



Earnings Presentation
Q1 2024

16 July 2024

Executive Summary

Financial Measures

- **Q1 2024 revenues** slightly lower compared to **Q4 2023** due to a reduction in valuation of managed funds which resulted in lower management fees and revenues from legacy investment in the UK.
- **Q1 2024 adjusted operating income amounted to AED 5 million**, a significant increase of AED 14 million compared to Q4 2023, **mainly driven by cost efficiencies** undertaken in 2023 realizing in the Q1 2024 financial results.
- The Group reported **net loss to owners of AED 87 million in Q1 2024** mainly due to one-off impairments via share of losses reported by the associate Eshraq and further impairment of legacy real estate investment in the UK.

Key Metrics

- **In Q1 2024, the operating margins for the business reached 16%**, reflecting a notable increase compared to the prior quarter. This growth is primarily attributed to the **successful implementation of cost reduction initiatives across the business**.
- **The cost-income ratio of 84% in Q1 2024** is lower than prior quarter mainly **driven by cost optimization measures but deviating from management's medium-term target of 65%**. Further efforts in cost optimization were implemented in Q1 2024.

Capital Optimization Process

Update on Capital Optimization Process

- To recap, the Capital Optimization plan consist of **issuing MCB offerings** 1) to settle the noteholders subject to equity raise 2) to bring fresh money in the form of equity.
- An **independent valuation advisor** will be appointed in due course to value the company which is a regulatory requirement.

Key Financial Highlights Q1 2024

Q1 2024 Financial Performance

| Income Statement (AED Mn) | Q1-24 | Q4-23 | Q/Q Change | Q1-23 | Y/Y Change |
|--|---------------|----------------|--------------|-------------|----------------|
| Fee and Commission Revenue | 27.3 | 30.9 | (3.6) | 54.5 | (27.2) |
| Other Revenue | 2.9 | 2.4 | 0.5 | 5.2 | (2.3) |
| Total Revenues | 30.2 | 33.3 | (3.1) | 59.7 | (29.5) |
| Operating Expenses (excl. one-off items) | (25.4) | (42.9) | 17.4 | (34.8) | 9.3 |
| Adjusted Net Operating Income¹ | 4.8 | (9.6) | 14.3 | 24.9 | (20.2) |
| One-off items | 6.9 | (73.1) | 80.0 | 13.3 | (6.5) |
| Net Operating Income/(Loss) | 11.6 | (82.7) | 94.3 | 38.3 | (26.7) |
| Other Income/(Expenses) | (90.3) | (220.0) | 129.8 | (4.8) | (85.4) |
| Profit/(Loss) before finance costs | (78.6) | (302.7) | 224.1 | 33.4 | (112.1) |
| Finance Cost | (13.1) | 5.2 | (18.2) | (13.8) | 0.7 |
| Other Items | (4.2) | (19.3) | 15.1 | (0.0) | (4.2) |
| Non-Controlling Interests | 7.5 | 21.1 | (13.5) | (5.0) | 12.5 |
| Income Tax Credit/(Expense) | 1.2 | (40.9) | 42.1 | - | 1.2 |
| Net Profit/(Loss) to Owners of the Parent² | (87.2) | (336.7) | 249.5 | 14.7 | (101.9) |
| Key Metrics - Income Statement | | | | | |
| Operating Margin (%) excl. one-off items | 16% | (29%) | 45% | 42% | (26%) |
| CIR (%) excl. one-off items | 84% | 129% | 45% | 58% | (26%) |
| Balance Sheet (AED Mn) | | | | | |
| Total Assets | 1,593 | 1,722 | (7%) | 3,465 | (54%) |
| Total Debt | 1,235 | 1,231 | (0%) | 1,646 | 25% |
| Total Equity | 234 | 350 | (33%) | 1,545 | (85%) |
| Balance Sheet (AED Mn) | | | | | |
| Debt to Equity | 5.28x | 3.52x | (176%) | 1.07x | (421%) |
| Return on Equity - Parent | NMF | NMF | - | 4.7% | - |

Commentary

Adjusted Net Operating Income of AED 5 million in Q1 2024 mainly driven by cost optimization measures related to headcount reduction and BOD fees.

- Q1 2024 net loss of AED 87 million due to one-off charges related to impairments in associate, legacy investment in the UK, partially offset by gains related to exit from a fund in KSA and other cost optimization measures.
- Q1 2024 revenues slightly lower than Q4 2023 mainly due to lower valuation for Goldilocks fund resulting in reduced management fees and AED 30m lower than prior year due to one-off fees received from exiting a real estate fund in 2023.

Balance sheet optimization continued to take effect in Q1 2024 with impairments taken by the associate and legacy investment write-offs

- Asset write-offs and impairments to facilitate with right-sizing the balance sheet and emerge with a lean and efficient capital structure.
- Management continues to focus on deleveraging the balance sheet and the agreement reached with bondholders will further facilitate to reduce debt and bolstering the equity base of the company.

¹ Excluding one-off items

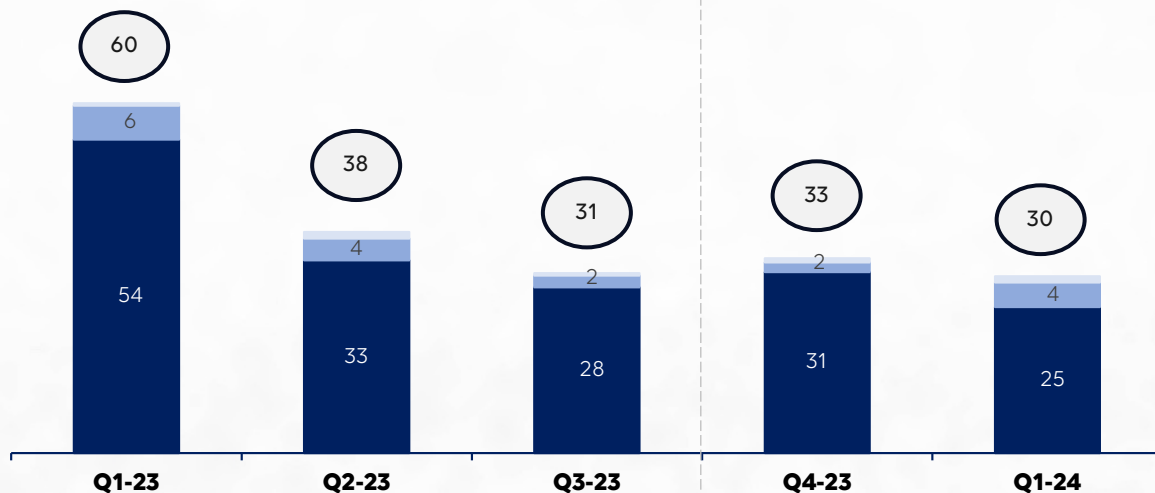
² Net Profit attributable to shareholders

Revenue Breakdown

Quarter-over-Quarter Revenues

AEDm

- Asset Management
- Investment Banking
- Corporate



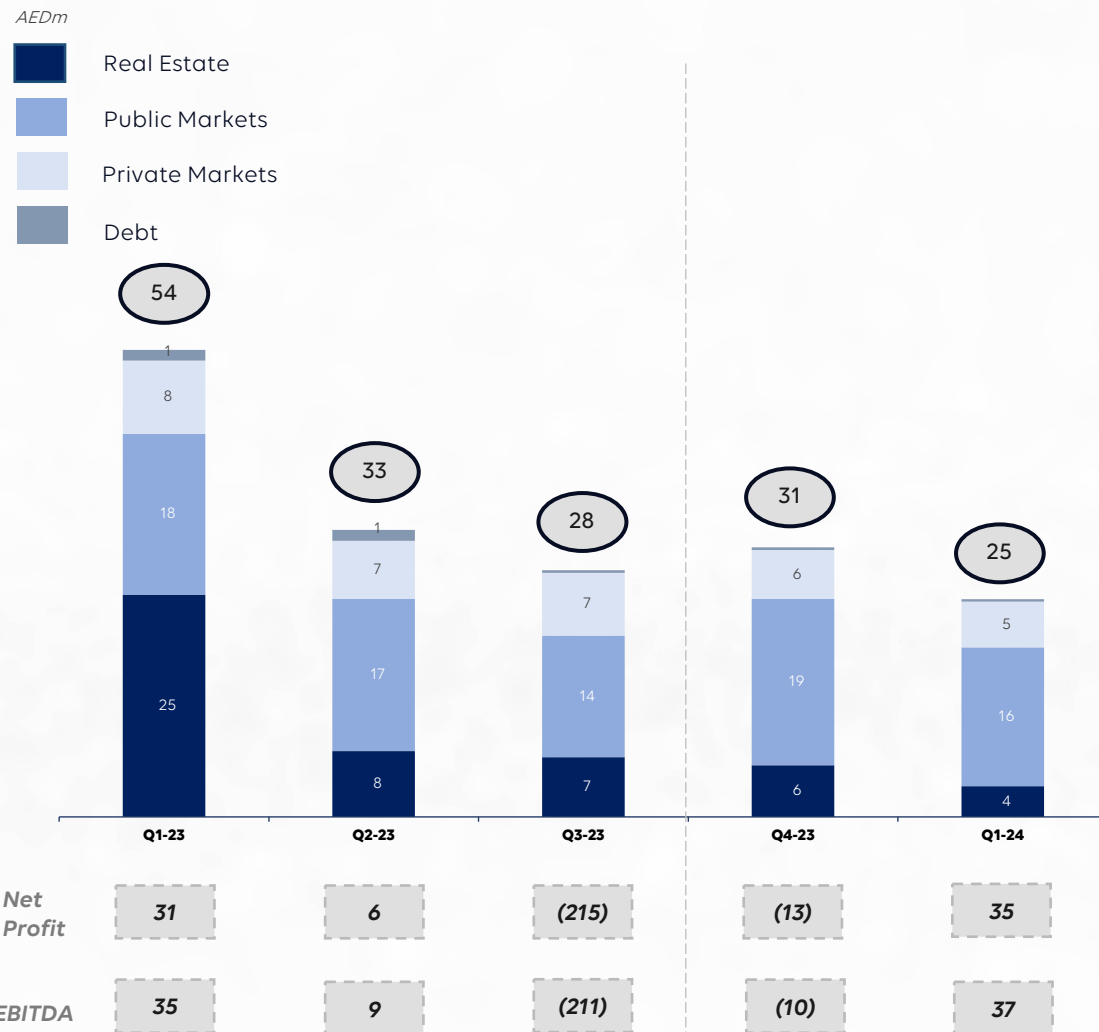
Commentary

Q1 2024 revenues of AED 30 million slightly lower than prior quarter mainly due to drop in Asset Management revenues partially offset by sales and trading income.

- **Asset management** revenues in Q1 2024 were impacted by reduction in valuation of managed funds which resulted in lower management fees and revenue run-off from legacy investment in the UK.
- **Investment banking** revenues came in higher in Q1 2024 due to higher sales & trading income.
- **Corporate segment** is made up of the Non-core unit which is responsible for divestment of legacy investments.

Asset Management Segment Performance

Asset Management Revenues



Commentary

Revenues in Q1 2024 lower than prior quarter mainly driven by lower management fees.

Real Estate:

- Recurring fund management fees from the Palm Project and JLT offset by lower income from legacy investment in the UK.

Public Markets:

- Lower management fees earned in Q1 2024 compared to prior quarter due to reduction in valuation of Goldilocks fund.

Private Markets:

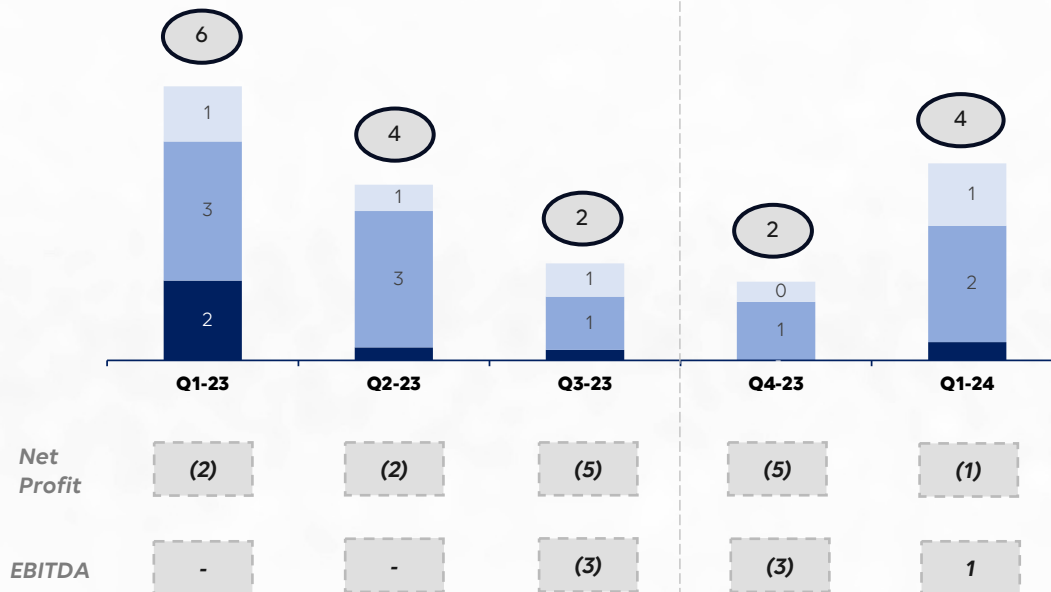
- Lower management fees from the PE Fund in Q1 2024 compared to prior quarter due to timing of fees.

Investment Banking Segment Performance

Investment Banking Revenues

AEDm

- Advisory
- Markets
- Investment Management



Commentary

Q1 2024 revenues came in higher than prior quarter by AED 2 million driven by sales and trading income.

Advisory:

- Lower revenues mainly resulting from lack of mandates closing in Q1 2024.

Markets:

- Higher fixed income revenues in Q1 2024 due to increased trading volume compared to prior quarter.

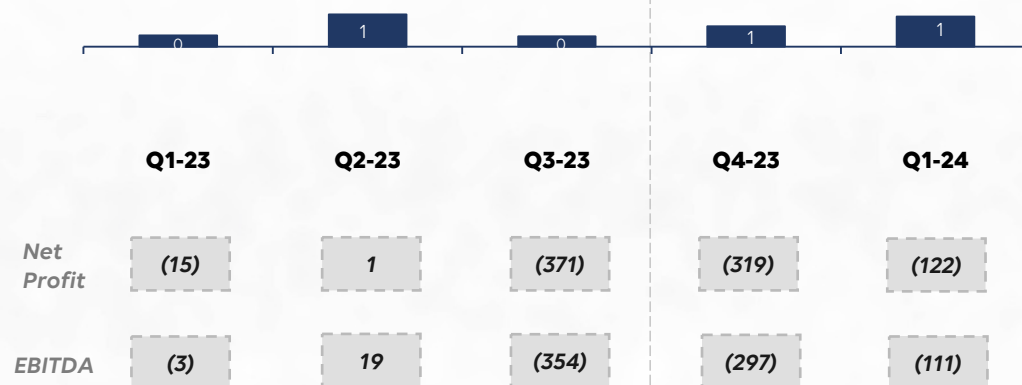
Investment Management:

- Revenues of AED 1 million earned in Q1 2024 due to a non-recurring trade executed in the quarter.

Corporate Segment Performance

Corporate Revenues

AEDm



Commentary

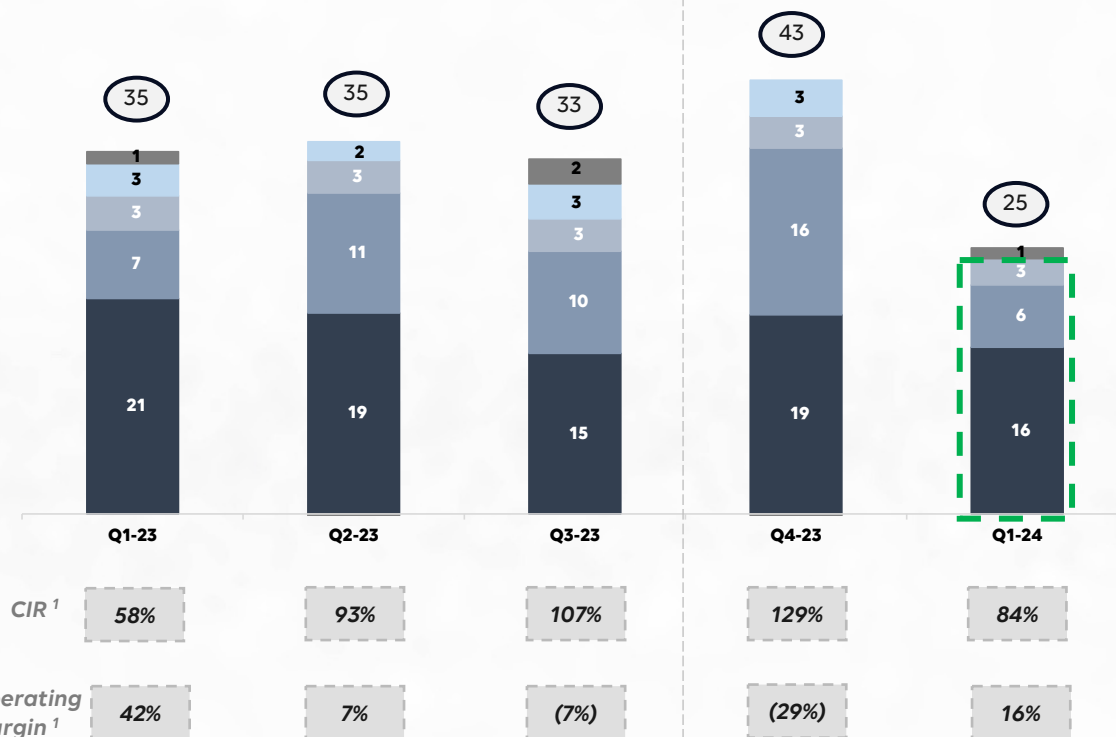
Corporate segment is responsible for exiting and winding down all non-core assets of the Group.

- Corporate revenues recognized in the current quarter is non-recurring in nature.
- Currently undergoing FDD and the finalization of the SPA for the sale of GFC UAE with potential buyer.

Operating Expense Breakdown

Quarter-over-Quarter Expenses ¹

AEDm



Commentary

Firm cost discipline maintained across the Group in Q1 2024 with continued decline in operating expenses due to cost optimization initiatives undertaken in 2023 and 2024.

- Controllable costs which includes staff costs and G&A reduced significantly in Q1 2024 on the back of cost optimization measures along with seasonality impacts of G&A costs on a quarter-over-quarter basis.
- D&A declined further in Q1 2024 compared to prior quarter due to accelerated amortization of intangibles.
- Cost-income ratio of 84% in Q1 2024 significantly improved compared to prior quarter due to implementation of cost efficiencies.

Appendix

Quarterly P&L

AED '000

| | Q1 2024 | FY 2023 | Q4 2023 | Q3 2023 | Q2 2023 | Q1 2023 |
|---|-----------------|--------------------|------------------|------------------|-----------------|-----------------|
| Revenue | 30,185 | 161,418 | 33,270 | 30,692 | 37,737 | 59,719 |
| Net foreign exchange gain/(loss) | 13,020 | (9,941) | (9,582) | 7,303 | (4,556) | (3,107) |
| Other income/(expense) | 914 | (41,996) | (27,199) | (60,216) | 52,103 | (6,683) |
| Change in fair value gains/(losses) from financial assets at FVTPL | (31,575) | (329,696) | (71,860) | (220,553) | (50,502) | 13,218 |
| Share of net profit /(loss) of investments in associates | (62,204) | (136,157) | (114,993) | (22,653) | 9,689 | (8,201) |
| Gain/(loss) on derivative financial liability | 0 | (207) | 0 | (84) | (52) | (71) |
| Interest income | 241 | 3,598 | 3,598 | 0 | 0 | 0 |
| Interest expense | 0 | 0 | 0 | 0 | 0 | 0 |
| Total income | (49,421) | (352,981) | (186,766) | (265,511) | 44,420 | 54,876 |
| Staff costs | (15,930) | (60,857) | (19,015) | (15,355) | (19,210) | (7,277) |
| Employee carried interest | 0 | (11,644) | (3,441) | (3,336) | (1,784) | (3,082) |
| Fee and commission expense | (1,024) | (2,501) | (536) | (1,152) | 337 | (1,150) |
| General and administrative expenses | (8,003) | (43,266) | (15,516) | (9,757) | (11,471) | (6,522) |
| Depreciation and amortisation | (2,515) | (12,525) | (3,045) | (3,106) | (3,102) | (3,272) |
| Provision for impairment losses on financial assets | (1,757) | (198,208) | (74,412) | (123,724) | 72 | (144) |
| Total expenses | (29,229) | (329,000) | (115,965) | (156,429) | (35,158) | (21,447) |
| Profit/(loss) before impairment of intangibles and finance costs | (78,649) | (681,981) | (302,731) | (421,940) | 9,262 | 33,429 |
| Finance cost | (13,080) | (77,083) | (24,128) | (19,291) | (19,909) | (13,755) |
| Impairment of intangibles and other items | (4,214) | (384,072) | (19,320) | (364,743) | 0 | (9) |
| Finance credit relating to unit holders | 0 | 29,290 | 29,290 | 0 | 0 | 0 |
| Profit/(loss) from continuing operations | (95,943) | (1,113,845) | (316,889) | (805,974) | (10,648) | 19,665 |
| (Loss)/profit from discontinued operations | 0 | 0 | 0 | 0 | 0 | 0 |
| Profit/(loss) for the period | (95,943) | (1,113,845) | (316,889) | (805,974) | (10,648) | 19,665 |
| Non-controlling interests | 7,533 | 248,055 | 21,059 | 215,979 | 15,969 | (4,952) |
| Profit/(loss) for the period attributable to Owners before tax | (88,410) | (865,790) | (295,830) | (589,995) | 5,321 | 14,713 |
| Corporate tax | 1,213 | (40,854) | (40,854) | 0 | 0 | 0 |
| Profit/(loss) for the period attributable to Owners after tax | (87,196) | (906,644) | (336,684) | (589,995) | 5,321 | 14,713 |

Balance Sheet Summary

AED '000

| | 31-Mar 2024 | 31-Dec 2023 | 30-Sep 2023 | 30-Jun 2023 | 31-Mar 2023 | 31-Dec 2022 | 30-Sep 2022 | 30-Jun 2022 | 31-Mar 2022 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Assets | | | | | | | | | |
| Cash and deposits with banks | 32,994 | 33,178 | 107,545 | 103,120 | 98,275 | 64,151 | 107,907 | 252,983 | 348,586 |
| Receivables and other debit balances | 175,646 | 151,408 | 239,808 | 309,732 | 437,398 | 407,061 | 397,757 | 201,808 | 234,801 |
| Loans, advances and finance leases | 106,743 | 108,110 | 230,464 | 340,372 | 388,118 | 274,503 | 470,329 | 373,053 | 383,531 |
| Financial assets at fair value | 259,914 | 337,813 | 419,389 | 643,336 | 687,624 | 668,602 | 674,474 | 724,940 | 764,559 |
| Investments in associates | 458,591 | 529,038 | 659,998 | 743,708 | 871,623 | 947,599 | 952,165 | 26,087 | 142,739 |
| Investment Property | - | - | - | - | - | - | 236,660 | 236,660 | - |
| Property and equipment | 20,084 | 20,514 | 21,299 | 20,297 | 21,168 | 25,693 | 5,660 | 20,604 | 35,624 |
| Goodwill and other intangible assets | 539,060 | 541,438 | 540,062 | 923,426 | 910,728 | 902,234 | 870,356 | 1,022,124 | 1,095,589 |
| Assets of disposal groups classified as held for sale | - | - | 13,127 | 50,488 | 50,488 | 186,130 | 50,488 | 2,098,555 | 2,234,137 |
| Total Assets | 1,593,032 | 1,721,499 | 2,231,693 | 3,134,479 | 3,465,422 | 3,475,973 | 3,765,796 | 4,956,814 | 5,239,566 |
| Liabilities | | | | | | | | | |
| Borrowings | 861,606 | 862,972 | 969,774 | 963,652 | 1,259,870 | 1,206,206 | 1,497,008 | 1,490,763 | 1,474,920 |
| Payables and other credit balances | 357,744 | 371,664 | 385,254 | 451,799 | 469,014 | 488,469 | 505,744 | 555,894 | 658,105 |
| Other financial liabilities | 139,682 | 137,156 | 142,600 | 156,925 | 162,437 | 163,808 | 167,528 | 141,809 | 130,077 |
| Payables to unit holders | - | - | 29,290 | 29,290 | 29,290 | 29,290 | 29,290 | 28,430 | 27,308 |
| Liabilities of disposal groups classified as held for sale | - | - | - | - | - | 68,019 | - | 1,178,190 | 1,242,589 |
| Total Liabilities | 1,359,032 | 1,371,792 | 1,526,918 | 1,601,666 | 1,920,611 | 1,955,792 | 2,199,570 | 3,395,087 | 3,532,999 |
| Equity | | | | | | | | | |
| Share capital | 2,535,720 | 2,535,720 | 2,535,720 | 2,535,720 | 2,535,720 | 2,535,720 | 2,535,720 | 2,535,720 | 2,535,720 |
| Share premium | 52,579 | 52,579 | 52,579 | 52,579 | 52,579 | 52,579 | 52,579 | 52,579 | 52,579 |
| Statutory reserve | 49,631 | 49,631 | 49,631 | 49,631 | 49,631 | 49,631 | 49,631 | 49,631 | 49,631 |
| Other reserves | (1,483,013) | (1,465,138) | (1,466,199) | (1,455,744) | (1,464,024) | (1,467,476) | (1,486,227) | (1,451,223) | (1,430,841) |
| Retained earnings | (915,787) | (828,591) | (491,942) | 88,986 | 87,804 | 76,579 | 67,416 | 60,899 | 235,521 |
| Equity attributable to Owners | 239,130 | 344,201 | 679,787 | 1,271,172 | 1,261,710 | 1,247,033 | 1,219,119 | 1,247,605 | 1,442,610 |
| Non controlling interest | (5,130) | 5,506 | 24,988 | 261,641 | 283,101 | 273,148 | 347,107 | 314,122 | 263,957 |
| Total equity | 234,000 | 349,707 | 704,775 | 1,532,813 | 1,544,811 | 1,520,181 | 1,566,226 | 1,561,727 | 1,706,567 |
| Total Equity and Liabilities | 1,593,032 | 1,721,499 | 2,231,693 | 3,134,479 | 3,465,422 | 3,475,973 | 3,765,796 | 4,956,814 | 5,239,566 |
| Debt to Equity | 528% | 353% | 189% | 88% | 107% | 105% | 124% | 123% | 112% |
| Liabilities to Equity | 623% | 393% | 217% | 104% | 124% | 129% | 140% | 217% | 207% |

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