SHUAA

SHUAA Capital – Q1 2023 Earnings Call – DFM Brief

SHUAA Capital psc's ("SHUAA") Q1 2023 Earnings Call was held on Thursday 11th May 2023 at 3:00 pm 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 Q1 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 15 million in Q1 2023, up 60% compared to Q4 2022

I. SHUAA delivered a set of **strong recurring revenues of AED 60 million** across all business segments of the Group in Q1 2023.

II. **AED 15 million net profit** driven by the outperformance from real estate business, resilient fee performance from managed funds and robust trading and advisory fees.

III. **Cost to income ratio at 53%** in Q1 2023, significantly lower than 89% in Q4 2022 due to stable revenue base and firm cost discipline.

IV. **Balance sheet metrics continue improvements** with disciplined approach to simplification of balance sheet and deleveraging debt liabilities.

V. **Deleveraging to continue in 2023,** with a further AED 400 million of debt reduction identified this year.

SHUAA Capital is well positioned to benefit from the GCC's strong economic fundamentals despite the recently announced oil production cuts by KSA, UAE, Kuwait, and Oman from May 2023 until the end of the year. This will negatively impact budget revenues thus lowering oil GDP growth. However, albeit adjusted to reflect lower volumes of oil produced and exported, all GCC countries are still forecasted to run current account surpluses this year, registering low single digit headline GDP growth.

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

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.