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If you have sold or otherwise transferred all of your SHUAA Shares, please send this document as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of SHUAA Shares, you should retain this document and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

Implementation of the Transaction is conditional upon, amongst other things, each of the resolutions in the Notice of General Meeting of SHUAA (as set out in Part IV (*Notice of General Meeting*) of this document) receiving a vote in favour by holders of the requisite majority of SHUAA Shares represented at the SHUAA General Meeting. The conditions to, and process for, implementing the Transaction are set out in full in Part III (*General Information in Relation to the Transaction*) of this document.

Approval of this document by SCA shall not be deemed as an approval to proceed with the issuance of the MCBs. SCA's approval only means that the document contains the minimum information requested under the applicable issuance and disclosure of information rules relating to subscription circulars issued by SCA. SCA shall not be responsible for the accuracy, completeness or adequacy of the information contained within this document and it shall not assume responsibility for any damages or losses to any person as a result of relying on this document or any part thereof. The members of the board of directors shall, individually and collectively, be responsible for the authenticity of the information and data of the shareholder circular and shall, according to their knowledge and belief, with due diligence and after conducting the necessary studies, confirm that there is no other material facts or information that, in the event of not incorporating the same in the circular, may mislead or affect the decision of the Existing Noteholders or the New Investors.

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## SHAREHOLDER CIRCULAR DATED 10 JANUARY 2025



### SHUAA Capital PSC

(a public joint stock company incorporated in the Emirate of Dubai, UAE)

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in respect of the recommended issuance of a mandatory convertible bond to be issued to new private investors and the issuance of a mandatory convertible bond to be issued to existing holders of the USD150million bonds issued by SHUAA Capital Bond 1 Limited, in each case pursuant to Article 231 of the Federal Decree-Law No. 32 of 2021 concerning Commercial Companies and the SCA's Resolution No. 22 of 2024 concerning the Regulation of the Private Offering of Debt Securities, Sukuks and Securitized Financial Instruments

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### Notice of General Meeting

You should carefully read this whole document and any accompanying documents. Your attention is drawn to the letter from the Chairman of SHUAA and the Board Report in Part I (*Letter from the Chairman of SHUAA and Board Report*) of this document, which contains the recommendation of the SHUAA Directors that you vote in favour of the resolutions to be proposed at the SHUAA General Meeting.



The Notice of General Meeting to consider the Transaction and associated issuance of the MCBs, their conversion and the associated capital increases at the time of their conversion, to be held remotely/electronically and also at the Company's premises at Al Khatem Tower, 32 floor, Al-Maryah Island, Abu Dhabi on Monday 3<sup>rd</sup> February 2025, at 3pm, is set out in Part IV (*Notice of General Meeting*) of this document.

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## IMPORTANT NOTICES

### **Please read this document carefully.**

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This document has been prepared by the SHUAA Directors to provide the SHUAA Shareholders with information regarding the Transaction. The SCA has approved the disclosure by the Company of the information set out in this document but such approval is not a guarantee that the information stated in this document is true, correct or complete as at the date of this document or otherwise. The SCA takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document.

The SHUAA Directors accept responsibility for the information contained in this document relating to SHUAA. To the best of the knowledge and belief of these directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person has been authorised to give any information or to make any representations other than those contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by Kroll Advisory Ltd, Linklaters LLP, Al Tamimi & Company, SHUAA, or any other person mentioned in the Transaction.

No person should construe the contents of this document as legal, financial or tax advice, but all persons should consult their own legal, financial and tax advisers in connection with the matters contained in this document.

### **Overseas jurisdictions**

SHUAA Shareholders who are not resident in and/or citizens of the UAE may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the UAE should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions (or citizenships, where relevant).

The release, publication or distribution of this document and any accompanying documents in jurisdictions other than the UAE may be restricted by the laws of those jurisdictions and such persons should inform themselves about and observe any such restrictions. Any failure to comply with those restrictions may constitute a violation of the securities laws of any such jurisdiction.

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### **Statements made in this document**

Statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them. The posting or publication of this document (or any action taken pursuant to it) shall not give rise to any implication that there has been no change in the facts or affairs of the SHUAA Group as set out in this document since such date.

Nothing contained in this document is intended to be, is to be construed as or shall be deemed to be a forecast, projection or estimate of the current or future financial performance of the SHUAA Group and no statement in this document should be interpreted to mean that earnings per share for current or future financial periods of SHUAA will necessarily match or exceed historical published earnings per share.

### **Cautionary note regarding forward-looking statements**

This document contains certain statements with respect to the SHUAA Group that are or may be forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “will”, “goal”, “believe”, “aim”, “may”, “would”, “assume”, “predict”, “could”, “should”, “might”, “strategy”, “budget” or “continue” or other words with similar meanings or the negative thereof. Forward-looking statements may include statements relating to the following: (i) perceived synergies, future capital expenditures, expenses, revenues, financial performance, financial conditions, dividend policy, losses and

future prospects; (ii) business and management strategies and the expansion and growth of the operations of the SHUAA Group and potential synergies resulting from the Transaction; (iii) the effects of government regulation on the business of the SHUAA Group; and (iv) the Transaction and related matters, and the dates on which events are expected to occur.

Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of SHUAA about future events. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, industry results, strategies or events, to be materially different from any results, performance, achievements or other events or factors expressed or implied by such forward-looking statements. Many of the risks and uncertainties relating to forward-looking statements are beyond the companies' abilities to control or estimate precisely, such as future market conditions and the behaviours of other market participants, and therefore undue reliance should not be placed on such statements. Forward-looking statements are not guarantees of future performance. They have not, unless otherwise indicated, been reviewed by the auditors of the SHUAA Group. Forward-looking statements are based on numerous assumptions, including assumptions regarding the present and future business strategies of such entities and the environment in which each will operate in the future. All subsequent oral or written forward-looking statements made by or attributable to a member of the SHUAA Group, or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above.

The forward-looking statements contained in this document speak only as of the date of this document. SHUAA and its advisers expressly disclaim any obligation or undertaking to update these forward-looking statements to reflect any change in their expectations or any change in events, conditions or circumstances on which such statements are based unless required to do so by applicable law.

### **Language**

This is an unofficial English translation of the official shareholder circular published in the Arabic language. No reliance should be placed on this English translation, which may not entirely reflect the official Arabic language document. For the avoidance of doubt, where there is any conflict or inconsistency between the Arabic language document and this unofficial English translation, the Arabic language document shall prevail.

### **Disclosure**

This document has been prepared in compliance with applicable laws and regulations of the UAE (as applicable to a public joint stock company established in the UAE and listed on the DFM) and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of jurisdictions outside the UAE. The Transaction is being undertaken pursuant to applicable UAE laws and you should be aware that this document and any other documents relating to the Transaction have been or will be prepared in accordance with UAE disclosure requirements, format and style, all of which may differ from those applicable in other jurisdictions.

### **Presentation of financial and other information**

Save where expressly stated otherwise, financial information contained in this document is based on management estimates and has not been independently verified by auditors or otherwise.

### **Rounding**

Certain data in this document, including financial, statistical and operating information, has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data. Percentages, in tables or otherwise, have been rounded and accordingly may not add up to 100 per cent.

### **Currency**

Unless otherwise indicated, all financial information in this document is set out in UAE dirham (AED), being the lawful currency of the UAE.

### **Publication of this document**

This document will not be posted to SHUAA Shareholders but copies can be obtained (without charge) from the head office of SHUAA or from SHUAA's website at [www.shuua.com](http://www.shuua.com) from the time this document is published.

Neither the content of any SHUAA Group website nor the content of any website accessible from hyperlinks on any of such websites is incorporated into, or forms part of, this document and no person accepts any



responsibility for the contents of such websites. Accordingly, you should not rely on any information contained or referred to in those websites.

### **Definitions**

Unless the context otherwise requires, capitalised terms used in this document have the meanings given in the Definitions section of this document.

### **Dates and times**

References to dates and times in this document are to the Gregorian calendar and local time in Abu Dhabi (Gulf Standard Time), respectively, unless otherwise stated. All dates and times in relation to the expected timetable set out in Part II (*Expected Timetable of Principal Events*) of this document are based on SHUAA's current expectations and may be subject to change. If any of the dates and/or times in this document change, the revised date and/or time will be notified to SHUAA Shareholders by posting notice of these dates on its website at [www.shuua.com](http://www.shuua.com).

This document is dated 10 January 2025.

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**PART I LETTER FROM THE CHAIRMAN OF SHUAA AND BOARD REPORT**

10 January 2025

Dear SHUAA Shareholders,

**Proposed issuance of the MCBs to New Investors and Existing Noteholders (in exchange for Existing Notes)****1. Introduction**

SHUAA is a leading asset management and investment banking platform in the region with a 45-year history and esteemed reputation. A member of the SHUAA Group, SHUAA Capital Bond 1 Limited, issued the Existing Notes in October 2020.

On 17 May 2024 and following detailed discussions with the Existing Noteholders, the SHUAA Board announced that it had agreed to the Existing Notes Amendment Agreement in order to amend the terms of the Existing Notes. The implementation of the Existing Notes' Amendment Agreement will be through the issuance of two mandatory convertible bonds in order to manage and enhance SHUAA's financial position and debt profile.

The SHUAA Board firmly believes that the proposed Transaction will support SHUAA to effectively manage and mitigate its financial risks. Moreover, it will facilitate new capital infusion into the business that are essential for driving continued growth and ensuring long-term stability.

**2. Benefits to be achieved by SHUAA from the Transaction and the reasons to enter into it**

The proposed Transaction is part of the capital optimisation plans announced by SHUAA in late 2023. It is designed to enhance the operational success and manage the liability profile of SHUAA. The Transaction facilitates a critical capital optimisation process, aimed at improving SHUAA's balance sheet strength, liquidity management and operational capacity. This proposal further allows the Existing Noteholders and the New Investors to participate in SHUAA's growth strategy, aligning their interests with SHUAA's long-term objectives, and ensuring continued stability and progress. Such engagement reflects SHUAA's commitment to its business continuity by creating a sustainable trajectory for its operations.

Given the benefits of the Transaction, the SHUAA Board believes its implementation is critical for business continuity and success. In the event the Transaction is not successful for any cause whether within or beyond the control of the SHUAA Board, SHUAA may face significant challenges in managing its liabilities towards the Existing Noteholders and other creditors.

**3. Information on the Transaction**

The SHUAA Board recommends implementing the terms of the Existing Notes' Amendment Agreement and issuing two mandatory convertible bonds.

The first bond issuance (the "**New Investor MCBs**") will be issued to private investor(s) for an aggregate amount of up to AED 150,000,000. Such private investor(s) may include existing third party lenders to the SHUAA Group in exchange for the cancellation of existing debt. The final quantum of the New Investor MCBs will be determined based on the level of subscriptions received through this private placement, which may be below the aforementioned figure; however, the issuance of the New Investor MCBs and the Existing Noteholder MCBs (as described below) will not proceed unless a minimum subscription amount of AED 50,000,000 (or such other amount as may be determined by the SHUAA Board prior to the date of the General Assembly). The New Investor MCBs will be offered through private placements by SHUAA, acting as arranger, and will mandatorily convert into SHUAA Shares immediately following issuance and having obtained the required approvals. All funds raised through the issuance of the New Investor MCBs will be immediately available to SHUAA and will be used primarily for the repayment and/or refinancing of existing liabilities (including the redemption of any Existing Notes not exchanged by the Existing Noteholders as part of the Existing Noteholder MCBs exchange offer) and for further working capital requirements.

The second bond issuance (the "**Existing Noteholder MCBs**"), will be allocated through a voluntary exchange offering to Existing Noteholders who may elect to exchange their Existing Notes for the Existing Noteholder MCBs for an aggregate amount of up to AED 275,500,000. The final quantum of

the Existing Noteholder MCBs will be determined based on the level of acceptances received through this voluntary exchange offering, which may be below the aforementioned figure. This issuance is aligned to match the timing of the New Investor MCBs. SHUAA intends for the Existing Noteholder MCBs to mandatorily convert into SHUAA Shares immediately following issuance and having obtained the required approvals.

Both MCB issuances are scheduled to occur at the same time, as soon as reasonably practical following the approval, by special resolution, at the SHUAA General Meeting. Each MCB will mandatorily convert into SHUAA Shares immediately following issuance and having obtained the required approvals.

#### 4. **Expected Timetable of Principal Events**

Your attention is drawn to Part II (*Expected Timetable of Principal Events*) of this document for the expected timetable of principal events in respect of the Transaction.

#### 5. **Recommendation and SHUAA Shareholder action to be taken**

The SHUAA Board considers the Transaction to be in the best interests of SHUAA and the SHUAA Shareholders as a whole. **Accordingly, the SHUAA Board supports the Transaction and recommends that you vote in favour of the resolutions to be proposed at the SHUAA General Meeting.**

The SHUAA General Meeting will be held remotely/electronically and also will be held at the Company's premises at Al Khatem Tower, 32 floor, Al-Maryah Island, Abu Dhabi on Monday 3 February 2025, at 3pm. As the implementation of the Transaction requires the approval by the SHUAA Shareholders of the resolutions set out in the Notice of General Meeting in Part IV (*Notice of General Meeting*) of this document, you are urged to attend the SHUAA General Meeting and are recommended to vote in favour of the resolutions proposed.

Yours faithfully

Mr. Badr Al-Olama

Chairman

SHUAA Capital PSC



**PART II EXPECTED TIMETABLE OF PRINCIPAL EVENTS**

SHUAA received approval from the SHUAA Board to proceed with the Transaction.

With respect to the timeline for the remainder of the Transaction, the following dates are indicative only and will depend, among other things, on the dates on which the conditions of the Transaction are satisfied.

The details of the process involved in the Transaction are set out in Part III (*General Information in Relation to the Transaction*) of this document.

<b>Event</b>	<b>Time and/or date</b>
Publication of this document (including the Notice of General Meeting) and circulation to SHUAA Shareholders	13 January 2025
Latest time for receipt of form of proxy for the SHUAA General Meeting	Monday 3 February 2025 at 3pm
Record time for voting at the SHUAA General Meeting by SHUAA Shareholders	31 January 2025 <sup>1</sup>
SHUAA General Meeting <sup>2</sup>	Monday 3 February 2025 at 3pm
Announcement of results of SHUAA General Meeting	3 February 2025
Final Approval / No-Objection Confirmation from the SCA (if required)	By 25 February 2025 (expected)
Completion of the issuance of the Existing Noteholder MCBs and the New Investor MCBs	Around 4 March 2025
Completion of the conversion of the New Investor MCBs, the issuance of new SHUAA Shares and the related capital increase	Immediately following issuance and having obtained the required approvals
Completion of the listing on the DFM of the new SHUAA Shares issued to holders of the New Investor MCBs following conversion	Expected promptly following conversion of the New Investor MCBs
Completion of the conversion of the Existing Noteholder MCBs, the issuance of new SHUAA Shares and the related capital increase	Immediately following issuance and having obtained the required approvals
Completion of the listing on the DFM of the new SHUAA Shares issued to holders of the Existing Noteholder MCBs following conversion	Expected promptly following conversion of the Existing Noteholder MCBs

<sup>1</sup> If the SHUAA General Meeting is adjourned, the voting record time for the relevant adjourned meeting will be the date which is the last Business Day preceding the date fixed for the adjourned SHUAA General Meeting.

<sup>2</sup> In the event that a quorum is not present at the first meeting, the SHUAA General Meeting shall be adjourned to 10 February 2025 (or such date as may be agreed between the parties), being the first date permissible under the Commercial Companies Law and the SHUAA's articles of association at the same time and place.

**1. Transaction Description**

SHUAA is seeking to implement an equity raise for the purposes of a capital increase and the redemption of the Existing Notes by issuing two UAE-law governed mandatory convertible bonds (“MCBs”).

The New Investor MCBs will be issued to private investor(s) in an aggregate amount of up to AED 150,000,000. Such private investor(s) may include existing third party lenders to the SHUAA Group in exchange for the cancellation of existing debt. The final quantum of the New Investor MCBs will be determined based on the level of subscriptions received through this private placement, which may be below the aforementioned figure; however, the issuance of the New Investor MCBs and the Existing Noteholder MCBs (as described below) will not proceed unless a minimum subscription amount of AED 50,000,000 (or such other amount as may be determined by the SHUAA Board prior to the date of the General Assembly). The New Investor MCBs will be offered on a private placement basis by SHUAA, acting as arranger, and no offer or solicitation will be made to the public in the UAE or otherwise. As soon as reasonably practical following final SCA approval and shareholder approval at the SHUAA General Meeting to be held on 3 February 2025, the New Investor MCBs will be issued to the New Investors in exchange for cash. The New Investor MCBs will mandatorily convert into new SHUAA Shares immediately following issuance and having obtained the required approvals. Such new SHUAA Shares will be issued as fully paid and will rank *pari passu* in all respects with the existing SHUAA Shares, including the right to receive all dividends and other distributions declared, made or paid on or after the date of conversion of the New Investor MCBs into new SHUAA Shares. The new SHUAA Shares will be issued subject to a 14-month lock-up period commencing on the date of conversion, but will be otherwise be free from all Encumbrances. No interest shall be paid on the New Investor MCBs.

Immediately following conversion at the Conversion Price and assuming the full amount of AED 150,000,000 is issued to New Investors, it is expected that the holders of the New Investor MCBs will hold up to 468,750,000 SHUAA Shares, equivalent to approximately 12.1 % of the total share capital in SHUAA.

SHUAA intends for the funds raised by the New Investor MCBs to be used primarily for the repayment and/or refinancing of existing financial liabilities (including the redemption of any Existing Notes not exchanged by the Existing Noteholders as part of the Existing Noteholder MCBs exchange offer - as described below) and towards further working capital requirements.

The Existing Noteholder MCBs will be offered to the Existing Noteholders in exchange for the Existing Notes. Each Existing Noteholder will be offered the opportunity to exchange their Existing Notes for Existing Noteholder MCBs up to an aggregate principal amount (of the Existing Noteholder MCBs) of AED 275,500,000 (or such other amount determined by SHUAA). The Existing Noteholder MCBs will be issued (on a pro rata basis, if required) to those Existing Noteholders who accept the exchange offer. The issuance of the Existing Noteholder MCBs will occur at the same time as the issuance of the New Investor MCBs, as soon as reasonably practical following final SCA approval and shareholder approval at the SHUAA General Meeting. No interest shall be paid on the Existing Noteholder MCBs.

SHUAA intends for the Existing Noteholder MCBs to mandatorily convert into SHUAA Shares immediately following issuance and having obtained the required approvals.

Once converted at the Conversion Price and assuming: (i) the only subsequent change to SHUAA's share capital from the date of this document is that the full amount of AED 150,000,000 of the New Investor MCBs was issued and previously converted as described above; and (ii) the full amount of AED 275,500,000 of the Existing Noteholder MCBs is issued to Existing Noteholders, it is expected that the holders of the Existing Noteholder MCBs will hold up to 860,937,500 SHUAA Shares, equivalent to approximately 22.3% of the total share capital in SHUAA. Such new SHUAA Shares will be issued as fully paid and will rank *pari passu* in all respects with the existing SHUAA Shares, including the right to receive all dividends and other distributions declared, made or paid on or after the date of conversion of the Existing Noteholder MCBs into new SHUAA Shares. The new SHUAA Shares will be subject to a 14-month lock-up period commencing on the date of conversion, but will be otherwise be issued free from all Encumbrances.

Following the issuance of the New Investor MCBs and the issuance of the Existing Noteholder MCBs, SHUAA will redeem all remaining Existing Notes at a cash purchase price, as required under the Existing Notes documentation, including the Existing Notes Amendment Agreement.

The proposed Transaction, including the issuance of the New Investor MCBs and the Existing Noteholder MCBs, was approved in principle by the board of directors of SHUAA on 17 May 2024, subject to the receipt of SCA and shareholder approval.

## 2. Benefits of the Transaction

Kroll Advisory Ltd. (“Kroll”) has been appointed as an independent valuer approved by SCA and in accordance with Article 6(First.1A) of the Private Offering Regulations, Kroll has prepared a valuation report estimating the value of SHUAA Shares as of 23 December 2024 and presenting: (i) the potential benefits that will accrue to the Issuer from issuing the MCBs, (ii) the reasons for management choosing financing through such issuance in comparison to alternative debt financing and (iii) the expected impact of the MCBs on SHUAA Shareholders and their rights.

The proposed Transaction is a strategic initiative designed to enhance the operational success and prudent risk management of SHUAA. The issuance forms a critical part of a broader capital optimisation process, aimed at right-sizing its balance sheet, bolstering liquidity and growing the operational strength of the business.

SHUAA has a long-standing history and reputation as a leading financial platform in the region for nearly 45 years thus far and this Transaction will enable SHUAA, with such a long history in the region, to continue operating and growing its business. It will enable SHUAA to capitalise on the ambitious goals and growth trajectory of the UAE and broader GCC economies by providing diversified financial services to a wide client base, thereby supporting the continued development of regional markets.

Further to SHUAA’s disclosures earlier in the year, SHUAA reached an agreement to modify the terms and conditions of the Existing Notes pursuant to the Existing Notes Amendment Agreement.

The Transaction will be crucial in adjusting SHUAA’s existing debt repayment profile, in particular in relation to potentially facilitating the redemption of the Existing Notes, facilitating progress towards a targeted capital injection, and bolstering business stability and continuity. With the proposed issuance of the New Investor MCBs and the Existing Noteholder MCBs, SHUAA aims to manage and mitigate financial risks and facilitate new capital infusions that will drive growth.

The Transaction is intended to significantly reduce the Company’s debt burden and bolster its equity base, benefitting both creditors and SHUAA Shareholders. Upon completion of the contemplated Transaction, the Company is expected to reduce leverage by approximately 50% and extinguish over AED 500 million of liabilities. The reduction in leverage will also materially impact the Company’s profitability going forward lowering annual debt servicing costs by over AED 40 million, delivering substantial value to SHUAA Shareholders.

Additionally, the Transaction presents an opportunity for Existing Noteholders and New Investors to actively participate in SHUAA’s growth plan, thereby aligning their interests with the long-term objectives of SHUAA. This engagement reflects SHUAA’s commitment to creating a sustainable operational trajectory for its business.

## 3. Summary of the Valuation

Kroll has also been appointed as an independent valuer approved by SCA, to arrive at a valuation for the purposes of determining the Conversion Price applicable to the New Investor MCBs and the Existing Noteholder MCBs.

The valuation (“Valuation”) has relied on the following valuation methodologies:

- The Income Approach, in particular the Discounted Cash Flow Method, was used as the primary valuation approach.
- The Market Approach, in particular the Guideline Public Companies Method was considered as a cross-check to corroborate the conclusion from the Income Approach.

The Conversion Price at which the New Investor MCBs and the Existing Noteholder MCBs shall convert into SHUAA Shares is AED 0.32 per share.

The Valuation supports the assessment of the SHUAA Board that the Transaction and the number of the new SHUAA Shares to be issued by the Company and allotted on conversion of the New Investor MCBs and Existing Noteholder MCBs is in the interests of SHUAA and the SHUAA Shareholders.



As the Conversion Price is less than the nominal value of the SHUAA Shares, a negative equity reserve will be created in SHUAA's accounts and deducted from the future profits of the Company before any dividends are approved in accordance with Article 198(1)(b) of the Commercial Companies Law.

**PART IV NOTICE OF GENERAL MEETING****SHUAA Capital PSC**

(a public joint stock company incorporated in the Emirate of Dubai, UAE)

**Notice of General Meeting**

The Board of Directors of SHUAA Capital psc (the “**Company**”) is pleased to invite the shareholders to attend the General Assembly of the Company to be held on Monday, 3 February 2025 at 3:00 pm at the Company’s premises at Al Khatem Tower, 32 floor, Al-Maryah Island, Abu Dhabi. Shareholders can also attend remotely through electronic participation, to discuss the following agenda:

**SPECIAL RESOLUTION to approve the following items, altogether as one item on the agenda, based on the recommendation of the Company’s board of directors:**

1. The issuance by the Company of mandatory convertible bonds with an aggregate value of up to AED 150,000,000 (one hundred fifty million UAE Dirhams) (“New Investor MCBs”) in accordance with Article 231 of UAE Federal Law by Decree No. 32 of 2021 for Commercial Companies (“Commercial Companies Law”) and SCA Resolution No. 22 of 2024 concerning the Regulation of the Private Offering of Debt Securities, Sukuks and Securitized Financial Instruments (the “Private Offering Regulations”). Such mandatory convertible bonds shall be issued to Professional Investors and Counterparties as defined in the Chairman of the Authority’s Board of Directors’ Resolution No. (13/Chairman) of 2021 on the Regulations Manual of the Financial Activities and Status Regularization Mechanisms and shall be convertible on a mandatory basis into new shares in the Company at a conversion price of AED 0.32 per share immediately after issuance and having obtained the required approvals. Each new share in the Company issued on conversion shall be treated as fully paid. No interest shall be paid on the New Investor MCBs.
2. For the purposes of converting the New Investor MCBs into shares in the Company, the increase of the share capital of the Company by up to AED 150,000,000 (one hundred fifty million UAE Dirhams) by issuing up to 468,750,000 shares at a discount to nominal value and the creation of a negative equity reserve in the Company’s balance sheet in an amount of up to AED 318,750,000 in respect of the discount to nominal value and in accordance with Article 198(1)(b) of the Commercial Companies Law.
3. The amendment of the articles of association of the Company after obtaining the approvals of the regulatory authorities to reflect the new shares issued on conversion of the New Investor MCBs.
4. The granting of authority to the board of directors of the Company to implement the process of issuing the New Investor MCBs and converting the same into shares in the Company; and authorizing and appointing any of the board members of the Company to solely represent the Company and to sign, execute and submit the documents, contracts, agreements and letters related to the issuance of the New Investor MCBs, the process of converting the New Investor MCBs into shares in the Company and the amendment of the articles of association to increase the share capital, and to finalize all procedures and deal with all regulatory authorities including without limitation Dubai Department of Economy and Tourism, the Notary Public, the Securities and Commodities Authority and the Dubai Financial Market.
5. The issuance by the Company of mandatory convertible bonds with an aggregate value up to AED 275,500,000 (two hundred seventy-five million five hundred thousand UAE Dirhams) (“Existing Noteholder MCBs”) in accordance with Article 231 of the Commercial Companies Law and the Private Offering Regulations. Such mandatory convertible bonds shall be issued to those existing noteholders of the Company that elect to exchange existing notes for the Existing Noteholder MCBs in accordance with the terms of the exchange offering and shall be convertible on a mandatory basis into new shares in the Company at a conversion price of AED 0.32 per share immediately after issuance and having obtained the required approvals. Each new share in the Company issued on conversion shall be treated as fully paid. No interest shall be paid on the Existing Noteholder MCBs.
6. For the purposes of converting the Existing Noteholder MCBs into shares in the Company, the increase of the share capital of the Company by up to AED 275,500,000 (two hundred seventy-five million five hundred thousand UAE Dirhams) by issuing up to 860,937,500 shares at a discount to nominal value and the creation of a negative equity reserve in the Company’s balance sheet in an amount of up to

AED 585,437,500 in respect of the discount to nominal value and in accordance with Article 198(1)(b) of the Commercial Companies Law.

7. The amendment of the articles of association of the Company after obtaining the approvals of the regulatory authorities to reflect the new shares issued on conversion of the Existing Noteholder MCBs.
8. The granting of authority to the board of directors of the Company to implement the process of issuing the Existing Noteholder MCBs and converting the same into shares in the Company; and authorizing and appointing any of the board members of the Company to solely represent the Company and to sign, execute and submit the documents, contracts, agreements and letters related to the issuance of the Existing Noteholder MCBs, the process of converting the Existing Noteholder MCBs into shares in the Company, the amendment of the articles of association to increase the share capital, and to finalize all procedures and deal with all regulatory authorities including without limitation Dubai Department of Economy and Tourism, the Notary Public, the Securities and Commodities Authority and the Dubai Financial Market.

#### **General Notes:**

1. Each shareholder who has the right to attend the General Assembly may delegate any person other than a member of the Board of Directors of the Company, its employees, a securities brokerage company or its employees under a special written proxy. In such capacity, no proxy may represent more than 5% of the share capital of the Company. Shareholders who are minors or interdicted shall be represented by their legal representatives (provided that the requirements set forth in paragraph 1 and 2 of Article No. (40) of the Securities and Commodities Authority's Board Chairman Decision No. (3 / R.M) of the year 2020 concerning approval of joint stock companies' governance guide are complied with). Procedures for approving a proxy can be viewed through the disclosure published on the Company's page at Dubai Financial Market website.
2. A corporate person may delegate one of its representatives or those in charge of its management under a resolution passed by its board of directors or any similar entity to represent such a corporate person in the General Assembly of the Company. The delegated person shall have the powers as determined under the delegation resolution.
3. The meetings of the General Assembly shall be held at the time and place mentioned in the shareholders' invitation. Shareholders can also attend remotely through electronic participation.
4. Shareholders of the Company attending virtually have to register electronically to be able to vote on the items of the General Assembly, considering the following:
  - SMSs containing a link for registration, attendance, e-voting, and access code will be sent to shareholders one day prior to the General Assembly meeting.
  - Shareholders shall be able to register for attendance and vote upon receiving the link and until the commencement of the General Assembly at 03:00 pm on Monday 3 February 2025, and voting shall continue until end of the meeting. Shareholders shall be able to attend online live streaming of the General Assembly meeting through the link sent to them.
  - For any queries related to electronic registration, attendance and e-voting, please contact Dubai Financial Market, customer services on (00971 4 305 5555) or the following email address: [FinancialServices@dfm.ae](mailto:FinancialServices@dfm.ae)
5. Shareholders registered in the shareholders register on January 31 January 2025 shall be entitled to vote during the meeting of the General Assembly.
6. Shareholders shall have access to the Shareholders' Circular in relation to the two issuances and any documents related to the General Assembly on the Dubai Financial Market website: [www.dfm.ae](http://www.dfm.ae) and the Company's website: [www.shuaa.com](http://www.shuaa.com).
7. A quorum at a meeting of the General Assembly shall be met if shareholders holding or representing by proxy at least (50%) of the share capital of the Company are present at the meeting. If quorum is not met at the first meeting, the General Assembly shall be adjourned to 10 February 2025 at the same time and place, with the possibility of shareholders attending remotely through electronic participation.
8. The Special Resolution: It is the decision taken by the votes of shareholders who own no less than three quarters of the shares present or represented at the General Assembly meeting of the Company.

You can view the guide on investor rights in securities, which is available on the main page of the authority's official website, according to the following link

<https://www.sca.gov.ae/ar/services/minority-investor-protection.aspx>

**Requirements for approving shareholders' proxies**

According to clauses (1 & 2) of Article (40) of the joint stock companies' governance guide, we would like to inform the shareholders on the following:

1. Each shareholder who has the right to attend the General Assembly may delegate any person other than a member of the Board of Directors of the Company, its employees, a securities brokerage company, or its employees under a special written proxy. In such a capacity, no proxy may represent more than 5% of the share capital of the Company. Shareholders who are minors or interdicted shall be represented by their legal representatives.
2. The shareholder's signature on the proxy referred in item No. (1) shall be the signature approved by any of the following (the Company will take the necessary verification procedures):
  - (a) Notary Public.
  - (b) Commercial chamber of an economic department in the state.
  - (c) Bank or company licensed in the state, provided that the agent shall have an account with any of them.
  - (d) UAE regulated stock market exchanges.
  - (e) Any other entity licensed to conduct attestation.
3. The Proxy form shall include the name and contact number(s) of the representative of the brokerage firm who approved the proxy.

For further inquiries or clarification please contact us at the following channels:

Contact: Adnan Nur, Finance Director

Phone number: +971 (2) 610-8206.

Email: [Anur@shuaa.com](mailto:Anur@shuaa.com).

**Form of Proxy<sup>3</sup>**

Proxy

I/We .....

in my/our capacity as a shareholder/s  
of SHUAA Capital PSC (the “**Company**”), holder /s of ..... shares in the share capital of the  
Company,

hereby appoint

Mr./Mrs. ....

Mobile no. ....

as my/our proxy and authorize him/her to attend on my/our behalf the General Assembly Meeting to be held  
on 3 February 2025 or any adjourned meeting thereof and to vote in my /our name and on my / our behalf  
on all the resolutions of the General Assembly.

Date .....

Signature .....

Mobile no. ....

Entity approving the Proxy: .....

Entity contact details: .....

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<sup>3</sup> This form/power of attorney/proxy is a guiding form whereby the client has the power to issue the proxy in accordance with the limits and powers he deems appropriate, all of this is with the obligation that the signature of the shareholder mentioned in the proxy be the signature approved by/with one of the above-mentioned bodies.



## DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

<b>AED</b>	United Arab Emirates Dirhams, the lawful currency of the UAE
<b>Business Day</b>	any day, other than a Saturday, a Sunday or a public holiday in the UAE on which banks are open for business in the Emirate of Dubai, UAE
<b>Chairman</b>	Mr. Badr Al-Olama
<b>Commercial Companies Law</b>	UAE Federal Law by Decree No. 32 of 2021 for Commercial Companies
<b>Conversion Price</b>	The price at which the New Investor MCBs and the Existing Noteholder MCBs shall convert into SHUAA Shares, being AED 0.32 per share
<b>Encumbrances</b>	means any mortgage, charge, pledge, lien, assignment, option, restriction, claim, right of pre-emption, right of first refusal, third party right or interest, other encumbrance or security interest of any kind, and any other preferential arrangement (including, without limitation, title transfer and retention arrangements) having a similar effect
<b>Existing Noteholder</b>	existing noteholders of the Existing Notes
<b>Existing Noteholder MCBs</b>	the mandatory convertible bonds to be issued, in exchange for their respective Existing Notes, to the Existing Noteholders in an aggregate amount of up to AED 275,500,000 and to be converted into new SHUAA Shares
<b>Existing Notes</b>	USD 150 million in outstanding bonds issued by SHUAA Capital Bond 1 Limited and due 31 March 2024
<b>Existing Notes' Amendment Agreement</b>	an amendment agreement in relation to the Existing Notes dated 17 May 2024
<b>MCBs</b>	the New Investor MCBs and the Existing Noteholder MCBs
<b>New Investor MCBs</b>	the mandatory convertible instrument to be issued to the New Investors in an aggregate amount of up to AED 150,000,000 (or an equivalent amount in any other currency) and to be converted into new SHUAA Shares
<b>New Investors</b>	Professional Investors and Counterparty as defined in the Chairman of the Authority's Board of Directors' Resolution No. (13/Chairman) of 2021 on the Regulations Manual of the Financial Activities and Status Regularization Mechanisms
<b>Notice of General Meeting</b>	the notice of the SHUAA General Meeting set out in Part IV ( <i>Notice of General Meeting</i> ) of this document

<b>Private Offerings Regulations</b>	Chairman of SCA's Board of Directors' Decision no. (22/Chairman) of 2024 concerning the Regulation of Private Offering of Debt Securities, Sukuks and Securitized Financial Instruments
<b>SCA</b>	the Securities and Commodities Authority of the UAE
<b>SHUAA</b>	SHUAA Capital PSC, a public joint stock company incorporated on 06 July 1980 by Ministerial Decree No. 6 of 1979, with Commercial Registration number 200219 whose registered office address is at H Hotel Dubai, Business Tower, Level 15, office number 1502, Dubai - UAE
<b>SHUAA Board</b>	the board of SHUAA Directors
<b>SHUAA Directors</b>	(i) the Chairman; (ii) Mr. Nabil Ramadhan; (iii) Mr. Darwish Alketbi; and (iv) Mrs. Hamda Eid AIMheiri  or, where the context so requires, the directors of SHUAA from time to time
<b>SHUAA General Meeting</b>	the general meeting of SHUAA convened in connection with the Transaction by way of the Notice of General Meeting and to be held on 3 February 2025, including any adjournment thereof
<b>SHUAA Group</b>	SHUAA and its subsidiary undertakings from time to time
<b>SHUAA Shareholders</b>	holders of SHUAA Shares from time to time
<b>SHUAA Shares</b>	the issued shares of AED 1.00 each in the capital of SHUAA from time to time
<b>Transaction</b>	means the issuance of two sets of UAE-law governed mandatory convertible bonds and the subsequent capital increases on conversion of the MCBs
<b>UAE</b>	United Arab Emirates
<b>USD</b>	United States dollars, the lawful currency of the United States of America

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