

SHUAA Capital – Q3 2021 Earnings Call – DFM Brief

SHUAA Capital psc's ("SHUAA") Q3 2021 Earnings Call was held on Thursday 11th November 2021 at 5:00pm and was presented by a member of SHUAA Capital's senior management:

- **Joachim Mueller**, Chief Financial and Risk Officer

During the call, SHUAA's Q3 2021 financial performance was reviewed. An update on SHUAA's strategic agenda and several key growth initiatives, particularly with regards to SHUAA's recent activity was also provided.

Attendees were encouraged to go to the investor relations section of SHUAA's website (www.shuaa.com), where the presentation material and financial statements which were discussed during the call are available.

Summary of the Presentation

The below is a summary of the key points discussed throughout the presentation and provides an overview of the slides that were discussed and included in the presentation.

Solid business momentum across the platform and continued stability of the recurring revenue base

- **Strong 9-month profitability:** Q3 2021 net profit attributable to shareholders of AED 35 million, up 19% quarter-on-quarter. On the 9-month period ending Q3 2021, the Group recorded net profit of AED 89 million, up 40% from AED 64 million in the corresponding 2020 period
- **Third consecutive quarter of rising EBITDA:** Continued strong Q3 2021 EBITDA generation at AED 83 million, up 5% quarter-on-quarter highlighting the strong earnings capacity of the Group with recent launches successfully contributing to the increasingly stable and recurring revenue base
- **Stability from recurring revenues:** Q3 2021 revenues of AED 67 million, down from Q2 2021 which saw a large dividend recognition in our flagship fund. Q3 2021 revenue performance is in line with the typically 'quieter' Q3 periods
- **Continued cost discipline:** Cost discipline maintained despite continued investments into the platform including additional headcount; Q3 2021 operating expenses at AED 51 million, down 39% quarter-on-quarter with 9M 2021 cost-income ratio broadly steady at 61%, in line with our medium and long-term targets

- **90% of NCU reduced:** Significant progress towards closing the non-core unit (NCU) with a total reduction of 90% since inception and a further 63% within the quarter; divestment plan in progress for the remaining assets
- **AuM affected by FX fluctuations:** AuM at USD 13.1 billion, down 3% from Q2 2021 mainly due to FX fluctuations on UK real estate assets, revaluation of a UAE real estate portfolio and exits in our NCU

Strong performance across our select investments and continued investments into the growth of our platform

- **Goldilocks Fund:** Continued strong year-to-date and since inception performance against benchmarks in our flagship fund with H1 2021 dividend levels the highest since inception*
- **ICC Fund Platform & DPMs:** Continue to drive our focus on Insurance AUM with positive net new money trends in DPM as performance continues to position us as investment partner of choice for insurers and strengthen our permanent capital vehicles
- **Digital Wealth Management Platform:** Continued progress on fintech team building, product design, and solution architecture

After the conclusion of the presentation, the call was opened to analysts to ask questions directly to senior management. These questions ranged from SHUAA-specific questions around SHUAA's strategic agenda, financial performance, and overall growth plans and initiatives which the management team answered.

** 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.*

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.