

SHUAA Capital reports strong full year 2021 results reflecting strong core business performance

- Strong growth in core revenues driven by stable recurring revenues and gains within managed funds with AED 317 million net cash generated from operating activities
- Full year profit of AED 24 million impacted by net one-off charges of AED 203 million; net profit excluding one-off charges AED 227 million
- Targeted hiring for growth across the business within a framework of continued strong cost discipline
- Continued progress on balance sheet strengthening with non-core unit closed and significant deleveraging consistent with long-term strategy
- Board has recommended no dividend payment for 2021 to support funding of growth initiatives

United Arab Emirates, 28 March 2022: SHUAA Capital psc (DFM: SHUAA), the leading asset management and investment banking platform in the region, has received board approval for its audited financial statements for the fiscal year ended 31 December 2021.

The FY 2021 results demonstrate continued progress in delivering on the Group's strategic agenda. While net profit for SHUAA and its subsidiaries (the "Group") of AED 24 million was down 81% year on year from AED 125 million in 2020, the result included one-off charges of net AED 203 million in the fourth quarter mainly relating to valuation impairments following the decision to accelerate the restructuring of a legacy, illiquid investment portfolio. SHUAA's net profit on a like for like basis would have been AED 227 million in 2021. These net charges increased by AED 16 million from the Group's preliminary results, following a final valuation assessment of certain illiquid assets. While EBITDA also declined, from AED 349 million in FY 2020 to AED 218 million in 2021 due to these valuation impairments, adjusting for the effect of the one-off adjustments it would have risen to AED 421 million.

Our core revenues continue to show progress towards the high-quality revenues targeted within our strategy, with net fee and commission income up by 21% year on year to AED 265 million in the year, while controlling expenses with operating expenses up 6% year on year, with targeted strategic hiring across the business.

Proactive reduction of non-core assets and deleveraging of balance sheet

During the year, the Group continued to proactively manage its balance sheet. In line with our strategy to focus on our two core business segments (asset management and investment banking) and strengthen our balance sheet, the Group continued to further manage down the assets held within its non-core unit. Since inception this unit has generated net AED 188 million of cash proceeds for the Group. Following the progress in disposing of these assets, the non-core unit was closed in the fourth quarter of 2021 and the residual assets transferred to principal investments, where they can be managed consistently and in line with the Group's other

investments. As well as the closure of the non-core unit, the Group restructured an illiquid, legacy portfolio absorbing the effects in the year. These activities saw the Group reduce its adjusted¹ leverage ratio by 17% points.

Strengthening our offering and delivering for clients

In 2021, SHUAA made key hires across the business, notably within real estate and client coverage, with core headcount increasing by 33%. As well as the internal promotion of two senior executives, announced in April, this ensured that the Group maintained its policy of targeted investment across both product and client relationship capabilities.

The Group's asset management activities delivered a strong performance during the year, building on the progress made in 2020. The appointment of a new CEO of real estate further enhances the Group's ability to deliver a high-quality offering to clients across different geographies and markets.

The Group's flagship Goldilocks fund continued to be active in public markets, identifying investment opportunities focused on high intrinsic value and company-specific turnarounds. It maintained its record of strong outperformance against its benchmarks during 2021 and has risen 241% since inception*. Within private markets, the 2020 transaction that saw the Thalassa fund acquire Stanford Marine Group had its first full year with strong performance in the underlying business creating value for the shareholders in the fund. Within Debt, launched as a vertical in 2020, the team successfully structured and invested in the USD 50 million sukuk issuance of Pure Harvest, an innovative transaction helping a local early-stage business to secure venture debt funding from capital markets.

Outlook

While the Group continues to operate against a backdrop of global geopolitical uncertainty and heightened market volatility, the continued progress within the core of the business since the merger of SHUAA Capital and Abu Dhabi Financial Group in 2019 allows management to remain confident about the Group's ability to build on its market-leading position and deliver significant value creation for its investors and its shareholders.

Fadhel Al Ali, Chairman of SHUAA Capital, commented: "Despite continued wider market instability, SHUAA has focused on continuing to deliver for our clients. The model of partnering local capabilities has seen a number of high-profile successes in areas we can look to repeat this success, not least the Investment Banking team's work on behalf of Anghami. We expect this model to continue to benefit both clients and shareholders in the future."

Commenting on SHUAA's 2021 preliminary results, Jassim Alseddiqi, Group Chief Executive Officer of SHUAA Capital, said: "SHUAA has continued to progress during the year in broadening its client offering. As we move towards the end of cleaning up legacy and non-core investments and portfolios, we will increase our focus on driving revenues and shareholder returns whilst maintaining a strict discipline on costs. We are continually looking for new ways to meet the

demand from both existing and new clients and we remain confident about the numerous and long-term opportunities for our business which will create value for our shareholders.”

Note – 1 – Debt/ equity ratio adjusted for non-recourse items

Ends

Press Contacts

SHUAA Capital psc
Hani El Abid
Head of Marketing and Communications
Tel: +971 4 3199 723
Email: helabid@shuua.com
www.shuua.com

ASDA'A BCW
Dhanya Issac
Associate Director
Tel: +971 4 450 7600
Email: dhanya.issac@bcw-global.com
www.asdaa-bcw.com

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

Disclaimers

**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. Investing involves risk including the potential loss of principal. No investment strategy can guarantee a profit or protect against loss in periods of declining values. Past performance does not guarantee future results. Consult your financial professional before making any investment decision.*

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.

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