

SHUAA Capital releases FY 2018 preliminary and unaudited results

- Revenues increased to AED 165.2 million (2017: AED 134.6 million)
- Profits decreased to AED 27.2 million (2017: AED 74.0 million)
- Group continues to extend diversification plan beyond core business lines, including rolling out activities in Kuwait, Turkey and Jordan

Dubai, United Arab Emirates, 14 February 2019: SHUAA Capital today reports its preliminary and unaudited full year results for 2018. While total Group revenues increased by 23% to reach AED 165.2 million for the year, net profit fell 63% year-on-year to AED 27.2 million with the Company taking mark-to-market charges on its investments in Q4 2018 and additional one-off provisions on legacy assets.

The fourth quarter brought about the biggest impact on earnings, reporting a loss of AED 29.2 million (2017: AED profit of AED 14.2 million), while revenues for the last quarter of 2018 rose 40% to AED 60.1 million, up from AED 42.8 million in the corresponding quarter of 2017.

Fawad Tariq-Khan, Chief Executive Officer of SHUAA Capital said, "During the year we continued executing our turnaround strategy and completed acquisitions of Integrated Securities, Integrated Capital and Amwal Investments, adding cash flow generative businesses that have significant cross-sell opportunities and allowing us to distribute our first dividend in ten years. We also re-leveraged our balance sheet with favorable debt terms once we had repaid our legacy loans providing the Group with ample liquidity coming into 2019. While our profitability for the year was impacted by challenging market conditions at the end of last year, our core operations continued to grow and position SHUAA for the future. We expect the fruits of our diversification campaigns to come through properly over the coming months as we continue to grow our presence across the region".

Volatility persisting across regional markets especially during the second half of the year, held the Group back from achieving its previously set targets. Yet, the firm navigated the adverse market headwinds well, and continued to execute its long-term business diversification objectives, which entails rolling out products and services into new jurisdictions such as Kuwait, Turkey and Jordan.

As at December 31, 2018, SHUAA's balance sheet and total assets were AED 2.1 billion (2017: AED 1.2 billion). The Group's liquidity position was strong with AED 441.4 million in cash. Liabilities increased to AED 1.2 billion from AED 325.4 million in 2017.

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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.

Established in 1979, and often considered to be the oldest financial advisory and investment firm in the Middle East, **SHUAA Capital psc** ('SHUAA') is an integrated financial services firm headquartered in the United Arab Emirates. The firm services corporate and institutional clients, Governments, family businesses and high-net-worth-individuals with expertise in the areas of asset management, investment banking advisory services, capital markets and credit. SHUAA is a public shareholding company with its shares listed on the Dubai Financial Market. The firm is regulated as a financial investment company by the UAE Central Bank and the Emirates Securities and Commodities Authority. www.shuaa.com

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