

SHUAA Capital delivers AED 20 million net profit in Q3 2022 driven by strong recurring revenues

- Net profit attributable to shareholders of AED 20 million in Q3 2022 compared to a net loss of AED 170 million in Q2 2022 underpinned by strong revenues.
- Third quarter net operating income (excluding one-off items) of AED 14 million compared to AED 6 million in Q2 2022, backed by strong recurring revenues across all segments while maintaining firm cost discipline across the Group.
- Cost to income ratio at 77% in Q3 2022 significantly lower than the 90% in Q2 2022. Expanding operating margins for the business in Q3 2022 driven by lower costs.
- Continued disciplined approach to deleveraging with debt-to-equity ratio at 124% in Q3 2022. Balance sheet metrics expected to improve in Q4 2022 driven by higher profitability and further reduction of leverage.

United Arab Emirates, 10 November 2022: SHUAA Capital psc (DFM: SHUAA), the leading asset management and investment banking platform in the region, has announced its financial results for Q3 2022. In the third quarter, SHUAA and its subsidiaries (the "Group") reported a net profit attributable to shareholders of AED 20 million compared to a net loss of AED 170 million in the previous quarter. The Group reported a net operating income (excluding one-off items) of AED 14 million compared to AED 6 million in Q2 2022 as recurring revenues continue to build a stable moat and cost optimization measures taken earlier starting to improve profitability.

Further consolidation of recurring revenues and continued cost optimization initiatives

In the third quarter, SHUAA delivered another set of strong recurring revenues of AED 60 million across all business segments of the Group.

- The Group's Asset Management segment delivered a healthy performance of AED 31 million of revenues, driven by the strong contribution from fee earning AuM within real estate as well as managed public and private market funds.
- The Group's Investment Banking business reported revenues of AED 5 million due to higher advisory and trading income compared to the second quarter.
- Northacre recently announced project completion of The Broadway, a USD 1.5 billion+ contemporary residential and mixed-use development with unrivalled views across Westminster and St James's Park in London.
- Revenues from our Corporate segment remained robust at AED 24 million amidst prolonged market volatility. In line with our strategy of divesting non-core assets, we expect revenues from the corporate segment to run off in the coming quarters.

- The cost-income ratio of 77% in Q3 2022 is significantly lower than the 90% in Q2 2022. Cost optimization initiatives are expected to continue with the cost-income ratio expected to meet management mid-term target of 65%.

Positioned to benefit from the GCC's strong economic fundamentals and growth outlook

SHUAA is well positioned to benefit from the GCC's positive economic outlook despite the weak global backdrop. The International Monetary Fund (IMF) projects that the Middle East will be one of the global growth outperformers in 2022. The UAE is forecast to grow 5.1% this year, while Saudi Arabia is expected to grow 7.6% in 2022, the fastest among the Fund's main forecasts. Higher oil prices this year have led to GCC budgets running surpluses, strengthening sovereign balance sheets, and resulting in a surplus of capital being available for investment opportunities.

Commenting on SHUAA's Q3 2022 results, Fawad Tariq Khan, Group Chief Executive Officer of SHUAA Capital, said: "Despite the prolonged global market volatility, our core operating business remained resilient and delivered another strong set of recurring revenues across all business segments. We remain committed to providing pioneering investment solutions to our clients, as evidenced by the project completion of The Broadway and the increase in the number of managed funds our clients have access to with the recent addition of USD 220 million in new AuM to our Discretionary Portfolio Management and funds in the third quarter of 2022."

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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 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
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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.

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.

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