

SHUAA Capital – H1 2020 Earnings Call DFM Brief

United Arab Emirates, 16 August 2020: SHUAA Capital psc's (DFM: SHUAA), H1 2020 Earnings Call was held on August 16th, 2020 at 3pm and was presented by members of SHUAA Capital's senior management:

- **Jassim Alseddiqi**, Chief Executive Officer
- **Mustafa Kheriba**, Deputy Chief Executive Officer and Head of Asset Management
- **Joachim Mueller**, Chief Financial and Risk Officer

During the call SHUAA's second quarter and first half 2020 financial performance was reviewed. An update on SHUAA's strategic agenda and several key growth initiatives, particularly in light of COVID-19 and the current market environment was also provided.

Attendees were encouraged to go to the investor relations section of SHUAA's website (www.shuuaa.com), where the presentation material and financial statements which were discussed during the call are available.

Summary of the Presentation

The below is a summary of the key points discussed throughout the presentation and provides an overview of the slides that were discussed and included in the presentation.

Weathered severe market conditions

- Net profit at AED 5m in H1-20, EBITDA at AED125m in H1-20 despite AED159m unrealized net FV losses
- Q2-20 operating income up 19% quarter-on-quarter at AED86m driven by continued improvement in breadth and composition of stable revenues
- AuM at USD13.0bn in Q2 vs 12.8bn in Q1-20

Realized integration benefits

- Post-merger system and organizational integration fully on track
- Merger synergies: 48% of increased AED55m target (vs. AED50m previously announced) already achieved
- Non-core unit (NCU): 38% reduction since July 2019, releasing AED128m of cash

Maintained sufficient liquidity position

- Disciplined working capital management ensured internal liquidity ratios met throughout H1-20
- Working closely with all portfolio companies to ensure appropriate funding and to protect client assets through crisis

Continued execution of growth agenda

- Headwinds from COVID-19, economical and geopolitical issues lend to an appropriately prudent outlook
- SHUAA's business model allows us to focus on selected opportunities even in highly disrupted markets with new fund launches and a healthy IB advisory pipeline in H2-20
- Maintaining focus on increasing stable and recurring revenues via permanent capital vehicles
- Long-term ambition level of > 15% RoE, < 60% CIR1 and < 60% leverage ratio

Question & Answers

After the conclusion of the presentation, the call was opened to analysts to ask questions directly to senior management. These questions ranged from SHUAA-specific questions around SHUAA's strategic agenda, business segments (asset management and investment banking), financial performance and overall growth plans and initiatives which the management team answered.

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
- 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.