

SHUAA Capital Reports Third Quarter 2024 Results

United Arab Emirates, 14 November 2024: SHUAA Capital psc (DFM: SHUAA) the leading asset management and investment banking platform in the region, has released its financial results for the third quarter of 2024.

SHUAA Capital has continued its trajectory towards sustainable profitability, reporting a narrower net loss attributable to shareholders of the company of AED 22 million in the third quarter of 2024, compared to AED 29.5 million in the second quarter of 2024.

During the course of the year, SHUAA continued its balance sheet optimization efforts, including valuation adjustments related to underlying assets of an associate and impairments of legacy investments in the UK. Management views these impairments as a necessary step as the company undertakes a major business transformation to optimize its capital structure.

As previously announced, SHUAA Capital reached an agreement with bondholders in April 2024 to amend the terms to support reducing the company's leverage materially by over AED 500 million. To facilitate this, the board of SHUAA Capital has approved the issuances of two Mandatory Convertible Bonds (MCBs). The company intends to complete this process over the coming quarter, subject to market conditions and pending the necessary regulatory and shareholder approvals, and will announce any major developments to the market in due course.

The company is now better positioned for business growth, leaving its challenging past behind as it charts a path forward. SHUAA aims to increase Assets under Management (AuM), secure new mandates and strengthen engagement with both existing and new clients as well as its creditors.

Wafik Ben Mansour, Group CEO of SHUAA Capital, said: "I am satisfied with the progress we've made this year, despite the challenging conditions the company has faced. Our capital optimization plan, which is now in its final stages, combined with our strategic initiatives, will help strengthening SHUAA's financial foundation and position the company for future growth. As we deepen relationships with clients and attract top talents, I am confident that SHUAA is poised for a new phase of sustainable growth and enhanced market leadership."

Financial highlights

Key Metrics	Q3 2024	YTD 2024	YTD 2023	YoY
Revenues*	AED 19m	AED 69m	AED 88m	AED 19m ▼
Adjusted Net Operating Income*	(AED 5m)	(AED 8m)	(AED 4m)	AED 4m ▼
Cost-Income Ratio	125%	111%	104%	7% ▼
One-off non-cash charges	AED 8m	(AED 68m)	(AED 541m)	AED 473m ▲
Net Profit (Loss)**	(AED 22m)	(AED 138m)	(AED 570m)	AED 432m ▲

*Excluding one-off items

** Attributable to shareholders of the company

Key financial review

- **Adjusted Operating Revenues** reached AED 69 million for YTD 2024, mainly driven by recurring fees from the Asset Management segment.
- **Adjusted Net Operating Loss** of AED 8 million loss for YTD 2024, driven by temporary reduction in revenues as the company undergoes major business transformation, partly offset by cost optimization measures.
- **A net loss attributable to shareholders** of AED 137 million for YTD 2024, primarily due to non-cash impairments related to company's associate and investment in legacy assets.
- **Cost to income ratio** of 111% YTD 2024, reflecting the temporary reduction in revenues, partly offset by cost optimization measures undertaken in 2023 and sustained through 2024.

Segmental review

- **Asset Management**, reported YTD 2024 revenues of AED 62 million, reflecting recurring fund management fees and real estate advisory fees via the company's flagship Ocean House project.
- **Investment Banking** reported YTD 2024 revenues of AED 5 million, mainly driven by the capital markets business. The advisory business continues to remain active in the region, with focus primarily on expanding deal pipeline and execution capabilities
- **Corporate segment** reported YTD 2024 revenues of AED 2 million. The company streamlined its corporate operations and revenues from this segment will not significantly impact the overall revenue mix. This shift is largely due to the company's intentional move to wind down its non-core assets, a decision that aligns with SHUAA's long-term strategy to focus on its core business and solidify its financial standing.

Ends

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About SHUAA Capital psc

SHUAA Capital psc (DFM: SHUAA), established in 1979, 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.shuaa.com
- Twitter: https://twitter.com/SHUAA_Capital
- LinkedIn: <https://www.linkedin.com/company/shuaa-capital>

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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