

SHUAA Q1 2021 profit hits 10-year high with significant business momentum across the platform

- Q1 profits hit 10-year high for both net profit attributable to shareholders of AED 25 million and operating income of AED 45 million, as SHUAA responds effectively to the impact of the pandemic and the economic environment
- Q1 2021 EBITDA generation also strong at AED 75 million, following record profits in Asset Management
- Revenues of AED 102 million showed a 42% increase year-on-year, highlighting underlying strength in recurring business
- Cost discipline maintained with cost-income ratio of 55% for Q1 2021 in line with medium-term target
- Strong start to the year with several landmark transactions including Anghami and Pure Harvest
- Continued focus on execution of strategic agenda, with enhanced value proposition post-integration and a strong pipeline of new funds and deals driving momentum

United Arab Emirates, 10 May 2021: SHUAA Capital psc (DFM: SHUAA), the leading asset management and investment banking platform in the region, has announced its financial results for Q1 2021. SHUAA achieved a 10-year record in quarterly profits, with net profit attributable to shareholders for Q1 2021, of AED 25 million compared with AED 262 million net loss attributable to shareholders in Q1 2020 and operating income increasing 132% year-on-year from AED 19 million in Q1 2020 to AED 45 million in Q1 2021. EBITDA generation also remained strong, at AED 75 million for Q1 2021 compared with a negative EBITDA of AED 202 million in Q1 2020, up AED 277 million year-on-year. Furthermore, revenues saw an increase to AED 102 million in Q1 2021 compared with AED 72 million in Q1 2020, up 42% year-on-year driven by our recurring business which continues to trend above the average of the last four quarters, despite Q1 traditionally being SHUAA's quietest quarter. Although this is against a weaker 2020 comparative, as Q1 2020 saw the early effects of the global pandemic, these results represent the fourth consecutive quarter of profitability for the Group despite the continued impact of COVID-19 on the economic landscape, demonstrating the resilience of SHUAA's diversified platform.

The solid underlying performance also saw SHUAA achieve record profits for its Asset Management business. This was despite a slight decrease in assets under management to USD 13.9 billion compared with the record levels of USD 14.1 billion reached at the end

of FY 2020, due to the exit of a low margin mandate. Conversely, the company has achieved continued progress on building out the new funds recently launched.

Moving from integration to transformation

Both SHUAA's Asset Management and Investment Banking businesses achieved a strong start to the year, underpinned by several landmark transactions in the first quarter despite some delays to transactions.

SHUAA's asset management segment continues to make progress on its previously communicated strategic agenda with regards to the build-up of permanent capital posting record profits of AED 35 million. Two of the Group's permanent capital vehicles launched under the Incorporated Cell Company (ICC) platform in Q4 2020 announced their first dividends in January 2021. This is testament to the funds' early performance, representing an annualized yield of 6.4%, and highlights SHUAA's ability to create significant value for its investors. Building on this positive momentum the ICC Funds platform expects to launch three additional funds to expand its offering.

In January, SHUAA announced its funds' investment in Anghami, the leading music streaming platform in the Middle East and North Africa, and this was followed by the news in March that Anghami will become the first Arab tech company to list on NASDAQ New York via its proposed merger with Vistas Media Acquisition Company (VMAC). The transaction implies an initial pro-forma enterprise valuation of approximately USD 220 million and is expected to close in Q2 2021. The holding is not only aligned with SHUAA's stringent investment criteria and has SHUAA's Investment Banking team acting as global financial advisor and underwriter for the deal PIPE, but also supports the company's interests in pursuing technology investments.

On the debt capital markets front, a key segment for SHUAA's investment banking business, SHUAA initiated, structured and placed the innovative USD 50 million sukuk financing solution for Pure Harvest Smart Farms, the world-leading sustainable agri-tech business. This is the first time in the region that an early-stage business has been able to secure venture debt funding from capital markets. This investment round attracted cornerstone investments from Franklin Templeton and Sancta Capital amongst others, and highlights SHUAA's unique capabilities in this space.

The company has also improved its operating platform with a newly created Debt sub-segment under Asset Management. This segment, headed by Natasha Hannoun, will house our recently launched SHUAA Financing Opportunities Fund (SFOF) and will focus on private debt investments, through stand-alone deals and fund structures where SHUAA has a long and strong track record. As part of this shift, the Investment

Management and Discretionary Portfolio Management businesses (previously under Investment Solutions) have been migrated to Investment Banking and Asset Management respectively.

At the same time, SHUAA continues to focus on its strategic objective of optimizing operations, including winding down its Non-Core Assets Unit (NCU). The company has undertaken a number of initiatives to support the acceleration of the NCU wind-down and is on track with the process overall, despite NCU net assets remaining relatively flat in Q1 2021, ending the quarter at AED 138 million.

Momentum into Q2 with a healthy pipeline

For Q2 2021, SHUAA has a healthy pipeline of activity and deals across the platform, including some transactions which saw delays in completion in the first quarter of the year. Therefore, in addition to the Anghami merger with VMAC on NASDAQ New York, and other potential fund launches, SHUAA sees a number of opportunities to drive momentum over the coming months. In particular, there are attractive opportunities for SHUAA to develop its activities in the tech investment space, building on the success of transactions such as Anghami and Pure Harvest, and more broadly in the Islamic investment space, with the planned launch of new funds.

To support these ongoing activities, SHUAA has been actively recruiting across the business to further strengthen its capabilities and expertise. Since the start of the year, SHUAA has made over 10 new hires, including the new CEO of Real Estate, Walid El-Hindi, with a further 30 open hiring mandates in progress. Meanwhile, SHUAA recently reinforced its Board with the appointment of three new Directors, Maha AlQattan, Badr Al Olama and Lamis Al Hashimy, who bring a wealth of experience and fresh perspectives to the Group.

Looking ahead, SHUAA is poised for growth this year, thanks to the enhanced value proposition post-integration and a healthy pipeline of deals as well as innovative new fund launches that will enhance recurring revenues going forward. The Group therefore remains well placed to deliver on its growth strategy and create long-term sustainable value for its investors and shareholders.

Commenting on SHUAA's Q1 2021 results, **Jassim Alseddiqi, Group Chief Executive Officer of SHUAA Capital**, said: "We have further solidified our platform and have successfully concluded our merger integration program. Our focus now shifts onto growth and transformation with significant hiring across the platform, new product launches and differentiated value propositions for our clients. With Q1 profits having hit a 10-year high, the landmark transactions and the momentum we are currently seeing across the firm

going into Q2 have both been very encouraging and reinforce our commitment to the continued execution of our strategic agenda."

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About SHUAA Capital psc

SHUAA Capital psc (DFM: SHUAA) is a leading asset management and investment banking platform, with c. USD 14 billion in assets under management. 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 provides 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:

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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.

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- *Expected operating results, such as revenue growth and earnings.*
- *Anticipated levels of expenditures and uses of capital*
- *Current or future volatility in the capital and credit markets and future market conditions.*

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