



SHUAA

**Earnings Presentation
Q4 2024**

25 March 2025

Executive Summary

Financial Measures

- The Group reported a **net loss of AED 299 million** attributable to the owners of the parent for FY 2024 financial results, which includes **AED 220 million in one-off non-cash charges**, including impairments related to the Goldilocks fund.
- Adjusted net operating loss for FY 2024 was **AED 11 million** primarily due to a temporary reduction in revenues as the company undertakes a major business transformation to optimize its capital structure.
- FY 2024 revenues were **AED 32 million lower than the previous year** reflecting a temporary reduction related to lower allocated capital to global markets, removal of ICC fund performance fee for market alignment and significant reduction in Goldilocks NAV negatively impacting management fees.

Key Metrics

- Operating margins for the business was (12%) for FY 2024, mainly attributed to the temporary reduction in revenues which was partly offset by expense reductions as a result of cost optimization measures.
- The cost-income ratio of 112% for FY 2024 is deviating from management's medium-term target of 65%. Further efforts in cost optimization and revenue enhancing initiatives are planned for FY 2025 once the capital optimization plan is enacted.

SHUAA Bonds/ Capital Optimization Process

Update on Capital Optimization Process

- The noteholders opted to convert into the Mandatory Convertible Bond ("MCB") amounted to USD 76.1 million. However, a cap of USD 75 million outlined in the Exchange Offer Memorandum limited the conversion to USD 74.7 million. Remaining bondholders will be settled at 20 cents to the dollar amounting to USD 15.0 million based on the outstanding bonds.
- AED 150 million was offered to potential investors in a private placement to mandatorily convert into shares at AED 0.32 per share. The company has received three binding offers for the new investor tranche amounting to **total value of AED 85 million: Eshraq – AED 50 million, Al Baher – AED 25 million and United Motors – AED 10 million**. All the proceeds have been received, with proceeds earmarked to settle outstanding noteholders and other liabilities.

Financial Summary

FY 2024 Financial Performance

Income Statement (AED Mn)	FY-24	FY-23	Y/Y Change	Q4-24	Q3-24	Q/Q Change
Management and Performance Fees	80.9	99.5	(18.6)	18.3	18.4	(0.1)
Other Revenue	8.0	21.0	(13.1)	1.2	0.8	0.4
Adjusted Revenues ¹	88.8	120.5	(31.7)	19.5	19.2	0.3
Operating Expenses (excl. one-off items)	(99.4)	(130.4)	31.0	(22.2)	(25.7)	3.5
Adjusted Net Operating Income ¹	(10.6)	(9.9)	(0.7)	(2.7)	(6.5)	3.8
One-off items	(19.7)	40.5	(60.3)	(9.8)	(6.0)	(3.8)
Net Operating Income/(Loss)	(30.3)	30.6	(60.9)	(12.5)	(12.5)	(0.0)
Finance Cost	(76.7)	(77.1)	0.4	(20.4)	(20.5)	0.1
Other Income/(Expenses)	(226.3)	(1,067.3)	841.0	(151.2)	10.6	(161.8)
Non-Controlling Interests	22.0	248.1	(226.0)	12.3	0.8	11.4
Income Tax Credit/(Expense)	12.1	(40.9)	53.0	10.9	-	10.9
Net Profit/(Loss) to Owners of the Parent ²	(299.2)	(906.6)	607.4	(160.9)	(21.5)	(139.4)
Key Metrics - Income Statement						
Operating Margin (%) excl. one-off items	(12%)	(8%)	(4%)	(14%)	(34%)	20%
CIR (%) excl. one-off items	112%	108%	(4%)	114%	134%	20%
Balance Sheet (AED Mn)						
Assets	1,171	1,721	(32%)	1,171	1,375	(15%)
Liabilities	1,156	1,372	(16%)	1,156	1,196	3%
Equity	15	350	(96%)	15	179	(92%)
Balance Sheet (AED Mn)						
Debt to Equity	NMF	2.86x	-	NMF	5.60x	-
Return on Equity - Parent	NMF	NMF	-	NMF	NMF	-

Comments

Adjusted net operating income for FY 2024 was lower by AED 1 million compared to prior year, after excluding AED 20 million of one-off charges primarily related to Project Chime expenses.

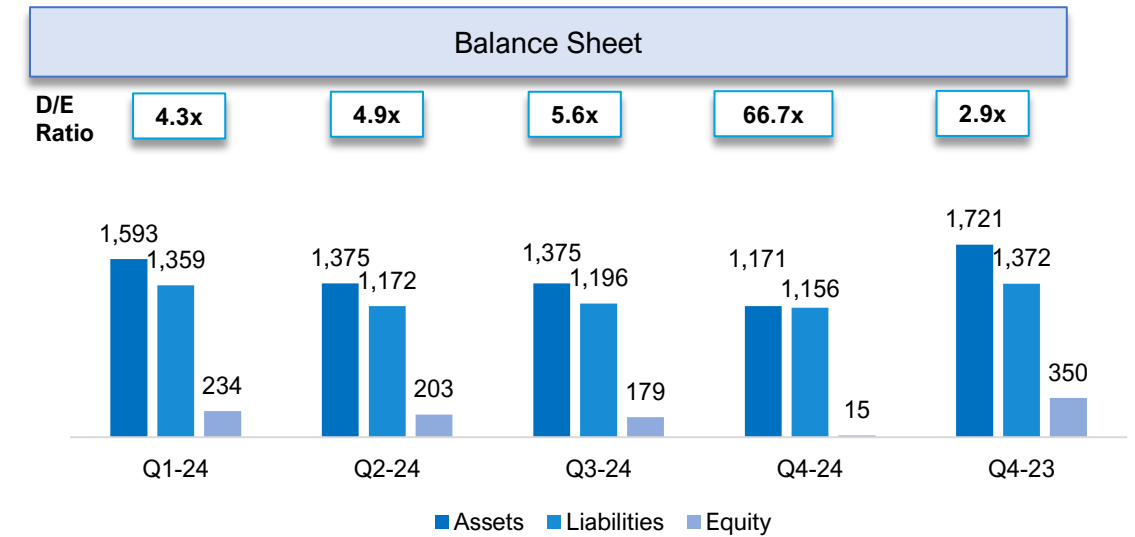
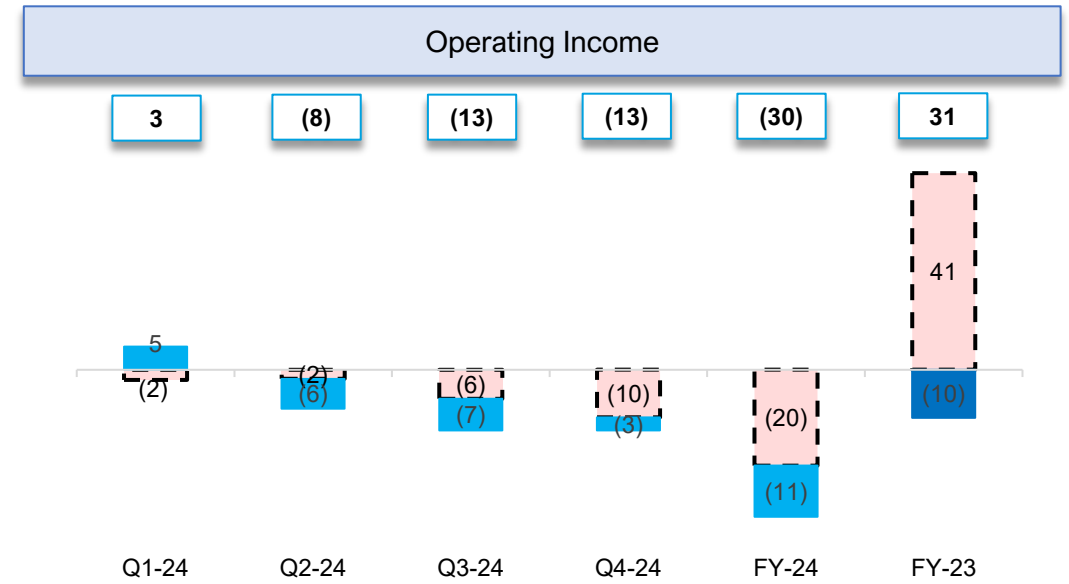
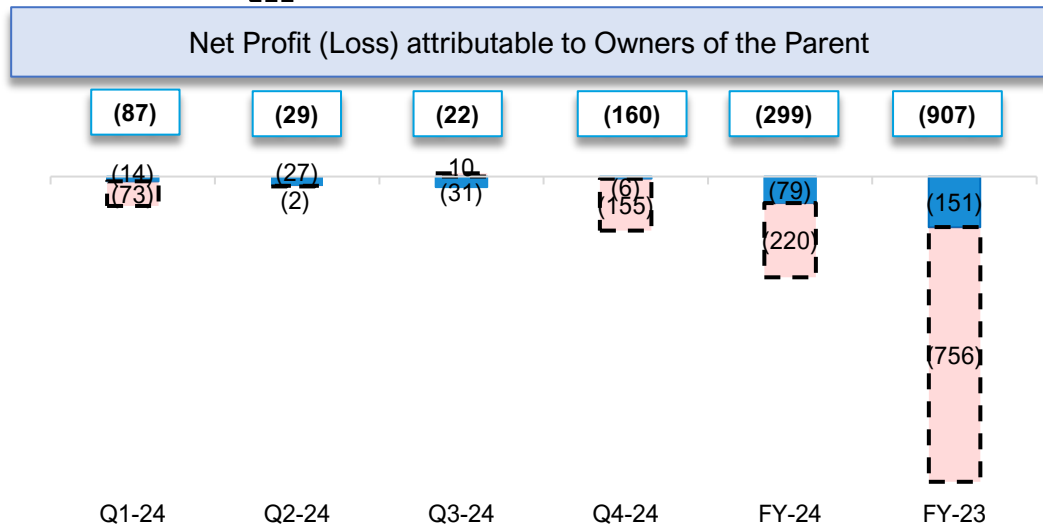
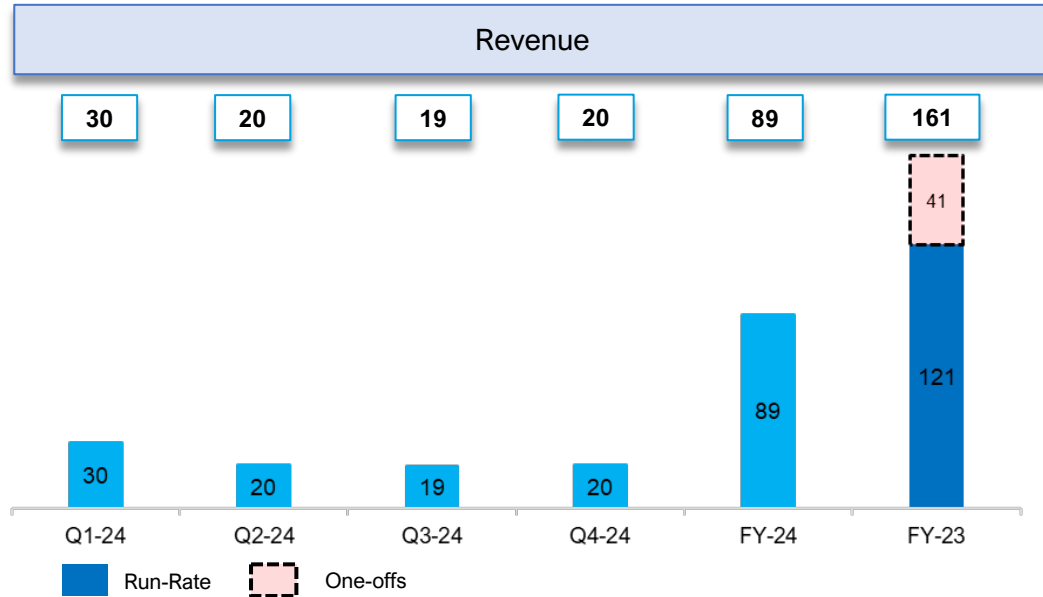
- Revenues were AED 32 million lower after normalizing for prior year one-off revenues, primarily due to a decrease in management fees from private market funds as well as lower trading and advisory income.
- The decline in revenue was partly offset by AED 31 million of reduction in expenses resulting from cost optimization measures implemented in 2023 and sustained through 2024.

Balance sheet optimization continued during 2024, with impairments recognized to write-off legacy investments.

- Steps were taken to right-size the balance sheet, including the write-off of legacy real estate investments and the subsequent write-back of legacy liabilities, in order to achieve a more efficient capital structure.
- Management is committed to reducing the company's debt and has a plan to manage existing liabilities.

Key Financial Highlights

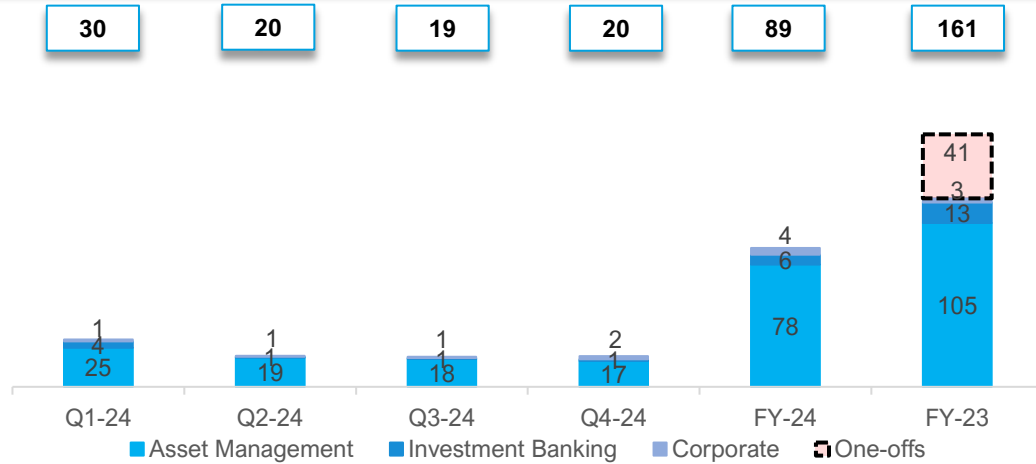
AED M



Revenue Snapshot

AED M

Total Revenues



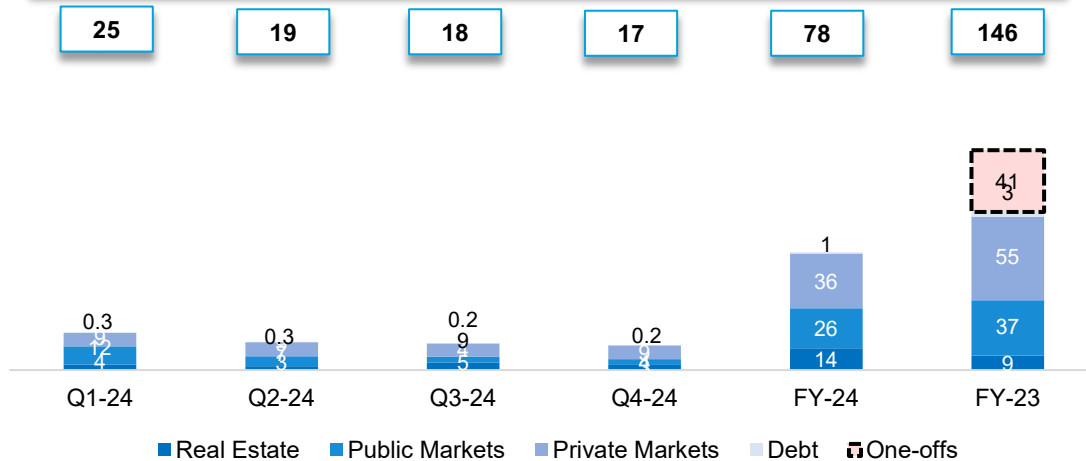
FY 2024 vs. FY 2023

- FY 2024 revenues were AED 32 million lower than FY 2023, which reported AED 121 million after adjusting for AED 41 million in one-off revenues.
- Lower revenues booked in current year due to lower management fees from Goldilocks and other managed funds 23m. Change in business strategy to remove performance fees due to re-pricing efforts on the ICC funds also impacted revenues by AED 4m.
- Drop in trading and advisory income of AED 7m driven by a 37% reduction in trading volume, due to lower allocated capital and lack of mandates closing for Advisory.
- This was partly offset by higher structuring fees earned from the Palm Project linked to the increase in fund size and the JLT project 4m.

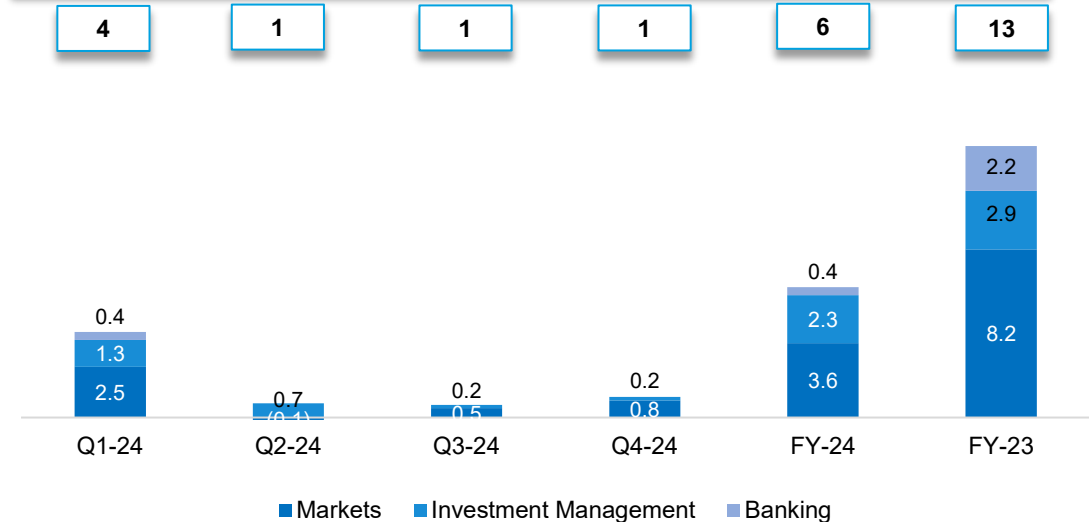
Q4 2024 vs. Q3 2024

- Q4 2024 revenues highlighted a quarter-over-quarter improvement, driven by higher trading income from growth in trading volume and accrued interest income booked from the TFG Sukuk.

Fund Revenue Breakdown

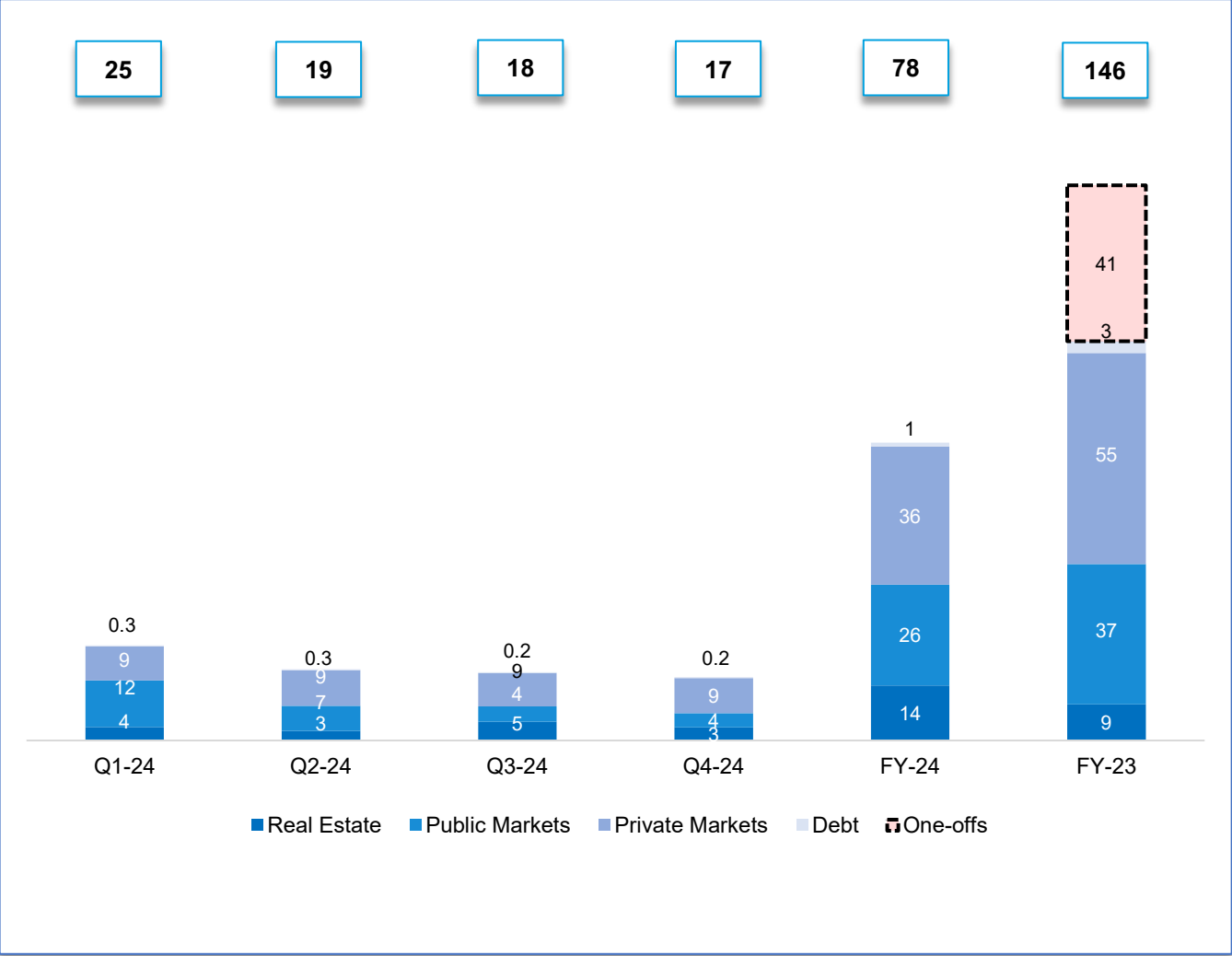


Investment Banking



Asset Management Segment Performance

Revenue Evolution (AED M)



Comments

Asset Management for FY 2024 was AED 78m compared to AED 105m FY 2023 when normalized by excluding one-off revenues earned in prior year. Reduction of AED 27m was mainly associated with the lower management fees earned via the private market managed funds.

Real Estate

- Revenues came in higher by AED 5m compared to prior year on the back of a new project win in the 2nd half of prior year.

Private Markets

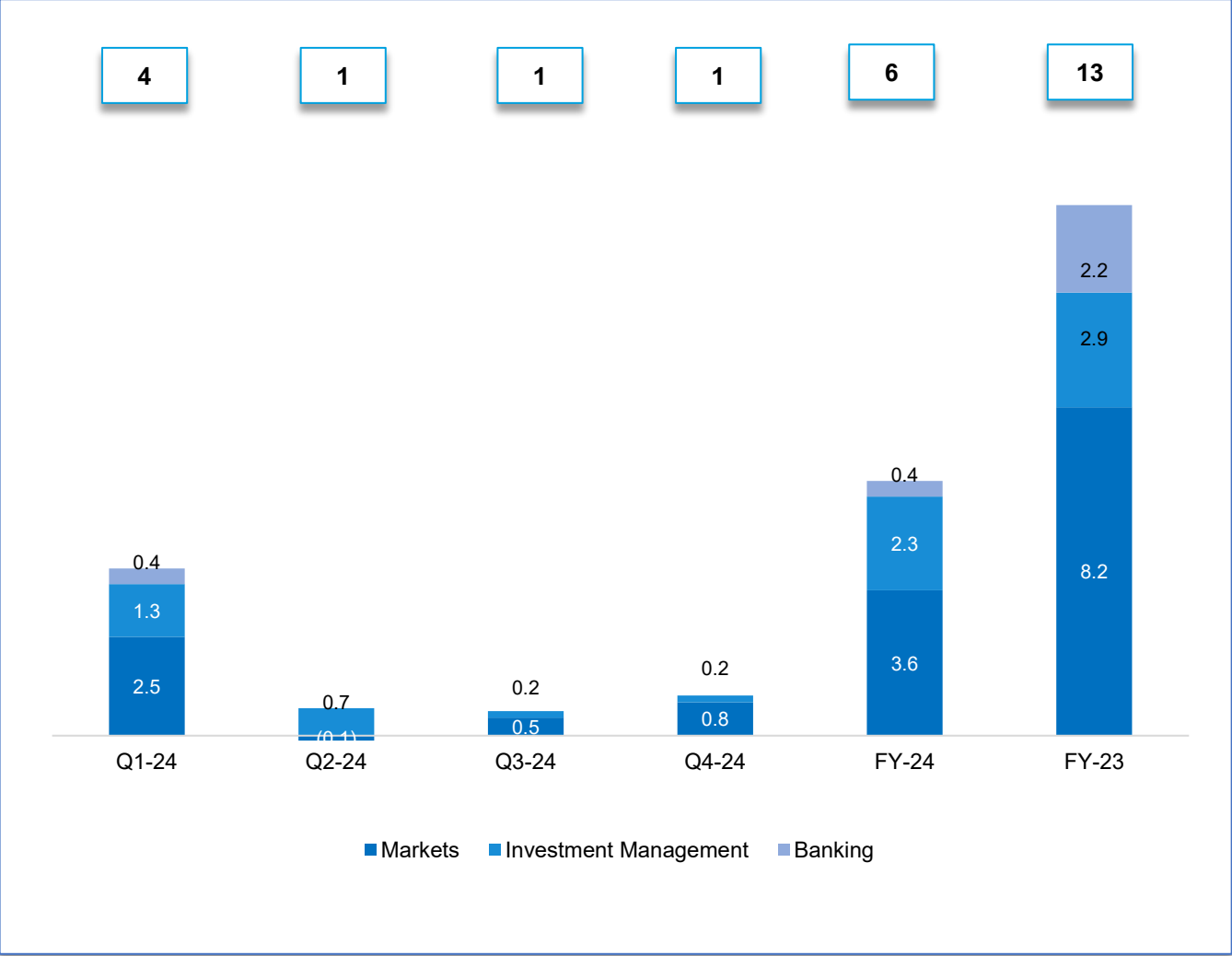
- Revenues reported in FY 2024 were lower compared to prior year mainly due to the revaluation of underlying assets of the private market fund reducing AuM and thus resulting in lower management fees in the current year.

One-offs

- One-off revenues from prior year are mostly reflective of legacy real estate investments.

Investment Banking Segment Performance

Revenue Evolution (AED M)



Comments

Investment banking revenues came in AED 7m lower compared to prior year on the back of lower trading income and advisory fees.

Markets

- Trading income came in lower in current year due to a reduction in trading volume.

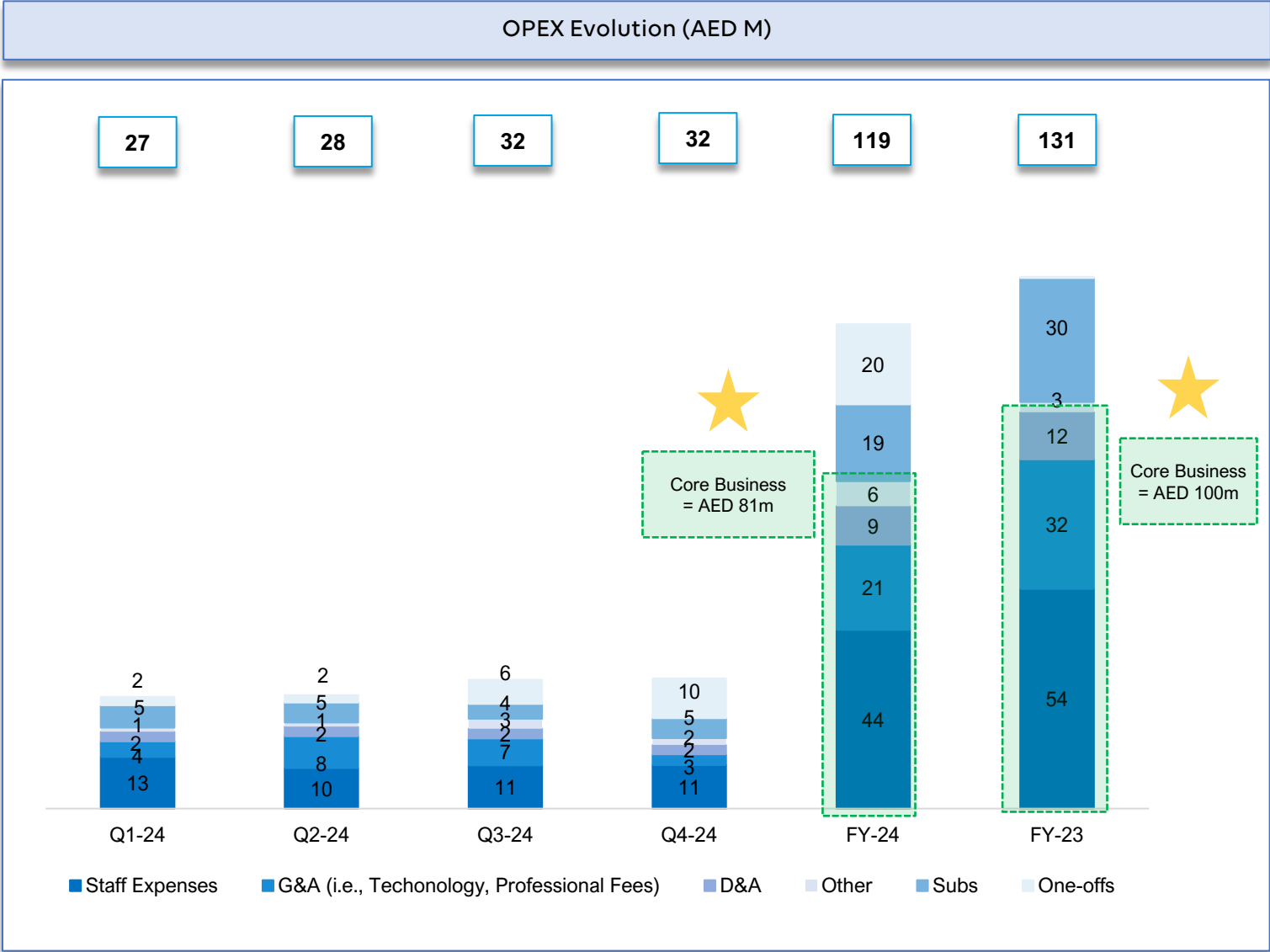
Banking

- Advisory fees came in lower due to lack of mandates closing in the year.

Investment Management

- Revenues reported in FY 2024 were consistent with prior year.

Operating Expense Breakdown



Comments

Firm cost discipline maintained across the Group in 2024 with continued decline in operating expenses due to cost optimization initiatives undertaken in 2023 and sustained through 2024.

- Core business expenses declined in 2024 primarily driven by employee-related restructuring initiatives and the cancellation of the carry plan.
- G&A expenses lower compared to prior year due to lower professional, legal and tech expenses by cutting down on all non-essential expenses and incurring costs to keep the lights on.
- D&A continued to decrease compared to the prior year on the back of amortization of intangible assets.
- Subsidiary related costs continued to decline in 2024, largely due to significant reduction in activities in the UK and KSA. Northacre UK has been transitioned to dormant status with all employees leaving the organization.
- KSA office was downsized, retaining only essential staff to support existing operations and manage legacy issues.
- One-off expenses in 2024 are associated with costs related to Project Chime and legal fees incurred to resolve the AbdulLatif case in KSA.



Appendix

Quarterly P&L

AED '000	FY 2024	Q4 2024	Q3 2024	Q2 2024	Q1 2024	FY 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Management and performance fees	80,899	18,303	18,371	18,968	25,257	140,783	29,523	28,195	29,891	53,174
Advisory fees	386	0	0	0	386	2,185	0	220	275	1,690
Trading and custody	6,722	1,005	744	760	4,214	12,666	2,550	1,866	3,796	4,454
Others	843	230	86	199	328	5,783	1,197	410	3,775	402
Total revenues	88,850	19,538	19,200	19,927	30,185	161,418	33,270	30,692	37,737	59,719
Staff costs	(53,889)	(12,042)	(12,645)	(13,273)	(15,930)	(60,857)	(19,015)	(15,355)	(19,210)	(7,277)
Employee carried interest	0	0	0	0	0	(11,644)	(3,441)	(3,336)	(1,784)	(3,082)
General and administrative expenses	(53,019)	(19,776)	(14,132)	(11,108)	(8,003)	(43,266)	(15,516)	(9,757)	(11,471)	(6,522)
Fee and commission expense	(6,197)	(1,623)	(2,514)	(1,036)	(1,024)	(2,501)	(536)	(1,152)	337	(1,150)
Depreciation and amortisation	(9,848)	(2,392)	(2,411)	(2,529)	(2,515)	(12,525)	(3,045)	(3,106)	(3,102)	(3,272)
Total expenses	(122,953)	(35,833)	(31,703)	(27,945)	(27,471)	(130,792)	(41,553)	(32,705)	(35,230)	(21,304)
Operating income/(loss)	(34,103)	(16,295)	(12,503)	(8,019)	2,714	30,625	(8,283)	(2,014)	2,506	38,415
Finance cost	(76,675)	(20,379)	(20,470)	(22,745)	(13,080)	(77,083)	(24,128)	(19,291)	(19,909)	(13,755)
Net foreign exchange gain/(loss)	244	(475)	(819)	(818)	2,356	(9,941)	(9,582)	7,303	(4,556)	(3,107)
Provision for impairment losses on financial assets	(54,914)	(56,230)	4,806	(1,732)	(1,757)	(198,208)	(74,412)	(123,724)	72	(144)
Interest income	640	176	(17)	241	241	3,598	3,598	0	0	0
Other income/(expense)	31,350	10,574	11,175	2,237	7,364	(426,067)	(46,519)	(424,959)	52,103	(6,692)
Change in fair value gains/(losses) from financial assets at FVTPL	(55,492)	(16,648)	(6,230)	(1,039)	(31,575)	(329,696)	(71,860)	(220,553)	(50,502)	13,218
Share of net profit /(loss) of investments in associates	(144,346)	(84,827)	1,694	992	(62,204)	(136,157)	(114,993)	(22,653)	9,689	(8,201)
Gain/(loss) on derivative financial liability	0	0	0	0	0	(207)	0	(84)	(52)	(71)
Finance credit relating to unit holders	0	0	0	0	0	29,290	29,290	0	0	0
Pre-tax income	(333,294)	(184,105)	(22,363)	(30,883)	(95,943)	(1,113,845)	(316,889)	(805,974)	(10,648)	19,665
Income tax credit	12,103	10,889	0	0	1,213	(40,854)	(40,854)	0	0	0
Net income/(loss)	(321,191)	(173,216)	(22,363)	(30,883)	(94,730)	(1,154,699)	(357,743)	(805,974)	(10,648)	19,665
Non-controlling interests	22,029	12,269	825	1,402	7,533	248,055	21,059	215,979	15,969	(4,952)
Net income/(loss) attributable to shareholders	(299,162)	(160,947)	(21,538)	(29,481)	(87,196)	(906,644)	(336,684)	(589,995)	5,321	14,713

Balance Sheet Summary

AED '000	31-Dec 2024	30-Sep 2024	30-Jun 2024	31-Mar 2024	31-Dec 2023	30-Sep 2023	30-Jun 2023	31-Mar 2023
Assets								
Cash and deposits with banks	43,176	30,922	22,891	32,994	33,178	107,545	103,120	98,275
Receivables and other debit balances	112,381	166,852	167,152	175,646	151,408	239,808	309,732	437,398
Loans, advances and finance leases	83,600	98,034	101,934	106,743	108,110	230,464	340,372	388,118
Financial assets at fair value	41,359	72,671	72,946	259,914	337,813	419,389	643,336	687,624
Investments in associates	342,508	453,608	455,062	458,591	529,038	659,998	743,708	871,623
Investment Property	-	-	-	-	-	-	-	-
Property and equipment	10,548	14,474	16,425	20,084	20,515	21,299	20,297	21,168
Goodwill and other intangible assets	537,775	538,203	538,632	539,060	541,438	540,062	923,426	910,728
Assets of disposal groups classified as held for sale	-	-	-	-	-	13,127	50,488	50,488
Total Assets	1,171,347	1,374,764	1,375,042	1,593,032	1,721,500	2,231,693	3,134,479	3,465,422
Liabilities								
Payables and other credit balances	157,163	192,964	180,216	357,744	371,661	385,254	451,799	469,014
Other financial liabilities	144,687	143,835	141,963	139,682	137,156	142,600	156,925	162,437
Borrowings	854,526	858,795	849,619	861,606	862,972	969,774	963,652	1,259,870
Payables to unit holders	-	-	-	-	-	29,290	29,290	29,290
Liabilities of disposal groups classified as held for sale	-	-	-	-	-	-	-	-
Total Liabilities	1,156,376	1,195,594	1,171,798	1,359,032	1,371,789	1,526,918	1,601,666	1,920,611
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
Share premium	52,579	52,579	52,579	52,579	52,579	52,579	52,579	52,579
Statutory reserve	49,631	49,631	49,631	49,631	49,631	49,631	49,631	49,631
Other reserves	(1,475,533)	(1,486,407)	(1,482,938)	(1,483,013)	(1,465,136)	(1,466,199)	(1,455,744)	(1,464,024)
Retained earnings	(1,127,752)	(966,806)	(945,267)	(915,787)	(828,590)	(491,942)	88,986	87,804
Equity attributable to Owners	34,645	184,717	209,725	239,130	344,204	679,787	1,271,172	1,261,710
Non controlling interest	(19,674)	(5,547)	(6,481)	(5,130)	5,507	24,988	261,641	283,101
Total equity	14,971	179,170	203,244	234,000	349,711	704,775	1,532,813	1,544,811
Total Equity and Liabilities	1,171,347	1,374,764	1,375,042	1,593,032	1,721,500	2,231,693	3,134,479	3,465,422
Debt to Equity	NMF	560%	512%	531%	352%	189%	88%	107%
Liabilities to Equity	NMF	667%	577%	581%	392%	217%	104%	124%