

ADX adopts FTSE Russell's Industry Classification Benchmark

- *New sector classification to align ADX-listed companies with global sectors, supporting equity research, portfolio management, and asset allocation strategies*

ABU DHABI, 21 March 2022: The Abu Dhabi Securities Exchange (ADX) will adopt today FTSE Russell's Industry Classification Benchmark (ICB) for all its listed equities as part of its strategy to align to global standards and attract more international investors.

The introduction of the ICB is part of the transition of ADX indices to the co-branded FTSE ADX index series, under the strategic partnership between FTSE Russell and ADX. The adoption of ICB by ADX is aimed at providing greater market transparency, enabling accurate research and supporting institutional investors portfolio management and asset allocation strategies.

The partnership between FTSE Russell and ADX to develop co-branded indexes will support the recent launch of ADX's derivatives market and pave the way for the creation of more index-linked investment products. In January, the FTSE ADX General Index replaced the ADX General Index.

FTSE Russell's ICB is a rigorous, rules-based transparent methodology to classify companies into relevant sectors, primarily based on a company's business, determined by its primary source of revenue. The ICB categorizes companies and securities across four classification levels - Industry, Supersector, Sector and Subsector - with each company assigned to a category that best represents its business. ICB is used by several leading exchanges around the world, including the London Stock Exchange and Euronext.

Mr. Saeed Hamad Al Dhaheri, Managing Director and Chief Executive Officer of Abu Dhabi Securities Exchange commented: "The adoption of the ICB and our partnership with FTSE Russell is an important pillar of our ADX One Strategy, underscoring our commitment to embrace best global standards for our market. The ICB will support new indices that we are creating with FTSE Russell, which will encourage the listing of index products and highlight the unique investment opportunities on the ADX, driving greater institutional flows into our market."

Arne Staal, Chief Executive Officer, FTSE Russell, said: "ADX's adoption of ICB's classification standards will support the exchange's transparency and standards to meet the requirements of the global investment industry. The step

will raise international awareness on investment opportunities across the UAE's capital markets."

The success of the ADX One Strategy in boosting listings and rolling out innovative products and services is reflected in the more than fivefold increase in traded values in 2021. Between 2020 and 2021, traded values (buy and sell) on the exchange increased 407% from AED 145 billion to AED 739 billion, boosted by higher levels of domestic and international investment. The increased demand for Abu Dhabi stocks helped to propel the exchange's benchmark index 64% higher, making the measure one of the world's best-performing equity gauges in 2021. Meanwhile, the market capitalization of stocks listed on the ADX more than doubled to a record AED 1.6 trillion.

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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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About FTSE Russell:

FTSE Russell is a global index leader that provides innovative benchmarking, analytics and data solutions for investors worldwide. FTSE Russell calculates thousands of indexes that measure and benchmark markets and asset classes in more than 70 countries, covering 98% of the investable market globally.

FTSE Russell index expertise and products are used extensively by institutional and retail investors globally. Approximately \$17.9 trillion is currently benchmarked to FTSE Russell indexes. For over 30 years, leading asset owners, asset managers, ETF providers and investment banks have chosen FTSE Russell indexes to benchmark their investment performance and create ETFs, structured products and index-based derivatives.

A core set of universal principles guides FTSE Russell index design and management: a transparent rules-based methodology is informed by independent committees of leading market participants. FTSE Russell is focused on applying the highest industry standards in index design and governance and embraces the IOSCO Principles. FTSE Russell is also focused on index innovation and customer partnerships as it seeks to enhance the breadth, depth and reach of its offering.



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