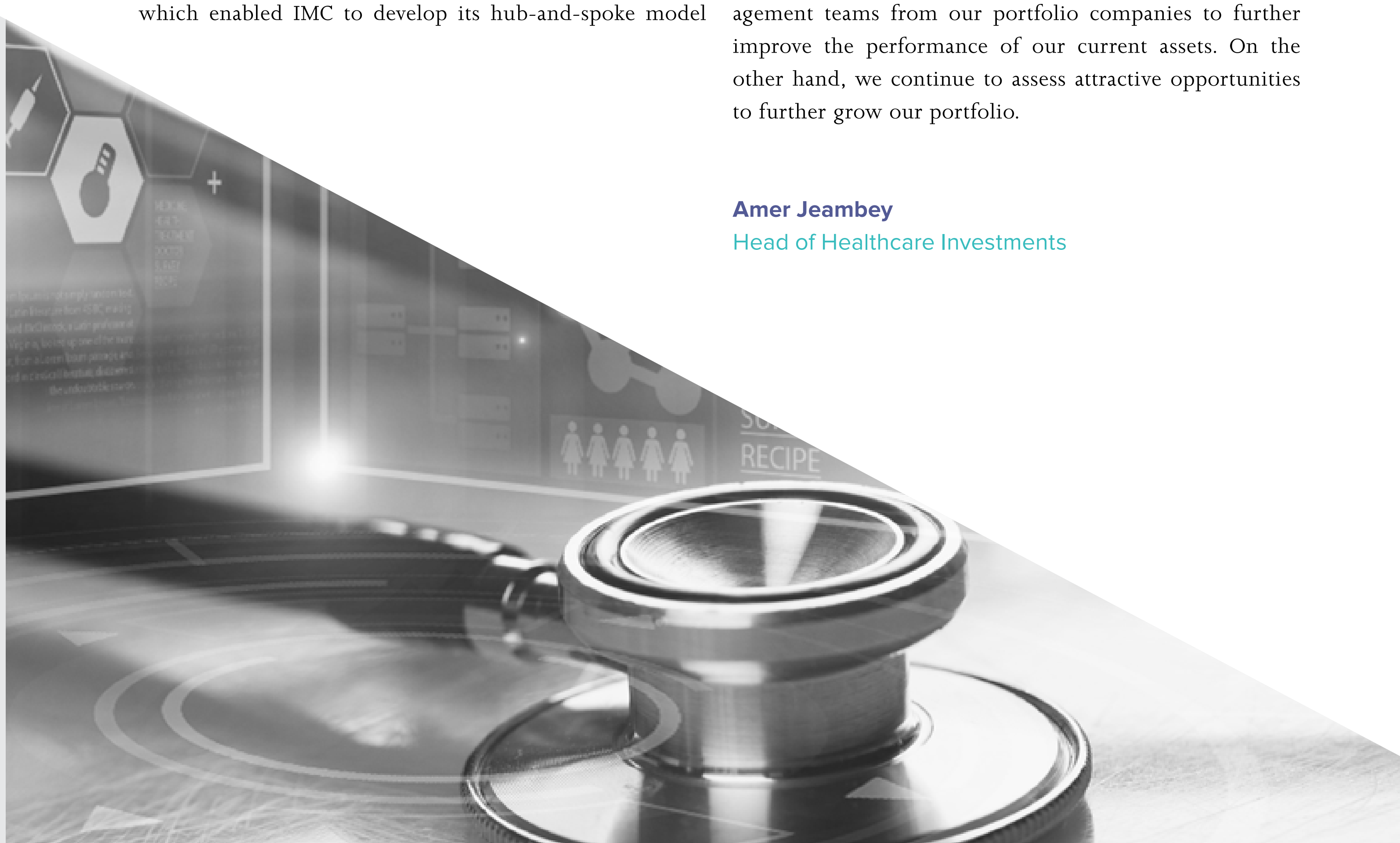
Today, we boast a diversified portfolio of investments spanning Saudi Arabia, the UAE, and Bahrain. With our recent acquisition of Cambridge Medical and Rehabilitation Center (CMRC), we now control one of the GCC's largest post-acute care platforms, providing vital specialized post-acute care to patients recovering from surgery, chronic and mental illness, or disability. This is a subsector which in the coming years will play an increasingly crucial role in helping to relieve pressure from traditional healthcare facilities, and we are proud to be playing a frontline role in its development. We also own a majority stake in Bahrain's sole women- and children-focused private sector hospital. The facility provides end-to-end holistic care helping to improve the quality of life of hundreds of women and children each year. Our healthcare portfolio is complemented by our recent acquisition of CMRC's real estate asset in Abu Dhabi. This was our first investment in healthcare real estate, which not only furthers our exposure to the sector but will help us develop our new social infrastructure platform which will serve as an enabler of future growth for our other assets.

2021 was a very successful year for the platform as it delivered a strong turnaround on the back of solid performances from all our assets. The remarkable performance is directly attributable to the successful implementation of our turnaround and investment strategies, which we have been developing and rolling out in close partnership with management teams across each of our assets. Strong growth was also supported by a gradual normalization in volumes

as the impact of COVID-19 dissipated. During the year, on top of completing two acquisitions, we also successfully divested our minority position in IMC. Our journey with IMC demonstrates Amanat's investment philosophy which sees us collaborate alongside portfolio company management teams to execute on the strategic expansion of their operations, and provide them with the guidance and support needed to navigate the challenges brought about by the COVID-19 pandemic. The exit generated AED 40 million in gains from sale and enabled us to pave the way forward towards more specialized opportunities in healthcare and to expand our platform by building scale and synergies for future monetization. During our time with IMC, we also led on the bolt-on acquisition of First Clinic in North Jeddah, which enabled IMC to develop its hub-and-spoke model and add significant capacity in the group's core market. With all this in mind, I would like to extend a sincere thank you to IMC's stakeholders for their continuous support and for their ongoing contribution to society.

Looking ahead, our focus will be on working with management teams from our portfolio companies to further improve the performance of our current assets. On the other hand, we continue to assess attractive opportunities to further grow our portfolio.

Amer Jeambey
Head of Healthcare Investments



Our Platforms

Healthcare Investments

Sukoon International Holding Company

(Sukoon) KSA

33.25%
Amanat's Stake

Specialization

Post-acute care

AED 161 MN

Amanat's investment

Date(s) of Acquisition

August 2015
and February 2016

130

Operational beds

Sukoon is a leading provider of post-acute services through its International Extended Care Center (IECC), a flagship Joint Commission International (JCI) facility in Jeddah, KSA. IECC's service roster ranges from long-term care to extended critical care and home care medical services and caters to a growing demand for these services in KSA and UAE. Sukoon's facility currently houses 130 operational beds and is undergoing a facility revamp project to increase its capacity to 230.

Investment Thesis

Sukoon is amongst the leading providers of long-term and extended critical care in Saudi Arabia, operating in a subsector which is poised for strong future growth as the Kingdom's elderly population continues to grow and the prevalence of non-communicable diseases remains high. In fact, with demand for post-acute care beds in KSA estimated to reach 20 thousand beds by 2025, the Kingdom will have to create around 15 thousand new post-acute beds in the coming years. Similar trends are also being witnessed in adjacent markets across the GCC and wider MENA region. The outbreak of COVID-19 has also highlighted the need to develop the region's post-acute care capacity as traditional hospitals come under increasing pressure from COVID-19-positive patients.

Sukoon's strong and scalable business model, its established track record in the Saudi market, and the subsegment's high barriers to entry, ideally position the company to capitalize on the expansion opportunities which will arise on the back of the region's growing health concerns and demographic shift. Moreover, IECC's capacity expansions and its JCI accreditation, which is testament to the high standards that the center abides to in its day-to-day operations, will play a central role in capturing future demand as it arises. Sukoon also stands to benefit from Amanat's recent acquisition of Cambridge Medical and Rehabilitation Center (CMRC), which now sees the Company control one of the largest post-acute care platforms in the GCC, and which is expected to generate considerable synergies in the future.

Financial Review

During the year, Sukoon witnessed a sustained recovery in volumes with increased bed utilization rate. Throughout the year, average daily rates marginally impacted by patient mix. Despite higher volumes, revenues were down marginally to SAR 84.7 million for the year. Nonetheless, the successful implementation of cost saving initiatives in 2020, saw Sukoon generate a strong EBITDA performance in 2021, recording SAR 10 million in EBITDA. The performance was supported by a lower cost base which is largely attributable to its business optimization initiatives. As such, Amanat's losses at Sukoon narrowed significantly in 2021, coming in at close to breakeven compared to the AED 25.7 million loss last year. The business closed the year boasting a strong net cash position of SAR 107 MN, the majority of which will be allocated to completing the facility renovation.

Operational Review

Throughout the past twelve months, Sukoon continued to diligently implement the facility's turnaround strategy which was devised under the guidance of Amanat back in 2019. The strategy has so far delivered promising results. The multipronged strategy looks to (i) renovate and expand its facility, (ii) develop new revenue streams, and (iii) optimize its capital structure. On the renovation front, the company has made good progress on the ongoing facility expansion phase, which is expected to be completed by mid-2022. The revamped facility will have the potential to improve patient flow and increase the hospital's operational capacity to c.230 beds while improving efficiency. In parallel, management continued to push forward with its revenue diversification strategy to expand the client base and contracts with new payors, while improving the hospital's revenue cycle management framework. Finally, Sukoon continued to further optimize its capital structure to better utilize excess cash and internally finance the facility's growth plans.

Outlook

Sukoon's action plan for the coming twelve months includes a multitude of initiatives aimed at enhancing all aspects of the business. On the corporate strategy front, management's efforts will be concentrated on completing the IECC's renovation, introduce new service lines such as homecare, patient support program (PSP) and digital healthcare services, diversify Sukoon's client base and establish new relationships with payors, and implement a new ERP system. Management will also work closely with Amanat to assess potential synergies with CMRC and devise a strategy to capitalize on them in the coming years. In parallel, the company will look to achieve sustainable cash flows from operations and work to maintain IECC's various international accreditations.

Our Platforms

Healthcare Investments (Cont'd)

Cambridge Medical and Rehabilitation Center
(CMRC) UAE & KSA

100%
Amanat's Stake

Specialization
Post-acute care and rehabilitation

AED 873 MN
Amanat's investment

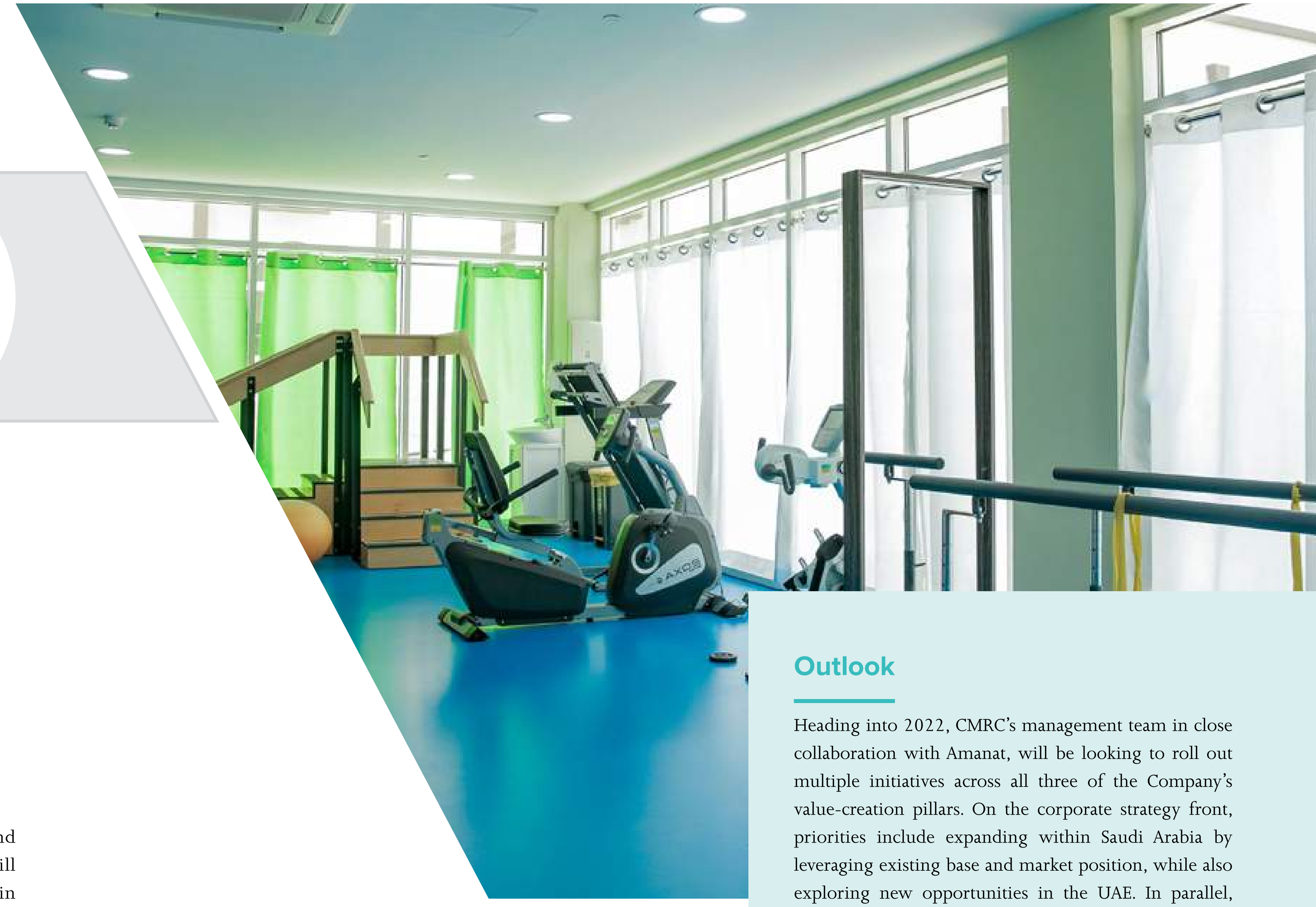
Date(s) of Acquisition
February 2021

256
Operational beds

Cambridge Medical and Rehabilitation Centre (CMRC) is a provider of specialized rehabilitation and post-acute care, with facilities in Abu Dhabi and Al Ain in the UAE, and Dhahran in Saudi Arabia. CMRC provides multidisciplinary and intensive rehabilitation for individuals suffering from a range of medical conditions such as strokes, brain or spinal cord injuries, or congenital conditions including Cerebral Palsy. CMRC is accredited by the Joint Commission International and Commission on Accreditation of Rehabilitation Facilities, the preeminent bodies for healthcare quality in the world.

Investment Thesis

CMRC operates in a subsector of the healthcare industry which is expected to grow significantly in the coming decades on the back of a growing elderly population and the increasing prevalence of lifestyle-related diseases. In its two markets of operation, demand is forecasted to grow steadily over the coming five years. More specifically, demand for UAE post-acute services is forecasted to reach 4 thousand beds by 2024, a growth of 4% annually. In KSA, demand for post-acute care beds is even greater and is estimated to reach 20 thousand beds by 2025. The large and widening supply gap will generate significant growth opportunities for players in the subsector, with CMRC well-placed to capture them thanks to the company's best-in-class facilities, proven clinical quality, and experienced management team. Moreover, CMRC's facilities are internationally accredited helping them to attract not just local but international patients. This will be particularly important in light of the UAE government's strategy to bolster medical tourism and the expected inflow of international patients to the country. CMRC also stands to benefit from the Saudi and UAE governments' drive to increase private participation, with both countries recently rolling out extensive strategies to encourage investment in their respectively healthcare sectors. Finally, the combination of CMRC and Amanat's other post-acute care provider, Sukoon, is set to generate a series of efficiency and care quality enhancements in the coming years, helping the center further standout from its competition and play an active role in closing the existing supply gap.



Outlook

Heading into 2022, CMRC's management team in close collaboration with Amanat, will be looking to roll out multiple initiatives across all three of the Company's value-creation pillars. On the corporate strategy front, priorities include expanding within Saudi Arabia by leveraging existing base and market position, while also exploring new opportunities in the UAE. In parallel, Amanat and CMRC will work with Sukoon to identify and capitalize on existing synergies. On the corporate finance front, CMRC will look to optimize its capital structure and identify the best funding options for its expansion plans.

Financial Review

In the ten months from Amanat's acquisition of CMRC in March 2021, the company reported remarkable top- and bottom-line growth. Revenue stood at AED 73.9 million in 4Q-2021, with total revenue for the ten months from March 2022 recording AED 245.6 million. Meanwhile, consolidated EBITDA for the ten-month period recorded AED 80.5 million. In the final quarter of the year, CMRC reported an EBITDA of AED 27.4 million, up 6% from the previous quarter. It is also important to note that EBITDA for the period included ramp-up costs related to the company's latest Dhahran branch in KSA. While these did weigh on CMRC's first half performance, the new facility turned EBITDA positive in 4Q21.

Operational Review

Since Amanat's acquisition of CMRC, the Company has been working closely with the management team to devise a comprehensive strategy aimed at enhancing all three key areas of corporate strategy, corporate finance, and corporate governance. Thus far, the company's efforts have focused on the third pillar.

Our Platforms

Healthcare Investments (Cont'd)

ROYAL HOSPITAL for WOMEN & CHILDREN المستشفى الملكي للنساء والأطفال

Hospital for Women & Children
(RHWC) Bahrain

69.24%
Amanat's Stake

Specialization
Women's and children's healthcare

AED 142 MN
Amanat's investment

Date(s) of Acquisition
August 2018

32
Operational beds

RHWC is the only specialized private hospital in the Kingdom of Bahrain focused exclusively on providing world-class care for women and children. The facility provides end-to-end holistic care for women including maternity, gynecology, IVF, aesthetic and other surgical services, while also providing general and surgical pediatric services. The facility launched its operations in March 2019.

Investment Thesis
RHWC's strategic position within Bahrain's healthcare sector is underpinned by several factors, all of which allow the facility to standout from competitors and provide strong foundations from which to drive future development. Firstly, RHWC is the sole private hospital in the country offering women and children healthcare services, enabling it to fully capitalize on the growing demand for such services. Secondly, the facility is strategically located in an affluent area of Bahrain characterized by limited competition. Thirdly, thanks to its all-encompassing service portfolio which includes gynecology, IVF, pre-natal care, obstetrics, and pediatrics services, RHWC is able to cater to the entire maternity cycle, offering a one-stop-shop experience which appeals to patients from all over the country. Finally, the hospital's appeal also stems from its state-of-the-art infrastructure, with RHWC being the only private hospital in the country offering NICU level 3 capabilities. Future growth will be facilitated by the strong local strategic partnerships enjoyed by the hospital, which can provide funding for future expansions, and the facility's favorable long-term lease which includes land for future capacity developments.

Financial Review
RHWC reported strong year-on-year revenue growth in 2021, with revenue increasing 153% versus last year. The strong performance is largely attributable to increased patient volumes and rising utilization rates across both the inpatient and outpatient departments. It is worth noting that the closure of the Saudi Arabian borders throughout the first half of the year as part of the government's COVID-19 response weighed on revenues generated by RHWC's high-value departments such as cosmetology, bariatrics and IVF. As restrictions are lifted and international travel recovers, these departments are expected to generate stronger contributions in the coming year. Supported by a growing top-line and improved cost efficiencies throughout the year, RHWC's net loss in 2021 narrowed significantly to record BHD 2.6 million, versus the BHD 3.5 million net loss recorded in 2020. This saw Amanat's net loss from investment record AED 17.3 million for the year, narrowing significantly from last year's AED 23.8 million figure.

Operational Review
Since Amanat's acquisition of RHWC in 2018, the Company has been hard at work to enhance all aspects of the facility's day-to-day operations, while working to optimize the hospital's management and capital structures. During 2021, RHWC made significant progress on all fronts, focusing specifically on developing new revenue streams to attract more patients from currently under-tapped segments of the population. Over the last twelve months, the facility added several new services to its roster including IVF and plastic surgery, and continued to ramp-up its existing departments such as obstetrics, gynecology and general surgery. The hospital also secured several partnerships with leading consultants to extend its services to male patients and signed a deal with Salmaniya Hospital for the referral of deliveries to the hospital. RHWC also launched its new Pediatric Center of Excellence, which aims to capitalize on its vast experience in the field to drive improvements in children's healthcare. In parallel, thanks to the strong reputation of RHWC's staff, the hospital won a contract to provide nurses to the Ministry of Health to aid in its vaccination and testing campaigns. The hospital also launched tie-ups with international physicians to perform procedures at RHWC on a visiting basis, further strengthening the facility's attractiveness for both local and international patients. On the management front, the focus for the year remained on hiring strategic personnel to help guide the hospital in its new growth phase and deliver on its short- and longer-term objectives.

Outlook
2022 is shaping up to be a transformative year for RHWC as the hospital looks to build on the progress made throughout the last year to deliver growth and further optimize all aspects of the business. In the coming year, management will work to obtain NHRA approval to extend the full inpatient and outpatient service offering to male patients. If approved, this would enable the hospital to tap into a new segment of the population, generating substantial new growth and allowing it to provide its world-class services to more patients. In parallel, management will also look to renovate its facility to accommodate for the higher volumes. More specifically, plans include the repurposing of existing space to allow for the addition of at least five new outpatient consultation rooms. At the same time, management will explore expansion opportunities on the unutilized portion of the facility's land. On the corporate finance front, management will continue to work closely with Amanat to complete the ongoing review and identify the optimal capital structure.

Our Platforms

Education Investments

We head into 2022 with a clear strategy and renewed confidence in the strategic potential of our assets. We will continue to work with teams across our existing portfolio to explore both organic or inorganic avenues to drive new growth and sustainable value creation

Our platform encompasses the two leading private universities in the Abu Dhabi and Dubai markets, and an innovative early-education company, providing digital and physical solutions to young students worldwide. This diversified exposure to the education sector enables us to tap into various attractive market segments and capitalize on the advantageous fundamentals offered by the region. On one hand, as income levels rise and demand for quality higher education options increases, our two universities Middlesex University Dubai and Abu Dhabi University Holding Company, are ideally positioned to continue capturing a growing share of their markets and solidify their leadership. To ensure that they are well prepared, we have been working with the management teams of both investments to develop their service offering and enhance their recruitment capabilities, with the objective of continuing to capture a growing market share in their core domestic markets while improving the effectiveness of their international recruitment efforts. On the other hand, BEGiN keeps enriching its portfolio of early learning digital and physical products through M&A, putting the company on track to become one of the leading early learning consumer businesses worldwide, with a reputation of quality and superior learning outcomes. Finally, through our investment in NLCS real estate assets, we are able to diversify our holdings in the sector, develop our new Social Infrastructure platform, and benefit from a stable asset class which generates attractive yields and long-term recurring income.

2021 was yet another successful year for our platform, which saw us record robust financial and operational results across all our investments supported by strong enrolments across both universities. Moreover, this year saw us take important steps towards optimizing our portfolio through the divestment of our minority stake in Taaleem. The transaction, which generated net gains of AED 160 million, saw us move a step closer to our goal of growing our platforms while focusing on controlling stakes. Our journey with Taaleem has been a long and successful one, with the asset being our first ever investment in education and now also becoming our first ever education divestment. I want to thank Taaleem's stakeholders for the years of productive collaboration and wish them all the best for the future. I am confident that we leave the asset in a strong position to generate new value in the coming years.

We head into 2022 with a clear strategy and renewed confidence in the strategic potential of our assets. We will continue to work with teams across our existing portfolio to explore both organic or inorganic avenues to drive new growth and sustainable value creation. Meanwhile, we will continue to carefully survey the market for the right opportunity to expand our footprint and add new, value-accretive businesses to our portfolio.

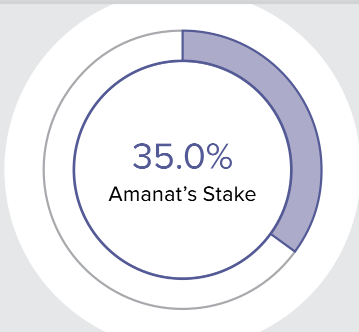
Fadi Habib
Head of Education Investments

Our Platforms

Education Investments

Abu Dhabi University Holding Company

(ADUHC) UAE



Specialization

Undergraduate and post-graduate

AED 330 MN

Amanat's investment

Date(s) of Acquisition

March 2018

c.7,500

Students

ADUHC is a specialized private higher education provider with a strong and growing presence in Abu Dhabi, Al Ain and Dubai. Today, the university offers world-class higher education, vocational and corporate training to more than 7,500 students, leveraging a track record of nearly twenty years to equip them with the knowledge and experience to succeed in their future careers. ADUHC's mission is to become the leading platform in the Arab world for higher education and learning solutions.

Investment Thesis

Over the years, ADUHC has stood out from other private higher education providers in the country thanks to a number of factors, which have enabled the university to climb the ranks and cement its leading position in the UAE higher education market. ADUHC offers a high quality portfolio of degrees and training programs, striving to provide students with the skills and tools relevant to today's job market. This is testified by ADUHC ranking as the best university for employability in the United Arab Emirates and third in the Arab world, according to the Global Employability Ranking and Survey 2020. A differentiated offering, coupled with world-class facilities, an established reputation, a constantly improving online education platform, and very high rates of student satisfaction, have allowed the university to continue attracting and retaining a growing number of students and professionals, even in the midst of the COVID-19 pandemic. Today, the university is ranked amongst the top ten universities in the UAE by Quacquarelli Symonds (QS), further testament to its superior offering and reputation. The university also boast substantial infrastructure and land bank to support future growth.

Financial Review

ADUHC reported revenue growth of 14% in 2021 on the back of strong enrollments at ADU and growth in revenue from corporate training solutions. This saw ADUHC's bottom-line expand 4% versus last year, on the back of strong enrolments across all terms and cost efficiencies introduced to mitigate the impact of COVID-19. As such, Amanat's income from investment in 2021 stood at AED 41.3 million, up 4% from the income from investment recorded in 2020.

Operational Review

On the operational front, efforts were dual-focused. On the one hand, ADUHC continued to attract a growing number of students leveraging its enhanced recruitment capabilities, its continuously improving academic standings, and an expanded program portfolio which includes several new in-demand degrees aligned with the requests of the job market. In parallel, high levels of student satisfaction with distance learning also played an important role in helping to grow and retain the ADUHC student body. The Group also continued the implementation of cost management initiatives to optimize its cost base. Efforts on this front have paid off, with underlying profitability expanding in 2021.

Outlook

In the coming twelve months, ADUHC is looking to drive growth both organically and inorganically. On the first front, the group is aiming to further expand it course offering and training capabilities, develop its online learning and digitization strategy, and enhance its international marketing efforts. In parallel, ADUHC will continue working with its shareholders on improving utilization of its real estate assets. On the inorganic front, ADUHC is currently screening suitable acquisition targets in new geographies. On the financing front, ADUHC and Amanat will continue collaborating on optimizing the capital structure to efficiently fund growth initiatives. Finally, in terms of governance, efforts will concentrate on optimizing the university's organizational structure and human capital, as well as developing a revised legal structure

Our Platforms

Education Investments (Cont'd)

Middlesex University Dubai
(MDX) UAE

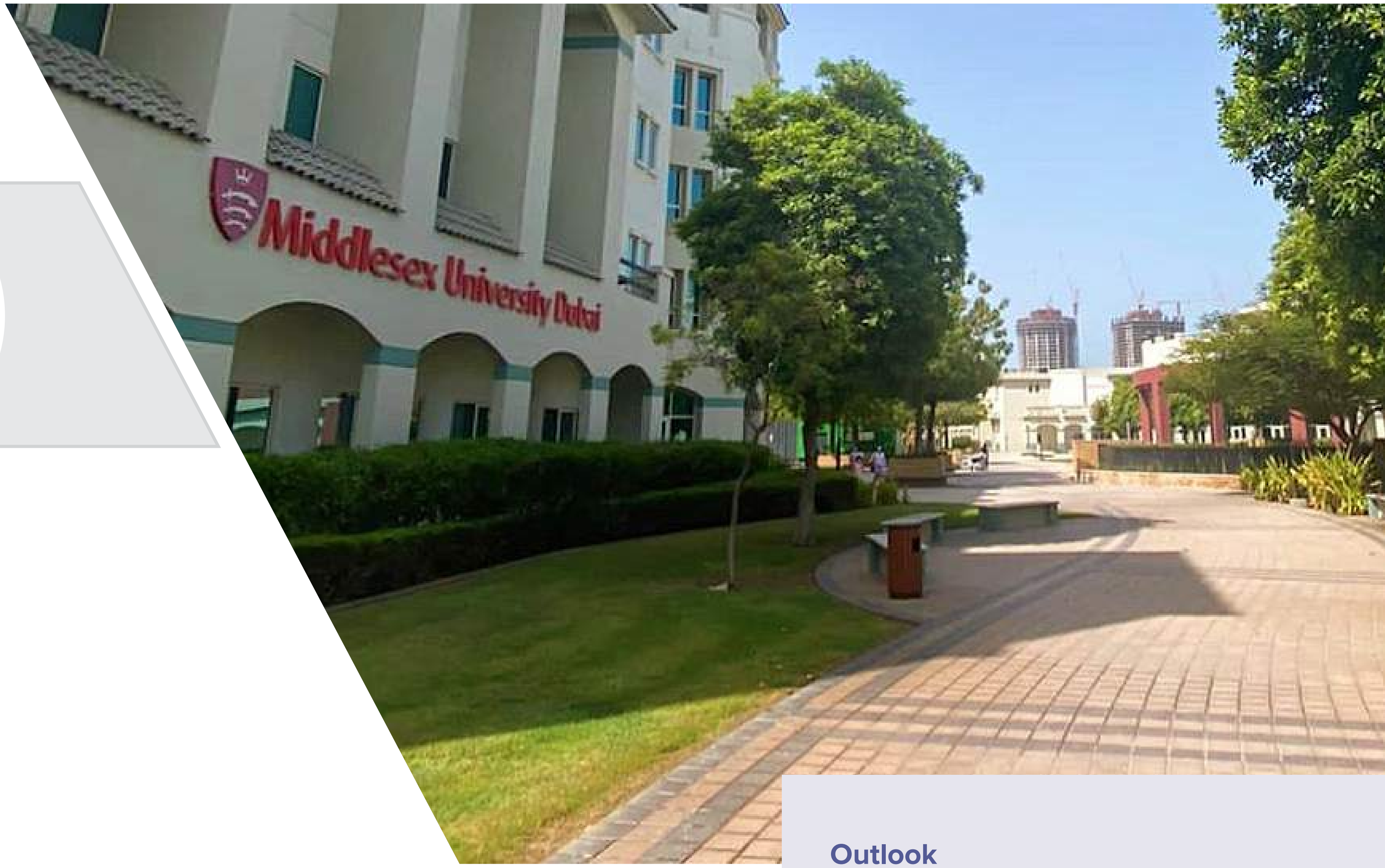
100%
Amanat's Stake

Specialization
Undergraduate and post-graduate

AED 419 MN
Amanat's investment

Date(s) of Acquisition
August 2018

c.3,500
Students



Established in 2005, Middlesex University Dubai was the first overseas campus of the internationally renowned Middlesex University in London. Middlesex has a diverse student body of over 3,500 students from over 118 nationalities. Through its two Dubai campuses, it provides the opportunity for students from across the GCC and beyond to obtain a top-quality UK degree, which uses the same validation and monitoring system as the London campus, while living in the heart of Dubai.

Investment Thesis
MDX enjoys a leading position in Dubai's private higher education market. Its consistent market share growth over the past several years stems from the university's unique value proposition, which offers students a high quality UK degree at an affordable price point complemented by a vibrant campus life and enriching student experience. A strong recruitment program, coupled with an expanded course offering featuring many high-demand programs, have seen MDX consistently outperform other players in the market, delivering steady enrolment growth despite a challenging market backdrop, especially over the last two years. Additionally, thanks to the university's asset-light business model and debt-free balance sheet, it enjoys ample room for future capital structure optimization initiatives. Moreover, the university's robust financial profile, with a cash-generative and negative working capital business model, allows for consistent dividend payments and self-financing of growth plans.

Financial Review
MDX recorded income of AED 31.1 million in 2021, unchanged from the figure reported in the twelve months prior. Profitability was supported by solid growth in tuition income, record-breaking student intake in January and September, and management's effective cost savings initiatives. On the other hand, MDX continued to record lower non-tuition ancillary income due to the outsourcing of student accommodation.

Operational Review
Throughout 2021, MDX was able to deliver impressive growth in enrolments with the university witnessing record-high intakes for both semesters. Strong enrolment rates were supported by MDX's new successful virtual initiatives and events launched for prospective students, a fully integrated multi-channel domestic marketing campaign, a highly effective international outreach strategy, newly launched programs as well as a dynamic blended online-offline model for academic provision. Success in attracting students saw the university stand as the number one KHDA institution for student enrolments in the academic year 2020-2021. In September, MDX also launched its second campus in Dubai International Academic City, becoming the first UK university in the UAE to have a campus in each of Dubai's higher education hubs. The additional campus location will help the university to better serve its students' needs and accommodate for further enrolment growth in the coming years.

Outlook
MDX's priorities for 2022 include plans to grow both across its existing locations and beyond. Organically, the university will look to expand its course offering further and leverage its newly launched campus to grow enrolments and secure a larger share of the local market. Meanwhile, Amanat and MDX's management will continue to explore and assess possible opportunities to expand internationally, both directly or through partnerships, and evaluate possible ways to optimize the capital structure, especially in light of future business development plans. In parallel, under the guidance of Amanat, MDX is planning to complete a review of its organization structure and enhance internal systems through technology and automation. The latter will allow for more effective planning and management of resources in the coming years.

Our Platforms

Education Investments (Cont'd)

BEGiN

BEGiN
USA

c.2.0%
Amanat's Stake

Specialization
Education technology

AED 19 MN
Amanat's investment

Date(s) of Acquisition
October 2020

N/A
Students

In October 2020, Amanat completed its first venture capital investment, taking part in the Series C funding round of BEGiN, a US-based, award-winning, early education technology company. BEGiN's investors and partners include some of the most recognized children's brands including Sesame Workshop, LEGO Ventures, Gymboree Play & Music and Fisher-Price. At the time of Amanat's investment, BEGiN's flagship brand was HOMER, a proprietary, research-based, learning framework for children delivering solid learning outcomes. The HOMER Method develops skills like literacy and math, in addition to personal skills like problem solving and social emotional awareness, through content that is personalized to kids' interests, age and learning level. Through recent M&A acquisitions, BEGiN has significantly increased the depth and breadth of its offering, becoming a multi-modal early education company, offering a range of digital (HOMER, CodeSpark), tangible (Little Passports) and experiential products (KidPass) to kids aged 0 to 10.

Investment Thesis

With its investment in BEGiN, Amanat successfully kickstarted its venture capital strategy which aims to further diversify the Company's portfolio by investing in innovative digital solutions across both the education and healthcare sectors. In BEGiN, Amanat has found a solid business led by a talented and experienced management team with a proven track record of building highly successful businesses. The company provides effective research-based products with high quality content developed from top industry experts based on existing and proprietary pedagogy research with proven results of engagement and efficacy. This enables BEGiN to standout from competitors and capitalize on the growing popularity for online schooling solutions. Recent acquisitions allowed BEGiN to expand its digital offering, with the addition of STEM-focused learning platform CodeSpark, while simultaneously bolstering its tangible (Little Passports) and experiential (KidPass) offering. Thanks to its partnership with Amanat, BEGiN is ideally positioned to further expand across the MENA region and take advantage of the current gap in the region's digital education market. Finally, the investment also enabled Amanat to increase its exposure to leading global players in the EdTech space, which will undoubtedly lead to future accretive opportunities for the Company..

Our Platforms

Social Infrastructure Investments

Real Estate Assets of North London Collegiate School Dubai

North London Collegiate School Dubai
(NLCS) UAE

100%
Amanat's Stake

Specialization
Education real estate

AED 408 MN
Amanat's investment

Date(s) of Acquisition
June 2018

N/A
Students

Amanat acquired the real estate assets of North London Collegiate School Dubai in June 2018. NLCS was established that same year, as a premium International Baccalaureate curriculum K-12 school and is one of the top schools in the UK in terms of academic results in the International Baccalaureate for twelve consecutive years. The campus, located in Dubai has a total land area of 38,217 sqm and a built-up area of 41,143 sqm. During the past three years, leveraging its strong reputation in the market, NLCS has managed to significantly ramp-up student volumes, reaching more than 1,100 as of September 2021. Amanat leases the assets to the operator under a finance lease arrangement.

Investment Thesis

NLCS was Amanat's first real estate investment and enabled the Company to diversify its exposure to the education segment while starting to build out its Social Infrastructure platform. The investment provides Amanat with a stable asset class generating attractive yields and long-term recurring income. The campus is located in an attractive catchment area characterized by a growing population and a favorable demographic profile. To take advantage of the high demand for NLCS' offering, the school has recently expanded its facilities bringing the total student capacity. As per previously agreed terms, Amanat funded the project with a total value of AED 33.0 million. The expansion supported an 8% year-on-year increase in lease finance income generated by NLCS in 2021.

Our Platforms

Social Infrastructure Investments (Cont'd)

Real Estate Property of CMRC's Abu Dhabi Facility

UAE

100%
Amanat's Stake

Specialization
Healthcare real estate

AED 53 MN
Amanat's investment

Date(s) of Acquisition
September 2021

N/A
Students

Amanat acquired the real estate assets of CMRC's Abu Dhabi facility in September 2021. The acquisition comprises c. 6,000 square meters of land and a built-up area of c. 6,600 square meters encompassing two three-leveled building blocks with 106 inpatient licensed beds alongside rehabilitation facilities including 14 outpatient rooms, three gyms and a series of other amenities.

Investment Thesis

The transaction, which marks the Company's first real estate investment in healthcare, further diversifies Amanat's exposure across the sector and expands its Social Infrastructure Platform. Through investments like this, Amanat is building a growth-enabling platform to support the development of its other portfolio companies, while providing sustainable long-term lease relationships. It also offers Amanat an opportunity to create a sizeable and diversified portfolio of real estate assets with a sustainable and resilient yield. In the four months since acquisition, the asset generated lease finance income of AED 400 thousand.

Our Markets

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

Strategic Report

Our Markets

Improving Operating Environment and Economic Rebound

2021 was a turnaround year in the global fight against COVID-19 as vaccines became widely available, economies began to recover supported by wide-ranging government stimulus programs, and countries around the world became increasingly able and willing to coexist with the virus and its variants. Across the Company's markets of operation and the wider GCC, economic recovery was also supported by a gradual lifting of restrictive measures over the course of 2021 and a sustained recovery in oil prices which hovered around the USD 70 per barrel mark through the second half of the year. As restrictions on international travel were lifted across the UAE, Bahrain and later Saudi Arabia, all three countries began to witness a recovery in tourism which is expected to continue as international travel normalizes in the coming year. The UAE in particular is anticipating a significant rebound in tourism as authorities take steps to attract tourists to the country for the World Expo.[1]

According to the latest analysis from the World Bank, the recovery witnessed in 2021 is set to continue into 2022. The UAE economy is forecasted to grow at 4.6% in 2022 supported by the rapid rollout of COVID-19 vaccines, a recovery in global trade, rising oil production, and higher oil prices. In Saudi Arabia, GDP growth is forecasted to record 2.4% in 2021 and 4.9% in 2022. Further to a recovering oil sector, growth is set to come on the back of stronger private consumption, gradual resumption of religious tourism, and higher domestic capital spending, with the National Investment Strategy targeting SAR 12 trillion over the next 10 years. Finally, in Bahrain, the economy is forecasted to grow by 3.1% in 2022 supported by a recovery oil industry and further buoyed by the swift rollout of 5G services last January coupled with a robust digital infrastructure in e-commerce and ICT sectors.

Healthcare

Sector Overview

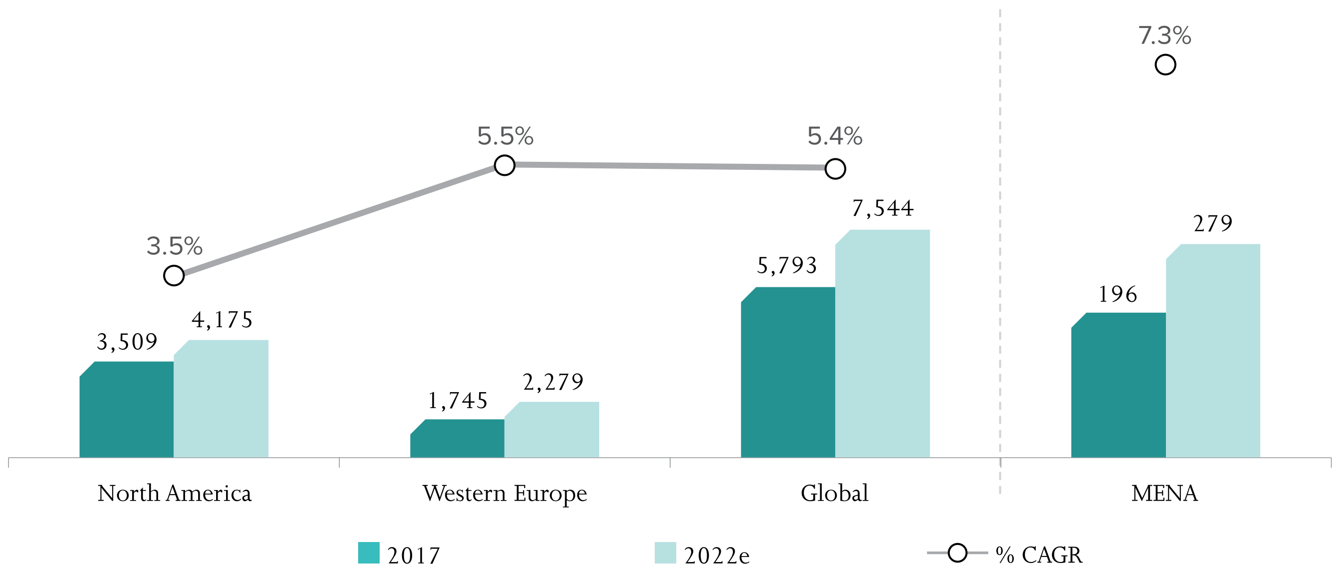
Across the GCC, a growing and simultaneously ageing population, and the increasing prevalence of lifestyle diseases, has seen healthcare quickly climb the ranks and become a top priority for the region's governments as they strive to diversify their economies away from a reliance on oil. The MENA region's over 65 population as a percentage of the total population stood at 5.7% in 2019, this number is set to rise to 7.6% in 2030 and to 12.7% in 2050.[2] This has also been accompanied by a rise in the prevalence rates of lifestyle diseases. In 2021 around 16.2% of adults aged 20 to 79 in the MENA region had diabetes. In the GCC the prevalence was even higher, recording as high as 24.9% and 18.7% in Kuwait and Saudi Arabia, respectively.[3] The need to build modern, accessible and increasingly digital healthcare sectors has been further accelerated by the COVID-19 pandemic which has driven governments all over the world to rethink the way healthcare is accessed and the way in which services are delivered.

Over the last decade, GCC governments have worked to reform healthcare systems, introducing regulatory changes aimed at improving the efficiency and quality of services. According to data from KPMG, healthcare-related expenditure in the GCC states grew from USD 60 billion in 2013 to USD 76 billion in 2019 and is expected to grow to a further USD 89 billion by 2022. This represents nearly a 50% increase between 2013 and 2022, testament to the rising importance for governments across the region.

Historically, government authorities in the GCC have taken on the roles of both investors and operators of healthcare facilities. In recent years, however, there has been a marked rise in private participation with public authorities acting more as policymakers and regulators. To aid in the transition towards greater private sector participation, various National Transformation Plans (NTPs) such as the UAE Vision 2021 and the Saudi Vision 2030 have outlined long-term strategies to expand the role of the private healthcare sector and create additional capacity for their markets. Growing private investment in the sector aims to ease pressure from governments' budgets who are struggling to keep up with the rising demand for high-quality healthcare services across the region.

In addition to infrastructure investments, over the coming years both public and private players are expected to focus increasingly on the overall patient experience, tailoring the services to the needs of individual patient to improve medical outcomes and patient satisfaction. Combined with the COVID-19-induced drive to digitalize, over the coming decade this is bound the push substantial investments towards the development of medical technology.

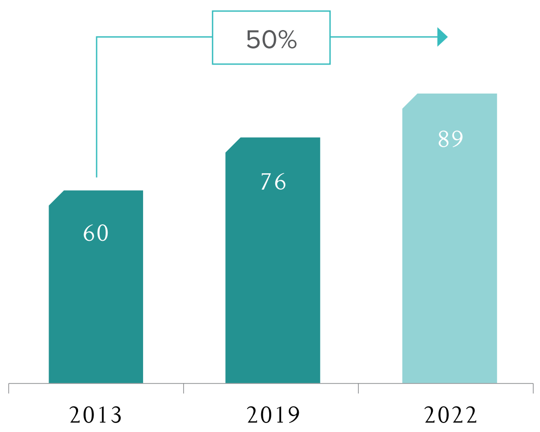
Total Worldwide Healthcare Expenditure by Region | USD bn, %[5]



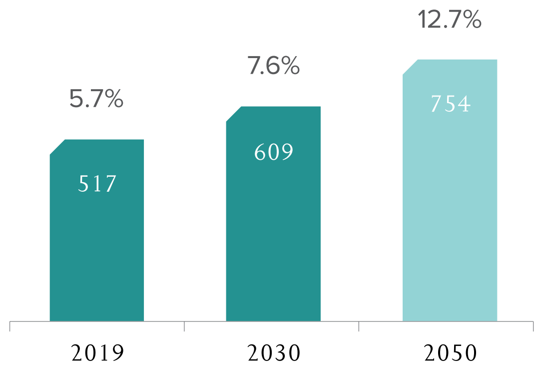
[1] *The World Bank – GCC Economic Update, October 2021*
[2] *UN World Population Prospects 2019*
[3] *IDF Diabetes Atlas 2021*
[4] *Arab Health by Informa Markets - Healthcare & general services in the GCC Report*
[5] *Deloitte Global Healthcare Outlook 2019*

Strategic Report

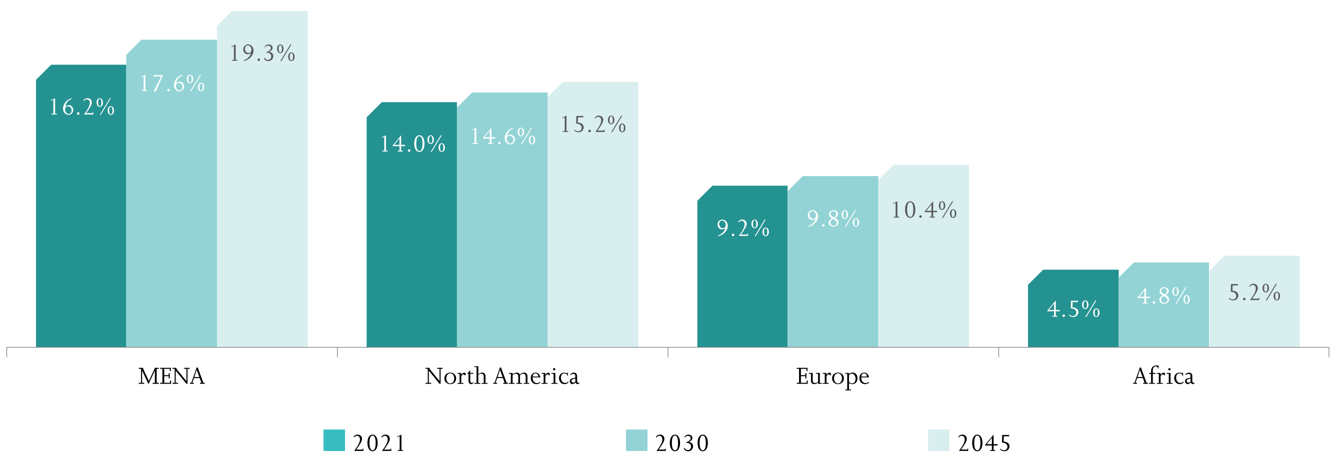
GCC Healthcare-related Expenditure | USD bn



Population Aged 65+| mn, % of total



Diabetes Prevalence in Population aged 20 to 79 | %



Post-Acute Care

Post-acute care (PAC) refers to the continued post-hospitalization that provides care and rehabilitation services to patients recovering from surgery, chronic illness, mental illness, or disability. As the region's over 65 population grows and lifestyle diseases become increasingly prevalent, countries around the GCC are having to confront with a widening gap between the demand for high-quality post-acute care services and their supply. More specifically, demand for UAE post-acute services is forecasted to reach c.4,000 beds by 2024, a growth of 4% annually. In KSA, demand for post-acute care beds is even greater and is estimated to reach c.20,000 beds by 2025.

To address this growing supply gap, governments across the region will look increasingly towards private players. Public-private partnership in the PAC sub-sector are anticipated to grow in popularity over the coming years as governments work to diversify their healthcare budgets and optimize their specialized care offering.

KSA

With the temporary impact of COVID-19 on the healthcare sector and the wider Saudi economy now in the rearview mirror, demand for high quality healthcare is set to rise in the coming years supported by several underlying fundamentals. On the one hand, improvements in healthcare quality and an increasingly health-conscious population are driving a sustained expansion in the country's elderly population, with the age bracket of 65 years and above expected to grow from 1.96 million in mid-2018 to 4.63 million in mid-2030.[6] On the other hand, the rise in the prevalence of non-communicable diseases (NCDs) continues to increase pressure on the country's healthcare system. This trend is expected to continue with the prevalence of obesity expected to rise to above 45% by 2025.[7] Finally, as the government continues to diversify the economy, an increasing number of expatriates are migrating to the Kingdom driving a rise in demand for both healthcare and health insurance.[8]

In line with the trends witnessed across the wider GCC region, the healthcare sector in Saudi Arabia is undergoing a fundamental shift as the government looks to expand the sector in line with rising demand while limiting its direct involvement as outlined in its Vision 2030 strategy. According to the latest forecasts, total healthcare spending in the country is forecasted to grow at a CAGR of 4.9% between 2020 and 2025, with growth in private sector spending expected to outpace that of the public sector. More specifically, private healthcare sector spending is forecasted to increase at a CAGR of 5.6% between 2020-2025, with public spending set to rise by a CAGR of 4.6% over the same period.[9] To aid the increase in private sector participation, the government has introduced several initiatives aimed at making it more attractive to invest in the local healthcare market. These include the approval of 100% foreign ownership in the sector, the roll out of mandatory insurance, and the launch of a new private-public partnership scheme. Meanwhile, the Saudi government remains committed to directly supporting the sector's development. In 2022, on top of continuing its fight against the pandemic, the Kingdom's Health Ministry plans to improve accessibility for more than 10 million patients, launching 88 new hospitals around the country and activating new air ambulance services.[10]

[6] Informa Markets [7] World Health Organization (WHO) [8] Research and Markets Report – KSA Healthcare Market Outlook 2024
[9] Fitch Solutions, July 2021 [10] Saudi Gazette – December 2021

UAE

Growing demand for healthcare in the UAE is underpinned by several factors including an aging population, a strong prevalence of NCDs, and growing medical tourism in the country. More specifically, the estimated share of the UAE's population above the age of 65 will increase from 1.1% in 2021 to 4.4% by 2030.[11] At the same time, as a result of changing lifestyle habits, chronic conditions such as cardiovascular diseases, cancer, and diabetes are increasingly prevalent. Today, cardiovascular disease remains the leading cause of fatalities in the UAE, accounting for over two-thirds of all deaths,[12] while the prevalence of diabetes in those aged 20 to 79 is set to reach 18.1% in 2045, up from 16.4% in 2021.[13] A more positive driver of healthcare growth has been medical tourism. In 2021, both Abu Dhabi and Dubai rose to become two of the top ten medical tourism destinations in the world.[14] To further boost the UAE's position as a leading destination for medical tourist, in October 2018 the Department of Culture and Tourism of Abu Dhabi signed a memorandum of understanding with the Medical Tourism Association (MTA). As part of this agreement, the MTA's annual World Medical Tourism & Global Healthcare Congress event will be hosted in the UAE for the foreseeable future.[15]

To confront rising demand and continue attracting a larger share of medical tourism, the UAE government has made healthcare reforms a central focus in recent years. As part of its Vision 2021 plan, the government has rolled out multiple programs to expand and upgrade the country's healthcare system, develop world-class healthcare infrastructure, and most importantly encourage private sector participation. Efforts have included the introduction of new policies to attract foreign investments, improve care standards and boost the healthcare industry. As a result, the UAE has also been witnessing an increasing number of mergers, acquisitions, and strategic tie ups between public and private operators, a trend which is likely to continue in the coming years.[16] The strong role taken on by the government coupled with rising private sector participation, is expected to drive robust growth in the sector which is forecasted to expand at a CAGR of around 10% between 2019 and 2023.[17]

Bahrain

Growth in Bahrain's healthcare sector is driven by similar factors as other countries around the region. In 2020, the country's population growth rate stood at 3.6%, one of the fastest in the GCC.[18] At the same time, a growing elderly population coupled with a fundamental shift in lifestyles, has seen the prevalence of lifestyle related diseases grow rapidly in recent years. More specifically, in 2021, the prevalence of diabetes in those aged 20 to 79 stood at 11.3%. This number stands to rise to 12.6% by 2045.[19] These factors are putting the local healthcare system under increasing pressure. While the healthcare sector in Bahrain has historically been heavily reliant on government-run facilities and public funding, over the last few years the government has been looking to attract more private participation in the industry. Efforts on this front have entailed the roll out of new legislation allowing for full foreign ownership of private healthcare facilities, and the launch of a national health insurance scheme in 2018. This drive to increase private participation is expected to continue in the coming years, generating new opportunities for existing and new players to capitalize on.[20]

Other Markets

Across the wider MENA region, several other countries are confronting a shift in healthcare dynamics similar to those witnessed across the GCC. In Egypt, the healthcare sector is rapidly changing as it looks to catch up to the rest of the region. The latest forecasts show that by 2030 Egypt will require a minimum of 38 thousand new beds with an estimated investment of USD 8 to 13 billion. While half the needed funding is to come from the public sector, authorities have been looking at the private sector to fill the gap. In parallel, Egypt is also looking to follow in the footsteps of the UAE to promote and attract medical tourism by offering high-quality, patient-centered healthcare services at affordable prices. As such, Egypt's private healthcare sector will offer several lucrative opportunities for developers, investors and operators in the coming years.[21]

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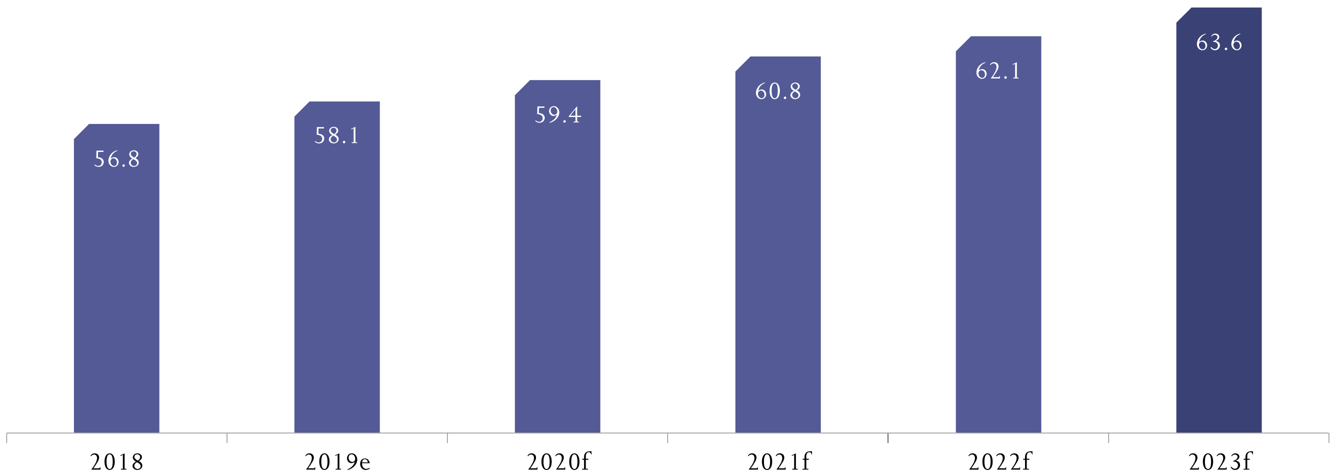
[11] The World Bank [12] The U.S.-U.A.E. Business Council – The UAE Healthcare Sector Report (June 2021) [13] IDF Diabetes Atlas 2021
[14] Medical Tourism Index 2021 [15] The U.S.-U.A.E. Business Council – The UAE Healthcare Sector Report (June 2021)
[16] Research and Markets Report – UAE Healthcare Sector Outlook 2023 [17] Research and Markets Report – UAE Healthcare Sector Outlook 2023
[18] The World Bank [19] IDF Diabetes Atlas 2021 [20] Oxford Business Group
[21] Omnia Health by Informa Markets - Insight into Egypt's healthcare sector (2021)

Education

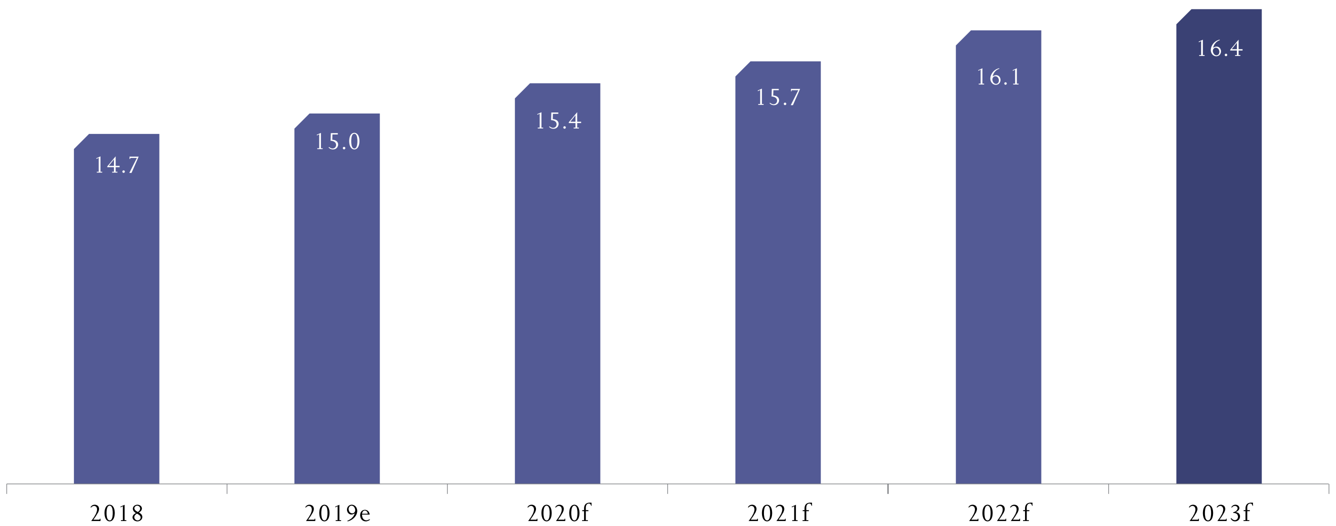
Sector Overview

In recent years, an increasingly favourable operating environment coupled with the region's solid demographic profile, has seen the GCC's K-12 and higher education sector represent an increasingly attractive investment opportunity for international investors and school operators. Growth has been driven by several factors ranging from the generic characteristics of the education sector such as its long-term revenue visibility, to more GCC-specific factors. These include the roll out of several government initiatives, the rising awareness of primary education, demand for more higher education options, the need for overall improvement in the quality of education, and an increase in the population, including that of expatriates. In light of these factors, the overall education market in the region is forecasted to grow at a CAGR of 5% for the 10-year period from 2016 to 2026.[22] Within the sector, online education is rapidly becoming an area of focus for governments, private investors, and school operators. In fact, the e-learning market in GCC countries and it is poised to grow by around USD 569 million between 2021 and 2025, representing a CAGR of nearly 11%.[23]

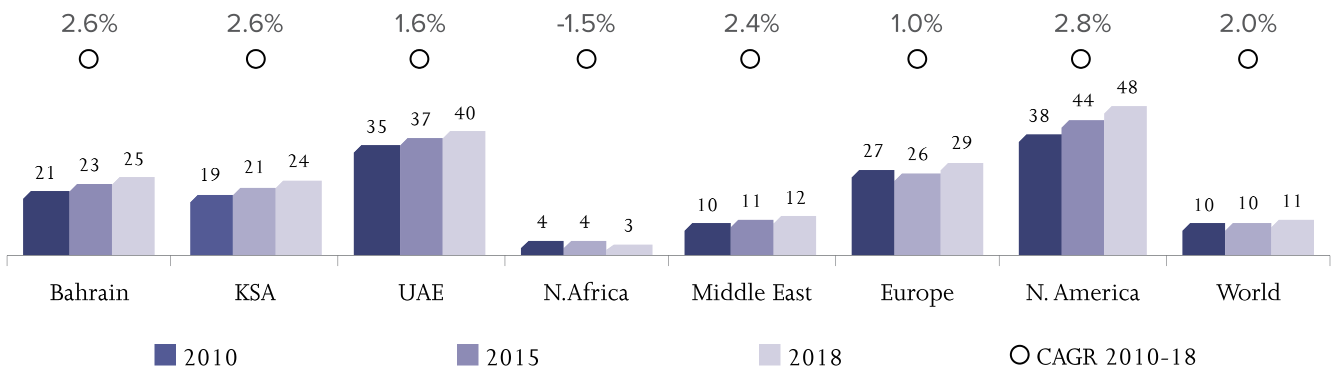
Growing Population Across the GCC (mn)[24]



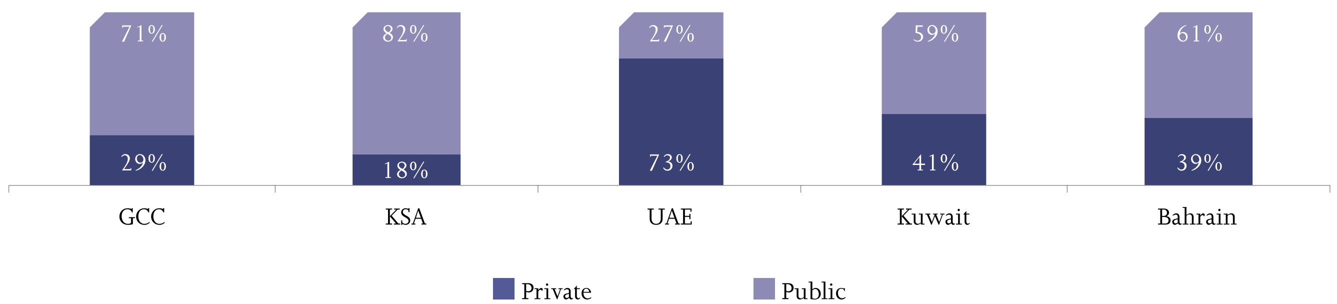
Growing Student-Age Population | Under 15 GCC Population (mn)[25]



Increasing Wealth Across the GCC[26]

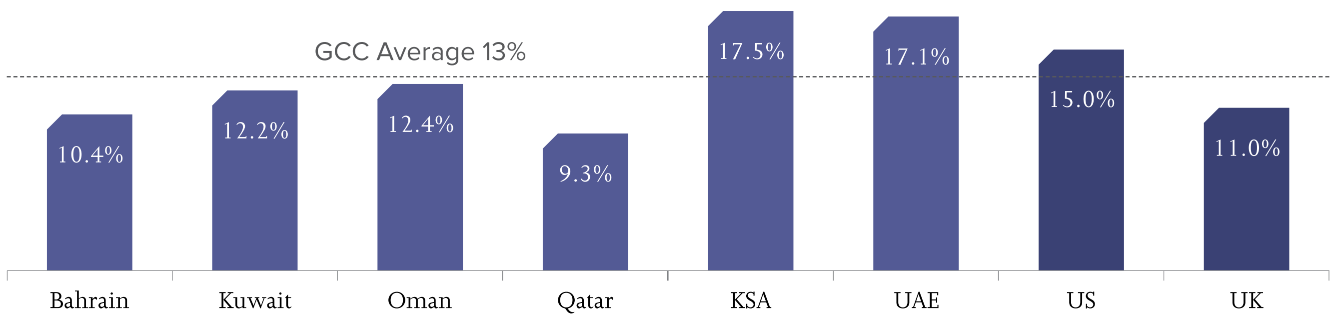


Underpenetrated Private Sector[27]

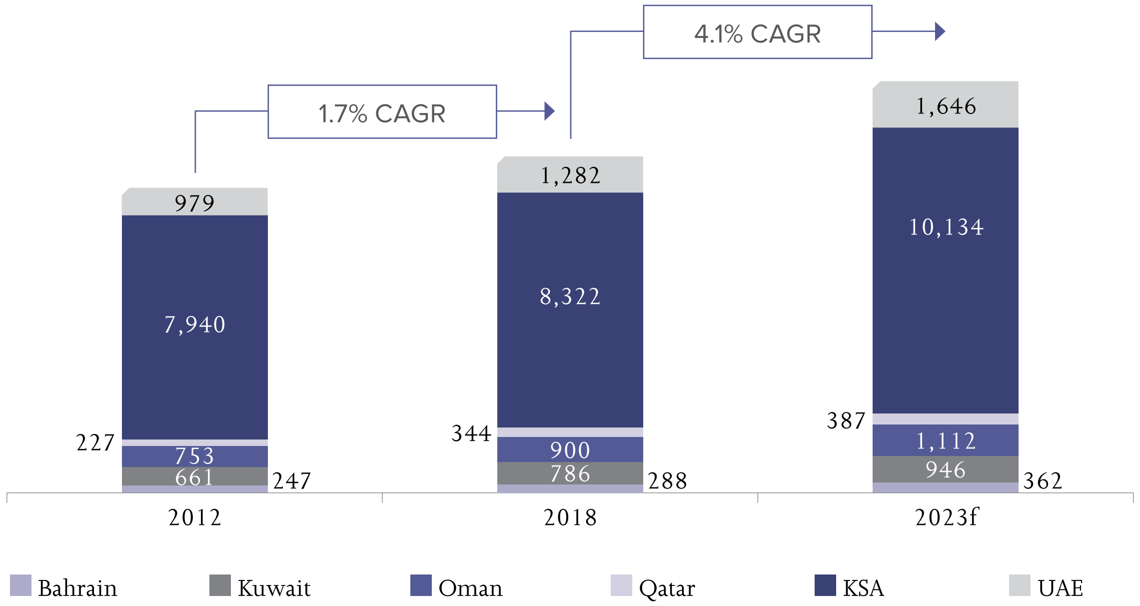


[22] Mordor Intelligence
[23] Technavio Report – E-Learning Market in GCC Countries 2021-2025
[24] IMF, World Bank
[25] IMF, World Bank
[26] IMF Data Mapper
[27] BCG Report

GCC Government Education Budget, 2019 (% of total spending)[28]



GCC Enrolment Trends | Total Enrolments ('000)[29]



UAE

In line with its Vision 2021, the Emirati government has been actively working to enhance the education sector, aiming to improve standards and accessibility while simultaneously attracting more private participation. The sector has been witnessing growing enrollment rates in recent years at both the K-12 and university levels. Growing demand has been supported by both a rising awareness for the importance of early education and the increasingly innovative academic programs and courses being offered by universities around the country.[30] On top of widespread growth in demand, private investors and providers have been flocking to the country attracted by the UAE's increasingly favorable investment regulations. Recent initiatives have included the introduction of ownership laws that allow for 100% foreign investor ownership of companies and 10-year residency visa options.[31] All in all, the UAE's education sector has recovered from the temporary shock related to the outbreak of COVID-19, and is forecasted to grow at a CAGR of 2% between 2020 and 2025.[32]

KSA

The education sector has, in recent years, been a key sector of focus for the Saudi Arabian government, often accounting for the highest proportion of yearly government expenditures. In fact, in 2020 education accounted for 18.9% of total government expenditures compared to 12.1% for OECD member countries. As part of its Vision 2030, the government has set out a series of initiatives and reforms aimed at improving education quality and accessibility, to ensure local education programs can compete internationally and attract local students back into the Kingdom. To deliver on its long-term vision, in mid-2021 the Saudi government announced its Human Capability Development Program, which includes a more updated action plan and specific targets for the country's education sector.[33]

Attracting private and foreign participation into the sector is a key area of focus for the government. Notable reforms introduced by the government have included the increase of foreign ownership limits in education to 100%, the introduction of regulations to encourage private-public partnerships in education, and the lifting of a ban on Saudi parents enrolling children in private international schools. As a result of recent reforms, Saudi Arabia's private and international education segment is expected to account for the majority of growth in the GCC market in the coming years, with the segment estimated to be worth approximately USD 12 billion by 2023.[34] As part of its efforts to encourage private participation, the Ministry of Education is marketing the sector to local and international investors. In January 2020 the government concluded a roadshow covering several cities in Saudi Arabia to attract private investors to fund, construct and manage schools, and provide educational services in the Kingdom. Following the roadshow, the government announced the signing of investment deals worth a total of USD 773 million.[35] Foreign participation in the sector is also supported by the country's attractive demographic profile, including a school-age population that is almost three times that of the rest of the GCC, a growing interest towards private education from locals, as well as a higher acceptance of foreign curricula.[36]

Other Markets

Other markets across the wider MENA region feature similar landscapes as those currently present in the GCC. Egypt's private education sector is amongst the most attractive for potential investors. The country currently boasts the region's largest schooling age population at more than 23 million. This number is forecasted to reach 34 million by 2030. Egypt's private schooling sector is forecasted to witness the largest increase in demand over the coming ten years, with private school enrolments expected to grow at a CAGR of 6.3% between 2020 and 2030. Private participation is also being encouraged by favorable government initiatives including the recent scrapping of a 20% cap on foreign ownership of schools. In the coming years, Egypt is poised to represent one of the most attractive destinations in the Middle East for investors aiming to gain a foothold in the region's education sector.[37]

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[28] Ministry of Finance & Ministry of Education of respective countries *[29] UNESCO, Statistics authorities of respective countries, GFH Analysis*
[30] Technavio Report – Education Market in UAE, Forecast and Analysis 2021-2025 *[31] PWC Report - Education Sector in UAE*
[32] Technavio Report – Education Market in UAE, Forecast and Analysis 2021-2025 *[33] Vision 2030 – Human Capability Development Program*
[34] Oxford Business Group *[35] Oxford Business Group* *[36] Knight Frank's Saudi Arabia 2021 Education report*
[37] Colliers International – Egypt K-12 Education Sector Market Overview

ESG

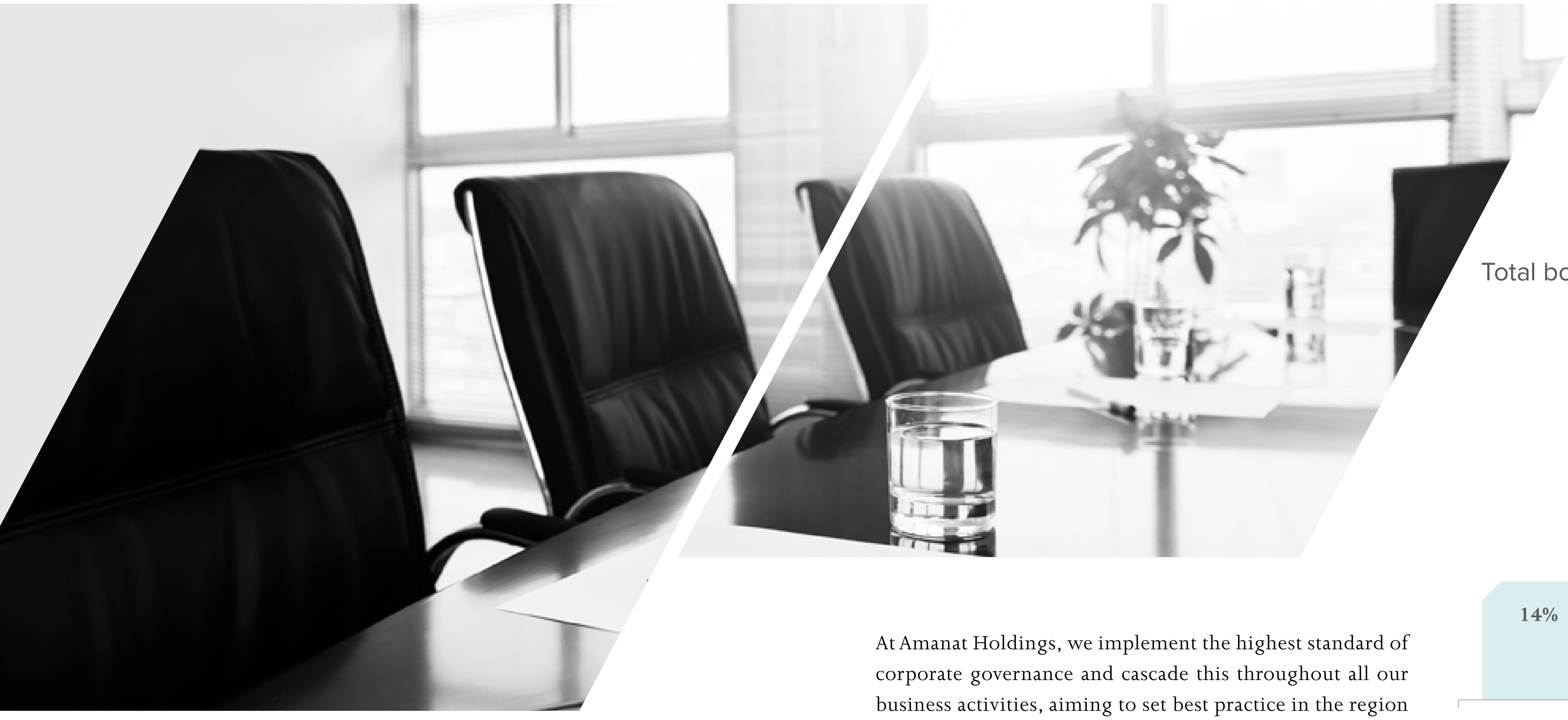
At Amanat, we want to ensure that ESG is at the heart of all the decisions we make so that we can continue to deliver sustainable value to all stakeholders.

ESG

Amanat Holdings' Sustainability Journey

Introduction

Through this ESG insert, we disclose our annual performance regarding environmental, social and governance issues. All KPI's and metrics included in this insert are in alignment with the Dubai Financial Market (DFM) Guidance on ESG Disclosure, and for the period between 1 January and 31 December 2021.



We consider sustainability and promoting social change as key priorities of our overall business strategy. As we embark our sustainability journey in 2022, we aim to become an exemplary model for companies listed on DFM and in the UAE in general. Through our main focus on healthcare and education investments, we aspire to have a positive contribution to the society. Additionally, Amanat aims to integrate sound practices and investments into our operations, while nurturing projects that will create social impact.

Over the course of the next months, we will establish a clear sustainability roadmap for the coming years which will guide our efforts and investment decisions going forward. As the first step, we will complete a materiality assessment to identify Amanat Holdings' priority issues in environmental, social and governance areas. Following the assessment, we will establish our sustainability framework, using information gathered through materiality assessment, literature reviews and global sustainability trends and standards, to clearly define our approach to sustainability. While we develop our ESG roadmap, we will also develop our first standalone Sustainability Report, which will demonstrate our contributions to the UAE, as well as help to achieve Amanat's objectives and vision and manage and disclose our performance.

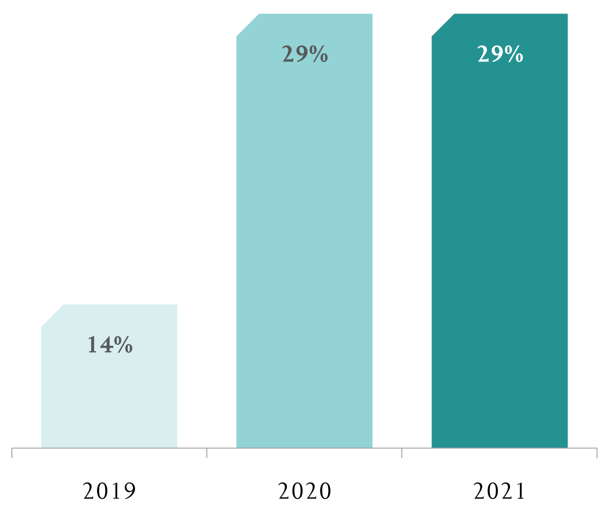
Our Economic Impact

Amanat's value creation model is based on ensuring sustainable growth and driving competitive differentiation, through establishing strong partnerships with its stakeholders and portfolio companies. We follow a hands-on approach to drive long term strategy and assist the execution of corporate finance transactions and optimal capital structure.

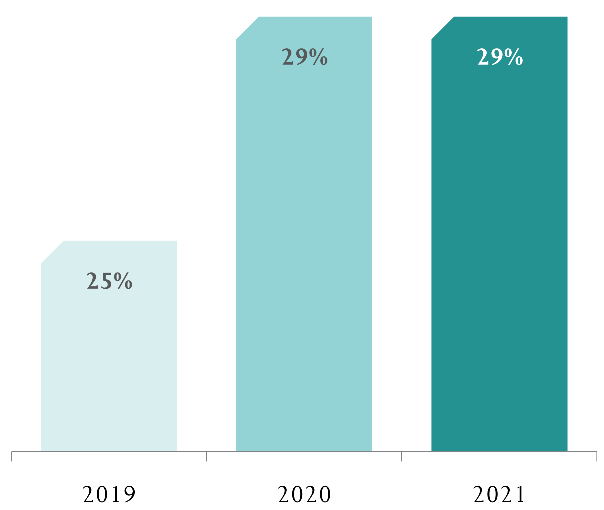
At Amanat Holdings, we implement the highest standard of corporate governance and cascade this throughout all our business activities, aiming to set best practice in the region and to drive our competitive advantage. Through the corporate governance framework, Amanat Holdings protects the interests of all stakeholders, including shareholders, employees, co-investors and investee companies. The Board of Amanat is responsible for overseeing, counselling, and directing senior management and the Board Committees while ensuring effective leadership of the Group in delivering sustainable value for all stakeholders. The Board of Directors holds the responsibility for establishing and overseeing Group's risk management framework and the senior management is responsible for developing, monitoring risk management policies, and regularly reporting to the Board of Directors.

At Amanat, we value diversity and actively work to increase female representation in executive level. In this context, the percentage of board seat occupied by women increased from 14% to 29% in two years. Accordingly, occupation of committee chairs by women rose from 25% to 29%.

Total board seats occupied by women



Committee chairs occupied by women



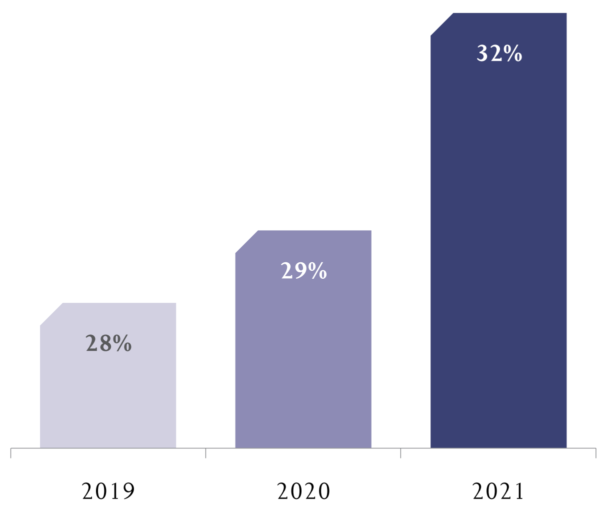
DFM Disclosure	#	Governance performance KPIs	Unit	2019	2020	2021
G1. Board Diversity	G1.1	Total board seats occupied by men	%	86%	71%	71%
	G1.1	Total board seats occupied by women	%	14%	29%	29%
	G1.2	Committee chairs occupied by men	%	75%	71%	71%
	G1.2	Committee chairs occupied by women	%	25%	29%	29%
G2. Board Independence	G2.1	Does company prohibit CEO from serving as board chair?	Yes/No		Yes	
	G2.2	Total board seats occupied by independent board members	%	100%	100%	100%
G3. Incentivized Pay	G3.1	Are executives formally incentivized to perform on sustainability?	Yes/No		Yes	
G4. Collective Bargaining	G4.1	Total enterprise headcount covered by collective bargaining agreement(s)	%		N/A	
G5. Supplier Code of Conduct	G5.1	Are your vendors or suppliers required to follow a Code of Conduct?	Yes/ No		Amanat's HR Policy includes a CoC that covers suppliers. N/A	
	G5.2	If yes, what percentage of your suppliers have formally certified their compliance with the code?	%			
G6. Ethics & Prevention of Corruption	G6.1	Does your company follow an Ethics and/ or Anti-Corruption policy?	Yes/No		Yes	
	G6.2	If yes, what percentage of your workforce has formally certified its compliance with the policy?	%			
G7. Data Privacy	G7.1	Does your company follow a Data Privacy policy?	Yes/No		Yes	
	G7.2	Has your company taken steps to comply with GDPR rules?	Yes/No			
G8. Sustainability Reporting	G8.1	Does your company publish a sustainability report?	Yes/No		We will publish our first Sustainability Report in 2022.	
	G8.2	Is sustainability data included in your regulatory filings?	Yes/No			
G9. Disclosure Practices	G9.1	Does your company follow reporting frameworks?	Yes/No		The 2021 Sustainability Report will follow GRI: Core option.	
	G9.2	Does your company focus on specific UN Sustainable Development Goals (SDGs)?	Yes/No		The 2021 Sustainability Report will focus on related SDGs.	
	G9.3	Does your company set targets and report progress on the UN SDGs?	Yes/No		No	
G10. External Assurance	G10.1	Are your sustainability disclosures assured or validated by a third party?	Yes/No		No	

Our Social Impact

As the region's largest integrated healthcare and education investment company, we believe that a smarter, healthier society is a more successful one and our skilled teams work tirelessly to support and empower like- minded business champions. Amanat approach to investments aligns with national goals and ensures we work with ethically, socially responsible companies who share our goal of establishing happier and more productive communities.

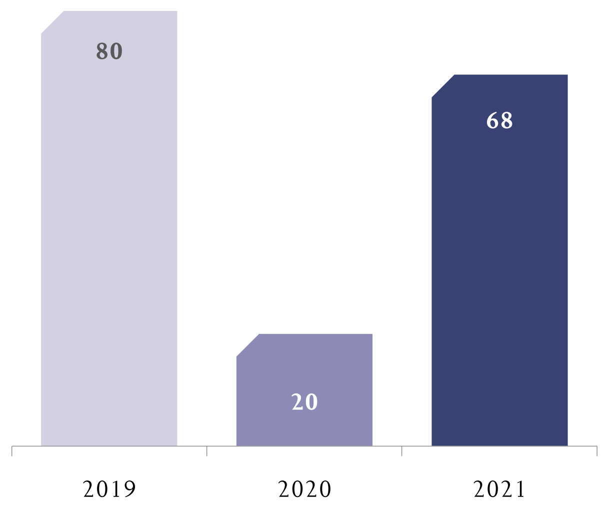
We believe in the numerous benefits of a diverse and inclusive work environment. This is why, starting from executive level, we take action to increase female employment. When working with recruitment companies on filling open positions, we require them to provide at least one female candidate for the related open position. The target going forward will be that at least 30% of the CVs are from female candidates and to ensure that at least one female candidate gets interviewed. Currently, 32% of our employees are female, with an increase from 28% back in 2019.

Total enterprise headcount held by women



Amanat considers its human capital a fundamental in delivering its "vision of being your global investment partner of choice in health and education". Amanat aims to provide an inclusive, diverse and a healthy work environment to all its employees. With the nature of its work- creating smarter kids and healthier people- Amanat puts immense importance into attracting and retaining the best talents in the region, providing abundant training opportunities to develop skills and support career advancement and development. We govern with non-discrimination at all aspects of employment, including but not limited to selection, compensation, training and access to benefits. Based on an employee's year-end performance and goals set for the coming year, employees, line managers and HR department assess the need for training and completes a Training Needs Analysis (TNA).

Total Hours of Training Given



The company manages its relationship with its employees through Human Resources Policy Manual, outlining rights, obligations of both parties. In addition to the Policy, The Code of Conduct outlines the expectation of Amanat Holdings of its employees, suppliers and partners. Holding itself to the highest ethical standards, Amanat places the Code of Conduct to the center of its relationship with all stakeholders, including its shareholders.

Amanat Holdings prioritizes health, safety, and welfare of all employees. In this regard, we promote health and safety at work, ensuring that measures are taken by the management and fulfilled at all levels.

Amanat seeks to contribute to a diverse array of corporate social responsibility (CSR) programs to broaden its reach and generate maximum impact for local communities.

DFM Disclosure	#	Social performance KPIs	Unit	2019	2020	2021
S1. CEO Pay Ratio S1.1	S1.1	Ratio: CEO total compensation to median FTE total compensation	AED			6
	S1.2	Does your company report this metric in regulatory filings?	Yes/No			
S2. Gender Pay Ratio	S2	Ratio: Median male compensation to median female compensation	AED			1.59
S3. Employee Turnover	S3.1	Year-over-year change for full-time employees	#	8	8	3
	S3.2	Year-over-year change for part-time employees	#	0	0	0
	S3.3	Year-over-year change for contractors and/or consultants	#	0	0	0
0S4. Gender Diversity	S4.1	Total enterprise headcount held by women	%	28%	29%	32%
	S4.2	Mid-level positions held by women	%			
	S4.3	Senior- and executive-level positions held by women	%			
S5.Temporary Worker Ratio	S5.1	Total enterprise headcount held by part-time employees	%	0	0	0
	S5.2	Total enterprise headcount held by contractors and/or consultants	%	0	5%	7%
S6. Non-Discrimination	S6.1	Does your company follow a sexual harassment and/or non-discrimination policy?	Yes/No	Yes, a non-discrimination policy is in place.		
S7. Injury Rate	S7.1	Frequency of injury events relative to total workforce time	%	0	0	0
S8. Global Health & Safety	S8.1	Does your company follow an occupational health and/or global health & safety policy?	Yes/No	Amanat's Human Resources Policy includes a health and safety policy.		
S9. Child & Forced Labour	S9.1	Does your company follow a child and/or forced labour policy?	Yes/No	No		
	S9.2	If yes, does your child and/or forced labour policy also cover suppliers and vendors?	Yes/No	No		
S10. Human Rights	S10.1	Does your company follow a human rights policy?	Yes/No	No		
	S10.2	If yes, does your human rights policy also cover suppliers and vendors?	Yes/No	No		
S11. Nationalisation	S11.1	Percentage of National employees	%	10%	14%	4%
	S11.2	Percentage of new hires that are Nationals	%	0	0	0
S12. Community Investment	S12.1	Amount of community investment as a % of company revenue	%	N/A	N/A	N/A

Our Environmental Impact

As the climate action gains momentum, Amanat and its portfolio companies aim to create a positive environmental impact through its operations. As our impact is limited to waste production, electricity consumption and municipal water use, we plan to act on these environmental issues in medium term. However, Amanat and its portfolio companies, through several projects and initiatives, focuses on conserving valuable natural resources by reducing consumption and increasing waste recycling. In addition to that, the company invests in newer technologies that consume less energy to reduce its electricity consumption and thus, overall carbon footprint.

Name of the Environmental Initiative	Purpose of the Project
Plastic-Free Initiatives, Upcycle-Recycle	Recycling plastic bottle waste into various items
Going Green	Promoting, establishing renewable energy capacity
100% Paperless Initiative	Reducing paper waste
Reduced Carbon Footprint	Replacing old technologies with newer, less energy consuming alternatives

DFM Disclosure	#	Social performance KPIs	Unit	2019	2020	2021
E1. GHG Emissions	E1.1	Total amount, in CO2 equivalents, for Scope 1 (if applicable)	tons of CO2eq	N/A	N/A	N/A
	E1.2	Total amount, in CO2 equivalents, for Scope 2 (if applicable)	tons of CO2eq	N/A	N/A	N/A
	E1.3	Total amount, in CO2 equivalents, for Scope 3 (if applicable)	tons of CO2eq	N/A	N/A	N/A
E2. Emissions Intensity	E2.1	Total GHG emissions per output scaling factor	tons of CO2eq	N/A	N/A	N/A
	E2.2	Total non-GHG emissions per output scaling factor	tons of CO2eq	N/A	N/A	N/A
E3. Energy Usage	E3.1	Total amount of energy directly consumed	GJ	N/A	N/A	N/A
	E3.2	Total amount of energy indirectly consumed	GJ	N/A	N/A	N/A
E4. Energy Intensity	E4.1	Total direct energy usage per output scaling factor	GJ	N/A	N/A	N/A
E5. Energy Mix	E5.1	Energy usage by generation type	%	N/A	N/A	N/A
E6. Water Usage	E6.1	Total amount of water consumed	m3	N/A	N/A	N/A
	E6.2	Total amount of water reclaimed	m3	N/A	N/A	N/A
E7. Environmental Operations	E7.1	Does your company follow a formal Environmental Policy?	Yes/No	No	N/A	N/A
	E7.2	Does your company follow specific waste, water, energy, and/or recycling polices?	Yes/No	No	N/A	N/A
	E7.3	Does your company use a recognized energy management system?	Yes/No	No	N/A	N/A
E8. Environmental Oversight	E8.1	Does your Board/Management Team oversee and/or manage climate-related risks?	Yes/No	No	N/A	N/A
E9. Environmental Oversight	E9.1	Does your Board/Management Team oversee and/or manage other sustainability issues?	Yes/No	The Board/Management Team oversees waste and energy reduction issues.		
E10. Climate Risk Mitigation	E10.1	Total amount invested, annually, in climate-related infrastructure, resilience, and product development	AED	N/A	N/A	N/A

Corporate Governance

Amanat develops its corporate governance frameworks by adopting best-in-class standards and internal controls that protect the interests of all stakeholders

Corporate Governance

Introduction

At Amanat Holding PJSC (Amanat or the Company), 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 & Commodities Authority of the UAE (SCA). These include the Chairman of SCA's Board of Directors' Decision No. (3RM/2020) 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 Committee, the Nomination and Compensation & Benefits Committee, the Strategies and Investments Committee, and the Venture Capital Committee).

Amanat's robust corporate governance framework is realized through its Board of Directors, multiple Committees, Management, 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 2021

In 2021, 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, financial, and strategic plans or 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 helps navigate the Company's deployment strategy in the short to medium term.

Amanat has continuously strengthened its governance practices and 2021 was no exception. In fact, 2021 was a transformational year for Amanat. The Board of Directors proactively and continuously worked with Management to:

- Effectively manage the impact of COVID-19 on the operations of Amanat and its portfolio companies, while ensuring the ongoing delivery of sustainable returns to its shareholders.
- Ensure business continuity through extensive preparation and capabilities, whether across health and safety, digitization of workstreams, remote work capabilities, and flexibility for working mothers during remote learning periods.
- Appoint qualified non-executive members to its committees to add supplementary value and convey the strategy and 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 has resulted in a series of recognitions from the Board and is clearly reflected in Amanat's performance and achievements in 2021.
- Provide equal opportunity for all employees at Amanat while increasing the number of female employees as well as having increased participation of females at the Board and committee level.

Share Dealings

Acquisitions and sales of the Company's Shares by Directors, officers and employees during the year 2021 (inclusive of spouses, children, first degree relatives, and wholly owned subsidiaries):

Ser.	Name	Position / Kinship	Owned shares as on 31/12/2021	Total sale	Total purchase
	Mr.Hamad Rashed Nehail Alnuaimi	Board Member	18,650,000	0	0
1	Ms. Latifa Rashed Al Nuaimi	Sister	1000,000	5,782,285	2,639,285
	M/s Al Hosn Al Gharbi	Owned by Hamad Alnuaimi, Board Member	3,111,991	3,940,000	0
2	Dr. Shamsheer Vayalil	Board Member	525,236,000	0	0
3	M/s FAA Capital Investment – Sole Proprietorship LLC	Owned by Dhafer Sahmi Al Ahbabi, Board Member	30,185,131	0	0
4	Dr. Ali Saeed Bin Harmal Aldhaheri	Board Member	25,907,697	0	0

Corporate Governance

Board of Directors

Amanat's Board of Directors is comprised of seven members, a majority of whom are UAE nationals, including the Chairman. The Board comprises several Non-Executive Directors. The majority of the Board are 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 at 29%.

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; sets the Code of Conduct for the Board and the Company 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

H.E. Mr. Hamad Alshamsi
Position: Chairman of The Board of Directors

Category: Non-Executive

Experience: H.E. Alshamsi is a UAE national and has a wealth of experience that spans more than two decades, overseeing several businesses across multiple fields, including financial services and investments.

H.E. Alshamsi served in the Abu Dhabi Investment Authority prior to moving to the Private Department of His Highness, the late Sheikh Zayed Bin Sultan Al Nahyan. He is currently the CEO of a private investment company specializing in investments and large-scale real estate development projects.

H.E. Alshamsi is a Board Member of several leading institutions engaged in commercial, financial, and service based activities in the UAE, including Dubai Islamic Bank and Kuwait Food Company. His former Board appointments include Abu Dhabi Securities Exchange, Media Zone Authority, Abu Dhabi Council for Economic Development, Al Qudra Holding, Finance House, Al Hilal Bank, Abu Dhabi Aviation, Abu Dhabi Airports Company and Etihad Airways.

Qualifications: H.E. Al Shamsi holds a Bachelor's degree in Business Administration from UAE University and an MBA majoring in finance and banking.

Period served as a Board Member of the Company: Since his first election date on 16 November 2017.

H.E. Mr. Hamad Rashed Nehail Alnuaimi
Position: Board Director

Category: Non-Executive

Experience: H.E. Alnuaimi is a UAE national. With a career spanning over 22 years, H.E. Hamad is dedicated to the growth of the region. He holds several executive positions, and serves as a Board Member on numerous leading investment, real estate, and public sector institutions. He is currently Assistant Undersecretary of Financial Affairs at the Ministry of Presidential Affairs, Managing Director at the office of H.H. Sh. Nahyan Bin Zayed Al Nahyan, Managing Director at the office of H.H. Sh. Dheyab Bin Zayed Al Nahyan, and a Board Member at Arab International Bank, Daman Investments, and Reem Investments.

Previously, H.E. Hamad Alnuaimi was a Board member at National Investment Corporation and Al Mal Capital, as well as Vice Chairman at First Energy Bank.

Qualifications: H.E. Hamad holds a Bachelor's degree in Accounting from the University of Emirates.

Period served as a Board Member of the Company: Since he was elected at the Company's General Assembly meeting on 16 November 2017.

Dr. Shamsheer Vayalil
Position: Vice Chairman

Category: Non-Executive

Experience: Dr. Shamsheer is an Indian national and serves as the Chairman and Managing Director of VPS Healthcare, one of the region's leading healthcare groups in the Middle East. Under his leadership, the group succeeded in expanding its operations across four countries, in 22 hospitals and over 125 medical centers, as well as establishing one of the largest pharmaceutical plants in the UAE. He is also an active member of the UAE Medical Council; Advisory Board at the Faculty of Medicine, University of Sharjah College of Medicine; Board of Directors of Abu Dhabi University; Board of Directors of Kannur International Airport Ltd.; Kerala Non-Resident Keralites Welfare Board, an entity with quasi-judicial powers established in the Indian state of Kerala to protect the rights, interests and properties of non-resident Indians (NRIs) from Kerala.

In 2015, Dr. Shamsheer was awarded the United Nations GPF Global Humanitarian Award, for his active involvement in performing free heart surgeries, aid relief and healthcare assistance to Syrian refugees. He also received the Pravasi Bharatiya Samman Award by the Government of India, the highest recognition awarded to non-resident Indians (NRIs). Dr. Shamsheer was nominated as one of the Top Indian Leaders in the Arab World by Forbes Middle East in 2014. He also holds numerous other awards celebrating his leadership and philanthropic achievements.

In 2018, Dr. Shamsheer joined the Giving Pledge, a campaign launched by Bill and Melinda Gates and Warren Buffett to dedicate most of their wealth to philanthropic causes. He played a significant role in expanding the campaign's philanthropic outreach in terms of population health.

Qualifications: Dr. Shamsheer holds a Master's degree in medicine from the University of Sri Ramachandar in India and a Bachelor of Medicine from the University of Kasturba in India. He holds an honorary doctorate from the Aligarh Muslim University.

Period served as a Board Member of the Company: Since his first election date on 16 November 2017.

Mrs. Elham Al Qasim
Position: Board Director
Category: Non-Executive

Experience: Mrs. Al Qasim Elham Al Qasim serves as Digital14's Chief Executive Officer, steering the organization's strategic direction, and leading over 1,000 staff in their purpose-driven work to deliver trust in digital arenas so that clients can innovate and fulfil their potential.

Prior to joining Digital14, she enjoyed a global career with executive roles in investment and asset management. More recently, Mrs. Elham served as CEO of Abu Dhabi Investment Office (ADIO) and Executive Director of the Ghadan 21 program at the Abu Dhabi Executive Office where she led the strategic planning for the government's three-year, AED 50 billion investment program aimed at accelerating Abu Dhabi's economy.

Prior to this, Mrs. Elham was a Director of Mubadala Investment Company, focusing on Mubadala's technology and industry portfolio. Her responsibilities included building investment/entry strategy, business development, value creation, and post-acquisition asset management in sectors including metals and mining, semiconductors, and technology. During this time, Mrs. Elham also served on the executive leadership team of Emirates Global Aluminum and delivered a two-year post-merger integration program.

Mrs. Elham has served on several boards and is currently a Board Member of the Khalifa Fund, a government-owned SME Fund.

Mrs. Elham's international career includes time spent at JPMorgan Investment Bank, where she was part of the Global Diversified Industrials Team based in London handling M&A transactions in chemicals, metals and mining, and infrastructure.

Mrs. Elham was nominated to join the list of the world's most promising leaders under the age of 40 by the Forum of Young Global Leaders, a community created by the World Economic Forum to enable the next generation of leaders to influence decision-making and mobilize transformation.

Qualifications: Mrs. Al Qasim holds an MSc from the School of Social Policy at the London School of Economics and a Bachelor of Business from the American University in Dubai.

Period served as a Board Member of the Company: Since her appointment at the Company's Board Meeting held on 13 February 2020.

Mrs. Sara Khalil Nooruddin
Position: Board Director
Category: Non-Executive

Experience: Mrs. Sara Khalil Nooruddin is the Head of Private Investments at Osool Asset Management, where she has years of experience in private investing and is responsible for sourcing, evaluating, and monitoring fund managers and investment opportunities globally. Osool is the investment arm of the Social Insurance Organization and the Military Pension Fund in Bahrain. She covers multiple asset classes, namely private equity, real estate, infrastructure and private debt. She has been with Osool since 2013. Prior to joining, Mrs. Nooruddin was a private equity analyst at Gulf International Bank (GIB).

Mrs. Sara currently serves on the board of a London-based real estate company, Aegila Capital Management and the Royal Hospital for Women and Children (RHWC) in Bahrain. She previously served on the Board of the Gulf Medical and Diabetes Center.

Qualifications: Mrs. Nooruddin holds a BBA with a concentration in finance from George Washington University, USA and is a certified Chartered Financial Analyst (CFA).

Period served as a Board Member of the Company: Since her appointment at the Company's Board Meeting held on 8 August 2019.

H.E. Dr. Ali Saeed Bin Harmal Aldhaheri
Position: Board Director
Category: Non-Executive

Experience: H.E. Dr. Aldhaheri has over two decades of experience in business and a proven track record of success. Upon completing his MBA with distinction at the American University in Washington DC, H.E. Dr. Aldhaheri put his knowledge to work in founding, launching, and managing several successful business entities across a number of different sectors: IT, finance, education, tourism, and real estate. Recently, in keeping with his philosophy of continual learning, H.E. Dr. Aldhaheri completed his PhD at Durham University.

H.E. Dr. Aldhaheri has been involved at a high level with government tourism and development strategy, MICE and education management, to name a few.

H.E. Dr. Aldhaheri currently holds a number of key positions, including Chairman and Founder of Abu Dhabi University, CEO of Abu Dhabi University Holding Company, Managing Director of Bin Harmal Group, Chairman of Liwa Education, and Magna Investments.

H.E. Dr. Aldhaheri serves on various boards and committees, including Al Ramz Corporation, the Economic Cooperation Committee for Government and Private Sectors Abu Dhabi, Mohamed Bin Zayed University for Humanities, and Sandooq al Watan. He also serves as the First Vice Chairman of the Abu Dhabi Chamber of Commerce's Board of Directors.

Qualifications: H.E. Dr. Aldhaheri holds an MBA with distinction from the American University in Washington DC

Period served as a Board Member of the Company: Since the date of his election at the Company's General Assembly meeting on 15 November 2020.

H.E. Mr. Dhafer Sahmi Al Ahbabi
Position: Board Director
Category: Non-Executive

Experience: H.E. Dhafer is an accomplished executive, investor, and entrepreneur with over 25 years of experience in managing investments. By capitalizing on his sharp business acumen, technical expertise, interpersonal skills, and strategic mindset, among other attributes, H.E. Dhafer was instrumental in penetrating new markets and achieving unprecedented growth for the companies he has previously founded and managed.

H.E. Dhafer has an external appointment as Chairman at Al Ramz Corporation PJSC. His previous appointments include a leadership position at Abu Dhabi Investment Authority; acting as a Board Member at First Gulf Bank, Abu Dhabi Islamic Bank, Invest Bank, and Al Wathba Insurance; and as the founder as well as a Board Member at Aabar Investments and Abu Dhabi University Holding Group.

Qualifications: H.E. Dhafer Al Ahbabi holds a Bachelor's degree in Economics from Alain University in the United Arab Emirates.

Period served as a Board Member of the Company: Since his election at the Company's General Assembly meeting on 15 November 2020.

Statement of the following:

1. The total remunerations paid to the Board Members for 2020.
   The General Assembly approved the proposal by the Board of Directors to withhold remuneration.
2. The total remunerations paid to the Board Members for 2021.
   The proposed amount (subject to the General Assembly approval) is AED 8,583,500.
   Details of the allowances for attending sessions of the committees emanating from the Board, which were received by the Board Members for the 2021 fiscal year, according to the following schedule:
3. No allowances paid to the Board Members for attending committee meetings for 2021.
4. Details of the additional allowances, salaries or fees received by a Board Member other than the allowances for attending the committees.
   None.

Ser.	Date	Attendees	Proxy	Names of absent members
1	10/02/2021	7	--	
2	25/02/2021	6	1	
3	09/11/2021	7	--	
4	20/12/2021	5	1	Dr. Shamsheer Vayalil

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

Number of the Board resolutions passed during the 2021 fiscal year, along with meeting convention dates.
1. Board Resolution number 1 of 2021, dated 22 April 2021.
2. Board Resolution number 2 of 2021, dated 10 May 2021.
3. Board Resolution number 3 of 2021, dated 14 August 2021.

Evidence: The Company disclosures on the market website about the Board resolutions (disclosed on DFM electronic portal).

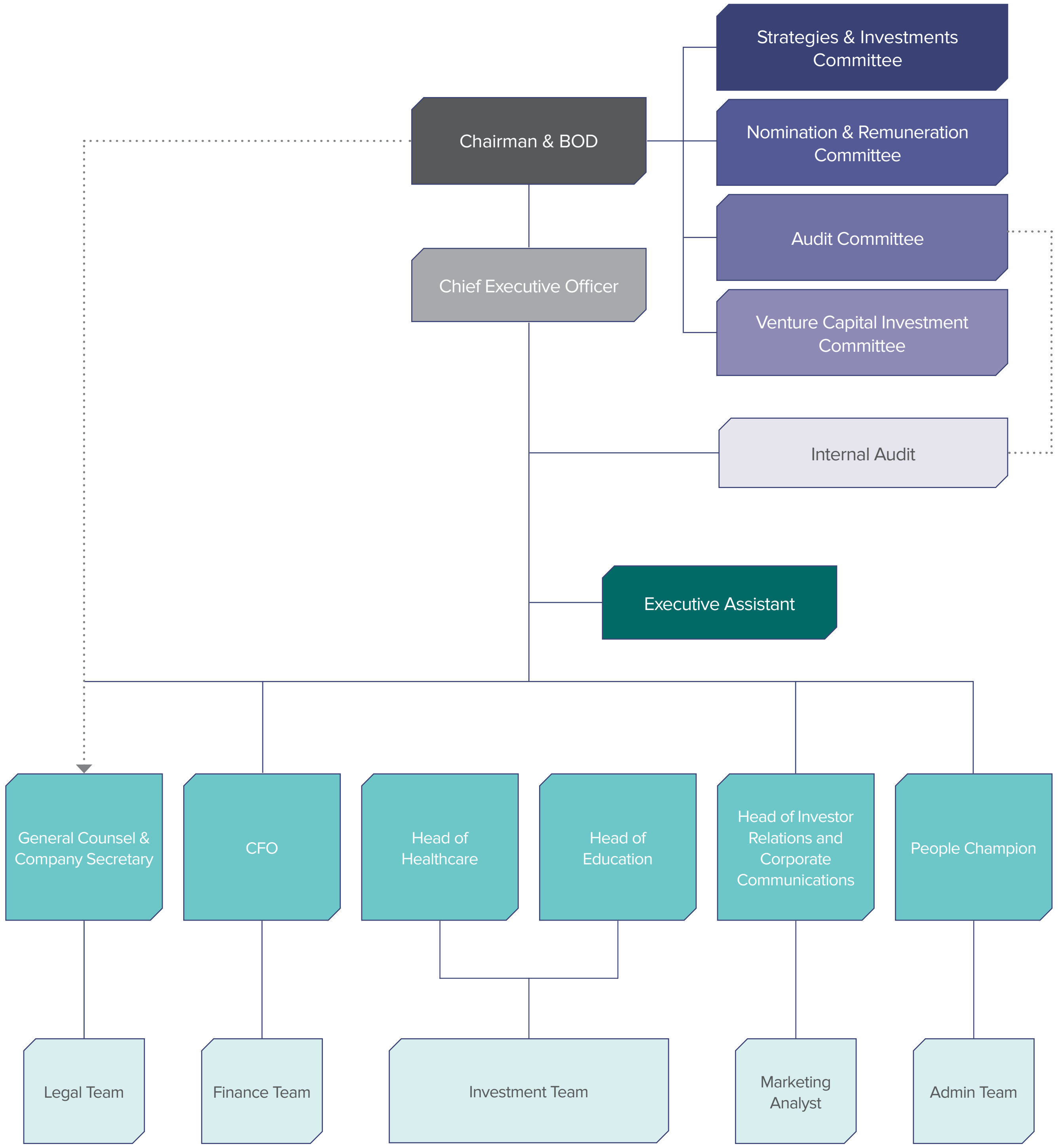
Duties and powers exercised by Board Members, or Executive Management members during 2021 based on authorization from the Board:

Ser.	Name of the authorized person	Power of authorization	Duration of authorization
1	Mr. Hamad Alshamsi	Jointly with other members of the Board to the extent permitted by the law, governing rules, and articles of the Company.	From 22 November 2017 till the present.
2	Dr. Mohamad Hamade	In accordance with the internal authority matrix of the Company.	From 1 May 2020 till the present.

Statement of the details of transactions made with the related parties (stakeholders) during 2021, provided that it shall include the following:

- No transactions made with the related parties (stakeholders) during 2021.
- 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.

Amanat Holdings Organization Structure



The following table contains salaries and benefits paid to the relevant members of Amanat's Executive Management in 2021. The figures are prorated to service tenure during the year.

Position	Appointment date	Total salary and allowances paid	Total bonuses paid	Other benefits for 2021 or in the future
Chief Executive Officer	28 Nov 2017	2,520,000.00	7,835,000	--
Chief Finance Officer	19 Sept 2021	510,000.00	450,000	--
Head – Healthcare Investments	22 Apr 2018	1,259,000.00	3,197,000	--
Head – Education Investments	06 Apr 2015	960,000.00	2,960,000	--
Head of Investor Relations – Investor Relation	1 Sept 2019	786,290.32	300,000	--
General Counsel, Compliance Officer, and CoSec	29 Apr 2018	922,800.00	873,000	--
People Champion – Human Resources	12 Sept 2021	200,417.83	156,000	--

Emiratization percentage:

Year	No. of Emiratis	Total Staff	% of Emiratis
2019	3	29	10%
2020	3	20	15%
2021	1	25	4%

Permanent Sub-Committees to 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 Committee, the Nomination and Compensation, and Benefits Committee, and the Strategies and Investments Committee.

Audit Committee

The Committee is comprised of the following members:

1. Dr. Ali Saeed Sultan Bin Harmal Aldhaheri, Chairman
2. Mr. Dhafer Sahmi Jaber Mufreh Al Ahbabi, Member
3. Mr. Laith Alfraih, Member

Amanat's Audit Committee 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 Audit Committee submits its recommendations to the Board in regards 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 Committee 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, scope of the auditing process and its effectiveness according to the approved auditing standards.

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

Dr. Ali Bin Harmal Aldhaheri, Audit Committee Chairman, acknowledges his responsibility for the committee system in the Company, the review of its work mechanism and ensuring its overall effectiveness.

The Audit Committee met five times during the year as outlined below:

Committee member	Position	10 Feb 2021	24 Feb 2021	10 May 2021	11 August 2021	10 Nov 2021
Dr. Ali Bin Harmal Aldhaheri	Chairman	Attended	Attended	Attended	Attended	Attended
Mr. Dhafer Al Ahbabi	Member	Attended	Attended	Proxy to Chairman	Attended	Attended
Mr. Laith Alfraih	Member	Attended	Attended	Attended	Attended	Attended

External Auditor

A. Submit an overview of the company auditor to shareholders.

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 which are separate legal entities in individual countries. It has 250,000 employees in over 700 offices across 150 countries and global revenue of US$34.8 billion. EY provides assurance (including financial audit), tax, consulting, and advisory services to companies.

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

Details of the fees paid to EY for the Financial Year 2021 auditing services:

Name of the audit office and partner auditor	Ernst and Young Middle East Partner Name: Mr. Ashraf Abu-Sharkh
Number of years served as the company external auditor	3
The number of years that the partner auditor spent auditing the company's accounts	3
Total audit fees for 2021 in (AED)	AED 415,000
Fees and costs of private services other than auditing the financial statements for 2021, if any. In case of absence of any other fees, this must be expressly stated.	AED 122,500
Details and nature of the other services, if any. If there are no other services, this matter shall be stated expressly.	Review of CMRC PPA report, impairment testing and valuation reports, translation, and issuing other unaudited FS.
Statement of other services that an external auditor other than the company accounts' auditor provided during 2021, if any. In the absence of another external auditor, this matter must be explicitly stated.	None

No reservations were included in the interim and annual financial statements for 2021.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee establishes the policies for bonuses, privileges, incentives and salaries for all company personnel, including Board Members. It determines the Company's executive and staff qualification requirements and sets the 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.

Among its responsibilities, the Committee verifies periodically the permanency of independence of independent Board Directors.

The Committee comprises the following members:
1. Mr. Dhafer Sahmi Jaber Mufreh Al Ahbabi, Chairman
2. Ms. Elham Al Qasim, Member
3. Ms. Sara Khalil Ebrahim Nooruddin, Member
4. Mr. Peter Christie, Member (joined in Nov. 2021)

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 two times during the year as per the following:

Committee member	Position	09 Feb 2021	3 Nov 2021
Mr. Dhafer Al Ahbabi	Chairman	Attended	Attended
Ms. Elham Al Qasim	Member	Attended	Attended
Ms. Sara Nooruddin	Member	Attended	Attended
Mr. Peter Christie	Member	----	Attended

Strategies and Investments Committee

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.

The Committee is comprised of:

1. Mr. Hamad Abdulla Alshamsi, Chairman
2. Ms. Sara Khalil Nooruddin
3. Dr. Mohamad Hamade
4. Dr. Ali Saeed Sultan Bin Harmal Aldhaheri
5. Mr. Dhafer Sahmi Jaber Mufreh Al Ahbabi

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

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, even if they are over the delegated level of authority.

The Committee may engage and pay or cause to engage and approve the pay of financial, commercial, and 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 six times during the year with full quorum.

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 Company's General Counsel and Head of Investor Relation have maintained the Insider List and continue to notify its members of prohibition in dealings periods. The committee is 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.
- Establishing and maintaining an Investor Relations Communication and Trading Policy.

In 2021, the Committee created, maintained, and updated the Insider List on a quarterly basis and reported it to the Dubai Financial Market. The Committee also cross-checked the Insider List with the Company's shareholder register to identify and monitor any potential transactions by insiders. Finally, the Committee ensured continued compliance with all applicable laws and regulations.

Internal Control and Compliance

The Internal Control and Compliance function is responsible for the ongoing monitoring and reporting to the Audit Committee of all aspects of Amanat's compliance with its policies, procedures, ethics requirements and Code of Conduct, as set out and approved by the Board of Directors and Board Committees. Key responsibilities include reporting on significant risk exposure and control issues, as part of its broader monitoring and evaluation of Company governance and risk management processes. The Internal Control and Compliance function also evaluates risks related to achieving the organization's strategic objectives; checks company systems that are used to ensure compliance with policies, plans, procedures, laws, and regulations; and monitors the alignment of results with established objectives and goals. The function also assesses the means used to safeguard company assets; the efficiency and effectiveness with which Company resources are deployed; and the reliability and integrity of all types of information used by the Company.

During 2021, Amanat focused heavily on internal controls and Grant Thornton was assigned to conduct internal audits for Finance and Procurement Departments. Audit reports for these areas have been submitted to the relevant process owners and action plans have been drafted and presented to the Audit Committee.

Follow-up audits for Finance and Procurement functions have been scheduled for Q1 of 2022 to assist management in ensuring the effective implementation of action plans.

A Risk Assessment exercise was also performed by Grant Thornton at a corporate level for the functions listed below:
- HR and Admin
- Procurement
- IT
- Investor Relations and Marketing
- Investments
- Legal, Governance, and Compliance

The purpose of the Risk Assessment was to identify risks that may hinder departments from achieving their objectives, as well as the controls in place to mitigate such risks. Risks were rated based on their likelihood and possible impact, which serves as an illustration of the inherent risks rating in each area. Controls were then rated based on design efficiency. Based on the inherent risk ratings as well as the control design ratings, Grant Thornton was able to assign residual risk ratings to each area.

From the results of the Risk Assessment, Grant Thornton developed a risk-based Internal Audit Plan prioritizing the areas of audit based on residual risk ratings and number of gaps identified.

Grant Thornton will oversee the execution of Audits as per the agreed upon risk-based Internal Audit Plan.

Detailed review of existing Policies and Procedures was conducted to ensure their appropriateness, relevance, and adequacy.

Ms. Ankita Motwani (seconded by Grant Thornton) holds the position of internal audit manager. She has over eight years of global consulting experience within an advisory capacity in regions including APAC, LATAM and EMEA. She has previously worked with EY and has three years of industry experience with listed companies across diversified sectors. She specializes in risk management, fraud investigations, forensics, business financials reviews, internal audits, SoX, COSO, ICoFR, defining policies and best practices and solving business issues for sizeable, listed giants globally.

Her qualifications include:

- Chartered Accountant (CA, ICAI)
- Certified Information System Auditor (CISA, ISACA)
- Bachelor of Commerce (B. Comm, DAVV)

The Board of Directors hereby declares its responsibility for the Internal Control and Compliance function, revisions to its mechanism, and guarantees of its effectiveness by maintaining assets, keeping correct financial details, disclosing errors and breaches, and reviewing the Audit Committee report concerning internal audit activities and reports.

Details of any violations committed during 2021, explaining their causes, how to address them and avoid their recurrence in the future.
None.

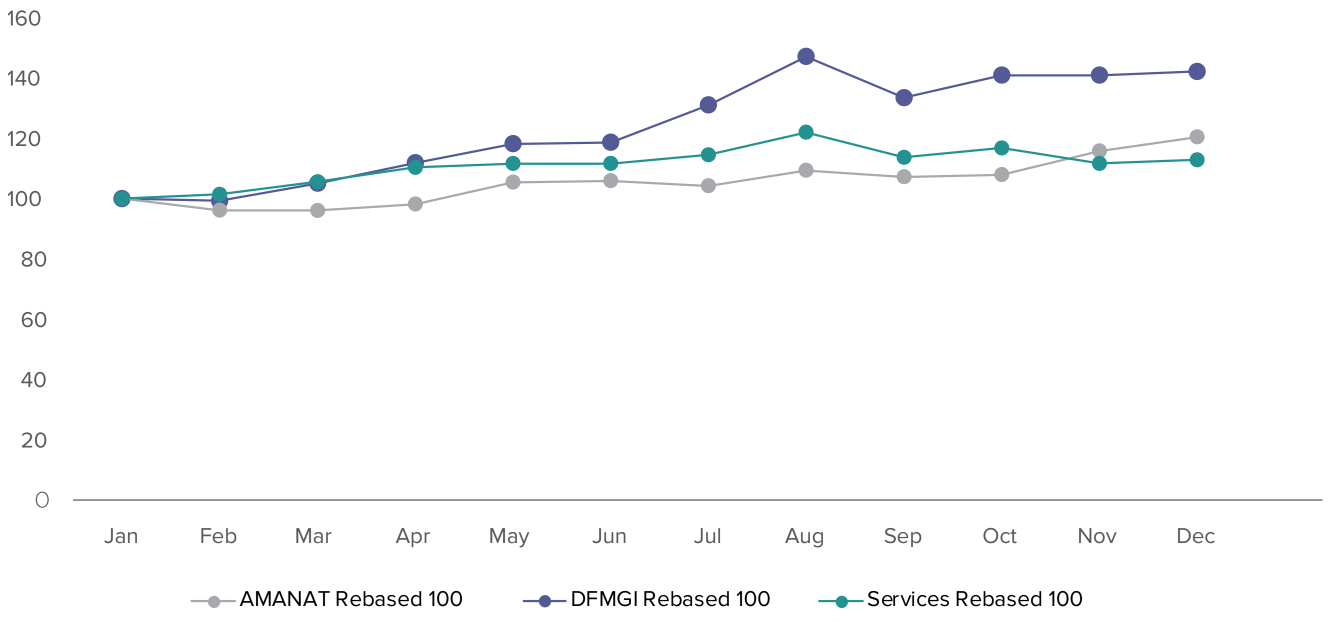
Statement of the cash and in-kind contributions made by the Company during 2021 in developing the local community and preserving the environment. (In case of the absence of contributions, it must be mentioned that the Company has not made any.)
None.

General Information:

Statement of the company share price in the market (closing price, highest price, and lowest price) at the end of each month during fiscal year 2021 is listed below:

Month	Highest Price	Lowest Price	Closing Price
January	0.848	0.800	0.809
February	0.810	0.780	0.803
March	0.900	0.810	0.85
April	0.914	0.844	0.905
May	0.977	0.885	0.956
June	0.973	0.920	0.96
July	1.130	0.951	1.06
August	1.250	1.030	1.19
September	1.230	1.060	1.08
October	1.200	1.080	1.14
November	1.270	1.080	1.14
December	1.210	1.100	1.15

Statement of the Company comparative performance with the general market index and sector index to which the Company belongs during 2021.



Statement of ownership distribution of shareholders as at 31 Dec 2021 (individuals, companies, governments) classified as follows: local, Gulf, Arab and foreign.

		Shareholder's classification				
Ser.	Geography	Individuals	Banks	Companies	Government	Total
1	Arab	41,617,915	0	522,162	0	42,140,077
2	Others	30,810,862	0	85,345,422	0	116,156,284
3	GCC	2,857,295	0	315,075,815	0	317,933,110
4	Local	471,907,672	602,842,051	949,005,806	15,000	2,023,770,529
	Total					**2,500,000,000**

Statement of shareholders owning 5% or more of the Company's capital as at 31 Dec 2021 according to the following schedule:

Ser.	Investor Name	Investor Name (English)	Investor Type	Holdings	% Share
1	**بنك الاستثمار ش .م.ع**	Invest Bank PJSC	BANK	405,000,000	16.200
2	**شركه اداره الاصول ش .م.ب مقفله**	Osool Asset Management Company	Company	250,000,000	10.000
3	EMIRATES INVESTMENT BANK	Emirates Investment Bank	Bank	195,003,275	7.800
4	**شركه السالم المحدوده ش .ذ.م.م**	Al Salem Company Limited LLC	Company	165,000,000	6.600
5	Chimera Investment LLC	Chimera Investment LLC	Company	151,689,836	6.068
6	**الشيخ ذياب بن زايد بن سلطان ال نهيان**	H.H. Sheikh Dheyab Bin Zayed Bin Sultan Al Nahyan	Individual	139,992,635	5.600
7	**انترناشيونال كابتل تريدنغ(ذ.م.م)**	International Capital Trading (LLC)	Company	125,942,073	5.038

Statement of how shareholders are distributed according to the volume of property as at 31 Dec 2021 according to 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	1,782	8,765,430	0.351
2	From 50,000 to less than 500,000	298	48,514,011	1.941
3	From 500,000 to less than 5,000,000	107	151,895,369	6.076
4	More than 5,000,000	39	2,290,825,190	91.633

Statement of measures taken regarding the controls of investor relationships and an indication of the following:

Amanat Holding'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.

Amanat Holding's Investor Relations framework is a set of guidelines for the planning and execution of key objectives and mapping of KPIs and yearly targets:

Name of the investor relationships officer: Sara Shadid

Data of communication with the investor relationships (e-mail- phone- mobile- fax).

Investor Relations Contact Information		
1	Title	Head of Investor Relations
2	Name	Sara Shadid
3	Email	investor.relations@amanat.com
4	Contact Number	+971 (0) 4 330-9999
5	Investor Relations Page (Website)	https://amanat.com/for-investors/

The link of investor relationships page on the Company's website.

https://amanat.com/for-investors/

Statement of the special decisions presented in the General assembly held during 2021 and the procedures taken in their regard.

None.

Rapporteur Function to the Company

- Name of the rapporteur of the Company: Tamer Adel Ezzat Morsi
- His appointment Date: 29 April 2018

Mr. Morsi holds a Bachelor of Law from Cairo University, Egypt and has 24 years of experience within the MENA region. Mr. Morsi has a rich background in legal and human capital environments, having served with large scale commercial groups and FMCG manufacturers. Prior to joining Amanat, Mr. Morsi participated in a variety of business activities, and developed effective legal structures in multiple jurisdictions, while ensuring compliance with relevant regulations and enjoying positive professional relationships with all relevant governing bodies within the region.

Statement of his duties during the year:

Mr. Morsi (who also holds the Compliance Officer role) manages the provision of legal services rendered to Amanat to guard its interests, its legal rights and to maintain its operations within the limits prescribed by all governing laws and regulations. The General Counsel provides strategic guidance, consultation, and support to senior officers of Amanat on its day-to-day operations. The General Counsel's role is to understand the strategy and objectives of the business and effectively communicate the risks and legal issues involved in any decision to senior officers. This enables Amanat's management to evaluate its choices within an acceptable legal risk profile.

Company Secretarial Function

Ms Heyam Attallah joined Amanat to support the corporate secretarial role. Ms. Heyam holds a Bachelor of Law from University of Sharjah and a LLM in International Business Law from Middlesex University Dubai, she has more than 6 years of legal experience and worked extensively on legal research and assisting Senior Legal Councils on corporate and litigation matters, she joined Amanat Legal Team as a Paralegal in November 2021. Prior to joining Amanat, Heyam worked with the law firm Ibrahim & Partners and several law firms in the UAE.

Disclosures during 2021

2021 was a transformational year for Amanat. Amanat successfully delivered a set of remarkable results in the quarters reported and recorded an all-time-high net profit. Our results were supported by the combined outcome of the acquisition of Cambridge Medical & Rehabilitation Center (CMRC) in Q1 2021 for AED 873 million, the divestment of our 21.7% stake in Taaleem in Q2 2021 for AED 350 million, and the divestment of our 13.13% stake in International Medical Center KSA (IMC) for AED 433 million. The divestment of these two portfolio companies successfully generated AED 203 million in gain from sales and cash proceeds of AED 783 million.

Additionally, the organic growth at each of our portfolio companies was prominently visible, having witnessed the highest ever occupancy across our healthcare assets and the highest enrollments across our education assets, supported by a cognizant effort to improve operational efficiency and drive growth across our portfolio. To put this into context, Sukoon's turnaround efforts resulted in the asset finally narrowing losses to nearly breakeven, the Royal Hospital for Women and Children in Bahrain saw revenues increase 153% year-on-year, and CMRC contributed significantly to the Company's bottom line. CMRC's contribution to Amanat's portfolio highlights the strong growth potential of the asset and demonstrates Amanat's ability to identify and acquire attractive investments characterized by both short- and long-term value-generating capabilities.

In FY2021 we also announced the launch of our Social Infrastructure Platform (SIP) with the acquisition of the real estate property of CMRC for AED 53 million. The transaction marks Amanat's first investment in healthcare real estate and is in line with our strategy and target operating model to create enabling platforms that will support the growth and sustainability of Amanat's portfolio companies.

The nature of our diversified platform allows us to capitalize on various revenue streams. The SIP will enable us to tap into resilient yields in the healthcare and education sectors and create a sizable and diversified portfolio of real estate assets with sustainable returns. With the growth of our SIP and capital from future yield compression we can also create a more attractive asset upon exit. The SIP will not be a core focus but rather a platform to support our portfolio companies where we see long-term value add, as well as an avenue to create a more permanent environment, as Amanat is both the landlord and the healthcare operator. Going forward, we will be very selective with our investments and will target strategic real estate acquisitions with attractive yields that can support us in the continuous growth of total shareholder returns.

Tallying our transactions in FY2021, we have executed a combined value of approximately 1.7 billion dirhams, which is testament to our commitment to our strategy and our ability to generate solid returns. We have built a strong track record in the delivery of our promise to shareholders, and we are starting to reap the fruits of our ongoing efforts, which is evident across the company's performance in FY2021.

This document has been signed electronically by the relevant signatories.

Corporate Governance

Executive Management

Amanat is led by a world-class management team boasting decades of experience across a multitude of industries and a wealth of knowledge in Amanat's chosen sectors. The team's dedication and adaptability have proven invaluable in guiding the Company throughout the unprecedented challenges faced in 2020 and during Amanat's transformation kickstarted in 2021.

Dr. Mohamad Hamade
CEO

Dr. Hamade has a wealth of experience in the healthcare and education sectors across the Middle East, USA and India. As Chief Executive Officer of Amanat Holdings, Dr. Hamade defines and implements the Company's investment strategy. To date, he has driven the growth of Amanat's education and healthcare portfolio, closing transactions of c.USD 800 million during his tenure including two divestments worth over USD 210 million in 2021. Dr. Hamade is also leading Amanat's VC Strategy, positioning the Company as a regional leader in the digitalization of both sectors. As a member of the Board of Directors of Amanat's platform companies, Dr. Hamade also leads on growth and value creation initiatives across the portfolio. Prior to Amanat, Dr. Hamade served as Chief Investment Officer of VPS Healthcare, a group comprising over 20 hospitals and 100 medical centers across the UAE, Oman and India. Before joining VPS, Dr. Hamade was a Principal at TVM Capital and Chief Strategy Officer of one of its portfolio companies. Dr. Hamade holds an M.D. and a BSc in Biology from the American University of Beirut, and an MBA from Cornell University in the USA. He also holds a Research Fellowship Certificate in ENT Surgery from Harvard Medical School.

John Ireland
CFO

Mr. Ireland is the Chief Financial Officer at Amanat and oversees the Company's corporate and operational finance activities, including capital markets, treasury, tax, financial planning and analysis, accounting and external reporting. Prior to joining Amanat, Mr. Ireland held senior finance, strategy, and business development roles across a variety of industries including real estate, media, and entertainment. Mr. Ireland was previously the CFO of several listed and private organizations in the region and internationally. He holds a BA in Business Management from the University of Exeter and is a Qualified Chartered Accountant.

Amer Jeambey
Head of Healthcare

Mr. Jeambey is the Head of Healthcare Investments of Amanat. He joined the Company from Ithmar Capital Partners where he served as Director of Investments focusing on special situations investing across public and private equity. Prior to that he assumed the role of Vice President at CPC Africa a pan-African infrastructure investment company where he was responsible for business development and investment execution in West Africa. Mr. Jeambey joined CPC Africa from the global strategy consulting firm Booz & Company where he specialized in advising investment companies on strategy formulation, operating model design and portfolio optimization. He started his career working in investment banking for Audi Capital in Riyadh advising regional groups on mergers and acquisitions transactions. Mr. Jeambey holds an MBA from Columbia Business School in the city of New York, MA in Financial Economics and BA in Economics both from the American University of Beirut.

Fadi Habib
Head of Education

Mr. Habib currently holds the position of Head of Education Investment Team 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 bn in market cap. In the role, Mr. Habib 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, Mr. Habib held roles in Corporate Banking and Asset Management at some of Canada's top financial institutions. He is a CFA charterholder, and holds a BSc in Engineering with Honors from Queen's University in Canada and an MBA from McMaster University in Canada.

Sara Shadid
Head of Investor Relations & Corprorate Communications

Ms. Shadid is the Head of Investor Relations at Amanat, and is responsible for the development and implementation of the IR strategy as well as managing communication between the Company's corporate management and its investors. Prior to joining Amanat, she was the Head of Investor Relations and Corporate Communications at Arabtec Holding PJSC for over two years, working closely with the Management Team to implement the Groups Strategic Roadmap. Ms. Shadid brings over 10 years of sell-side experience in equity capital markets with leading investments banks in MENA of which included her role as Lead Sales and Corporate Access for Renaissance Capital Dubai from inception. She has a BA with Honors in Political and International Studies with Media and Cultural Studies from Middlesex University in London and is a Certified Board Secretary with extensive experience in governance frameworks and sustainability. She is also a member of the Middle East Investor Relations Association.

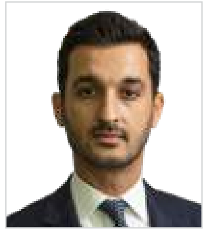
Tamer Morsi
General Counsel and Company Secretary

Mr. Morsi brings 19 years of experience within the MENA region and a rich background in legal and human capital environments, having worked in large scale commercial groups and FMCG manufacturers. Prior to joining Amanat, Mr. Morsi participated in a variety of business activities, developed effective legal structures in various jurisdictions, whilst ensuring compliance with relevant regulations, and enjoying the positive professional relationships with all relevant governing bodies within the region. Mr. Morsi has held several positions with key organizations across the region, acting as the Chief Legal Advisor to the CEO and senior leadership team. He holds a Bachelor of Law from the University of Cairo, Egypt.

Celine Schreiber
People Champion

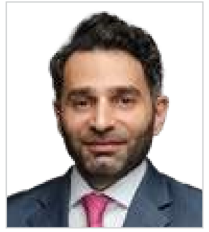
Ms. Schreiber is the People Champion of Amanat. In this capacity, she is responsible for developing the human capital strategy and overlooking the company's operations. Ms. Schreiber brings over 12 years of experience in running multi-stakeholder projects in consulting, research, and special initiatives and has a background in transaction advisory. Prior to joining Amanat, Ms. Schreiber led the Programs and Research Team at the Pearl Initiative, carrying out capacity-building programs on topics including corporate governance, anti-corruption practices, student initiatives, and women in leadership. She started her career as an M&A consultant within Ernest & Young's Transaction Advisory, where she worked for six years, with a focus on sell-side transactions in the retail and healthcare sectors. She holds an MBA from IE Business School in Spain and a Master's Degree from Vienna University of Business Administration in Austria.

Investments Department



Amer Jeambey
Head of Healthcarfe

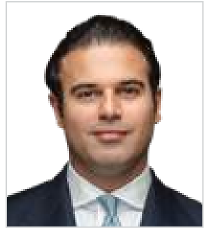
Fadi Habib
Head of Education



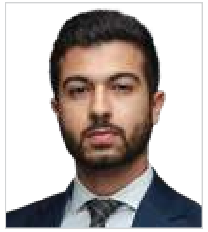
Wael K. Abdallah
Investments Director

Ashley Hewlett, CFA
Investments

Claudio Mancino, CFA
Investments



Simone Rocco
Investments



Jad El Hajj
Investments

Majd El Fakih, CFA
Investments

Consolidated Financial Statements

Amanat

Amanat Holdings PJSC

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2021

Amanat

Directors' Report

The Board of Directors of Amanat Holdings PJSC (the "Company") are pleased to submit the consolidated financial statements of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2021, which comprise the consolidated statement of financial position as at 31 December 2021, 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 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 manage, develop, and operate such companies and enterprises.

Transactions

In 2021 the Group executed transactions valued at AED 1.7 billion, comprising the 100% acquisition of Cambridge Medical and Rehabilitation Centre ("CMRC") in February 2021 and 100% of its Abu Dhabi facility's real estate in September 2021 for a total consideration of AED 926 million and the divestitures of the Group's 13.13% stake in International Medical Center KSA ("IMC") and 21.67% stake in Taaleem Holdings PJSC ("Taaleem") for AED 433.3 million and AED 349.4 million respectively.

As of 31 December 2021, Amanat is actively managing deployed capital of AED 2.4 billion across 8 investments, 7 of which are classified as either majority or influential stakes and had AED 878.0 million of available cash.

Financial Results

The Group recorded profit attributable to equity holders of the Company of AED 280.8 million for the financial year 2021, a twenty-eight-fold increase compared with the AED 10.1 million recorded in financial year 2020.

The results for the year were positively impacted by the profitable divestitures of Taaleem and IMC, which generated a gain on disposal of AED 202.9 million with 2021 transaction-related costs of AED 20.0 million.

The Group's result was further boosted by the acquisition of CMRC which delivered AED 61.1 million of net profit in the ten months from acquisition, with associated finance debt interest cost and purchase price amortization of AED 8.7 million and AED 3.4 million respectively.

Due to the delayed ramp-up of the Group's healthcare asset in the Kingdom of Bahrain, the Royal Hospital for Women and Children ("RHWC"), mainly attributable to COVID restrictions, the Group recorded a non-cash impairment charge of AED 20 million against goodwill. Whilst management believes it is early to assess the financial performance of an asset that remains in a ramp-up phase, based on prudence and in line with the requirements of International Accounting Standards an impairment was recognized.

Utilizing management's alternative performance measures, which exclude certain adjustments and transaction-related items, underlying net profit attributable to equity holders of the company was AED 103.4 million, a fourfold increase compared to AED 26.0 million recorded in 2020.

The organic growth across the Group's portfolio was driven by increasing utilization across its Healthcare platform and a combination of record enrollments and institutional contracts at the Education Platform in addition to operating cost efficiencies at a central and portfolio company level.

The Group recorded income from Abu Dhabi University Holding Company ("ADUHC") of AED 41.3 million in 2021, AED1.6 million higher than the prior year, on the back of further revenue growth, whilst income from the real-estate assets of North London Collegiate School Dubai ("NLCS") increased from AED 30.9 million in the prior year to AED 33.4 million in 2021, following the expansion of the school facilities and successful realignment of the lease repayment schedule in 2020. Performance at Middlesex University Dubai ("MDX") was stable year-on-year, with record enrollments driving 6% growth in net tuition revenue, offset by increased student acquisition and academic staff costs incurred to support future growth.

Amanat Holdings PJSC - One Central, The Offices 5, Level 1, Office 108, PO Box 121012, Dubai, UAE | T +971 4 330 9999 | F +971 4 330 9000 | amanat.com | Paid Up Capital AED 2,500,000,000 | Commercial License 721697

At the Group's Healthcare platform, Sukoon's strategic turnaround resulted in a narrowing of losses to almost breakeven, a combination of the implementation of strategic cost-saving initiatives and a one-time receivable provision booked in the prior year. The Royal Hospital for Women and Children in Bahrain saw revenues increase more than twofold year-on-year, as the asset continues to ramp-up, recording losses of AED 17.3 million in 2021, down from AED 23.8 million in the prior year.

Amanat Holdings Head Office costs were AED 34.7 million, a reduction of 23% on the prior year as the Group targeted underlying savings and benefited from the positive impact of one-time items in 2021. Portfolio management costs further declined to AED 2.9 million, a saving of 44% year-on-year. Transaction-related expenses were AED 20.0 million, compared with AED 10.5 million, with the increase attributable to increased transaction activity costs in 2021.

Interest income was AED 5.4 million in 2021, compared to AED 9.5 million in 2020, a 43% decline due to lower interest rates and the deployment of the Group's cash reserves to acquire CMRC in February and later CMRC's Abu Dhabi real estate assets in September.

Total cash and bank balances stood at AED 878.0 million as of 31 December 2021 up from AED 530.6 million as at year-end 2020, providing the Company with deployable cash to pursue future investment opportunities aimed at further optimizing its current portfolio.

Total equity attributable to the owners of the company on 31 December 2021 amounted to AED 2.8 billion prior to the proposed dividend.

In accordance with the Articles of Association of the Company, 10% of profit for the year is 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, an amount of AED 28.1 million has been transferred to statutory reserve during the year. The statutory reserve is not available for distribution.

The Board of Directors of the Company has approved in the meeting held on 14 February 2022 the audited consolidated financial statements of the Group for the year ended 31 December 2021.

The Board has proposed a cash dividend of AED 6 fils per share or 53% of profit attributable to equity holders of the company, amounting to a total payout of AED 150 million, which is subject to the approval of the shareholders at the upcoming Annual General Meeting of the Company.

Outlook

In 2021 the Company's strategic objectives were to improve portfolio performance and profitability, optimize its capital structure and invest in yielding assets, all of which were delivered in 2021.

Going forward, Amanat's priorities will be to continue to drive further growth and profitability across its portfolio and in tandem, the Company will focus on capturing specialized opportunities in healthcare and education and expand its platforms as influential shareholders. The Company has a strong balance sheet to support its growth-phase ahead. Amanat is well-positioned to take advantage of the post-COVID-19 rebound and the changing market dynamics as it enters a new chapter of sustainable growth and value creation.

Amanat will continue to work to deliver strong returns for its shareholders through a carefully executed strategy centered on, delivering efficiencies, extracting maximum value from existing assets and executing synergistic acquisitions that complement the Company's platforms.

Amanat

Directors

Mr. Hamad Abdulla Alshamsi	Chairman
Dr. Shamsheer Vayalil	Vice Chairman
H.E. Hamad Rashed Nehail Al Nuaimi	Board Director
Mrs. Sara Khalil Nooruddin	Board Director
Mrs. Elham Al Qasim	Board Director
H.E. Dhafer Al Ahbabi	Board Director
Dr. Ali Saeed Bin Harmal Aldhaheri	Board Director

Auditors

Ernst & Young were appointed as external auditors for the Company for the year ended 31 December 2021.

On behalf of the Board

Hamad Abdulla Alshamsi - Chairman

Dubai, United Arab Emirates
14 February 2022

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Ernst & Young Middle East (Dubai Branch)
P.O. Box 9267
Ground Floor, ICD Brookfield Place
Al Mustaqbal Street
Dubai International Financial Centre
Dubai
United Arab Emirates

Tel: +971 4 701 0100
Fax: +971 4 332 4004
dubai@ae.ey.com
ey.com/mena

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 (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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 2021, 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)* (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 year ended 31 December 2021. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the 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 these matters. 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 matters 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 matters	How our audit addressed the key audit matters
Impairment of goodwill and other intangible assets with indefinite life	
As stated in note 10 to the consolidated financial statements, the Group's consolidated statement of financial position includes AED 1,056,184 thousand of goodwill and other intangible assets with indefinite life, representing 30% of total Group 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 the other intangible assets with an 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: • Checked the mathematical accuracy of the impairment models used for impairment testing, and the extraction of inputs from source documents; • Challenged the key assumptions used in the impairment model, 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 model to changes in key assumptions; • For intangible assets with an indefinite life, other than goodwill, we review 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.

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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 matters	How our audit addressed the key audit matters
Purchase Price Allocation	
As outlined in note 10 to the consolidated financial statements, the Group acquired during the year 100% interest in CMRC Limited and its subsidiaries for a total consideration of AED 873,024 thousand and, with the support of an external independent specialist, completed a purchase price allocation involving the assessment of the fair values of the assets acquired and the liabilities assumed as of the date of acquisition in accordance with IFRS 3: *Business Combinations*. We considered the audit of accounting for the acquisition to be a key audit matter as this is a significant transaction during the year which required significant management judgement regarding the identification of intangible assets acquired, allocation of the purchase price to the identified assets and liabilities acquired, determination of the fair values of such assets and liabilities, and reasonableness of goodwill recognized thereon.	We performed the following: • Evaluated the timing and appropriateness of the accounting treatment and the consideration of the acquisition based on the contractual agreements; • Involved our internal specialists in assisting us in reviewing management's valuation methodologies and assessing the key assumptions and inputs used in measuring the fair value of the net identifiable assets, including discount rates, royalty rates, revenue and cash flow projections, and growth rates; • For the intangible asset with an indefinite life, other than goodwill, recognized, we reviewed the basis for recognition, including the external and our internal specialists' conclusions on the appropriateness of recognition and basis of calculation thereof; • Assessed the appropriateness of the useful lives determined by management for the separately identified intangible assets; • Assessed the competence, capabilities and objectivity of the external specialist involved in the valuation process; and • Assessed the adequacy of the related disclosures in the consolidated financial statements.

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

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

Other Information
Other information consists of the information included in the Directors' report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

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, 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.

Responsibilities of the Management and the Audit Committee 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 Company's Articles of Association and the UAE Federal Law No. (2) of 2015, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is 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.

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 Company'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 Company 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 the Audit Committee 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 the Audit Committee 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, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period 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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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 Law No. (2) of 2015, we report that:

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

ii) The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (2) of 2015, and the Articles of Association of the Company;

iii) The Company has maintained proper books of account;

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

v) The Group's investment in shares and stocks during the year ended 31 December 2021 is disclosed in Notes 10 and 12;

vi) Notes 10, 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 Company has contravened during the financial year ended 31 December 2021 any of the applicable provisions of the UAE Federal Law No. (2) of 2015 or of its Articles of Association which would materially affect its activities or its financial position as at 31 December 2021; and

viii) No social contributions were made by the Company during the year.

For Ernst & Young

Signed by:
Ashraf Abu Sharkh
Partner
Registration No. 690

14 February 2022

Dubai, United Arab Emirates

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2021

	Notes	***2021 AED'000***	*2020 AED'000*
Revenue	4	**412,872**	143,565
Direct costs	4	**(223,479)**	(80,884)
GROSS PROFIT		**189,393**	62,681
General, selling and administrative expenses	5	**(175,794)**	(122,914)
Impairment of goodwill	10	**(19,961)**	-
Other operating income	6	**3,408**	1,823
OPERATING LOSS		**(2,954)**	(58,410)
Share of results of associates	11	**52,533**	22,426
Gain on disposal of associates	11	**202,881**	-
Finance income	7	**38,877**	40,869
Finance costs	7	**(18,197)**	(5,322)
PROFIT/(LOSS) FOR THE YEAR		**273,140**	(437)
Attributable to:			
Equity holders of the Company		**280,831**	10,082
Non-controlling interests	27	**(7,691)**	(10,519)
		273,140	(437)
Basic and diluted earnings per share (AED)	22	**0.1124**	0.0040

Alternative Performance Measures

	Note	***2021 AED'000***	*2020 AED'000*
Attributable to the equity holders of the Company			
Adjusted operating profit	30	**113,972**	19,313
Adjusted profit	30	**103,375**	25,978

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2021

	Notes	***2021*** ***AED'000***	*2020* *AED'000*
PROFIT/(LOSS) FOR THE YEAR		**273,140**	(437)
Other comprehensive loss			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:			
Loss on cash flow hedge	25	**(1,646)**	-
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods		**(1,646)**	-
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	**860**	(1,357)
Share of other comprehensive income of associates	11	**(17)**	633
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods		**843**	(724)
Total other comprehensive loss		**(803)**	(724)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**272,337**	(1,161)
Attributable to:			
Equity holders of the Company		**280,028**	9,358
Non-controlling interests		**(7,691)**	(10,519)
		272,337	(1,161)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2021

	Notes	2021 AED'000	2020 AED'000
ASSETS			
Non-current assets			
Property and equipment	8	**250,806**	128,302
Right-of-use assets	9	**117,828**	21,706
Goodwill and intangible assets	10	**1,210,555**	481,349
Investments in associates	11	**506,057**	1,069,755
Finance lease receivables	9	**382,832**	384,529
Financial assets at FVOCI	12	**33,828**	32,968
Total non-current assets		**2,501,906**	2,118,609
Current assets			
Inventories		**6,774**	2,279
Finance lease receivables	9	**37,986**	18,133
Trade and other receivables	13	**111,239**	28,834
Due from related parties	14	**8,079**	19,653
Cash and bank balances	15	**878,036**	530,555
Total current assets		**1,042,114**	599,454
TOTAL ASSETS		**3,544,020**	2,718,063
EQUITY AND LIABILITIES			
EQUITY			
Share capital	16	**2,500,000**	2,500,000
Share premium	16	**2,877**	523
Treasury shares	16	**(12,711)**	(6,702)
Statutory reserve	17	**58,235**	30,152
Fair value reserve of financial assets at FVOCI		**(21,530)**	(22,390)
Cash flow hedge reserve	25	**(1,646)**	-
Other reserve	11	**(18,347)**	-
Retained earnings		**263,228**	10,497
Total equity attributable to the equity holders of the Company		**2,770,106**	2,512,080
Non-controlling interests	27	**(1,346)**	6,345
Total equity		**2,768,760**	2,518,425
LIABILITIES			
Non-current liabilities			
Financing from banks	18	**391,517**	54,582
Lease liabilities	9	**107,453**	22,421
Other long-term payable	19	**3,630**	3,821
Other financial liability	25	**1,646**	-
Due to a related party	14	**4,013**	4,013
Provision for employees' end of service benefits	20	**22,814**	9,609
Total non-current liabilities		**531,073**	94,446
Current liabilities			
Bank overdraft	15	**21,072**	14,105
Financing from banks	18	**51,911**	7,792
Lease liabilities	9	**16,788**	210
Accounts and other payables	21	**119,356**	55,155
Contract liabilities	4	**33,843**	27,129
Due to related parties	14	**1,217**	801
Total current liabilities		**244,187**	105,192
Total liabilities		**775,260**	199,638
TOTAL EQUITY AND LIABILITIES		**3,544,020**	2,718,063

These consolidated financial statements were approved by the Board of Directors on 14 February 2022 and signed by:

Mr. Hamad Abdulla Alshamsi
Chairman

Dr. Mohamad Hamade
Chief Executive Officer

The attached notes 1 to 30 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2021

	Attributable to the equity holders of the Company										
	Share capital AED'000	Share Premium AED'000	Treasury shares AED'000	Statutory reserve AED'000	Fair value reserve of financial assets at FVOCI AED'000	Cash flow hedge reserve AED'000	Other reserve AED'000	Retained earnings AED'000	Total AED'000	Non-controlling interests AED'000	Total AED'000
As at 1 January 2020	2,500,000	-	-	29,144	(21,033)	-	-	55,790	2,563,901	16,864	2,580,765
Profit/(loss) for the year	-	-	-	-	-	-	-	10,082	10,082	(10,519)	(437)
Other comprehensive (loss)/income	-	-	-	-	(1,357)	-	-	633	(724)	-	(724)
Total comprehensive (loss)/income	-	-	-	-	(1,357)	-	-	10,715	9,358	(10,519)	(1,161)
Treasury shares (Note 16)	-	523	(6,702)	-	-	-	-	-	(6,179)	-	(6,179)
Transfer to statutory reserve (Note 17)	-	-	-	1,008	-	-	-	(1,008)	-	-	-
Dividends (Note 23)	-	-	-	-	-	-	-	(55,000)	(55,000)	-	(55,000)
As at 31 December 2020	2,500,000	523	(6,702)	30,152	(22,390)	-	-	10,497	2,512,080	6,345	2,518,425
Profit/(loss) for the year	-	-	-	-	-	-	-	280,831	280,831	(7,691)	273,140
Other comprehensive (loss)/income	-	-	-	-	860	(1,646)	-	(17)	(803)	-	(803)
Total comprehensive (loss)/income	-	-	-	-	860	(1,646)		280,814	280,028	(7,691)	272,337
Treasury shares (Note 16)	-	2,354	(6,009)	-	-	-	-	-	(3,655)	-	(3,655)
Transfer to statutory reserve (Note 17)	-	-	-	28,083	-	-	-	(28,083)	-	-	-
Associate's acquisition of non-controlling interests (Note 11)	-	-	-	-	-	-	(18,347)	-	(18,347)	-	(18,347)
As at 31 December 2021	**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**

The attached notes 1 to 30 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2021

	Notes	*2021 AED'000*	*2020 AED'000*
OPERATING ACTIVITIES			
Profit/(loss) for the year		**273,140**	(437)
Adjustments:			
Share of results of associates	11	**(52,533)**	(22,426)
Gain on disposal of associates	11	**(202,881)**	-
Dividend income	6	**(1,179)**	(993)
Depreciation of property and equipment	8	**22,127**	12,308
Depreciation of right-of-use assets	9	**11,265**	7,806
Amortization of intangible assets	10	**7,864**	4,500
Loss on disposal of property and equipment		**42**	614
Allowance for expected credit losses	13	**6,939**	4,088
Provision for employees' end of service benefits	20	**6,594**	2,886
Allowance for credit loss on lease receivables	9	-	2,660
Impairment of goodwill	10	**19,961**	-
Finance income	7	**(38,877)**	(40,869)
Finance costs	7	**18,197**	5,322
		70,659	(24,541)
Inventories		**(166)**	(1,859)
Trade and other receivables		**(18,588)**	(1,296)
Due from related parties		**11,574**	90
Accounts and other payables and contract liabilities		**31,137**	20,347
Due to related parties		**416**	1,567
Cash from/(used in) operations		**95,032**	(5,692)
Employees' end of service benefits paid	20	**(3,416)**	(1,236)
Net cash flows from/(used in) operating activities		**91,616**	(6,928)
INVESTING ACTIVITIES			
Acquisition of property and equipment	8	**(71,326)**	(6,291)
Acquisition of a subsidiary, net of cash acquired	10	**(854,887)**	-
Settlement of deferred consideration		**(2,450)**	-
Proceeds from disposal of associates	11	**782,686**	-
Investment in finance lease	9	**(302)**	(22,633)
Lease payments received	9	**15,594**	13,394
Changes in Sharia compliant term deposits		**(520,410)**	275,779
Changes in bank term deposits		**(119,107)**	57,999
Interest received on Sharia compliant term deposits		**2,473**	7,268
Other interest received		**2,503**	1,921
Dividend received from associates		**22,370**	47,943
Reduction of capital received from an associate		-	19,950
Dividend received from financial assets at FVOCI		**1,179**	1,318
Investment in financial assets at FVOCI		-	(18,609)
Settlement of financial liability at FVTPL		-	(27,850)
Net cash flows (used in)/from investing activities		**(741,677)**	350,189
FINANCING ACTIVITIES			
Dividend paid to equity holders of the Company	23	-	(55,000)
Proceeds from bank financing, net of processing fee		**410,943**	5,222
Repayment of bank financing		**(30,375)**	-
Acquisition of treasury shares, net		**(3,655)**	(6,179)
Change in other cash balance		**4,642**	(14,848)
Payment of lease liabilities	9	**(14,943)**	(4,791)
Finance costs paid		**(10,912)**	(3,987)
Net cash flows from/(used in) financing activities		**355,700**	(79,583)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(294,361)**	263,678
Cash and cash equivalents at 1 January		**391,116**	127,438
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	15	**96,755**	391,116

The attached notes 1 to 30 form part of these consolidated financial statements.

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 Law No. (2) of 2015. The registered office of the Company is One Central The Offices 5, Level 1 Unit 107 and 108, Dubai, United Arab Emirates.

Federal Decree-Law No. 26 of 2020 which amends certain provisions of Federal Law No. 2 of 2015 on Commercial Companies was issued on 27 September 2020 and the amendments came into effect on 2 January 2022. The Company is in the process of reviewing the new provisions and will apply the requirements thereof no later than one year from the date on which the amendments came into effect.

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** *2021*	*2020*	**Country of incorporation**	**Principal activities**
WMCE Company W.L.L. ("WMCE")*	***49.69%***	*49.69%*	Kingdom of Bahrain	Investment in companies in the field of healthcare.
Maternity Holding Company Ltd. ("MHC")*	***74.13%***	*74.13%*	Kingdom of Bahrain	Investment in companies in the field of healthcare.
Royal Hospital for Women and Children W.L.L. ("RHWC")*	***69.24%***	*69.24%*	Kingdom of Bahrain	Hospital and healthcare facilities in Kingdom of Bahrain
Middlesex Associates FZ-LLC ("Middlesex University")	***100%***	*100%*	United Arab Emirates	Leading university providing tertiary education in the United Arab Emirates
CMRC Limited ("CMRC")	***100%***	-	Cyprus	Holding company
Cambridge Medical & Rehabilitation Centre LLC** ("CMRC UAE")	***100%***	-	United Arab Emirates	Healthcare services
CMRC Saudi Arabia LLC** ("CMRC KSA")	***100%***	-	Kingdom of Saudi Arabia	Healthcare services
TVM KSA Acquisition I Limited**	***100%***	-	Cyprus	Holding company

* Investment in RHWC is held via Maternity Holding Company Ltd. and WMCE.

** Investments in these subsidiaries are held via CMRC Limited.

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

1 CORPORATE INFORMATION (continued)

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

Name	Equity interest 2021	Equity interest 2020	Country of incorporation	Principal Activities
Sukoon International Holding Company	*33.25%*	*33.25%*	Kingdom of Saudi Arabia	Long-term and critical healthcare
Taaleem Holdings PrJSC (Previously Madaares PrJSC)	-	*21.67%*	United Arab Emirates	Leading education provider
International Medical Center	-	*13.13%*	Kingdom of Saudi Arabia	Hospital and healthcare facilities
Abu Dhabi University Holding LLC	*35%*	*35%*	United Arab Emirates	Leading tertiary education provider

2 SIGNIFICANT ACCOUNTING POLICIES

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).

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at FVOCI and other financial liabilities 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 when 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 2021. 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. 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.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 BASIS OF CONSOLIDATION (continued)

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 profit or loss. Any investment retained is recognised at fair value.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 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 profit or loss.

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 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.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Investments in associates (continued)

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 statement of profit or loss outside 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 prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting 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 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 profit or loss.

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.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Fair value measurement

The Group measures financial instruments such as financial assets at FVOCI, at fair value at each balance sheet 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.

All assets and liabilities for which fair value is measured or disclosed in the 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 is in the business of providing 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 time over the period in which the students are studying and is reduced by scholarships awarded to students during that period.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Revenue (continued)

Healthcare services

Revenue from healthcare services related to in-patient 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.

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 accounting policies on impairment of financial assets in section (l) 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 (l) 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).

f) 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.

g) 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 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 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 profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Foreign currencies (continued)

Transactions and balances (continued)
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.

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 statements 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 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.

h) 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.

i) 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 profit or loss as incurred.

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

➢ Buildings	10 to 20 years
➢ Medical equipment	5 to 15 years
➢ Academic equipment	3 years
➢ Furniture and Fixtures	7 years
➢ Other assets	3 to 7 years

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 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.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) 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
➢ 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.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) 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 terms and is included in other income in the statement of profit or loss due to its non-operating nature.

k) 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.

l) 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.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I) 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 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 profit or loss. Dividends are recognised as other income in the 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 classify irrevocably its listed and unquoted equity investments under this category.

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.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l) 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 and loans and borrowings.

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 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 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 statement of profit or loss.

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l) 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 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.

m) 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 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 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.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Cash and term deposits

Cash and term deposits in the consolidated statement of financial position comprise cash at banks and on hand and term deposits with a maturity of more than three months.

o) 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 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.

p) 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.

q) 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.

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 statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

The Group's intangible assets with finite lives acquired through business combinations relate to an Agreement amortised over its useful economic life of 30 years and a Brand Name amortised over its useful economic life of 10 years (Refer to Note 10 for further details).

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 statement of profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

r) 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 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.

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 profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect 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 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.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary relief which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

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

Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16
On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022.The amendment applies to annual reporting periods beginning on or after 1 April 2021. However, the Group has not received Covid-19-related rent concessions, but plans to apply the practical expedient if it becomes applicable within allowed period of application.

Standards issued but not yet effective
There are several standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements and are not expected to have any significant impact on the Group's consolidated financial statements when they become effective, and accordingly, have not been listed in these consolidated financial statements.

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:

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Judgements (continued)

Property lease classification – Group as lessor
The Group has entered into a 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.

Significant influence over an associate
Prior to the disposal of its associate in the current year, the Group had concluded that it had significant influence over International Medical Center ("IMC") even though it held less than 20 per cent of the voting rights of the entity. The Group held 13.13% shareholding in the associate. Based on this shareholding and the Group's representation on the Board of Directors and Executive Committee of IMC, the Group had concluded that it exercised significant influence over the investee.

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.

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 below. 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
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 DCF model. The cash flows are derived from the budget 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 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.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions (continued)

Fair value measurement of financial instruments
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 (see 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.

4 REVENUE

4.1 Disaggregated revenue and cost information

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

	For the year ended 31 December 2021		
Segments	*Education AED'000*	*Healthcare AED'000*	*Total AED'000*
Type of goods or service			
Tuition fees, net of scholarship awarded	135,126	-	135,126
Administrative and other service fees from students	1,865	-	1,865
Healthcare and medical services	-	275,881	275,881
Total revenue	136,991	275,881	412,872

4 REVENUE (continued)

4.1 Disaggregated revenue and cost information (continued)

	For the year ended 31 December 2021		
Segments	*Education AED'000*	*Healthcare AED'000*	*Total AED'000*
Timing of revenue recognition			
Services transferred over time	**136,514**	**226,643**	**363,157**
Services transferred at a point in time	**477**	**49,238**	**49,715**
Total revenue	**136,991**	**275,881**	**412,872**
Direct costs	**(59,734)**	**(163,745)**	**(223,479)**

	For the year ended 31 December 2020		
Segments	*Education AED'000*	*Healthcare AED'000*	*Total AED'000*
Type of goods or service			
Tuition fees, net of scholarship awarded	127,833	-	127,833
Accommodation fee	3,081	-	3,081
Administrative and other service fees from students	642	-	642
Healthcare and medical services	-	12,009	12,009
Total revenue	131,556	12,009	143,565
Timing of revenue recognition			
Services transferred over time	131,380	-	131,380
Services transferred at a point in time	176	12,009	12,185
Total revenue	131,556	12,009	143,565
Direct costs	(59,634)	(21,250)	(80,884)

4.2 Contract balances

	2021* *AED'000	*2020 AED'000*
Trade receivables, net (Note 13)	**85,898**	11,991
Contract liabilities (see below)	**33,843**	27,129

Trade receivables

Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days from the date of service. In 2021, AED 6,939 thousand was recognised as allowance for expected credit losses on trade receivables (2020: AED 4,088 thousand).

Contract liabilities

Contract liabilities comprise 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 REVENUE (continued)

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 period of the course that students are enrolled in and payment is generally due within 30 days of the invoice or based on an agreed payment plan.

Healthcare services
The performance obligation for in-patient services of CMRC is satisfied over time on a straight-line 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

	2021 AED'000	*2020 AED'000*
Salaries and employee related costs	**126,092**	48,326
Medical consumables, equipment and other related costs	**39,888**	1,923
Royalty and profit-sharing arrangements for academic services	**18,100**	15,149
Depreciation of property and equipment (Note 8)	**12,619**	1,077
Leases (Note 9)	**7,185**	11,210
Depreciation of right-of-use assets (Note 9)	**5,426**	-
Student related expenses	**2,118**	2,032
Other direct costs	**12,051**	1,167
	223,479	80,884

5 GENERAL, SELLING AND ADMINISTRATIVE EXPENSES

General, selling and administrative expenses mainly include the following:

	2021 AED'000	*2020 AED'000*
Salaries and employee related expenses	**91,331**	41,764
Marketing and communications	**10,185**	6,909
Depreciation of property and equipment (Note 8)	**9,508**	11,231
Amortization of intangible assets (Note 10)	**7,864**	4,500
Credit losses expense (Note 13)	**6,939**	4,088
Legal and professional fees	**6,133**	4,775
Depreciation of right-of-use assets (Note 9)	**5,839**	7,806
Transaction related expenses	**2,957**	10,512
Portfolio management expenses	**2,948**	5,308
Board remuneration	**6,301**	2,293
Leases (Note 9)	**1,711**	4,418
Management fees	**158**	3,376

6 OTHER OPERATING INCOME

	2021 *AED'000*	*2020* *AED'000*
Dividend income from financial asset at FVOCI	**1,179**	993
Other income	**2,229**	830
	3,408	1,823

7 FINANCE INCOME AND FINANCE COSTS

7.1 Finance income

	2021 *AED'000*	*2020* *AED'000*
Finance lease income (Note 9)	**33,448**	30,860
Income on term deposits*	**5,429**	9,498
Other	**-**	511
	38,877	40,869

* Includes income on Sharia compliant deposits of AED 3,910 thousand and income on non-Sharia compliant deposits of AED 1,519 thousand (2020: AED 6,245 thousand and AED 3,253 thousand, respectively).

7.2 Finance costs

	2021 *AED'000*	*2020* *AED'000*
Finance costs on financing from banks	**12,039**	3,747
Finance costs on bank overdraft	**817**	241
Amortization of loan arrangement fees (Note 18)	**485**	-
Finance costs on lease liabilities (Note 9)	**4,856**	1,334
	18,197	5,322

8 PROPERTY AND EQUIPMENT

	Land and buildings (1) AED'000	*Leasehold improvements AED'000*	*Medical equipment AED'000*	*Academic equipment AED'000*	*Furniture & fixtures AED'000*	*Other assets AED'000*	*Capital work in progress AED'000*	*Total AED'000*
Cost:								
At 1 January 2020	121,427	7,135	5,141	6,833	3,076	9,173	-	152,785
Additions	174	208	4,020	904	183	802	-	6,291
Write-off	-	(2,370)	-	-	-	-	-	(2,370)
At 31 December 2020	121,601	4,973	9,161	7,737	3,259	9,975	-	156,706
Additions	53,116	8,586	3,949	879	1,682	2,415	699	71,326
Acquisition of a subsidiary (Note 10)	-	72,995	33,149	-	7,264	12,244	213	125,865
Disposals		-	(1,692)	-	(458)	(507)	-	(2,657)
Transfers	-	112	207	-	51	7	(377)	-
At 31 December 2021	**174,717**	**86,666**	**44,774**	**8,616**	**11,798**	**24,134**	**535**	**351,240**
Accumulated depreciation:								
At 1 January 2020	4,539	3,737	424	4,271	1,260	3,621	-	17,852
Charge for the year (2)	6,092	1,052	1,075	918	480	2,691	-	12,308
Write off	-	(1,756)	-	-	-	-	-	(1,756)
At 31 December 2020	10,631	3,033	1,499	5,189	1,740	6,312	-	28,404
Acquisition of a subsidiary (Note 10)	-	22,947	18,482		4,929	6,160	-	52,518
Charge for the year (2)	6,731	5,408	5,508	879	1,122	2,479	-	22,127
Disposals	-	-	(1,676)	-	(435)	(504)	-	(2,615)
At 31 December 2021	**17,362**	**31,388**	**23,813**	**6,068**	**7,356**	**14,447**	**-**	**100,434**
Net carrying amounts:								
At 31 December 2021	**157,355**	**55,278**	**20,961**	**2,548**	**4,442**	**9,687**	**535**	**250,806**
At 31 December 2020	110,970	1,940	7,662	2,548	1,519	3,663	-	128,302

8 PROPERTY AND EQUIPMENT (continued)

(1) Land and buildings comprise the following:

- A building constructed on long-term leasehold land in Bahrain with a carrying amount of AED 105,003 thousand (2020: AED 110,970 thousand).
- During the year the Group entered into a sale and purchase agreement to acquire the previously leased Abu Dhabi hospital land and buildings of Cambridge Medical and Rehabilitation Center LLC, a subsidiary of the Group, for a total consideration of AED 53 million. The acquisition value has been allocated to land and buildings in the amount of AED 7.1 million and AED 45.9 million, respectively, in accordance with a valuation performed by a third party certified independent valuer.

(2) Depreciation charge for the year has been allocated to profit or loss as follows:

	2021 AED'000	*2020 AED'000*
Direct costs (Note 4.4)	**12,619**	1,077
General and administrative expenses (Note 5)	**9,508**	11,231
	22,127	12,308

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:

	Land AED'000	***Buildings and offices AED'000***	***Vehicles AED'000***	***Properties Total AED'000***
As at 1 January 2020	17,937	7,214	-	25,151
Additions	-	4,361	-	4,361
Depreciation	(430)	(7,376)	-	(7,806)
As at 31 December 2020	17,507	4,199	-	21,706
Acquisition of a subsidiary (Note 10)	-	65,478	317	65,795
Additions	-	59,567	100	59,667
Derecognition (1)	-	(18,075)	-	(18,075)
Depreciation	(429)	(10,647)	(189)	(11,265)
As at 31 December 2021	**17,078**	**100,522**	**228**	**117,828**

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:

	2021 *AED'000*	*2020* *AED'000*
As at 1 January	**22,631**	21,727
Acquisition of a subsidiary (Note 10)	**71,250**	-
Additions	**59,667**	4,361
Derecognition (1)	**(19,220)**	-
Accretion of interest (Note 7.2)	**4,856**	1,334
Payments	**(14,943)**	(4,791)
As at 31 December	**124,241**	22,631
Current	**16,788**	210
Non-current	**107,453**	22,421

(1) On 9 September 2021, following the acquisition of the previously leased Abu Dhabi hospital land and buildings of Cambridge Medical and Rehabilitation Center LLC, the related right-of-use asset and leases liabilities were derecognised.

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

The following are the amounts recognised in profit or loss:

	2021 *AED'000*	*2020* *AED'000*
Depreciation expense of right-of-use assets - direct (Note 4.4)	**5,426**	-
Depreciation expense of right-of-use assets - indirect (Note 5)	**5,839**	7,806
Interest expense on lease liabilities (Note 7.2)	**4,856**	1,334
Expense relating to short-term leases – direct (Note 4.4)	**7,185**	11,210
Expense relating to short-term leases – indirect (Note 5)	**1,711**	4,418
Total amount recognised in profit or loss	**25,017**	24,768

The Group had total cash outflows for leases of AED 14,943 thousand in 2021 (2020: AED 4,791 thousand). The Company had non-cash additions to right-of-use assets and lease liabilities of AED 59,667 thousand (2020: AED 4,361 thousand). There are no leases that have not yet commenced at the reporting date.

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

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. The Group accounted for this transaction as a finance lease as per IAS 17. Given that lessor accounting under IFRS 16 is substantially unchanged from IAS 17, the Group continues to classify this lease as finance lease using similar principles as in IAS 17.

9 LEASES (continued)

9.2 Group as lessor (continued)

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 price within a contractually agreed time frame starting in 2024 for 18 months.

During the year, the Group extended AED 0.3 million (2020: AED 22.6 million) additional financing to the lessee towards the expansion of the leased asset, which aggregates to AED 32.9 million (2020: AED 32.6 million) out of a total contractual financing limit of AED 45 million as per the original lease agreement. Management is not currently aware of any intention by the lessee to expand the leased asset in the foreseeable future.

In 2020 the Company agreed to the lessee's request to reschedule the lease payments effective 26 December 2020 with no change to the lease term, the effective interest rate, and the net present value of the future contractual lease payments at the effective date of the rescheduling. Accordingly, the two parties agreed to defer payments that were due in December 2020 and June 2021 whereby the lease payments resumed in September 2021. The amended agreement, including the revised repayment schedule, was signed by the parties during the current year. As per the terms of the revised agreement, the lease receivables are secured against corporate and personal guarantees of the lessee's shareholders and ultimate shareholders as well as a pledge over 25.1% of the shares of the lessee.

At 31 December 2021, the Group performed an ECL assessment of its lease receivables and concluded that no further allowance for credit losses is required to be recognised (2020: AED 2,660 thousand) (refer Note 25).

The following table provides the movement in finance lease receivables:

	2021 ***AED'000***	*2020* *AED'000*
At 1 January	**402,662**	365,223
Additional financing towards the expansion of the leased asset	**302**	22,633
Lease payments received	**(15,594)**	(13,394)
Finance lease income (Note 7.1)	**33,448**	30,860
Allowance for credit loss	**-**	(2,660)
At 31 December	**420,818**	402,662

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

Gross investment in finance lease receivable

	2021 ***AED'000***	*2020* *AED'000*
Less than one year	**42,367**	22,015
Between one and five years	**204,706**	165,024
More than five years	**672,816**	748,533
	919,889	935,572
Unearned finance income	**(496,411)**	(530,250)
Allowance for credit loss	**(2,660)**	(2,660)
Net investment in finance lease receivable	**420,818**	402,662

9 LEASES (continued)

9.2 Group as lessor (continued)

Net investment in finance lease receivable

	2021 *AED'000*	*2020* *AED'000*
Less than one year	**37,986**	18,133
Between one and five years	**154,752**	128,647
More than five years	**228,080**	255,882
	420,818	402,662
Current	**37,986**	18,133
Non-current	**382,832**	384,529

10 BUSINESS COMBINATIONS

Intangible assets acquired through business combinations are as follows:

	Goodwill *AED'000*	*Agreement with definite useful life (1)* *AED'000*	*Agreement with indefinite useful life (3)* *AED'000*	*Brand name with definite useful life (3)* *AED'000*	*Total* *AED'000*
Cost:					
At 1 January 2020	358,782	133,300	-	-	492,082
At 31 December 2020	358,782	133,300	-	-	492,082
Acquisition of a subsidiary (3)	156,496	-	560,867	39,668	757,031
At 31 December 2021	**515,278**	**133,300**	**560,867**	**39,668**	**1,249,113**
Amortisation and impairment:					
At 1 January 2020	-	6,233	-	-	6,233
Amortisation (Note 5)	-	4,500	-	-	4,500
At 31 December 2020	-	10,733	-	-	10,733
Amortisation (Note 5)	-	4,500	-	3,364	7,864
Impairment (4)	19,961	-	-	-	19,961
At 31 December 2021	**19,961**	**15,233**	**-**	**3,364**	**38,558**
Carrying amounts					
At 31 December 2021	**495,317**	**118,067**	**560,867**	**36,304**	**1,210,555**
At 31 December 2020	358,782	122,567	-	-	481,349

10 BUSINESS COMBINATIONS (continued)

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

	2021 *AED'000*	*2020* *AED'000*
Middlesex University (1)	**276,770**	276,770
Royal Hospital for Women and Children (2)	**62,051**	82,012
CMRC Limited (3)	**156,496**	-
	495,317	358,782

(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 comprising the value of expected synergies arising from the acquisition.

(2) Royal Hospital for Women and Children W.L.L

On 16 August 2018, the Group acquired 69.24% of the shares and voting interests in Royal Hospital for Women and Children W.L.L ("RHWC") for a total cash consideration of AED 142,107 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 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 comprising the value of expected synergies arising from the acquisition.

(3) CMRC Limited

On 28 February 2021, the Group acquired 100% of the voting shares in CMRC Limited ("CMRC"), an unlisted holding company based in Cyprus with a 100% shareholding in three subsidiaries: Cambridge Medical & Rehabilitation Centre LLC that provides healthcare services in the United Arab Emirates, CMRC Saudi Arabia LLC that provides healthcare services in Saudi Arabia, and TVM KSA Acquisition 1 Limited, a holding company. The acquisition has been accounted for using the acquisition method. The consolidated financial statements include the results of CMRC for the ten-month period from the acquisition date.

From the date of acquisition, CMRC has contributed AED 245,573 thousand of revenue and AED 61,114 thousand to the profit of the Group. If the acquisition had taken place at the beginning of the year, the contributed revenue would have been AED 292,243 thousand and the contributed profit for the year would have been AED 70,335 thousand (excluding transaction related costs).

Transaction costs of AED 2,628 thousand have been expensed in the year 2020 and are included in Administrative expenses in the consolidated statement of profit or loss for the year ended 2020 and are part of operating cash flows in the consolidated statement of cash flows for the year ended 2020.

10 BUSINESS COMBINATIONS (continued)

(3) CMRC Limited (continued)

Consideration transferred

The Group acquired CMRC for an initial consideration of AED 863,953 thousand in addition to deferred consideration of AED 7,350 thousand, out of which AED 2,450 thousand was settled as of 31 December 2021 (Note 21). During the fourth quarter of 2021, the Group remeasured the total consideration required to be paid to the previous shareholders of CMRC in accordance with the terms of the sale and purchase agreement, and accordingly, additional consideration of AED 1,721 thousand was identified and paid by the Group.

Fair value measurement

The fair value of the assets and liabilities of CMRC Limited had been measured on a provisional basis at the date of acquisition. During the last quarter of 2021, management 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 the additional consideration and comprising the value of expected synergies arising from the acquisition.

The fair values of the identifiable assets and liabilities of CMRC as at the date of acquisition were as follows:

	AED'000
Assets	
Property and equipment	73,347
Right-of-use assets	65,795
Cash	10,787
Inventories	4,329
Trade and other receivables	70,302
	224,560
Liabilities	
Accounts and other payables	(27,290)
Lease liabilities	(71,250)
Provision for employees' end of service benefits	(10,027)
	(108,567)
Total identifiable net assets at fair value	**115,993**
Goodwill and other intangible assets arising on acquisition	**757,031**
Deferred consideration	**(7,350)**
Additional consideration paid	**(1,721)**
Purchase consideration transferred	**863,953**
Analysis of cash flows on acquisition:	
Net cash acquired with the subsidiary (included in cash flows from investing activities)	10,787
Cash paid	(863,953)
Net cash flow on acquisition	**(853,166)**

10 BUSINESS COMBINATIONS (continued)

(4) Goodwill impairment assessment

Middlesex Associates FZ-LLC
Management has performed an impairment test on goodwill as at 31 December 2021. The recoverable amount of the CGU has been determined at 31 December 2021 based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. 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 10.3% (2020: 11.0%). The growth rate used to extrapolate the cash flows of the unit beyond the five-year period is 2.5% (2020: 2.0%). As a result of the analysis, there is a significant headroom and management did not identify any impairment to goodwill.

Royal Hospital for Women and Children W.L.L
Management has performed an impairment test on goodwill as at 31 December 2021. The recoverable amount of the CGU of AED 59 million has been determined at 31 December 2021 based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. 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 11.2% (2020: 12.3%). The growth rate used to extrapolate the cash flows of the unit beyond the five-year period is 3% (2020: 1%). As a result of this analysis, management has recognised an impairment charge of AED 20 million in the current year against goodwill mainly attributable to the COVID restrictions which resulted in significantly delaying the ramp up phase of the hospital. The impairment charge is recorded within administrative expenses in the consolidated statement of profit or loss.

The calculation of value in use is most sensitive to the following assumptions:

CMRC Limited
Management has performed an impairment test on goodwill as at 31 December 2021. The recoverable amount of the CGU has been determined at 31 December 2021 based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. 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%. The growth rate used to extrapolate the cash flows of the unit beyond the five-year period is 2.5%. As a result of the analysis, there is a significant headroom and management did not identify any impairment to goodwill.

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% to 10% in the expected number of students is not expected to result in any impairment to goodwill.

Royal Hospital for Women and Children 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 further impairment to goodwill by AED 24,073 thousand.

CMRC Limited
Revenue is mainly determined based on the number of in-patients and out-patients of the hospitals. Management took into consideration the growth in the number of patients in the past 3 years and applied 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.

10 BUSINESS COMBINATIONS (continued)

(4) Goodwill impairment assessment (continued)

Discount rate

Middlesex Associates FZ-LLC, Royal Hospital for Women and Children W.L.L and CMRC Limited

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 its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. 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 and CMRC Limited but in further impairment of AED 5,261 thousand to goodwill related to Royal Hospital for Women and Children W.L.L.

EBITDA margin

Royal Hospital for Women and Children W.L.L

EBITDA margins have been mainly determined based on available information on comparable specialist hospitals in the region. Management has benchmarked the estimated EBITDA margins over the 5-year cash flow projections with regional women's health premium hospitals, taking into consideration the ramp up period of the hospital. A reasonable decrease of 0.5% in the expected EBIDTA margins would result in further impairment to goodwill by AED 4,238 thousand.

11 INVESTMENTS IN ASSOCIATES

The Group's investments in associates at 31 December are as follows:

	2021 *AED'000*	*2020* *AED'000*
Sukoon International Holding Company (1)	**129,170**	129,474
Taaleem Holdings PrJSC (2)	-	184,174
International Medical Center (3)	-	381,700
Abu Dhabi University Holdings LLC (4)	**376,887**	374,407
	506,057	1,069,755

The movement in the investments in associates during the year is as follows:

	Year ended 31 December 2021				
	Sukoon ***AED'000***	***Taaleem*** ***AED'000***	***IMC*** ***AED'000***	***ADUHC*** ***AED'000***	***Total*** ***AED'000***
At 1 January 2021	**129,474**	**184,174**	**381,700**	**374,407**	**1,069,755**
Share of results	**(287)**	**5,473**	**10,786**	**41,327**	**57,299**
Amortization of PPA assets	-	**(500)**	**(1,266)**	**(3,000)**	**(4,766)**
Share of results in profit or loss	**(287)**	**4,973**	**9,520**	**38,327**	**52,533**
Share of other comprehensive income	**(17)**	-	-	-	**(17)**
Dividends	-	-	**(4,870)**	**(17,500)**	**(22,370)**
Disposal of associates (refer below)	-	**(189,147)**	**(386,350)**	-	**(575,497)**
Acquisition of non-controlling interests	-	-	-	**(18,347)**	**(18,347)**
At 31 December 2021	**129,170**	-	-	**376,887**	**506,057**

11 INVESTMENTS IN ASSOCIATES (continued)

	Year ended 31 December 2020				
	Sukoon AED'000	*Taaleem AED'000*	*IMC AED'000*	*ADUHC AED'000*	*Total AED'000*
At 1 January 2020	182,347	186,734	383,286	355,407	1,107,774
Share of results	(25,711)	10,316	4,404	39,704	28,713
Amortization of PPA assets	-	(1,500)	(1,787)	(3,000)	(6,287)
Share of results in profit or loss	(25,711)	8,816	2,617	36,704	22,426
Share of other comprehensive income	35	-	598	-	633
Dividends	-	(11,376)	(4,801)	(17,704)	(33,881)
Capital reduction (refer 1 below)	(27,197)	-	-	-	(27,197)
At 31 December 2020	129,474	184,174	381,700	374,407	1,069,755

(1) Sukoon International Holding Company ("Sukoon")

The Group has 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 is accounted for using the equity method in the consolidated financial statements.

The following table illustrates the summarised financial information of the Group's investment in Sukoon:

	2021 AED'000	*2020 AED'000*
Current assets	**146,056**	173,304
Non-current assets	**156,403**	133,175
Current liabilities	**(53,487)**	(56,899)
Non-current liabilities	**(9,743)**	(9,438)
Equity	**239,229**	240,142
Group's share in net assets at 33.25% (2020: 33.25%)	**79,545**	79,849
Goodwill, intangible and other fair value adjustments	**61,692**	61,692
Elimination of profit on sale of IMC shares	**(19,851)**	(19,851)
Costs of acquisition capitalised	**5,064**	5,064
Amortisation of PPA assets	**(1,576)**	(1,576)
Other adjustments	**4,296**	4,296
Group's carrying amount of the investment	**129,170**	129,474

	2021 AED'000	*2020 AED'000*
Revenue	**83,846**	85,606
Loss and other comprehensive income for the year	**(862)**	(77,326)
Group's share of total comprehensive loss at 33.25% (2020: 33.25%)	**(287)**	(25,711)

11 INVESTMENTS IN ASSOCIATES (continued)

(1) Sukoon International Holding Company ("Sukoon") (continued)

In 2020, Sukoon International Holding Company reduced its share capital by AED 170.1 million without change in its ownership structure, out of which AED 84.7 million was utilised to absorb the accumulated losses of the associate and the remaining amount of AED 81.7 million was returned to the shareholders. The Group classified its share of the capital return of AED 27,197 thousand under due from related parties, out of which AED 19,273 thousand was received by the Group at the reporting date.

In 2020, the associate, based on a detailed assessment of its trade receivables identified an amount of AED 50,577 thousand whereby the expectations of recovery were determined to be remote. Accordingly, the amount was written off during 2020 out of which the Group's share was AED 16,817 thousand.

During the year, Sukoon's Ministry of Health license expired, and a renewal request has been submitted, which is under process by the Ministry of Health of the Kingdom of Saudi Arabia at the date of the issuance of these consolidated financial statements. Management of the Company has assessed that, based on the history of renewals of the license and the fact that Sukoon has all the required documentation in place, it is not expected that there will be any complications in the license renewal process, which is expected to be renewed during the first half of 2022.

(2) Taaleem Holdings PrJSC ("Taaleem")

During the year, the Group signed a sale and purchase agreement with Knowledge Fund Establishment for the sale of the Group's entire shareholding in Taaleem Holdings for a total cash consideration of AED 349,402 thousand, which was approved by the Board of Directors in its meeting dated 22 April 2021. The sale and purchase transaction was completed on 28 April 2021 whereby the investment in Taaleem has been disposed of and the difference between the carrying amount of the investment on the date of disposal and the sale consideration has been recorded as gain in profit or loss as follows:

	AED'000
Consideration received	**349,402**
Net carrying value of the investment at the date of disposal	**(189,147)**
	160,255

Prior to disposal, the Group had a 21.67% interest (2020: 21.67%) in Taaleem Holdings PrJSC, which is involved in providing educational services in the United Arab Emirates. Taaleem is a private entity that is not listed on any public exchange. The Group's interest in Taaleem is 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 Taaleem:

	2021 AED'000	*2020 AED'000*
Current assets	-	212,856
Non-current assets, net of goodwill	-	1,036,273
Current liabilities	-	(276,878)
Non-current liabilities	-	(320,012)
Equity	-	652,239
Group's share in net assets at nil (2020: 21.67%)	-	141,340
Goodwill and intangibles at acquisition	-	45,071
Cost of acquisition capitalised	-	4,670
Amortisation of PPA assets	-	(6,907)
Group's carrying amount of the investment	-	184,174

11 INVESTMENTS IN ASSOCIATES (continued)

(2) Taaleem Holdings PrJSC ("Taaleem") (continued)

	2021 AED'000	*2020 AED'000*
Revenue*	**182,508**	478,699
Profit*	**25,256**	47,605
Group's share of profit at 21.67* (2020: 21.67%)	**5,473**	10,316

** from 1 January 2021 up to the date of disposal*

(3) International Medical Center ("IMC")

During the year, the Group signed a sale and purchase agreement with a private investor for the sale of the Group's entire shareholding in International Medical Center KSA ("IMC") for a total consideration of AED 433,284 thousand. The sale was approved by the Board of Directors on 14 August 2021.

The sale and purchase transaction was completed on 15 September 2021 whereby the investment in IMC has been disposed of and the difference between the carrying amount of the investment on the date of disposal and the sale consideration has been recorded as gain in profit or loss as follows:

	AED'000
Consideration received	**433,284**
Net carrying value of the investment at the date of disposal	**(386,350)**
Other expenses	**(4,308)**
	42,626

Prior to disposal, the Group had a 13.13% interest (2020: 13.13%) in International Medical Center, which is involved in providing healthcare services in Jeddah, KSA. IMC is a closed joint stock entity that is not listed on any public exchange.

The Group's interest in IMC was accounted for using the equity method in the consolidated financial statements up to the date of the disposal. The following table illustrates the summarised financial information of the Group's investment in IMC:

	2021 AED'000	*2020 AED'000*
Current assets	-	616,091
Non-current assets	-	861,806
Current liabilities	-	(335,835)
Non-current liabilities	-	(204,398)
Equity	-	937,664
Group's share in net assets at nil (2020: 13.13%)	-	123,151
Goodwill, intangible and other fair value adjustments	-	262,425
Costs of acquisition capitalised	-	3,283
Amortisation of PPA assets	-	(7,159)
Group's carrying amount of the investment	-	381,700

11 INVESTMENTS IN ASSOCIATES (continued)

(3) International Medical Center ("IMC") (continued)

	2021 *AED'000*	*2020* *AED'000*
Revenue*	**936,788**	1,202,941
Profit and other comprehensive income*	**82,168**	33,542
Group's share of total comprehensive income at 13.13%* (2020: 13.13%)	**10,786**	4,404

** from 1 January 2021 up to the date of disposal*

(4) Abu Dhabi University Holding LLC ("ADUHC")

The Group has a 35% interest in Abu Dhabi University Holding LLC, acquired on 6 March 2018. ADUHC is involved in providing university educational services in Abu Dhabi, United Arab Emirates. ADUHC is a private entity that is not listed on any public exchange. The Group's interest in ADUHC is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in ADUHC:

	2021 *AED'000*	*2020* *AED'000*
Current assets	**216,550**	211,568
Non-current assets	**924,625**	932,155
Current liabilities	**(191,477)**	(180,571)
Non-current liabilities	**(242,999)**	(284,595)
Non-controlling interests	**-**	12,487
Equity attributable to the owners of ADUHC	**706,699**	691,044
Group's share in net assets at 35% (2020: 35%)	**247,345**	241,865
Goodwill and intangibles at acquisition	**131,194**	131,194
Costs of acquisition capitalised	**9,380**	9,380
Amortization of PPA assets	**(11,032)**	(8,032)
Group's carrying amount of the investment	**376,887**	374,407

	2021 *AED'000*	*2020* *AED'000*
Revenue	**533,597**	468,800
Profit	**118,077**	113,440
Group's share of profit at 35% (2020: 35%)	**41,327**	39,704

12 FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI

	2021 *AED'000*	*2020* *AED'000*
Emirates NBD REIT Limited – quoted (1)	**15,219**	14,359
BEGiN – unquoted (2)	**18,609**	18,609
At 31 December	**33,828**	32,968

(1) The investment consists of a 3.54% shareholding in a quoted equity investment made by the Group in Emirates NBD REIT Limited, which is listed on NASDAQ Dubai exchange.

(2) The investment consists of a shareholding of approximately 1% in a US-based leading education technology company.

The movement in the FVOCI investments during the year was as follows:

	2021 *AED'000*	*2020* *AED'000*
At 1 January	**32,968**	15,716
Acquired during the year	-	18,609
Net change in fair value	**860**	(1,357)
At 31 December	**33,828**	32,968

13 TRADE AND OTHER RECEIVABLES

	2021 *AED'000*	*2020* *AED'000*
Trade receivables	**103,020**	20,783
Less: allowance for expected credit losses	**(17,122)**	(8,792)
	85,898	11,991
Prepayments	**10,927**	6,950
Accrued profit/interest on term deposits	**4,635**	4,692
Refundable deposits	**1,847**	2,000
Advances to suppliers	**3,072**	943
Other receivables	**4,860**	2,258
	111,239	28,834

Movement in the allowance for expected credit losses is as follows:

	2021 *AED'000*	*2020* *AED'000*
At 1 January	**8,792**	4,704
Acquired through business combination	**4,011**	-
Charge for the year (Note 5)	**6,939**	4,088
Write-offs	**(2,620)**	-
At 31 December	**17,122**	8,792

The information about the credit exposures is disclosed in Note 25.

14 RELATED PARTY TRANSACTIONS

Related parties represent the 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

	2021 AED'000	2020 AED'000
Due from related parties		
Associates		
Sukoon	**7,924**	8,045
Taaleem	-	11,594
Other related parties	**155**	14
	8,079	19,653

	2021 AED'000	2020 AED'000
Due to related parties		
Other related parties – non-current	**4,013**	4,013
Other related parties – current	**1,217**	801

	2021 AED'000	2020 AED'000
Transactions with related parties		
Key management personnel		
Management fee	**4,115**	-

Management fee expense is included under share of results of an associate for services provided by a key management personnel 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 2021 and 2020. Dividend received from associates is disclosed in Note 11.

Key management personnel remunerations

Group key management personnel compensation, other than board remuneration disclosed in note 5, comprise the following:

	2021 AED'000	2020 AED'000
Short–term benefits	**30,000**	10,890
Post–employment benefits	**627**	490
Board remuneration	**6,301**	2,293

The amounts disclosed above are the amounts recognised as expense/(income) during the year related to key management personnel.

15 CASH AND BANK BALANCES

Cash and bank balances in the consolidated statement of financial position comprise the following:

	2021 AED'000	2020 AED'000
Cash on hand	**793**	452
Current accounts with banks	**117,034**	87,351
Cash balance held with a third party (Note 16.2)	**10,206**	14,848
Pledged deposit	**3,896**	3,896
Shariah compliant term deposits	**627,000**	306,040
Non-Sharia compliant term deposits	**119,107**	117,968
Cash and bank balances	**878,036**	530,555

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

	2021 AED'000	2020 AED'000
Cash and bank balances	**878,036**	530,555
Less:		
Cash balance held with a third party* (Note 16.2)	**(10,206)**	(14,848)
Pledged deposit	**(3,896)**	(3,896)
Shariah compliant term deposits (with initial maturity of more than 3 months)	**(627,000)**	(106,590)
Non-Sharia compliant term deposits (with initial maturity of more than 3 months)	**(119,107)**	-
Bank overdraft (Note 25.2)	**(21,072)**	(14,105)
Cash and cash equivalents	**96,755**	391,116

During the year ended 31 December 2021, the Group earned an aggregate profit/interest of AED 5,429 thousand on its deposits (2020: AED 9,498 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 (2020: AED 2.5 billion).

As at 31 December 2021 the Company had 2,500,000,000 ordinary shares in issuance of AED 1 each which were fully paid up. Holders of these ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Group.

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 2021, the Market Maker held 11,036,734 (2020: 8,172,689) of Amanat's shares on behalf of the Company, which were purchased at a cost of AED 12,711 thousand (2020: AED 6,702 thousand) and classified under equity as treasury shares at 31 December 2021. A cumulative gain of AED 2,877 thousand has been recognised at 31 December 2021 as Share Premium under equity out of which a net gain of AED 2,354 thousand (2020: AED 523 thousand) is from the disposal of shares during the current 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.

17 STATUTORY RESERVES

As required by Article 239 of the U.A.E. Federal Law No. (2) of 2015, 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. During 2021, an amount of AED 28,083 thousand (2020: AED 1,008 thousand) has been transferred to statutory reserve. The statutory reserve is not available for distribution.

18 FINANCING FROM BANKS

	2021	*2020*
	AED'000	*AED'000*
Term loan (1)	**71,063**	62,374
Musharaka financing facility (2)	**374,626**	-
Less: loan arrangement fees (2)	**(2,261)**	-
	372,365	-
	443,428	62,374
Current	**51,911**	7,792
Non-current	**391,517**	54,582

(1) During 2019, the Group's subsidiary in Bahrain obtained a term loan from a local bank with a limit of BHD 8 million (equivalent to AED 77,920 thousand), out of which BHD 7.37 million (equivalent to AED 71,063 thousand) was utilised at 31 December 2021 (2020: BHD 6.47 million equivalent to AED 62,374 thousand). The loan is repayable in quarterly installments of BHD 400 thousand (equivalent to AED 3,896 thousand) and a bullet payment of BHD 1.2 million (equivalent to AED 11,688 thousand) in 2028 plus interest at CBB 3-month T-bill rate + 3.25% per annum. The repayment of the principal was scheduled to commence after a grace period of 24 months i.e. from 1 September 2021, which was extended to 31 March 2022. The facility is secured against corporate guarantee of the Company.

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

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.

19 OTHER LONG-TERM PAYABLE

	2021	*2020*
	AED'000	*AED'000*
Unamortised rent incentive – non-current portion	**3,630**	3,821

20 PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

	2021 *AED'000*	*2020* *AED'000*
Balance as at 1 January	**9,609**	7,959
Acquisition of a subsidiary (Note 10)	**10,027**	-
Charge for the year	**6,594**	2,886
Payments made during the year	**(3,416)**	(1,236)
Balance as at 31 December	**22,814**	9,609

21 ACCOUNTS AND OTHER PAYABLES

	2021 *AED'000*	*2020* *AED'000*
Accounts payable	**25,674**	9,425
Staff related accruals	**21,701**	5,504
Accrued transaction costs	**13,292**	3,859
Deferred consideration (Note 10)	**4,900**	-
Directors' remuneration payable	**8,426**	2,178
Customer deposits	**2,043**	1,540
Other accruals and payables	**43,320**	32,649
	119,356	55,155

22 BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the profit attributable to the owners of the company for the year and the number of ordinary shares outstanding during the year.

	2021	*2020*
Profit for the year attributable to equity holders of the Company (AED'000)	**280,831**	10,082
Weighted average number of ordinary shares ('000)	**2,499,091**	2,493,707
Basic and diluted earnings per share (AED)	**0.1124**	0.0040

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

23 DIVIDENDS

No dividend was declared during the current year (2020: AED 0.02 per ordinary share). Subsequent to the year-end, the Board of Directors in its meeting held on 14 February 2022 proposed a cash dividend of AED 0.06 per share, which is subject to the approval of the shareholders at the upcoming Annual General Meeting of the Company.

24 COMMITMENTS AND CONTINGENCIES

Group as lessee
At 31 December 2021, the future minimum lease payments for non-cancellable operating leases payable by the Group were as follows:

	2021 *AED'000*	*2020* *AED'000*
Due in less than one year	-	4,925

Group as lessor
As mentioned in note 9, the Group entered into a finance lease as a lessor. Under the terms of the contract, subject to fulfilment of certain criteria, the Group may be required to fund an additional amount of up to AED 12.1 million (2020: AED 12.4 million) for the expansion and improvement of the underlying asset within a contractually agreed time frame.

Contingencies
The Company and its subsidiaries do not have any significant contingent liabilities at the reporting date (2020: Nil). Below are details of the Group's share of its associates' contingent liabilities at the reporting date.

	2021 *AED'000*	*2020* *AED'000*
Bank guarantees	**18,608**	35,758

25 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

25.1 Financial assets

	2021 *AED'000*	*2020* *AED'000*
Equity instruments designated at FVOCI		
Listed equity investment	**15,219**	14,359
Non-listed equity investment	**18,609**	18,609
	33,828	32,968
Debt instruments at amortised cost		
Trade and other receivables	**97,240**	20,941
Finance lease receivables	**420,818**	402,662
Due from related parties	**8,079**	19,653
	526,137	443,256
Total financial assets*	**559,965**	476,224
Total current	**143,305**	58,727
Total non-current	**416,660**	417,497

* Financial assets, other than cash and bank balances

25 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

25.2 Financial liabilities

	2021 *AED'000*	*2020* *AED'000*
Interest-bearing loans and borrowings		
Lease liabilities	**124,241**	22,631
Bank overdraft	**21,072**	14,105
Financing from banks (net of arrangement fees)	**443,428**	62,374
	588,741	99,110
Derivative designated as hedging instrument		
Interest rate swap	**1,646**	-
Financial liabilities at amortised cost		
Accounts and other payables	**118,114**	55,155
Due to related parties	**5,230**	4,814
	123,344	59,969
Total financial liabilities	**713,731**	159,079
Total current	**209,102**	78,063
Total non-current	**504,629**	81,016

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 below.

Derivative designated as hedging instrument
Cash flow hedge – Interest rate swap
At 31 December 2021, the Group had an interest rate swap agreement in place with a notional amount of USD 50,997,141 (equivalent to AED 187,312,500) (2020: Nil) whereby the Group pays an agreed rate of interest fixed on 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 during the year 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

25 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

25.3 Hedging activities and derivatives (continued)

Management assessed that all the criteria for hedge effectiveness are met and concluded that the hedge is effective both at the inception and as at the year end, and accordingly, the Group has reflected the negative fair value of the derivative instrument of AED 1,646 thousand in OCI and recognised the same as a financial liability in the consolidated statement of financial position at the reporting date.

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.

The fair value of the Group's financial assets and liabilities approximate their book values as at 31 December 2021 and 2020 based on management's assessment and as follows:

- Management assessed that the fair values of cash and bank balances, trade and other receivables, 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 latest market transaction price.
- Management assessed that the book value of long-term borrowings as at 31 December 2021 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 approximate its fair value as the balances has been discounted using appropriate discount factors.

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 year or the previous year.

25.5 Financial instruments risk management objectives and policies

The Group's principal financial liabilities comprise 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. 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.

25 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

25.5 Financial instruments risk management objectives and policies (continued)

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 financing 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 2021 and 2020 is the carrying amounts of the financial assets disclosed in note 25.1 above.

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.

The Group has investments in a quoted and unquoted equities with low credit risk.

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 from students for providing academic services. 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 2021 and 2020, there was no concentration risk related to the trade receivables of the education sector.

Healthcare sector
Trade receivables of the healthcare sector relate to amounts receivable by the subsidiaries CMRC UAE, CMRC KSA and RHWC mainly from reputable insurance companies operating in the respective countries. At 31 December 2021, the Group had 11 customers (2020: 5) that accounted for approximately 96% (2020: 82%) of the total healthcare receivables outstanding and 70% (2020: 5%) of all the 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 2021		***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		-	**2.4%**	**6.7%**	**48.3%**	**97.8%**
Estimated total gross carrying amount at default	**103,020**	**5,632**	**55,714**	**23,218**	**7,754**	**10,702**
Expected credit loss	**17,122**	-	**1,344**	**1,560**	**3,749**	**10,469**

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 2020

			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		-	-	27.8%	39.0%	76.0%
Estimated total gross carrying amount at default	20,783	-	7,883	1,599	638	10,663
Expected credit loss	8,792	-	-	444	249	8,099

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 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

Balance due from related parties are mainly related to dividends and return of capital receivable from associates, which are settled on timely 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 2021

	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	-	**60,291**	**46,328**	-	-	**106,619**
Lease liabilities	-	**3,902**	**16,604**	**86,526**	**75,243**	**182,275**
Financing from banks*	-	**15,117**	**54,180**	**303,246**	**132,499**	**505,042**
Bank overdraft	**21,072**	-	-	-	-	**21,072**
Due to related parties	**1,217**	-	-	**4,013**	-	**5,230**
	22,289	**79,310**	**117,112**	**393,785**	**207,742**	**820,238**

** Excluding the impact of hedging*

25 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

25.5 Financial instruments risk management objectives and policies (continued)

Liquidity risk (continued)

31 December 2020

	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 Total AED'000*
Accounts and other payables	-	50,771	5,504	-	-	56,275
Lease liabilities	-	19	317	20,292	2,676	23,304
Financing from banks	-	733	9,991	66,308	-	77,032
Bank overdraft	14,105	-	-	-	-	14,105
Due to related parties	801	-	-	4,013	-	4,814
	14,906	51,523	15,812	90,613	2,676	175,530

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 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:

	2021 AED'000	*2020 AED'000*
Fixed rate instruments – assets		
Wakala and term deposits with banks	**746,107**	424,008
Variable rate instruments – liabilities		
Term loan facility	**(71,063)**	(62,374)
Musharaka financing facility	**(374,626)**	-
Bank overdraft	**(21,072)**	(14,105)
	(466,761)	(76,479)

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. At 31 December 2021, after taking into account the effect of interest rate swaps, approximately 40% of the Group's borrowings are at a fixed rate of interest (2020: Nil).

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
A reasonably possible change in interest rates at the reporting date will not have any significant impact on the consolidated financial statements.

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 owners of the Company by AED 761 thousand (2020: AED 718 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 was 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 'net debt' divided by total capital plus net debt.. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits, excluding discontinued operations.

25 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

25.5 Financial instruments risk management objectives and policies (continued)

Capital management (continued)

	2021 AED'000	*2020* AED'000
Interest-bearing loans and borrowings (Note 25.2)	**588,741**	99,110
Accounts and other payables	**118,114**	55,155
Due to related parties	**5,230**	4,814
Less: cash and bank balances	**(117,827)**	(405,221)
Net debt	**594,258**	(246,142)
Equity	**2,768,760**	2,518,425
Capital and net debt	**3,363,018**	2,272,283
Gearing ratio	**18%**	-

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 borrowing in the current period.

No changes were made in the objectives, policies or processes during the years ended 31 December 2021 and 31 December 2020.

26 SEGMENT INFORMATION

The principal activities of the Group are to invest in companies and enterprises in the fields of education and healthcare and managing, developing and operating such companies and enterprises. The Group includes a subsidiary in the field of education and another in the field of healthcare.

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 2021						
Revenue	-	136,991	275,881	412,872	-	412,872
Direct costs	-	(59,734)	(164,606)	(224,340)	861	(223,479)
General and administrative expenses*	(57,569)	(51,045)	(69,582)	(178,196)	2,402	(175,794)
Impairment of goodwill	-	-	(19,961)	(19,961)	-	(19,961)
Other operating income	3,679	1,172	2,127	6,978	(3,570)	3,408
Share of results of associates	-	43,300	9,233	52,533	-	52,533
Gain on disposal of associates	202,881	-	-	202,881	-	202,881
Finance income	7,023	33,448	8,681	49,152	(10,275)	38,877
Finance costs	(8,834)	(762)	(19,183)	(28,779)	10,582	(18,197)
Segment results	147,180	103,370	22,590	273,140	-	273,140
Segment profit/(loss) attributable to:						
Equity holders of the Company	147,180	103,370	30,281	280,831	-	280,831
Non-controlling interests	-	-	(7,691)	(7,691)	-	(7,691)

26 SEGMENT INFORMATION (continued)

	Investments AED'000	*Education AED'000*	*Healthcare AED'000*	*Total AED'000*	*Eliminations AED'000*	*Consolidated AED'000*
Total assets	**907,900**	**1,334,591**	**1,748,558**	**3,991,049**	**(447,029)**	**3,544,020**
Total liabilities	**(475,787)**	**(114,063)**	**(632,498)**	**(1,222,348)**	**447,088**	**(775,260)**
Capital expenditure	**(59,290)**	**(4,143)**	**(7,893)**	**(71,326)**	**-**	**(71,326)**
Depreciation and amortization	**1,267**	**11,499**	**29,350**	**42,116**	**(860)**	**41,256**

	Investments AED'000	*Education AED'000*	*Healthcare AED'000*	*Total AED'000*	*Eliminations AED'000*	*Consolidated AED'000*
31 December 2020						
Revenue	-	131,556	12,009	143,565	-	143,565
Direct costs	-	(59,634)	(21,250)	(80,884)	-	(80,884)
General and administrative expenses	(60,519)	(45,556)	(19,339)	(125,414)	2,500	(122,914)
Other operating income	3,493	138	692	4,323	(2,500)	1,823
Share of results of associates	-	45,520	(23,094)	22,426	-	22,426
Finance income	11,083	30,950	-	42,033	(1,164)	40,869
Finance costs	(42)	-	(6,444)	(6,486)	1,164	(5,322)
Segment results (2)	(45,985)	102,974	(57,426)	(437)	-	(437)
Segment profit/(loss) attributable to:						
Equity holders of the Company (2)	(45,985)	102,974	(46,907)	10,082	-	10,082
Non-controlling interests	-	-	(10,519)	(10,519)	-	(10,519)
Total assets (2)	542,666	1,446,280	737,263	2,726,209	(8,146)	2,718,063
Total liabilities (2)	(30,304)	(54,174)	(128,878)	(213,356)	13,718	(199,638)
Capital expenditure	(289)	(1,047)	(4,955)	(6,291)	-	(6,291)
Depreciation and amortization	967	15,578	8,069	24,614	-	24,614

(1) General and administrative expenses related to the Investments segment comprise of AED 37,612 thousand of head office expenses and AED 19,957 thousand related to transaction expenses (2020: AED 50,007 thousand and AED 10,512 thousand, respectively).

(2) The Group reclassified certain investments and the related liabilities, income and expenses from the 'Investment' reporting segment to the 'Education' and 'Healthcare' reporting segments to conform to the current period's disclosure.

27 MATERIAL PARTLY-OWNED SUBSIDIARY

Financial information of the subsidiary that has material non-controlling interests are provided below:

(1) Proportion of equity interest held by non-controlling interests:

Subsidiary	**Non-controlling interests** ***2021***	*2020*
Royal Hospital for Women and Children W.L.L	**30.76%**	30.76%

Accumulated balance of non-controlling interests:

	2021 AED'000	*2020 AED'000*
Royal Hospital for Women and Children W.L.L ("RHWC")	**(1,346)**	6,345

27 MATERIAL PARTLY-OWNED SUBSIDIARY (continued)

(2) Summarised financial information of the subsidiary before inter-company eliminations

Summarised consolidated statement of profit or loss for the year ended 31 December 2021:

	2021	*2020*
	AED'000	*AED'000*
Revenue	**30,308**	12,009
Costs and expenses	**(48,894)**	(40,588)
Other income	**641**	692
Finance costs	**(7,059)**	(6,444)
Loss for the year	**(25,004)**	(34,331)
Attributable to non-controlling interests	**(7,691)**	(10,519)

Summarised consolidated statement of financial position as at 31 December 2021:

	2021	*2020*
	AED'000	*AED'000*
Non-current assets	**132,486**	139,049
Current assets	**12,061**	10,756
Non-current liabilities	**(93,279)**	(92,569)
Current liabilities	**(55,644)**	(36,517)
Total equity	**(4,376)**	20,719
Attributable to non-controlling interests	**(1,346)**	6,345

Summarised cash flow information for the year ended 31 December 2021:

	2021	*2020*
	AED'000	*AED'000*
Operating	**(10,922)**	(16,572)
Investing	**(2,002)**	(4,955)
Financing	**3,863**	839
Net decrease in cash and cash equivalents	**(9,061)**	(20,688)

(3) Movements in non-controlling interests

The following table summarises the information about movements in non-controlling interest for the period:

	Non-controlling interest	
	2021	*2020*
	AED'000	*AED'000*
Balance as at 1 January	**6,345**	16,864
Loss for the year	**(7,691)**	(10,519)
Balance as at 31 December	**(1,346)**	6,345

28 IMPACT OF CORONAVIRUS (COVID-19)

The economic crisis caused by the COVID-19 pandemic and actions taken by various governments globally, including that of the Governments of the United Arab Emirates, Saudi Arabia and Bahrain, to control the spread of the pandemic, such as lock-down, travel restrictions and other measures resulted in some disruption to the Group's business operations, mainly during the period from March to August 2020. The Board of Directors and management had initiated a number of measures within the Company and among its personnel to maintain high standards of health and safety in response to the pandemic.

Subsequent to 31 December 2021, as the effect of the pandemic continues to evolve, the Group may face additional risks and uncertainties, if further actions are taken by the countries in which the Group operates.

The extent and duration of such impact remain uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the transmission rate of the coronavirus and the extent and effectiveness of containment actions taken. Given the ongoing economic uncertainty, a reliable estimate of the impact cannot be made at the date of authorisation of these consolidated financial statements. Notwithstanding, these developments could impact the Group's financial results, cash flows and financial condition during 2022.

The main elements related to the Group's consolidated financial statements which are potentially impacted by COVID-19 are detailed below:

Government assistance
To mitigate the impact of the COVID-19 pandemic, the Group's subsidiary in Bahrain received assistance from the Government of Bahrain in 2020 in the form of a cash payment covering salaries of Bahraini employees for an amount equivalent to AED 451 thousand. No such assistance was received during the current year.

Government assistance received by the Group resulted in a reduction to the respective expense.

29 COMPARATIVE FIGURES

Certain comparative figures in the consolidated statement of financial position have been reclassified, where appropriate, to confirm to the current period's presentation. Such reclassifications did not have any impact on the previously reported net assets at 31 December 2020 and results of the Group for the year then ended.

30 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 years 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 provide below and may differ from similarly titled measures used by other entities.

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

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

- acquisition and disposals of investees including related transaction expenses;
- share of results of investees disposed of during the year;
- goodwill impairment loss; and
- share of trade receivables write-off of an associate.

30 ALTERNATIVE PERFORMANCE MEASURES (continued)

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

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

- all adjustment items disclosed in (a) above;
- the share of results of associates other than those disposed during the year; and
- finance income on lease receivables.

(c) Reconciliation

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

	2021 AED'000	*2020 AED'000*
Profit attributable to equity holders of the Company	**280,831**	10,082
Adjusted for:		
Gain on disposal of associates	**(202,881)**	-
Transaction related expenses* (Note 5)	**19,957**	10,512
Share of results of investees disposed of during the year (Note 11)	**(14,493)**	(11,433)
Goodwill impairment (Note 10)	**19,961**	-
Share of trade receivables write-off at Sukoon (Note 11)	**-**	16,817
Adjusted profit attributable to equity holders of the Company	**103,375**	25,978
Add/(deduct):		
Finance costs, net of share of NCI of AED 2,171 thousand (2020: AED 1,978 thousand)	**16,026**	3,344
Finance income	**(5,429)**	(10,009)
Adjusted operating profit attributable to equity holders of the Company	**113,972**	19,313
Adjusted for:		
Finance income on lease receivables	**(33,448)**	(30,860)
Share of results of associates, other than those disposed of during the year	**(38,040)**	(10,993)
Add/(deduct):		
Transaction related expenses*	**(19,957)**	(10,512)
Goodwill impairment	**(19,961)**	-
Share of trade receivables write-off at Sukoon	**-**	(16,817)
Finance cost attributable to NCI	**2,171**	1,978
Non-controlling interests (Note 27)	**(7,691)**	(10,519)
OPERATING LOSS	**(2,954)**	(58,410)

** includes AED 17,000 thousand of employee compensation and other related expenses*

DAR AL SHARIA

بسم الله الرحمن الرحيم

8th February 2022

SHARIA CERTIFICATION

Investing in Shares of Amanat Holdings PJSC (the "Company")

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

For this purpose, we have reviewed the following:

1. Unaudited Interim Consolidated Financial Statements for year ended on 31st December 2021.

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

1. Activities and objectives of the Company are investing and managing companies which are in the fields of education and health care. These activities were found to be in accordance with the principles of Islamic Sharia.

2. The financials of the Company as of 31st December 2021, the financial ratios (Conventional borrowing ratio, Conventional investments ratio, Liquid Assets ratio and Non-compliant income ratio) are within the acceptable limits prescribed by the AAOIFI Sharia Standards and the Dubai Financial Market (DFM) Standard for trading Shares.

3. The Company financials must be reviewed quarterly in order to ascertain the ongoing Sharia compliance based on any changes in the financial position and activities.

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

Allah knows the best.

Yours truly,

Mian Muhammad Nazir
Member, Sharia Committee

دار الشريعة المحدودة
DAR AL SHARIA
Dar Al Sharia Limited, DIFC - Dubai

أمانات
Amanat

Contact Us

investor.relations@amanat.com

amanat.com