

SHUAA Capital delivers solid Q3 performance, with Q3 net profit of AED 59 million

- Net profit at AED 59 million in Q3-2020, EBITDA at AED 114 million
- Q3 YTD EBITDA at AED 239 million indicating strong earnings capacity of the Group despite seasonal slowdown in Q3-2020
- AuM increased by 5% Quarter-on-Quarter to USD 13.6 billion driven by net new money, market performance and FX gains
- Continued execution and progress against integration targets with realized merger synergies at 55% of our previously increased target and non-core unit at 39% reduction since July 2019
- Continued progress on our strategic agenda and executing on our strategic levers with the launch of two new funds and our successful bond issuance

United Arab Emirates, 11 November 2020: SHUAA Capital psc (DFM: SHUAA), the leading asset management and investment banking platform in the region, has announced its financial results for Q3-2020. The company delivered a solid performance, with net profit of AED 59 million for the third quarter taking Q3-YTD net profit to AED 64 million. The Group also saw continued strong EBITDA generation with Q3-2020 EBITDA standing at AED 114 million. This performance was primarily driven by positive mark-to-market effects on investment portfolio despite a proactive negative valuation adjustment.

SHUAA's asset management business maintained its solid base and positive trajectory, with assets under management increasing to USD 13.6 billion at the end of Q3-2020 compared to USD 13.0 billion in Q2-2020, driven by net new money, market performance and FX gains.

Continued execution against integration targets

With post-merger systems and organizational integration on track, SHUAA has realized 55% of its previously increased synergies target to be achieved by end 2021, this translates to AED 30 million out of the AED 55 million target.

Additionally, the company continues to downsize its non-strategic assets, achieving a 39% reduction in its non-core asset unit (NCU) since July 2019 to date and remains on track to close the unit by end of 2021.

Continued progress on executing against our strategic objectives

The company has made further headway in strengthening and growing its core businesses as well as diversifying its product and service offering within these core businesses. This is following an active quarter which saw SHUAA launch new funds demonstrating clear progress on our plan to increase recurring revenue streams through permanent capital vehicles.

These include the SHUAA Financing Opportunities Fund, which is not only SHUAA's first dedicated financing fund but also the company's first fund focused on private Sharia-

compliant financing in the GCC. The fund achieved first close on 29 September 2020 with USD 68 million in commitments from investors. In addition, shortly after the period end on 4 October, SHUAA launched three Sharia-compliant funds, the first such funds within an ICC umbrella to launch on the Abu Dhabi Global Market (ADGM), with USD 75 million in commitments received. These products build on SHUAA's track record of creating innovative investment opportunities for its clients, and further support its commitment to the Islamic investment industry where the company sees strong investor appetite.

Balance sheet and funding profile strengthened by recent bond issue

SHUAA recently completed the issue of a new bond, which marks the first high yield issuance in the MENA region since the onset of COVID-19 in March 2020, raising USD 150 million. The bond was admitted to trading on the London Stock Exchange's International Securities Market on 28 October 2020 and attracted significant institutional interest across the region and beyond, allowing SHUAA to raise the targeted USD 150 million. The bond issue represents a further milestone in executing on the company's strategic levers by fortifying its balance sheet and strengthening its financial position going forward. With that, SHUAA has completed its funding plan for 2020.

Commenting on SHUAA's Q3-2020 results, Jassim Alseddiqi, Chief Executive Officer of SHUAA Capital, said: *"With a resilient business model in place and a clear strategy to achieve long-term sustainable growth, SHUAA has continued to achieve significant progress in Q3-2020. It is once again testament to our team that despite the considerable ongoing challenges of the current pandemic, we have been able to achieve so much, both operationally - with the successful launch of our new funds in recent months - and financially, strengthening our balance sheet and increasing our earnings visibility going forward."*

"Looking ahead, we will remain focused on our strategy, build recurring revenues and fortify our financial position so that, irrespective of the global backdrop, we can continue to succeed and create value for our clients and shareholders."

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About SHUAA Capital psc

SHUAA Capital psc (DFM: SHUAA) is a leading asset management and investment banking platform, with USD 13.6 billion in assets under management and with offices throughout the Middle East and the United Kingdom. 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 USD 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:

- Website: www.shuaa.com
- Twitter: https://twitter.com/SHUAA_Capital
- LinkedIn: <https://www.linkedin.com/company/shuaa-capital>

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.

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