

ADX reduces transaction fees on trading activities by more than 22% starting February 14

- Part of "ADX One" strategy 2021 to further enhance market liquidity
- Transaction fees reduced on the exchange to 0.175% from 0.225%
- Incentive plan for brokers who generate AED 20 million in trading commission for the exchange

Abu Dhabi, February 6, 2021: The Abu Dhabi Securities Exchange (ADX) announced today that it is reducing overall trading activity fees on all exchange transactions starting Sunday, February 14 as part of its "ADX One" strategy to double the market capitalization of companies listed on the exchange in the next three years.

The new pricing structure will be the second time the exchange has reduced its charges in the past two years to enhance market liquidity further. Trading commission on ADX was reduced in June 2019 as part of Abu Dhabi's Ghadan 2021 plan of lowering the cost of doing business in the Emirate. Under the new initiative, fees of all transactions that occur on ADX are to be reduced by more than 22% to 0.175% from 0.225%, effective February 14.

As part of the new fee structure, ADX has created an incentive plan, applied on an annual basis, for brokerage firms who generate AED 20 million worth of trading commission. Firms that fulfill the annual incentive requirement will be exempt from paying any trading commission to ADX for the year in which the threshold is met. The new initiative favors investors seeking to broaden and diversify their investment portfolios without incurring high transaction costs.

Commenting on reducing transaction fees, **H.E. Mohamed Ali Al Shorafa Al Hammadi, Chairman of Abu Dhabi Securities Exchange**, said: "The exchange's "ADX One" strategy further enhances our position as one of the most competitive exchanges in the region. Reducing overall transaction costs for trading on the exchange is one of many initiatives we are undertaking to achieve our strategy of attracting new liquidity sources and making listing and investing in ADX an attractive value proposition. Abu Dhabi continues to diversify its economy on a path of sustainable long-term growth, and we are fully aligned with this vision. We will continue to deepen our markets through a wide range of products and services that meet the evolving needs of our stakeholders."

The reduction in transaction fees will increase overall market depth by decreasing the bid-ask spread on the exchange, an effective way to measure market liquidity. Furthermore, the new initiative comes amid ADX efforts to attract more investors by offering more high-quality services and products.

Mr. Saeed Hamad Al Dhaheri, Chief Executive of Abu Dhabi Securities Exchange, added: "Cutting overall transaction costs on all trades taking place on ADX will complement measures we have recently taken to attract new institutional investors and generate greater liquidity. It will also further strengthen our commitment to provide the highest levels of customer service."

Our 2020 initiatives, including the introduction of market makers and covered short selling, have increased the number of institutional investors on ADX over the past year. Meanwhile, the rise in foreign ownership limits of several listed companies alongside new listings aided the increase of our market capitalization and fueled our ambition to have it doubled by 2024."

The market capitalization of stocks listed on ADX surpassed AED 750 billion for the first time in 2020, a 39.7% increase from AED533 billion in 2019, and has reached AED 805 billion by the end of January this year. Meanwhile, the value of securities traded on ADX increased by 28% to AED72.8 billion in 2020 from AED56.8 billion in 2019. The number of foreign investors on ADX increased by 38% in 2020 while the value of shares they traded rose by 6.5% to AED 62.6 billion, whereas institutions trading value rose 35.6% to AED 111.1 billion last year.

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Abu Dhabi Securities Exchange

Abu Dhabi Securities Exchange (ADX) was established on November 15 of the year 2000 by Local Law No. (3) Of 2000, the provisions of which vest the market with a legal entity of autonomous status, independent finance and management. The Law also provides ADX with the necessary supervisory and executive powers to exercise its functions. On 17th March 2020, ADX was converted from a "Public Entity" to a "Public Joint Stock Company PJSC" pursuant to law No. (8) of 2020. ADX is part of ADQ, one of the region's largest holding companies with a broad portfolio of major enterprises spanning key sectors of Abu Dhabi's diversified economy.

ADX is a market for trading securities; including shares issued by public joint stock companies, bonds issued by governments or corporations, exchange traded funds, and any other financial instruments approved by the UAE Securities and Commodities Authority (SCA). ADX is the second largest market in the Arab region and its strategy of providing stable financial performance with diversified sources of incomes is aligned with the guiding principles of the UAE "Towards the next 50" agenda. The national plan charts out the UAE's strategic development scheme which aims to build a sustainable, diversified and high-value added economy that positively contributes to transition to a new global sustainable development paradigm.

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