

SHUAA Capital delivers strong net profit and EBITDA performance and growth underpinned by solid business momentum

- Q3 2021 net profit attributable to shareholders of AED 35 million, up 19% quarter-on-quarter driven by stable recurring revenues and strong performance in its public markets fund
- Year-to-date 2021 net profit of AED 89 million, up 40% (9M 2020: AED 64 million) reflecting strong performance year to date
- Continued strong cost discipline with cost-income ratio at 61% for 9M 2021
- Six consecutive quarters of improving shareholders' equity, with leverage ratio at 129% (Q3 2020: 155%); both show continued path to strengthening balance sheet
- Significant progress towards reducing the non-core assets with a reduction of 63% during the quarter and 90% total reduction since inception

United Arab Emirates, 10 November 2021: SHUAA Capital psc (DFM: SHUAA), the leading asset management and investment banking platform in the region, has announced its financial results for the period ending Q3 2021.

Net profit attributable to shareholders was AED 35 million in Q3 2021, an increase of 19% from the previous quarter. Year to date 2021, the Group recorded a net profit of AED 89 million, an increase of 40% from AED 64 million in the corresponding 2020 period, demonstrating the resilience of the underlying business and the impact of SHUAA's growth strategy over the course of the year. In Q3 2021, SHUAA recorded its third consecutive quarter of EBITDA growth to AED 83 million, an increase of 5% quarter-on-quarter. Excluding the seasonal effect from dividend recognition in the consolidated funds, Q3 2021 revenues were broadly steady at AED 67 million compared with Q2 2021 and increased 9% on the year-to-date period. Revenues benefitted from a strong performance in the Goldilocks flagship fund and SHUAA's increasing recurring revenue base over the year. Operating expenses declined 39% from the previous quarter to AED 51 million in Q3 2021, partly driven by AED 9 million of provision reversals. The underlying cost trend remains in check despite continued investment in the platform including a significant headcount expansion this year. SHUAA's cost-income ratio remained relatively steady at 61% for year-to-date 2021, in line with the medium and long-term target ratio of 60%.

Continued focus on exiting non-core assets

In Q3 2021, the Group made significant progress towards reducing its non-core assets, with a further 63% reduction during the quarter coupled with significant additional cash proceeds from asset disposals. With the progress made this quarter, the overall reduction in non-core assets has increased to 90% to date, and the Company's divestment program remains on track.

Strong public market funds investment performance

SHUAA's flagship Goldilocks Fund (Goldilocks), managed by its wholly owned investment manager, SHUAA GMC Limited, continues to build on its solid performance, generating a net return of 35% year-to-date. Moreover, Goldilocks has delivered a 158%* return since its inception in July 2015, significantly outperforming benchmark indices including the MSCI World, MSCI UAE and the S&P Pan Arab. The Fund's AUM stands at over USD 520 million and recorded its highest dividends distribution from portfolio investments in the first half of 2021. Given the strong investment activity over the quarter, the return of investor sentiment in the markets and the core value of the fund's portfolio and strategy, the management is pleased with the Fund's performance and prospects.

As part of its strategy to establish more permanent capital vehicles, SHUAA launched the ICC Fund Platform in Q4 2020, in part to help serve the Company's insurance clients but also to enhance its products and service offerings with the right capabilities to meet the changing needs of clients. This platform has enabled SHUAA to become a key partner for insurers seeking higher and more consistent returns through diversification strategies that meet regulatory requirements. As at the end of Q3 2021, SHUAA's insurance AUM stands at over USD 135 million, and the Company anticipates incremental growth the next couple of years as it continues to focus on this growing segment of the asset management business.

Commenting on SHUAA's Q3 2021 results, **Jassim Alseddiqi, Group Chief Executive Officer of SHUAA Capital**, said: "I am pleased to present our Q3 performance for 2021. I believe we have effectively demonstrated the resilience of our revenues and our disciplined approach to managing costs as we continue to invest in improving our core offering and capabilities. With the significant headcount expansion in 2021, our focus is now firmly on growing our recurring revenue streams, building permanent capital vehicles in asset management and broadening our footprint in investment banking. We are equally pleased with the progress we are making in building a digital wealth management platform. In addition, our role in the upcoming listing of Anghami on NASDAQ further

demonstrates the breadth of our capabilities, and we remain on track to complete the transaction by the end of the year.

I believe that with all these exciting developments underway, we have laid the foundation for sustainable growth. As we enter the final quarter with positive momentum, I look forward to the remainder of the year with confidence."

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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:

- Website: www.shuaa.com
- Twitter: https://twitter.com/SHUAA_Capital
- LinkedIn: <https://www.linkedin.com/company/shuaa-capital>
- Facebook: <https://www.facebook.com/SHUAA.Capital.psc>

Disclaimer

** Goldilocks fund return since inception formula comprise the performance of the fund investment strategy since its initial date of implementation as a pooled investment which predates the fund inception date and its launch to investors on June 4, 2017. The fund portfolio was migrated to Goldilocks Investment Company Limited on June 4 2017. Prior to the migration, the portfolio of assets was managed as Goldilocks' strategy in the form of a pooled investment portfolio for the investors under Integrated Capital PJSC. The cumulative returns since inception include returns from the launch of pooled portfolio.*

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*
- *Current or future volatility in the capital and credit markets and future market conditions.*

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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.

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