

SHUAA Capital reports financial results for Q2 2022

- Second quarter net operating income of AED 6 million compared to AED 24 million in Q1 2022* mainly due to lower trading revenues
- Net loss attributable to shareholders of AED 170 million in Q2 2022 compared to net income of AED 6 million in Q1 2022
- Non-cash charges (mark-to-market of managed funds, provisions, and accelerated amortization of intangible assets) contribute to results

United Arab Emirates, 10 August 2022: SHUAA Capital psc (DFM: SHUAA), the leading asset management and investment banking platform in the region, has announced its financial results for Q2 2022. In the second quarter SHUAA and its subsidiaries (the "Group") reported a net operating income of AED 6 million compared to AED 24 million in Q1 2022* primarily due to lower trading revenues.

The Group reported a net loss attributable to shareholders of AED 170 million in Q2 2022, compared to a net income of AED 6 million in Q1 2022. Non-cash expenses (mark-to-market of SHUAA managed funds, accrued expenses, and accelerated amortization of intangible assets) contributed to results.

Further consolidation of recurring revenues and deleveraging of the balance sheet

In the second quarter, SHUAA delivered another set of strong recurring revenues of AED 64 million across all business segments of the Group.

- The Group's Asset Management segment delivered a robust performance of AED 33 million of revenues, driven by the strong contribution from recurring management fees, which is expected to increase in the second half of the year with additional fee income from assets under management.
- The Group's Investment Banking business reported revenues of AED 3 million due to lower advisory and trading revenues compared to the first quarter, but given a favorable deal pipeline, revenues in the second half of the year are expected to be higher.
- As part of the global expansion of SHUAA's wholly owned subsidiary, Northacre, a separate new entity based in London has been established to bring together the Group's real estate-related investment management, development management and asset management businesses under one platform. Northacre will develop a portfolio of projects worth USD 3.6 billion in the U.K. and the GCC, in addition to its real estate investment and asset management platforms.
- Revenues from our Corporate segment remained strong at AED 28 million despite increased market volatility - led by SHUAA's robust trading business in Q2 2022.

* excluding one-off items and carry expense

- The cost-income ratio of 90% in Q2 2022 is higher than the 73% in Q1 2022 due to lower revenues. However, additional cost optimization measures are expected to have an impact in the second half of 2022.
- The Group continues to focus on deleveraging with repayments of AED 188 million in H1 2022.

Positioned to benefit from the UAE's strong economic fundamentals and growth prospects

SHUAA is well positioned to benefit from the UAE's 8.2% y-o-y economic expansion in the first quarter of 2022, led by higher oil production and strong 6% growth in the non-oil sector, as the country benefited from an increase in travel and tourism coupled with the positive impact of Expo 2020. In addition, the UAE, and the Gulf Cooperation Council (GCC) will run budget surpluses due to higher oil prices, resulting in excess accumulation of capital being available for investment opportunities.

Commenting on SHUAA's Q2 2022 results, [Fawad Tariq Khan](#), Group Chief Executive Officer of SHUAA Capital, said: "Despite a challenging quarter, our core operating business remained resilient and delivered recurring revenues of AED 64 million across all business units. We have embarked on a Group-wide exercise to streamline our business by addressing non-cash expenses and cost optimization measures to position us for profitability in the future. We remain committed to providing innovative investment solutions to our clients, as evidenced by the global launch of Northacre and the increase in the number of managed funds our clients have access to."

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About SHUAA Capital psc

SHUAA Capital psc (DFM: SHUAA) 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 provides 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.shuuaa.com
- Twitter: https://twitter.com/SHUAA_Capital
- LinkedIn: <https://www.linkedin.com/company/shuuaa-capital>
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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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