

Earnings Release

14 November 2019

SHUAA Capital returns to profit post-ADFG merger
*Business combination strengthens operating platform
and supports future growth prospects*

- ADFG's contribution delivers a return to profitability for the enlarged group in Q3, with net income of AED21.8 million and EBITDA of AED63.3 million
- Successful merger has created region's leading Asset Management and Investment Banking platform, with c. \$13 billion assets under management
- Dividend payment capacity strengthened via retained earnings of AED153.8 million
- Board is confident about achieving a full year profit, underpinned by pipeline of active deals, progress on creating permanent capital vehicles and initial realization of synergies
- Included in the MSCI Emerging Markets Small Cap Index (as of 26 November 2019)

United Arab Emirates: SHUAA Capital psc ("SHUAA Capital" or "the Group"), the DFM-listed entity for the leading Asset Management and Investment Banking platform in the region created by the merger of SHUAA Capital and Abu Dhabi Financial Group ("ADFG"), today announces its financial results for Q3 2019. This is the Group's first set of consolidated results published following the transformational merger with ADFG completed on 1 August 2019, demonstrating the initial benefits of the transaction coming through in Q3 profits.

A solid Q3 financial performance reflecting ADFG's contribution

Net income for the three months ended 30 September 2019 was AED21.8 million, driven by an AED31.2 million contribution from ADFG.

Group EBITDA amounted to AED63.3 million and AED101.4 million excluding losses related to foreign exchange movements.

Results also show a considerably enhanced balance sheet for the Group following the merger, with retained earnings of AED153.8 million. Building a fortress balance sheet is key to management's strategy of strengthening its capacity for growth and dividend distribution. A clear focus on building permanent capital vehicles will drive recurring revenue streams in the Asset Management business, and the creation of a dedicated non-core unit will help release capital, de-leverage the Group and refocus on providing capital-efficient services in the Investment Bank.

A compelling strategic platform for growth

Post-merger, the enlarged business now represents the region's leading Asset Management and Investment Banking platform, with diversified revenue streams across seven countries including the UAE, Saudi Arabia and the UK. Integration of the two companies is well under way and on track, with new operating segments defined and revenue and cost synergies being realized.

The Asset Management business oversees Assets under Management of c. \$13 billion, providing strong cash flows for the Group and underpinning earnings visibility going forward. Meanwhile, against a backdrop of market headwinds and continuing geopolitical uncertainty, the Investment Bank strengthened its focus on capital efficient businesses. SHUAA Capital's investment banking business today is one of the most active in the region. The Group has been mandated on a number of high profile capital market transactions during the quarter such as the \$135m sukuk for The First Group and the reverse listing of PAL Holding and IHC on the Abu Dhabi Securities Exchange. Investment banking deal pipeline in the business is solid. Meanwhile, the markets business shows strong resilience particularly within the fixed income business on the back of strong client relationships and product build-out.

Looking ahead, the Board is positive about the outlook for the Group. The Group's inclusion in the MSCI Emerging Markets Small Cap Index (which takes effect on 26 November 2019) is testament to the progress that has been made following the merger. Moreover, the healthy pipeline of deals in the Asset Management business means that the Board is confident about achieving a full year profit.

Commenting on the performance, **Jassim Alseddiqi, Group CEO**, said, *"The consolidated Q3 results demonstrate the early benefits of the transformational merger between SHUAA Capital and ADFG. Underpinned by ADFG's contribution to profitability, we are already seeing the value that the transaction is delivering for our shareholders in Q3, which saw SHUAA Capital return to profit. What is more, with the strong platform now in place across Asset Management and Investment Banking, we are excited about the Group's future prospects and realizing the significant opportunities for growth available to us by operating across the combined platform. We look forward to providing further details on our strategy, business performance and progress on the integration with our 2019 full year results release."*

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About SHUAA Capital psc

Having recently completed a transformational merger with Abu Dhabi Financial Group (ADFG), SHUAA Capital psc represents the DFM-listed entity of the enlarged Group which today is the leading Asset Management and Investment Banking platform in the region with c. \$13 billion of assets under management.

SHUAA now operates across three business segments: Asset Management and Investment Solutions, Investment Banking and Corporate:

Asset Management and Investment Solutions manage 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. *Investment Banking* provides corporate finance advisory, transaction services, private placement, public offerings of equity and debt securities and structured products. It also creates market liquidity on OTC fixed income products. *Corporate* manages principal investments, non-core assets, treasury and other shared services related to the Group.

Following shareholder approval in September 2019, SHUAA Capital psc, the listed entity, is expected to be renamed Abu Dhabi Financial Group pending final regulatory approvals. The firm is regulated as a financial investment company by the Emirates Securities and Commodities Authority.

To learn more about SHUAA Capital, please visit our website: <https://www.shuaa.com>

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.