



Earnings Presentation
Q3 2022

11 November 2022

Financial Measures



- Net profit attributable to shareholders of AED 20 million in Q3 2022 compared to net loss of AED 170 million in Q2 2022 underpinned by strong revenues
- Third quarter net operating income excluding one-off items of AED 14 million compared to AED 6 million in Q2 2022 backed by strong recurring revenues across all segments while maintaining expense discipline across the Group
- Cost to income ratio at 77% in Q3 2022 significantly lower than the 90% in Q2 2022. Expanding operating margins for the business in Q3 2022 driven by lower costs

Key Metrics



- Cost optimization initiatives are expected to continue with the cost-income ratio expected to meet management mid-term target of 65%
- Continued disciplined approach to deleveraging with debt-to-equity ratio at 124% in Q3 2022
- Balance sheet metrics expected to improve in Q4 2022 driven by higher profitability and further reduction in leverage

Group Updates



- **Real Estate:** Northacre recently announced project completion of The Broadway, a USD 1.5 billion contemporary residential and mixed-use development with unrivalled views across Westminster and St James's Park in London
- **Public & Private Markets:** recent addition of USD 220 million in new AuM to our Discretionary Portfolio Management and funds in the third quarter of 2022

Key Financial Highlights Q3 2022

Q3 2022 Financial Performance

Income Statement (AED Mn)	Q3-22	Q2-22	% Change vs. Q2-22	Q3-21	% Change vs. Q3-21
Net Fee and Commission Revenue	68.2	56.1	22%	59.3	15%
Other Revenue	(8.2)	7.4	(210%)	12.4	(166%)
Total Revenues	60.0	63.5	(6%)	71.7	(16%)
Operating Expenses (excl. one-off items and carry expense)	(46.3)	(57.1)	19%	(46.9)	1%
Net Operating Income (excl. one-off items and carry expense)	13.7	6.4	114%	24.8	-
One-off items and Employee Carry	(6.5)	(39.0)	-	(1.0)	-
Net Operating Income/(Loss)	7.2	(32.6)	122%	23.8	-
Other Income/(Expenses)	110.8	(25.3)	-	(4.4)	-
Profit/(loss) from discontinued operations	(37.7)	(86.0)	-	18.9	-
Non-Controlling Interests	(60.3)	(26.0)	-	(3.7)	-
Net Profit ¹	19.9	(169.9)	-	34.7	-
EBITDA ²	91.9	(49.1)	-	50.5	-
Key Metrics					
Operating Margin (%) excl. one-off items and carry expense	23%	10%	13%	35%	(12%)
CIR (%)	77%	90%	(13%)	65%	12%

Balance Sheet (AED Mn)	Q3-22	Q4-21	% Change vs. Q4-21	Q3-21	% Change vs. Q3-21
Total Assets	3,766	5,768	(35%)	6,132	(39%)
Total Debt	1,940	2,474	22%	2,633	26%
Total Equity	1,566	1,846	(15%)	2,037	(23%)
Key Metrics					
Debt to Equity	1.24x	1.34x	10%	1.29x	5%
Return on Equity	(14%)	2%	(16%)	9%	(23%)

Commentary

Net profit of AED 20 million underpinned by strong revenues in Q3 2022

- Third quarter net operating income* of AED 14 million compared to AED 6 million in Q2 2022 backed by strong recurring revenues across all segments while maintaining firm cost discipline across the Group
- Cost to income ratio at 77% in Q3 2022 significantly lower than the 90% in Q2 2022
- Expanding operating margins for the business in Q3 2022 driven by lower costs

Balance sheet metrics expected to improve in Q4 2022 driven by higher profitability and further reduction of leverage

- Continued disciplined approach to deleveraging with debt-to-equity ratio at 124% in Q3 2022

¹ Net Profit attributable to shareholders

² Excludes results for discontinued operations

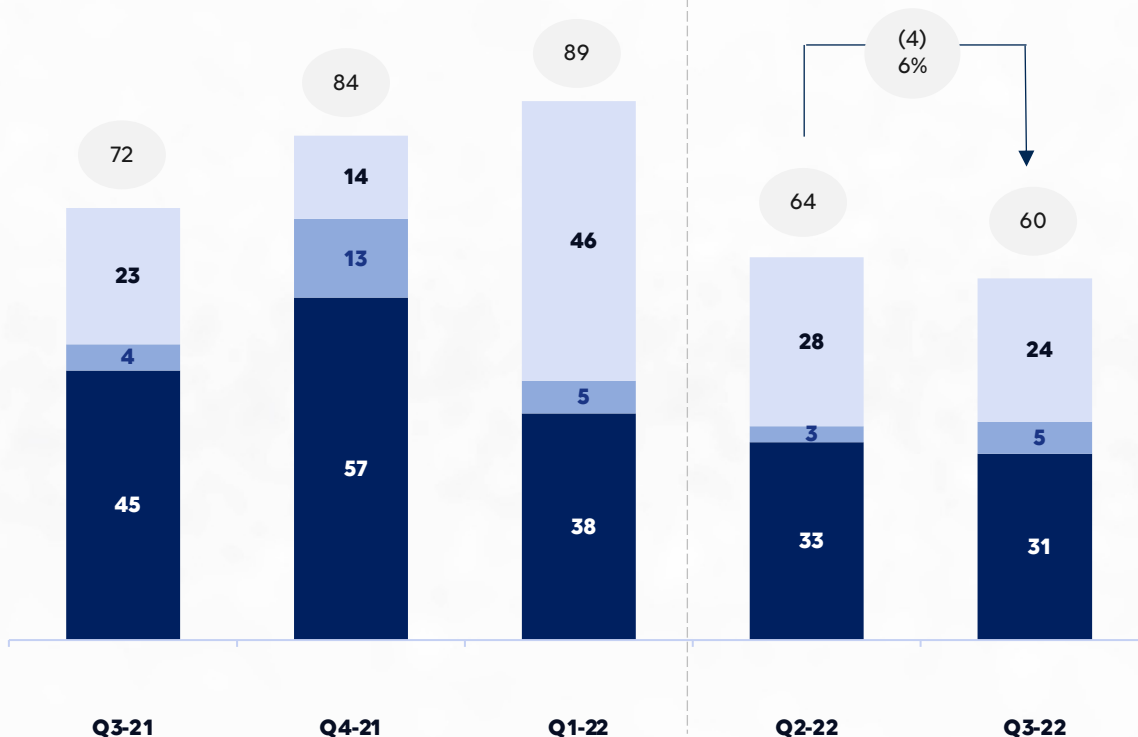
*excluding one-off items

Revenue Breakdown

Quarter-on-Quarter Revenues

Commentary

AEDm

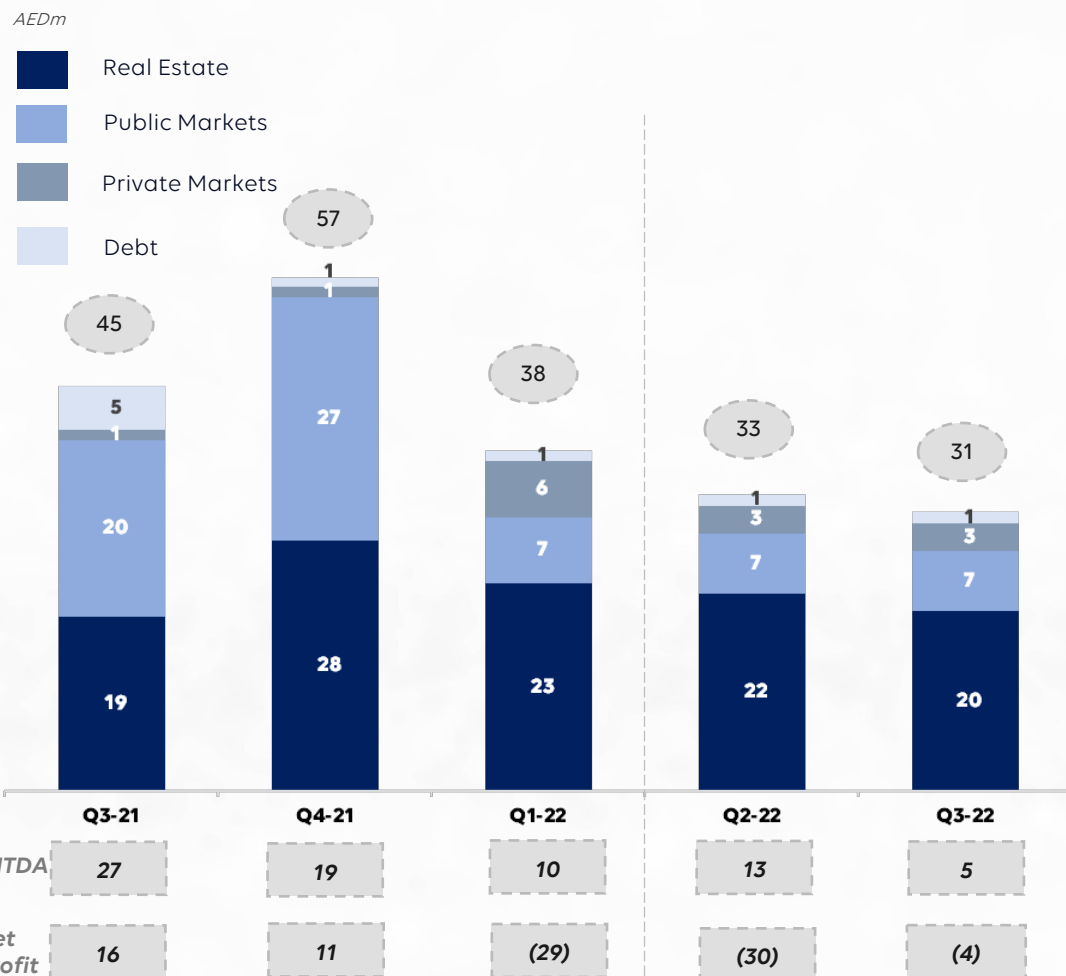


Strong recurring revenues continue to contribute significantly across all business segments

- Asset management continues to support recurring revenues driven by the strong contribution from fee earning AuM within real estate as well as managed public and private market funds.
- Investment banking revenues higher in Q3 2022 due to higher advisory and trading income
- Corporate revenues robust in Q3 2022 amidst prolonged market volatility

Asset Management Segment Performance

Asset Management Revenues



Commentary

Posting healthy Q3 2022 results driven by the contribution from fee earning AuM within real estate as well as managed public & private market funds

Real Estate:

- Continued contribution from recurring revenue and management fees
- Completion of landmark scheme The Broadway in Q3 2022

Public and Private Markets:

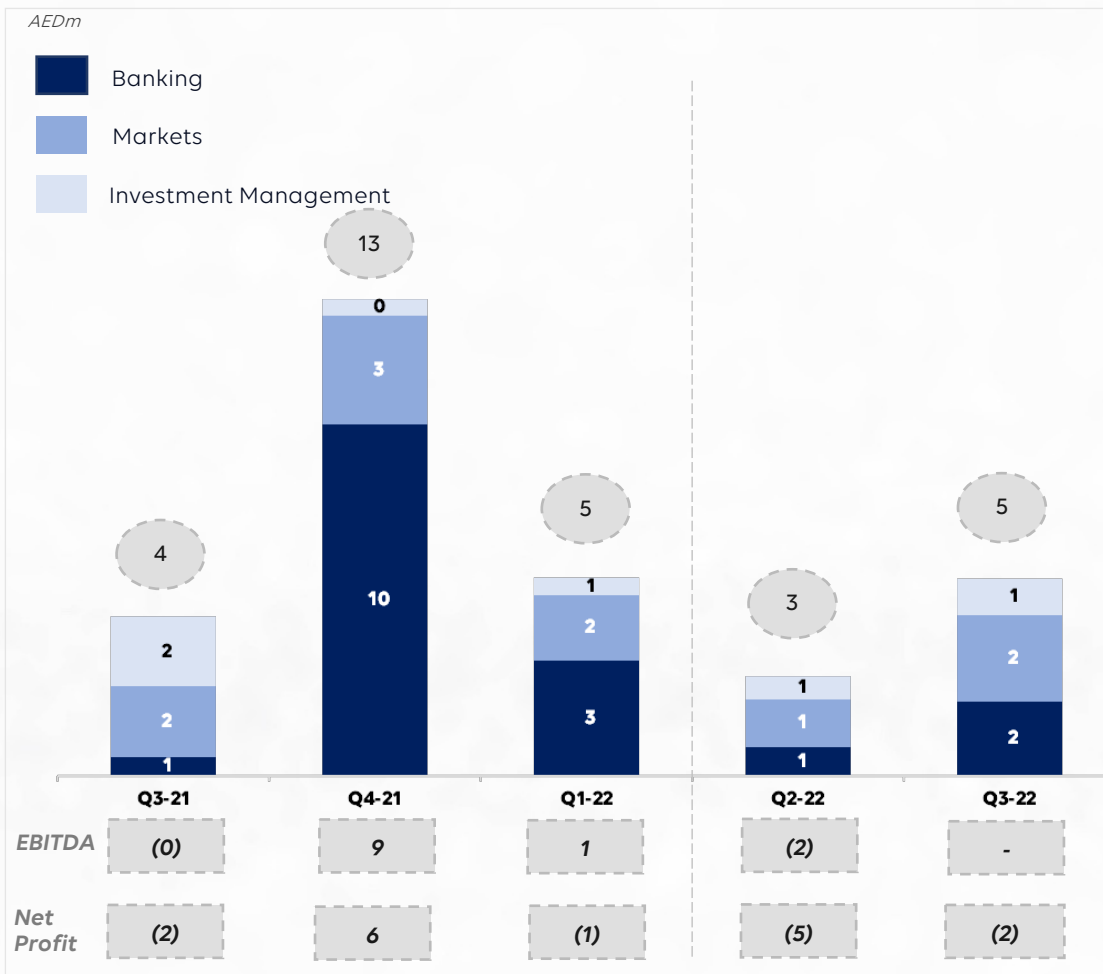
- Robust fee performance in managed funds

Debt:

- Stable recurring management fee revenues

Investment Banking Segment Performance

Investment Banking Revenues



Commentary

Investment banking delivers strong performance driven by improved trading & advisory income while a favourable deal pipeline in Q4 2022 is expected to further boost full year targets

Banking:

- Revenues continue to be cyclical trending towards outperformance in the last quarter of the year
- New mandate in Q3 2022, robust pipeline of active deals and mandates for Q4 2022

Markets:

- Trading income significantly higher compared to Q2 2022 driven by strong performance from fixed income desk

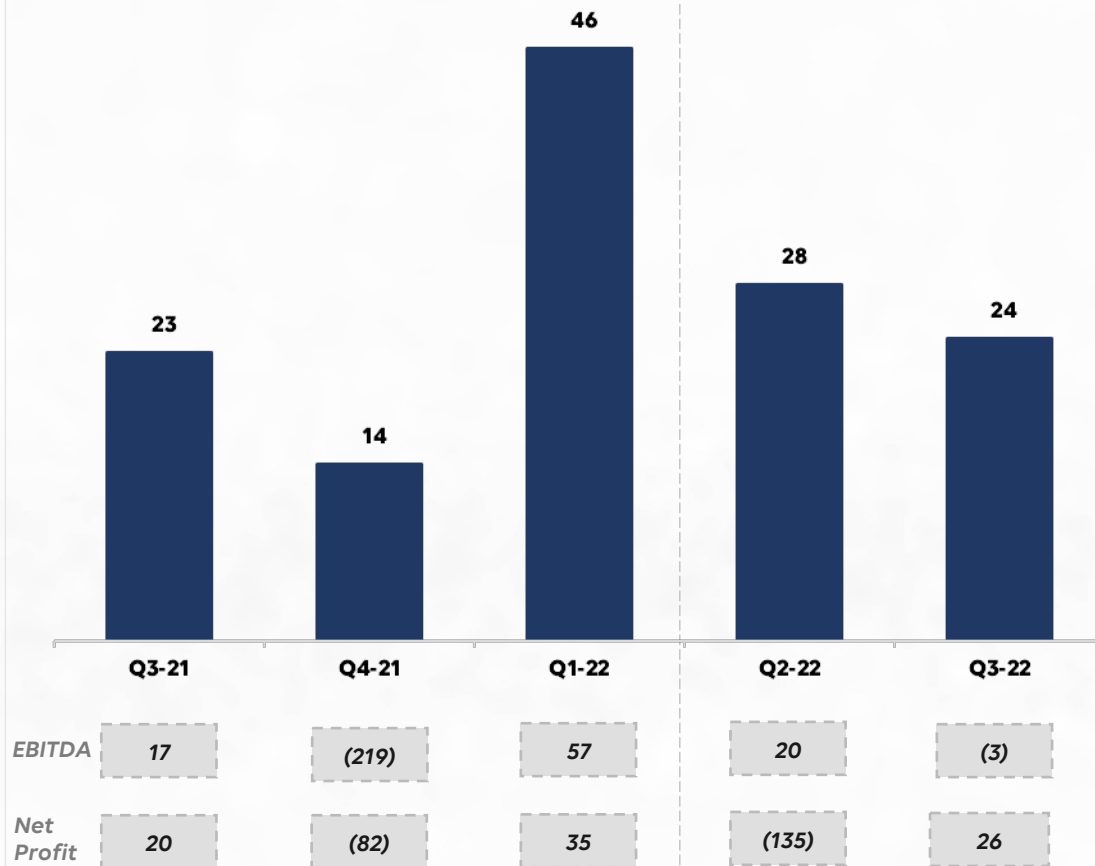
Investment Management:

- Fee income stable compared to Q2 2022

Corporate Segment Performance

Corporate Revenues

AEDm



Commentary

Robust corporate revenues amidst prolonged market volatility

- Revenues from our Corporate segment mounting at AED 24 million in Q3 2022.
- As per our strategy to divest non-core assets, we expect revenues from the corporate segment to run off in the coming quarters.
- Declining performance in Group's run-off businesses

Operating Expense Breakdown

Quarter-on-Quarter Expenses ^{1, 2, 3}



Commentary

Firm cost discipline maintained across the Group in Q3 2022

- Cost to income ratio of 77% in Q3 2022 is significantly lower than the 90% in Q2 2022
- Cost optimization initiatives are expected to continue with the cost-income ratio expected to meet management mid-term target of 65%
- Depreciation and amortization costs improved by AED 2mn in Q3 2022 due to impairment of intangibles
- Expanding operating margins for the business in Q3 2022 driven by lower costs

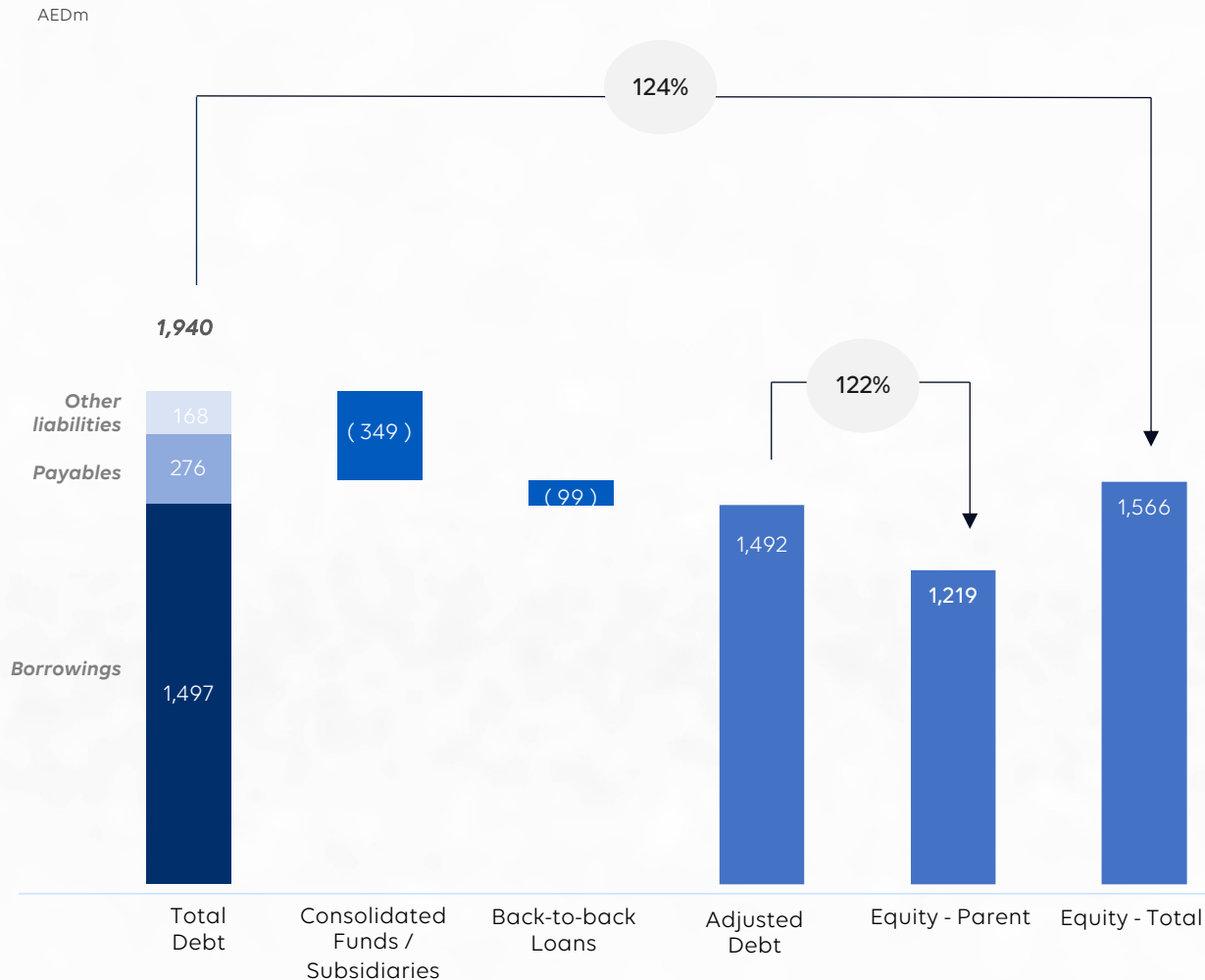
¹ CIR and Operating Margin = Calculated by excluding carry

² Excluding net one-off items

³ Restated - post GX reclassification to HFS

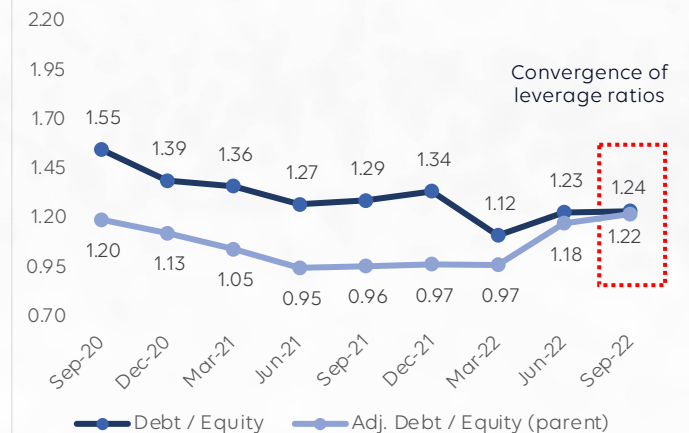
Continued progress on deleveraging

Leverage Ratio Breakdown



Commentary

- Continued disciplined approach to deleveraging with debt-to-equity ratio at 124% in Q3 2022
- Balance sheet metrics expected to improve in Q4 2022 driven by higher profitability and further reduction of leverage
- Average interest costs increased by 97 bps to 7.72% p.a. in Q3 2022 compared to Q2 2022





Appendix

Quarterly P&L (Q1 2021-Q3 2022)¹

AED '000

	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Interest income	(1,996)	4,224	5,491	2,803	2,378	4,198	3,755
Interest expense	(5,897)	(2,338)	(2,115)	(1,288)	(1,880)	(1,656)	(1,112)
Net interest income	(7,893)	1,886	3,377	1,515	498	2,542	2,643
Fee and commission income	70,668	60,643	86,791	84,821	61,103	74,240	103,021
Fee and commission expense	(2,494)	(4,581)	(5,290)	(10,685)	(1,834)	(6,559)	(6,136)
Net fee and commission income	68,175	56,062	81,501	74,136	59,269	67,681	96,885
Advisory income	2,038	773	3,157	5,951	4,763	1,334	1,053
Trading income	2,510	1,531	1,788	1,623	1,675	1,297	1,320
Other operating income	(4,832)	3,254	(373)	496	5,480	1,286	255
Total operating income	59,999	63,507	89,450	83,721	71,684	74,141	102,156
Staff costs	(34,944)	(38,557)	(39,818)	(60,964)	(31,967)	(31,755)	(30,872)
Employee carried interest	0	(5,126)	(225)	(6,859)	(1,034)	(1,146)	(1,387)
General and administrative expenses	(16,818)	(18,388)	(19,995)	(17,276)	(14,624)	(23,165)	(19,134)
Depreciation and amortisation	(7,525)	(9,980)	(10,024)	(11,418)	(11,766)	(11,370)	(11,461)
(Provision for)/reversal of impairment losses on financial assets	(6,599)	(12,273)	885	(24,940)	9,268	(10,189)	8,082
Other operating expenses	13,130	(11,736)	(49,046)	323	2,213	(2,955)	(2,425)
Total operating expenses	(52,757)	(96,059)	(118,223)	(121,135)	(47,910)	(80,581)	(57,197)
Net operating income/(loss)	7,242	(32,552)	(28,773)	(37,414)	23,774	(6,441)	44,959
Change in fair value gains/(losses) from financial assets at FVTPL	1,545	(38,123)	(84,881)	29,850	5,083	1,990	182
Gain on derivative financial liability	357	509	928	683	664	622	621
Share of gain/(loss) of investments in associates	322,880	1,702	2,112	(161,778)	4,716	13,096	(13,096)
Finance cost	(26,739)	(24,792)	(27,072)	(22,715)	(23,016)	(22,596)	(24,664)
Finance credit/(cost) relating to unit holders	(860)	(1,120)	18,390	(3,176)	419	(1,191)	1,815
Other income & expenses	(186,397)	36,505	70,726	6,443	7,758	13,007	10,185
Profit/(loss) from continuing operations	118,028	(57,872)	(48,570)	(188,108)	19,399	(1,513)	20,001
Profit/(loss) from discontinued operations	(37,747)	(86,043)	(73)	152,509	18,935	40,912	8,799
Profit/(loss) for the period	80,281	(143,915)	(48,644)	(35,599)	38,334	39,399	28,800
Non-controlling interests	(60,350)	(26,011)	54,261	(28,894)	(3,666)	(10,306)	(3,831)
Profit/(loss) for the period attributable to Owners	19,931	(169,927)	5,617	(64,493)	34,669	29,094	24,970
EBITDA	91,942	(49,112)	42,786	(182,869)	50,516	22,146	52,296

Balance Sheet Summary (2021-2022)

AED '000

	30-Sep 2022	30-Jun 2022	31-Mar 2022	31-Dec 2021	30-Sep 2021	30-Jun 2021	31-Mar 2021
Assets							
Cash and deposits with banks	107,907	252,983	348,586	460,648	391,614	321,196	353,566
Receivables and other debit balances	397,757	201,808	234,801	351,041	239,347	251,321	244,833
Loans, advances and finance leases	470,329	373,053	383,531	236,266	283,884	284,644	334,850
Financial assets at fair value	674,474	724,940	764,559	3,113,590	2,814,614	2,731,275	2,564,856
Investments in associates	952,165	26,087	142,739	354,036	412,149	407,432	402,642
Investment Property	236,660	236,660	-	-	-	-	-
Property and equipment	5,660	20,604	35,624	34,362	43,149	47,365	48,338
Goodwill and other intangible assets	870,356	1,022,124	1,095,589	1,212,014	1,214,157	1,235,753	1,242,414
Assets of disposal groups classified as held for sale	50,488	2,098,555	2,234,137	5,929	733,092	754,052	982,124
Total Assets	3,765,796	4,956,814	5,239,566	5,767,886	6,132,006	6,033,038	6,173,623
Liabilities							
Borrowings	1,497,008	1,490,763	1,474,920	1,985,419	2,101,310	2,099,713	2,323,399
Payables and other credit balances	505,744	555,894	658,105	802,092	586,744	536,424	547,930
Other financial liabilities	167,528	141,809	130,077	148,267	156,674	150,111	147,646
Payables to unit holders	29,290	28,430	27,308	986,046	761,629	719,126	605,999
Liabilities of disposal groups classified as held for sale	0	1,178,190	1,242,589	0	488,741	502,611	546,501
Total Liabilities	2,199,570	3,395,086	3,532,999	3,921,824	4,095,098	4,007,985	4,171,475
Equity							
Share capital	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	47,207	52,579	52,579
Statutory reserve	49,631	49,631	49,631	49,631	52,579	47,207	47,207
Other reserves	(1,486,227)	(1,451,223)	(1,430,841)	(1,424,452)	(1,401,290)	(1,387,378)	(1,442,610)
Retained earnings	67,416	60,899	235,521	240,479	320,906	280,548	327,525
Equity attributable to Owners	1,219,119	1,247,606	1,442,610	1,453,957	1,555,122	1,528,676	1,520,421
Non controlling interest	347,107	314,122	263,957	392,105	481,786	496,377	486,727
Total equity	1,566,226	1,561,728	1,706,567	1,846,062	2,036,908	2,025,053	2,007,148
Total Equity and Liabilities	3,765,796	4,956,814	5,239,566	5,767,886	6,132,006	6,033,038	6,178,623

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