SHUAA

SHUAA Capital – Q2 2023 Earnings Call – DFM Brief

SHUAA Capital psc's ("SHUAA") Q2 2023 Earnings Call was held on Thursday, 10th August 2023, at 3:00pm and was presented by a member of SHUAA Capital's senior management:

- Fawad Tariq Khan, Group Chief Executive Officer
- Thanos Tsetsonis, Head of Investor Relations & ESG

During the call, SHUAA's Q2 2023 financial performance was reviewed. Attendees were encouraged to go to the investor relations section of SHUAA's website (www.shuaa.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.

Net profit attributable to shareholders of AED 20 million in H1 2023, compared to a loss of AED 164 million in H1 2022.

I. SHUAA delivered total **revenues of AED 99 million** in H1 2023 (+68% year-on-year on a normalized basis) driven by recurring revenues across all business segments

II. **AED 20 million net profit** driven by the outperformance from managed investment and real estate funds coupled with robust sales and trading income generation

III. **Cost to income ratio at 67%** in H1 2023, down from 98% in H1 2022, highlighting the Group's operating margin strength derived from cost optimization initiatives undertaken last year

IV. **Deleveraging continued in H1 2023**, with debt-to-equity ratio further improving to 88% from 123% in H1 2022

V. **AED 173 million of debt repayments** since December 2022, highlighting the Group's continued commitment to deleverage and simplify its balance sheet

SHUAA Capital will continue to invest across its asset classes building upon the recent updates, including the launch of a new Shariah-compliant Saudi equity fund* taking its ICC fund* umbrella assets under management (AUM) to USD 350 million. Furthermore, the scope is to remain focused on refinancing short-term liabilities through the issuance of a USD 100 million Sukuk intended to provide SHUAA Capital with a stable debt funding base over the next five years.

After the conclusion of the presentation, the call was opened to analysts to ask questions directly to senior management. However, no questions were asked.

** Managed by SHUAA GMC Limited, SHUAA's wholly owned FSRA regulated Investment Manager.*

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.

Please remember that past performance may not be indicative of future results.