

SHUAA Capital reports preliminary FY 2020 net profit of AED 125 million up 166% from 2019

- Strong growth in profitability despite COVID-19, underscoring the resilience of the business model in a year of transformation
- Net income up 166% year on year at AED125 million for FY 2020, EBITDA up 87% year on year
- Q4 net income at AED 61 million, EBITDA at AED 108 million
- Record AUM of USD 14.1 billion, up 4% quarter on quarter

United Arab Emirates, 14 February 2021: SHUAA Capital psc (DFM: SHUAA), the leading asset management and investment banking platform in the region, has announced its preliminary financial results for fiscal year 2020. The Group achieved a net profit of AED 125 million in FY 2020, up 166% year on year from AED 47 million in 2019. EBITDA also increased to AED 348 million in FY 2020, an increase of 87% year on year. These preliminary results reflect AED 73 million in valuation adjustments in the non-core assets unit as a measure to accelerate its wind down, AED 104 million net mark-to-market gains on portfolio assets including associates and AED 114 million other valuation adjustments on investment portfolios.

Against a backdrop of the global COVID-19 pandemic, as well as SHUAA's transformational post-merger integration programme following its merger with Abu Dhabi Financial Group in August 2019, the robust financial performance was underpinned by key strategic progress. In particular, management focused on increasing recurring revenues through the launch of new permanent capital vehicles but also on strengthening operations and profitability as well as realizing targeted synergies in the first full-year post-merger. The Group also made substantial progress on strengthening its governance and risk frameworks as well as its IT and system infrastructure. These key initiatives, developments and product launches, coupled with FX gains led to the Group reaching its record AUM of USD 14.1 billion, an increase of 4% from the previous quarter.

Third consecutive quarter of profit

Despite strong headwinds caused by the pandemic, the Group maintained its profitability for a third consecutive quarter. Q4 2020 net income attributable to shareholders stands at AED 61 million and EBITDA at AED 108 million. The significant valuation adjustments across the Group's listed and unlisted assets and portfolios were considerably outweighed by the closing of a landmark transaction, arranging the debt buyout of Stanford Marine Group, in the final quarter of 2020.

Continued focus on strengthening balance sheet and reducing non-core assets

SHUAA successfully completed its 2020 funding plan by issuing a USD 150 million bond, the first high-yield bond issuance in the MENA region since the outbreak of the COVID-19 pandemic. The issuance has helped optimize the funding and balance sheet structure as the Group continues to focus on overall de-leveraging in line with Group targets.

In addition, the non-core assets unit has been further reduced from AED 306 million to AED 174 million during the year. The Group has made AED 57 million of proactive valuation adjustments in Q4 which will help accelerate the closure of the unit ahead of the original target date.

Continued strategic agenda execution and growth of core operating platforms

The Group's asset management segment, in line with its planned build-up of permanent capital vehicles, introduced a number of new funds; the SHUAA Financing Opportunities Fund and three further funds launched in ADGM under an Incorporated Cell Company (ICC) Fund Platform. All of these funds demonstrate the Group's commitment to developing the Islamic investment market, where management sees significant growth opportunities, supported by strong investor appetite. Lastly, SHUAA also launched Thalassa Investments LP, a Cayman Islands domiciled fund to invest and manage the complex debt buyout of Stanford Marine Group, one of the Middle East's leading offshore services companies.

Furthermore, SHUAA's investment banking segment continues to be highly active and has assisted with USD 685 million of debt capital market issuances throughout the year. It also provided additional support to corporates, in light of the challenges posed by the global pandemic, by introducing specialized corporate restructuring solutions, as well as providing free advisory services and financial packages to small and medium enterprises (SMEs).

Commenting on SHUAA's 2020 results, **Jassim Alseddiqi, Group Chief Executive Officer of SHUAA Capital**, said: *"We have a clear strategy for long-term growth and in 2020 SHUAA has made excellent progress in realising these plans. We achieved key milestones and landmark transactions, all whilst delivering a transformational integration programme against a backdrop of a global pandemic. It is therefore particularly pleasing that we have more than doubled profits year-on-year, proving the resilience and potential of our business model."*

We entered 2021 with a strengthened business – having realized further cost and revenue synergies, strengthened our balance sheet and continued to introduce innovative new products which will boost our recurring revenues for the long-term. We remain well placed to deliver on our growth ambitions, with strong momentum across our business and an exciting pipeline of investment opportunities.”

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About SHUAA Capital psc

SHUAA Capital psc (DFM: SHUAA) is a leading asset management and investment banking platform, with c. USD 14 billion in assets under management. 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
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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.*

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