

## SHUAA Capital delivers strong profitability in the first half of 2023

United Arab Emirates, 10 August 2023: SHUAA Capital psc (DFM: SHUAA), the leading asset management and investment banking platform in the region, has announced its H1 2023 financial results. Net profit attributable to shareholders was AED 20 million, compared to an AED 164 million loss in H1 2022.

### Group financial highlights

Income Statement	H1 2023	H1 2022	% YoY
Net Operating Income*	AED 32.4m	AED 2.9m	10x ▲
Expenses*	(AED 66.8m)	(AED 155.0m)	(57%) ▲
Net Profit	AED 20.0m	(AED 164.3m)	+112% ▲

\*excluding one-off items and carry expense

Key metrics	H1 2023	H1 2022	% YoY
Cost-Income Ratio	67%	98%	(31%) ▲
Leverage Ratio	0.88x	1.23x	(35%) ▲

### Key financial review

- Total revenues of AED 99 million** in H1 2023 (+68% year-on-year on a normalised basis) driven by recurring revenues contributed from all business segments as well as performance fees recognised in the asset management segment
- Cost to income ratio at 67%** in H1 2023, down from 98% in H1 2022, highlighting the Group's operating margin strength derived from cost optimisation initiatives undertaken last year
- AED 20 million net profit** driven by the outperformance from managed investment and real estate funds coupled with robust sales and trading income generation in H1 2023
- Deleveraging continued in H1 2023**, with debt-to-equity ratio further improving to 88% from 123% in H1 2022
- AED 173 million of debt repayments** since December 2022, highlighting the Group's continued commitment to deleverage and simplify its balance sheet and position for growth

### Segmental review

- Asset Management**, which encompasses investments funds and managed accounts across real estate, public and private markets and debt, reported first half revenues of AED 88 million in management and performance fees, up +11% compared to H1 2022
- Investment Banking**, which provides corporate finance advisory, equity and debt capital markets, M&A, sales and trading, recorded an increase in revenues of AED 10 million (+25% compared to H1 2022) with growth in trading revenue offsetting lower advisory fees as no significant transactions were closed during the first half of the year

- **Corporate segment**, which manages principal investments, treasury and other shared services, reported no material revenues and is expected not to contribute further in the future as a result of the Group's strategic initiative to divest from non-core assets and will only record unallocated expenses, finance costs and investment income

## Delivering on our mission statement

SHUAA's mission is to create sustainable value for clients, employees and shareholders by engineering innovative investment solutions and differentiated product offerings for institutional clients and high-net-worth individuals. The firm's disciplined approach includes focusing on core businesses, divesting non-core assets, and managing risk effectively in a rapidly evolving operating environment.

"The first-half results underline SHUAA's robust return to strong profitability, driven by our commitment to simplifying our balance sheet structure and reducing debt liabilities," said Fawad Tariq Khan, Group Chief Executive Officer of SHUAA Capital. "Our existing portfolio and assets under management (AuM) reflect our strategy to diversify and boost our recurring fee income. Our Asset Management strategy continuously seeks out new investment opportunities and creates investment products for our increasingly diversified investor base. Moreover, our Investment Banking segment has seen a significant uptick in performance, with a revenue increase of 25% compared to H1 2022, and expectations to further strengthen our advisory capacity with our recent senior hires".

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### About SHUAA Capital psc

SHUAA Capital psc (DFM: SHUAA) is a leading asset management and investment banking platform. SHUAA Capital psc is recognized for its strong track record and pioneering approach to investing through a differentiated, innovative, and global product offering focused on public and private markets, debt, and real estate.

The asset management segment, one of the region's largest, manages real estate funds and projects, investment portfolios and funds in the regional equities, fixed income, and credit markets; it also provides investment solutions to clients, with a focus on alternative investment strategies. The investment banking segment offers corporate finance advisory, transaction services, private placement, public offerings of

equity and debt securities, while also creating market liquidity on OTC fixed-income products. The firm is regulated as a financial investment company by the Securities and Commodities Authority.

To learn more about SHUAA Capital, please visit:

- Website: [www.shuaa.com](http://www.shuaa.com)
- Twitter: [https://twitter.com/SHUAA\\_Capital](https://twitter.com/SHUAA_Capital)
- LinkedIn: <https://www.linkedin.com/company/shuaa-capital>
- Facebook: <https://www.facebook.com/SHUAA.Capital.psc>

#### Cautionary Statement Regarding Forward-Looking Information:

*This document contains forward-looking statements. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Forward-looking statements can be identified by words such as: "anticipate," "aspire," "intend," "plan," "goal," "objective," "seek," "believe," "project," "estimate," "expect," "forecast," "strategy," "target," "trend," "future," "likely," "may," "should," "will" and similar references to future periods.*

*Examples of forward-looking statements include, among others, statements we make regarding:*

- *Expected operating results, such as revenue growth and earnings.*
- *Anticipated levels of expenditures and uses of capital.*
- *Ability to identify and merge with a target and access to capital markets.*
- *Current or future volatility in the capital and credit markets and future market conditions.*

*Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: Our ability to maintain adequate revenue levels and cost control; economic and financial conditions in the global markets and regional markets in which we operate, including volatility in interest rates, commodity and equity prices and the value of assets; the implementation of our strategic initiatives, including our ability to effectively manage the redeployment of our balance sheet and the expansion of our strategic businesses; the reliability of our risk management policies, procedures and methods; continued volatility in the capital or credit markets; geopolitical events; developments and changes in laws and regulations, including increased regulation of the financial services industry through legislative action and revised rules and standards applied by our regulators.*

*Any forward-looking statement made by us in this document and presentation is based only on information currently available to us and speaks only as of the date on which it is made. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. We undertake no obligation to publicly update any forward-looking statement whether as a result of new information, future developments or otherwise. Please remember that past performance may not be indicative of future results.*