

SHUAA Capital reports full year 2022 results reflecting healthy operating profit

United Arab Emirates, 22 March 2023: 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 2022.

	Revenue	EBITDA	Net Profit
Q4 2022	AED 51m (38%) YoY	AED 38.6m +122% YoY	AED 9.2m +114% YoY
FY 2022	AED 265.7m FY21: AED 322.7m	AED 135.0m FY21: AED (54.7)m	AED (135.2)m FY21: AED 24.2m

Group Financial Highlights

- **AED 135 million net loss for fiscal year 2022 driven by one-off charges taken in first half of the year** attributed to accelerated amortisation of intangible assets and other non-cash items
- **Debt-to-Equity ratio improvement to 105% (vs. 134% in FY 2021)** driven by c. AED 200 million debt repayments during the year and deconsolidation of c. AED 2 billion of non-recourse liabilities
- AED 135.0 million EBITDA (vs. AED 54.7 million loss for FY 2021) reflects **improving performance in underlying core operations, recurring revenue** and cost discipline measures implemented
- **Simplification of balance sheet** with deconsolidation of c. AED 2 billion of assets reducing the volatility of earnings in future and simplified capital structure of the Group

Segmental review

- **Asset Management**, which manages investment portfolios and funds in regional equities and provides investment solutions to clients, reported full-year revenue of AED 147 million compared to AED 211 million in 2021. The decline is primarily due to a one-off fee paid in 2021. During the year the Group also successfully completed its five-year portfolio management through its subsidiary, Astrea. The Group's AUM at the end of Q4 2022 stands at USD 5.8 billion (post-handover of Astrea).
- **Investment Banking**, which provides corporate finance advisory, equity and debt capital markets, M&A expertise, private placements, structured investments and other services, reported a full-year revenue of AED 16 million compared to AED 29 million in 2021. The decline was due to reduced transactional and trading revenue in 2022.
- **Corporate segment**, which manages principal investments, corporate developments, treasury and other shared services related to the Company, reported a full-year revenue of AED 103 million compared to AED 82 million in 2021. This was driven primarily by strong performance in the online brokerage subsidiary, NCM. During the year, the Group deconsolidated c. AED 2 billion of assets and liabilities from its balance sheet, which will reduce volatility of earnings going forward.

Strong initiatives on strategic transformation

- Launched three new Shariah-compliant funds, bringing assets under management (AuM) on a Shariah-compliant platform managed by SHUAA GMC Ltd*, a SHUAA wholly owned subsidiary, to USD 230 million. With this launch, the ICC umbrella now offers five funds catering for the strong investor appetite for diversification of their Sharia-compliant investments across geographies and asset classes.
- Announced the development of 'Ocean House', a prime waterfront property on Palm Jumeirah. This partnership marks the arrival of SHUAA subsidiary, London-based real estate firm Northacre in the region. Northacre also completed and began the handover of its landmark scheme in Central London, The Broadway as well as the No. 1 Palace Street, The St. Regis Residences.
- Created the largest portfolio of Marine Offshore Supply Vessels (OSV) in the region through the acquisition of Allianz Marine and Logistics Services Holding Limited (Allianz) by SHUAA's managed funds, one of the largest deals in offshore space globally. Significant revenue and cost synergies and economies of scale are being achieved from the combination of two of the leading OSV operators in the region.

Commenting on SHUAA's 2022 results, **Jassim Alseddiq, Board Member and Managing Director of SHUAA Capital**, said: "The past year was important for SHUAA as we have managed to sail with safety despite spiralling market volatility. The Group has taken advantage of the momentum and success built in the previous years and remained focused on identifying new opportunities. We will continue to provide pioneering investment solutions to our clients, as evidenced by the projects we completed and new products we launched."

Commenting on SHUAA's 2022 results, **Fawad Tariq Khan, Group Chief Executive Officer of SHUAA Capital**, said: "2022 was a crucial year for SHUAA. We executed on a plan for a simpler, more focused financial services firm, built around client needs and innovative investments. As 2023 opens, we remain committed to our core mission and building on our leading franchise in the Middle East to grow our business and deliver significant value creation for our clients and shareholders."

Ends

* SHUAA GMC Limited is established in Abu Dhabi Global Market "ADGM" and is licensed as a Prudential Category 2 Authorized Firm by the ADGM Financial Services Regulatory Authority. SHUAA GMC Limited has obtained a Financial Services Permission to conduct regulated activities, including Managing Assets and Collective Investments Funds.

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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 offers 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>

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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