

2019 Annual Earnings Release

13 February 2020

SHUAA Capital reports first post-merger preliminary FY 2019 consolidated results

- Strong financial performance in a transformational year
- FY 2019 EBITDA of AED181 million including all merger costs
- Q4 2019 net profit of AED73 million and AED 45 million for the full year

United Arab Emirates: SHUAA Capital psc (“SHUAA Capital” or “the Group”), the DFM-listed entity and leading asset management and investment banking platform in the region created by the merger of SHUAA Capital and Abu Dhabi Financial Group (“ADFG”), announced today preliminary results for fiscal year 2019 with a net profit to the shareholders of SHUAA Capital of AED 45 million and an EBITDA of AED 181 million.

SHUAA Capital’s first post-merger annual results reflected ADFG’s positive contribution to the enlarged entity and the Group’s capacity to sustain revenue and capitalize on growth opportunities.

Another strong performance during Q4 2019

Following its return to profitability in Q3 2019, the Group maintained its strong performance during the fourth quarter of 2019, reporting a Q4 2019 net profit to the shareholders of SHUAA Capital of AED 73 million, showing a significant increase in its profitability compared with AED 22 million in Q3 2019. SHUAA Capital Q4 2019 revenues grew by 63% quarter-on-quarter to reach AED 146 million during the period, driven by a number of significant transactions that closed in the final quarter. Group EBITDA for the quarter amounted to AED 134 million compared with AED 63 million in Q3 2019.

Focusing on core business in key markets

With a clear focus on its two core business segments, SHUAA Capital now represents the region’s leading asset management and investment banking platform, accessing a wide range of revenue opportunities across different geographies with a particular focus on the UAE, Saudi Arabia and the UK.

Post-merger, the Group earmarked non-core assets for sale to realign SHUAA Capital’s efficient businesses, focus on managing down non-strategic assets, and strengthen the Group’s balance sheet. To that end, SHUAA Capital sold its brokerage arm, SHUAA Securities brokerage as well as its equity market-making business for a total deal value of c. AED 100 million.

Strengthening its operating platform

The Group’s asset management business is maintaining its growth trajectory. A recent deal to manage a c. \$400 million (AED1.47 billion) portfolio of assets helped increase the total Group assets under management (AuM) to c. \$14 billion, up 15% year-on-year supporting the Group’s strategy of increasing its recurring revenue streams and strengthening its non-capital intensive asset management business.

Moreover, SHUAA Capital’s investment banking business continues to be one of the most active in the region, demonstrating its expertise in managing high-profile capital market transactions. During the past 12 months the Group has been mandated to lead over \$500 million in sukuk issues, including GFH Financial Group’s recent

\$300 million five-year Sukuk, Jabal Omar Development Company's \$135 million five-year sukuk and The First Group's \$135 million Sukuk. SHUAA Capital has also played a strategic advisory role in several transactions, among them the reverse listing of PAL Holding and IHC on the Abu Dhabi Securities Exchange.

Commenting on SHUAA Capital's 2019 annual results, **Jassim Alseddiqi, Group CEO**, said, "2019 was a milestone year for the Group: In the context of challenging regional and international market conditions and geopolitical uncertainty, we executed on a transformational merger which significantly strengthened the path to value, both for our clients and our shareholders.

We achieved a profitable year, increased our AuM, invested in our people and our platform, expanded our product and distribution capabilities, and strengthened our governance and controls - all whilst concluding a merger in record time, which is already delivering synergies.

We are excited about the opportunities ahead for the combined entity, and we look forward to updating you on our achievements in due course"

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About SHUAA Capital psc

SHUAA Capital psc (DFM: SHUAA) is a leading asset management and investment banking platform, with c. US\$14 billion in assets under management and with offices throughout the Middle East and the United Kingdom. It was created through the merger in August 2019 of Abu Dhabi Financial Group (ADFG) and SHUAA Capital. 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, mandated to lead several sukuk issuances for a total of more than US\$500 million in the past 12 months, provides corporate finance advisory, transaction services, private placement, public offerings of equity and debt securities, and structured products, while also creating market liquidity on OTC fixed income products. 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: 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.