



Earnings Presentation
FY 2022

23 March 2023

Executive Summary

Financial Measures



- Full year operating income (excluding carry expense) continues to show progress at AED 17 million in 2022, driven by firm cost optimization measures across the group and recurring revenues.
- The Group reported a net loss of AED 135 million in full year 2022 compared to a net profit of AED 24 million in the previous year.
- The result included one-time non-cash charges attributed to mark-to-market losses in our managed funds and accelerated amortization of intangible assets.

Key Metrics



- Stable operating margins for the business in 2022 at ~10% mainly due to cost efficiencies.
- The cost-income ratio of 93% in 2022 is 6% lower than 2021 despite an 18% drop in revenues highlighting the reduction in operational leverage of the business through cost optimization.
- Revenue enhancing initiatives are set to continue with the cost-income ratio expected to meet management medium-term target of 65%.
- The Group's continued focus on deleveraging panned out with the Debt-to-Equity ratio improving to 105% in 2022 from 134% in 2021. AED 169m of debt repayments made during FY 22.

Group Updates



- **Real Estate:** In Q4 2022 we have proudly announced the partnership with Ellington Properties and Sol Properties to develop a prime waterfront property on Palm Jumeirah.
- **Asset Management:** In Q4 2022, we launched three new Shariah-compliant funds, bringing the ICC umbrella Funds to five with assets under management (AuM) at USD 230 million.
- **Corporate:** Expense base stabilizing in 2023 with ~AED 100m of reductions through disposal of assets and cost efficiencies from 2022 (Vs. AED 248m in FY2022) and significantly simplified balance sheet via AED 2b of asset + AED 1.7b of liability deconsolidation in last 24 months.

Key Financial Highlights FY 2022

FY 2022 Financial Performance

| Income Statement (AED Mn) | FY 2022 | FY 2021 | % Change vs. FY 21 | Q4-22 | Q3-22 | % Change vs. Q3-22 |
|---|----------------|---------------|-----------------------|-------------|--------------|-----------------------|
| Net Fee and Commission Revenue | 251.1 | 295.7 | (15%) | 45.9 | 68.4 | (33%) |
| Other Revenue | 14.7 | 27.0 | (46%) | 5.1 | (0.4) | - |
| Total Revenues | 265.7 | 322.7 | (18%) | 51.0 | 68.1 | (25%) |
| Operating Expenses (excl. carry expense) | (248.4) | (281.1) | 12% | (38.6) | (65.2) | 41% |
| Net Operating Income (excl. Carry expense) | 17.4 | 41.6 | (58%) | 12.4 | 2.9 | 334% |
| Carry Expense | (5.5) | (10.4) | - | (0.2) | - | - |
| Net Operating Income/(Loss) | 11.8 | 31.2 | (62%) | 12.2 | 2.9 | 327% |
| Other Income/(Expenses) | (1.7) | (178.0) | - | (24.5) | 125.4 | - |
| Profit/(loss) from discontinued operations and Disposal of Subs | (132.6) | 217.8 | - | 2.1 | (47.9) | - |
| Non-Controlling Interests | (12.7) | (46.7) | - | 19.4 | (60.3) | - |
| Net Profit/(Loss) ¹ | (135.2) | 24.2 | - | 9.2 | 19.9 | (54%) |
| EBITDA ² | 135.0 | (54.7) | - | 38.6 | 102.1 | - |
| Key Metrics | | | | | | |
| Operating Margin (%) excl. one-off items and carry expense | 7% | 13% | (6%) | 24% | 4% | 20% |
| CIR (%) | 93% | 87% | 6% | 76% | 96% | (20%) |

Commentary

Net operating income of AED 17 million underpinned by cost efficiencies and strong recurring revenues in FY 2022

- FY 2022 net loss of AED 135 million compared to AED 24 million of net profit in 2021. 2022 results included AED 83 million of one-off charges mainly taken to simplify the business.
- Cost to income ratio at 93% in 2022 lower than 2021 due to drop in revenues partially offset by cost efficiencies.
- Stable operating margins for the business in 2022 driven by cost efficiencies.

Balance Sheet (AED Mn)

| | FY 2022 | FY 2021 | % Change vs. FY 21 | Q4-22 | Q3-22 | % Change vs. Q3-22 |
|---------------------------|---------|---------|-----------------------|-------|-------|-----------------------|
| Total Assets | 3,476 | 5,768 | (40%) | 3,476 | 3,766 | (8%) |
| Total Debt | 1,594 | 2,474 | 36% | 1,594 | 1,940 | 18% |
| Total Equity | 1,520 | 1,846 | (18%) | 1,520 | 1,566 | (3%) |
| Key Metrics | | | | | | |
| Debt to Equity | 1.05x | 1.34x | 29% | 1.05x | 1.24x | 19% |
| Return on Equity - Parent | (10%) | 2% | (12%) | (3%) | (3%) | 0% |

Balance sheet metrics on upward trajectory

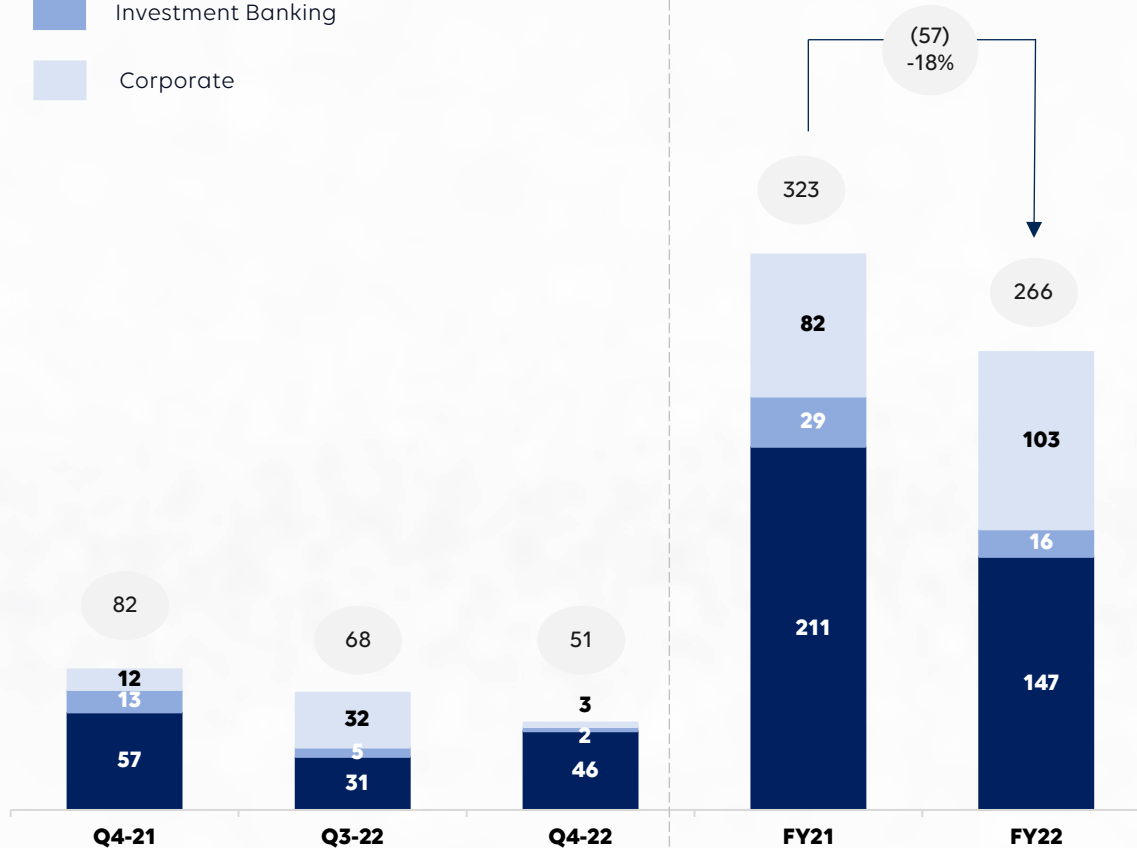
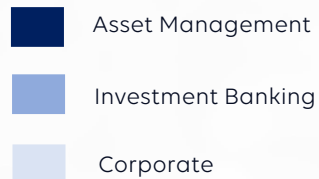
- Continued disciplined approach to deleveraging with debt-to-equity ratio at 105% in FY22 compared to 134% in FY21

¹ Net Profit attributable to shareholders
² Excludes results for discontinued operations

Revenue Breakdown

Quarter-on-Quarter & Year-on-Year Revenues

AEDm



Commentary

Recurring revenues continue to contribute significantly with improved business momentum across all segments

- Asset management continues to support recurring revenues driven by the strong contribution from real estate management income
- Investment banking revenues lower in Q4 as a result of cyclical and timing of deal closures
- Corporate revenues robust in Q4 2022 amidst prolonged market volatility

Asset Management Segment Performance

Asset Management Revenues



Commentary

Posting healthy Q4 2022 results driven by the contribution from recurring real estate revenues coupled with resilient fee performance from managed public & private market funds

Real Estate:

- Continued contribution from recurring revenue and management fees
- New project launched in Q3 2022

Public Markets:

- Robust fee performance in managed funds

Private Markets:

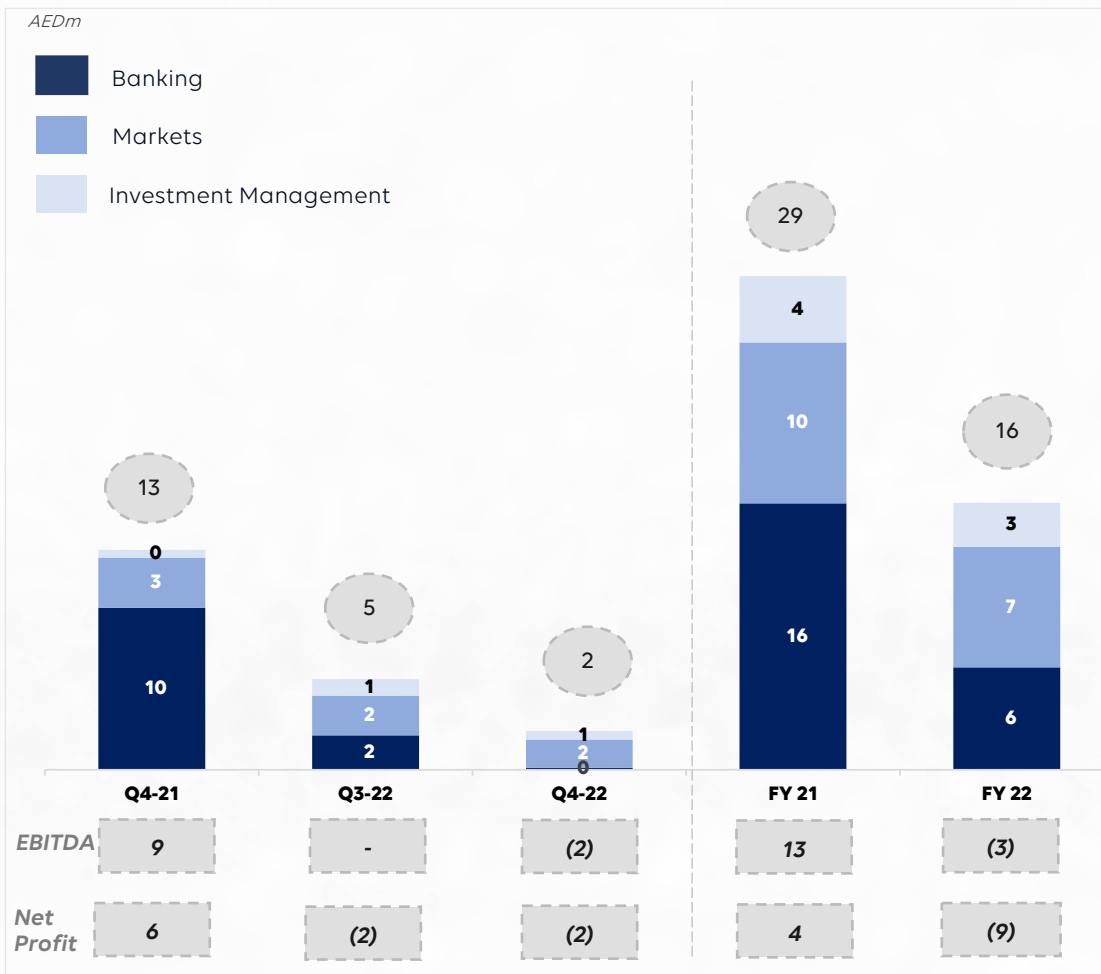
- Resilient recurring management fee revenues

Debt:

- Stable recurring management fee revenues

Investment Banking Segment Performance

Investment Banking Revenues



Commentary

Investment banking delivers strong performance driven by improved trading & advisory income

Banking:

- Lower revenues as a result of cyclicalality and timing of deal closures

Markets:

- Trading income in line with Q3 2022

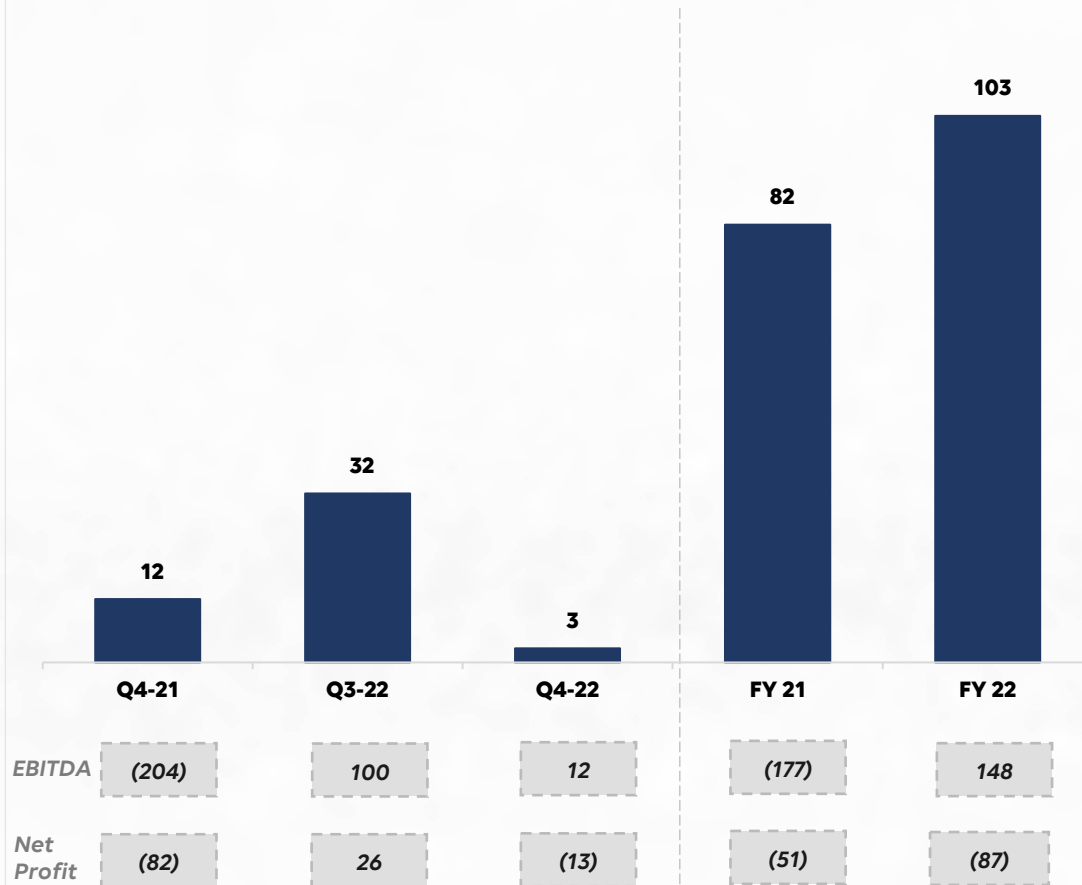
Investment Management:

- Fee income stable compared to Q3 2022

Corporate Segment Performance

Corporate Revenues

AEDm



Commentary

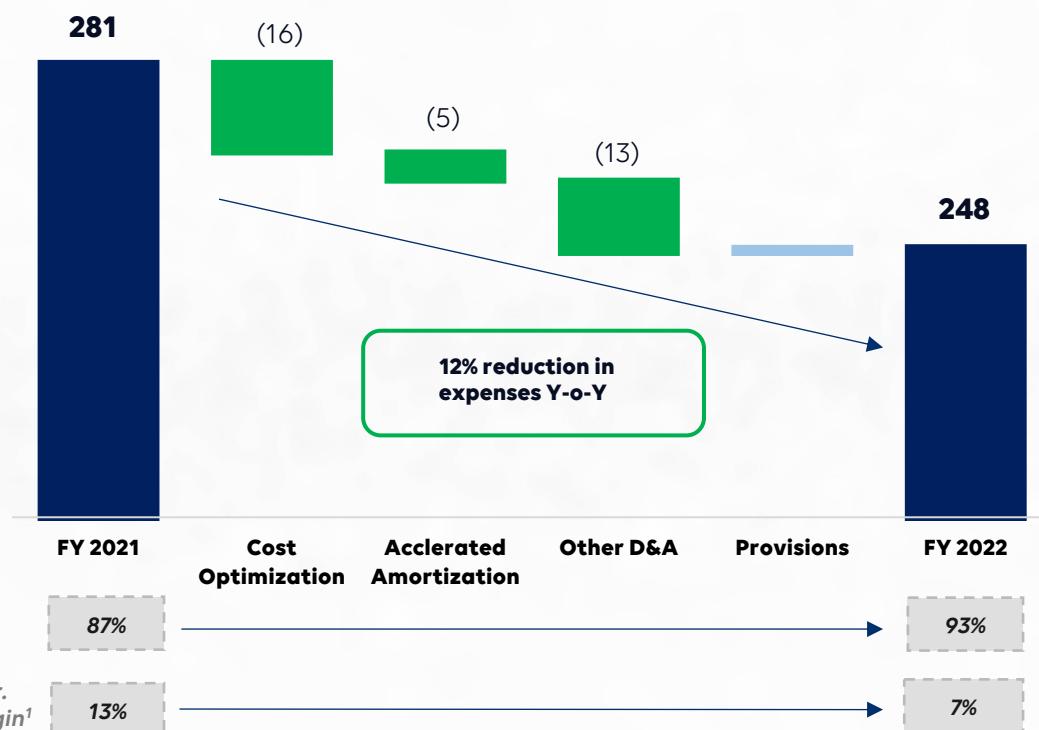
Robust corporate revenues amidst prolonged market volatility

- Lower corporate revenues reported in Q4 2022 post NCM transaction
- Declining performance in Group's run-off businesses

Operating Expense Breakdown

AEDm

| Operating Expense Breakdown | FY 2022 | FY 2021 | Var. AED | Var. % |
|-----------------------------|------------|------------|-------------|--------------|
| Staff Cost | 144 | 148 | (4) | 3% |
| G&A | 64 | 76 | (12) | 16% |
| D&A | 28 | 46 | (18) | 39% |
| Provisions | 12 | 11 | 1 | - |
| Total | 248 | 281 | (33) | (12%) |



Expense discipline maintained across the Group in 2022

- Staff costs and G&A expenses decreased in 2022 mainly due to the **cost optimization measures** taken during the year.
- Depreciation and amortization costs declined significantly mainly as a result of the **accelerated amortization of intangible assets** reducing D&A expenses by AED 5m in 2022 and a further AED 15m in 2023.
- Other D&A charges relate to assets fully amortized across the Group.
- Expense discipline momentum to continue into 2023 with further reduction in Group Opex related to cost optimization measures and disposal of assets from 2022.



Appendix

Quarterly P&L

AED '000

| | FY 2022 | Q4 2022 | Q3 2022 | Q2 2022 | Q1 2022 | FY 2021 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|---|------------------|-----------------|-----------------|------------------|-----------------|------------------|------------------|-----------------|-----------------|-----------------|
| Revenue | 265,739 | 51,011 | 68,067 | 61,198 | 85,462 | 322,677 | 81,733 | 70,619 | 71,330 | 98,995 |
| Net foreign exchange gain | 25,650 | (12,922) | 15,607 | 16,085 | 6,879 | 5,900 | 2,487 | 4,027 | 240 | (853) |
| Other income | 160,885 | (7,813) | 19,994 | 36,909 | 111,795 | 31,272 | 6,443 | 3,587 | 9,395 | 11,847 |
| Change in fair value gains/ (losses) from financial assets at FVTPL | (128,132) | (6,674) | 1,545 | (38,123) | (84,881) | 37,105 | 29,850 | 5,083 | 1,990 | 182 |
| Share of net profit / (loss) of investments in associates | 156,864 | 36,562 | 116,488 | 1,702 | 2,112 | (157,062) | (161,778) | 4,716 | 13,096 | (13,096) |
| Gain on derivative financial liability | 1,884 | 90 | 357 | 509 | 928 | 2,590 | 683 | 664 | 622 | 621 |
| Total income | 482,889 | 60,254 | 222,059 | 78,279 | 122,296 | 242,483 | (40,583) | 88,698 | 96,672 | 97,695 |
| Staff costs | (144,076) | (34,817) | (33,891) | (37,131) | (38,237) | (148,182) | (59,006) | (30,176) | (29,933) | (29,067) |
| Employee carried interest | (5,542) | (191) | 0 | (5,126) | (225) | (10,426) | (6,859) | (1,034) | (1,146) | (1,387) |
| General and administrative expenses | (64,194) | (9,028) | (17,284) | (18,478) | (19,404) | (75,993) | (18,106) | (14,400) | (23,374) | (20,114) |
| Depreciation and amortisation | (27,911) | (467) | (7,506) | (9,945) | (9,993) | (45,893) | (11,388) | (11,735) | (11,340) | (11,430) |
| Provision for impairment losses on financial instruments | (12,203) | 5,706 | (6,529) | (12,267) | 886 | (11,020) | (18,424) | (70) | (351) | 7,825 |
| Total expenses | (253,927) | (38,798) | (65,209) | (82,948) | (66,973) | (291,514) | (113,783) | (57,415) | (66,144) | (54,173) |
| Profit/ (loss) before finance costs | 228,962 | 21,457 | 156,851 | (4,668) | 55,323 | (49,031) | (154,366) | 31,283 | 30,529 | 43,523 |
| Finance cost | (109,671) | (31,068) | (26,739) | (24,792) | (27,072) | (92,992) | (22,715) | (23,016) | (22,596) | (24,664) |
| Finance credit relating to unit holders | 16,410 | 0 | (860) | (1,120) | 18,390 | (2,133) | (3,176) | 419 | (1,191) | 1,815 |
| Other items | (125,602) | (2,690) | (1,042) | (26,582) | (95,289) | (2,704) | (714) | (469) | (1,293) | (228) |
| Profit/ (loss) from continuing operations | 10,098 | (12,301) | 128,210 | (57,163) | (48,648) | (146,861) | (180,972) | 8,217 | 5,449 | 20,446 |
| <i>(Loss)/profit from discontinued operations</i> | <i>(132,596)</i> | <i>2,082</i> | <i>(47,929)</i> | <i>(86,753)</i> | <i>4</i> | <i>217,795</i> | <i>145,373</i> | <i>30,117</i> | <i>33,950</i> | <i>8,355</i> |
| Profit/ (loss) for the period | (122,497) | (10,219) | 80,281 | (143,915) | (48,644) | 70,934 | (35,599) | 38,334 | 39,399 | 28,800 |
| Non-controlling interests | (12,706) | 19,394 | (60,350) | (26,011) | 54,261 | (46,696) | (28,894) | (3,666) | (10,306) | (3,831) |
| Profit/ (loss) for the period attributable to Owners | (135,204) | 9,175 | 19,931 | (169,927) | 5,617 | 24,238 | (64,493) | 34,668 | 29,093 | 24,970 |

Balance Sheet Summary

AED '000

| | 31-Dec 2022 | 30-Sep 2022 | 30-Jun 2022 | 31-Mar 2022 | 31-Dec 2021 | 30-Sep 2021 | 30-Jun 2021 | 31-Mar 2021 | 31-Dec 2020 | 30-Sep 2020 | 30-Jun 2020 | 31-Mar 2020 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Assets | | | | | | | | | | | | |
| Cash and deposits with banks | 64,151 | 107,907 | 252,983 | 348,586 | 460,648 | 391,614 | 321,196 | 353,566 | 416,975 | 329,863 | 327,993 | 293,701 |
| Receivables and other debit balances | 407,061 | 397,757 | 201,808 | 234,801 | 351,040 | 239,347 | 251,321 | 244,833 | 214,292 | 191,588 | 225,997 | 187,943 |
| Loans, advances and finance leases | 274,503 | 470,329 | 373,053 | 383,531 | 236,266 | 283,884 | 284,644 | 334,850 | 346,232 | 373,191 | 400,478 | 476,879 |
| Financial assets at fair value | 668,602 | 674,474 | 724,940 | 764,559 | 3,113,590 | 2,814,614 | 2,731,275 | 2,564,856 | 2,428,999 | 2,577,812 | 2,328,645 | 1,963,690 |
| Investments in associates | 947,599 | 952,165 | 26,087 | 142,739 | 354,036 | 412,149 | 407,432 | 402,642 | 434,312 | 645,580 | 606,994 | 557,260 |
| Investment Property | - | 236,660 | 236,660 | - | - | - | - | - | - | - | - | - |
| Property and equipment | 25,693 | 5,660 | 20,604 | 35,624 | 34,362 | 43,149 | 47,365 | 48,338 | 42,762 | 75,178 | 78,887 | 83,474 |
| Goodwill and other intangible assets | 902,234 | 870,356 | 1,022,124 | 1,095,589 | 1,212,014 | 1,214,157 | 1,235,753 | 1,242,414 | 1,241,797 | 1,218,422 | 1,201,332 | 1,211,787 |
| Assets of disposal groups classified as held for sale | 186,130 | 50,488 | 2,098,555 | 2,234,137 | 5,930 | 733,092 | 754,052 | 982,124 | 922,943 | 11,457 | 11,457 | 11,457 |
| Total Assets | 3,475,973 | 3,765,796 | 4,956,814 | 5,239,566 | 5,767,886 | 6,132,006 | 6,033,038 | 6,173,623 | 6,048,312 | 5,423,091 | 5,181,783 | 4,786,191 |
| Liabilities | | | | | | | | | | | | |
| Borrowings | 1,206,206 | 1,497,008 | 1,490,763 | 1,474,920 | 1,985,419 | 2,101,310 | 2,099,713 | 2,323,399 | 2,395,701 | 2,292,183 | 2,277,428 | 2,204,157 |
| Payables and other credit balances | 488,469 | 505,744 | 555,894 | 658,105 | 802,092 | 586,744 | 536,424 | 542,930 | 511,160 | 553,242 | 592,661 | 680,807 |
| Other financial liabilities | 163,808 | 167,528 | 141,809 | 130,077 | 148,267 | 156,674 | 150,111 | 147,646 | 149,983 | 191,288 | 189,056 | 188,767 |
| Payables to unit holders | 29,290 | 29,290 | 28,430 | 27,308 | 986,046 | 761,629 | 719,126 | 605,999 | 578,757 | 576,529 | 440,701 | 290,507 |
| Liabilities of disposal groups classified as held for sale | 68,019 | - | 1,178,190 | 1,242,589 | - | 488,741 | 502,611 | 546,501 | 386,534 | - | - | - |
| Total Liabilities | 1,955,792 | 2,199,570 | 3,395,087 | 3,532,999 | 3,921,824 | 4,095,098 | 4,007,985 | 4,166,475 | 4,022,135 | 3,613,242 | 3,499,846 | 3,364,238 |
| Equity | | | | | | | | | | | | |
| Share capital | 2,535,720 | 2,535,720 | 2,535,720 | 2,535,720 | 2,535,720 | 2,535,720 | 2,535,720 | 2,535,720 | 2,535,720 | 2,535,720 | 2,535,720 | 2,535,720 |
| Share premium | 52,579 | 52,579 | 52,579 | 52,579 | 52,579 | 47,207 | 52,579 | 52,579 | 52,579 | 52,579 | 52,579 | 52,579 |
| Statutory reserve | 49,631 | 49,631 | 49,631 | 49,631 | 49,631 | 52,579 | 47,207 | 47,207 | 47,207 | 34,681 | 34,681 | 34,681 |
| Other reserves | (1,467,476) | (1,486,227) | (1,451,223) | (1,430,841) | (1,424,452) | (1,401,290) | (1,387,378) | (1,442,610) | (1,439,146) | (1,493,873) | (1,539,831) | (1,541,967) |
| Retained earnings | 76,579 | 67,416 | 60,899 | 235,521 | 240,479 | 320,906 | 280,548 | 327,525 | 293,727 | 294,209 | 231,979 | (33,966) |
| Equity attributable to Owners | 1,247,033 | 1,219,119 | 1,247,605 | 1,442,610 | 1,453,957 | 1,555,122 | 1,528,676 | 1,520,421 | 1,490,087 | 1,423,316 | 1,315,128 | 1,047,047 |
| Non controlling interest | 273,148 | 347,107 | 314,122 | 263,957 | 392,105 | 481,786 | 496,377 | 486,727 | 536,090 | 386,533 | 366,809 | 374,906 |
| Total equity | 1,520,181 | 1,566,226 | 1,561,727 | 1,706,567 | 1,846,062 | 2,036,908 | 2,025,053 | 2,007,148 | 2,026,177 | 1,809,849 | 1,681,937 | 1,421,953 |
| Total Equity and Liabilities | 3,475,973 | 3,765,796 | 4,956,814 | 5,239,566 | 5,767,886 | 6,132,006 | 6,033,038 | 6,173,623 | 6,048,312 | 5,423,091 | 5,181,783 | 4,786,191 |

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