

FY 2021

# Investor Presentation

# A World Class Market Place

## Key Figures



### Dynamic Listing Activities

AED **411** bn  
MARKET CAPITALIZATION

**68**  
LISTED COMPANIES

**134**  
BONDS AND SUKUK LISTED ON DFM AND  
NASDAQ DUBAI WITH A VALUE OF OVER USD108 bn

### High Trend volumes

AED **72.3** bn  
2021 TOTAL TRADED VALUE

AED **291** mn  
AVERAGE DAILY TRADED VALUE (ADTV)

AED **103** bn  
TOTAL FUNDS RAISED (SINCE INCEPTION)

### Diversified Investor Base

**46%**  
FOREIGN INVESTORS' TRADING SHARE

**23%**  
FOREIGN OWNERSHIP  
(% OF MARKET CAP)

**46%**  
Institutional Investors'  
Trading Share

Source: DFM analytics.

Note: Trading statistics for DFM excludes Nasdaq Dubai.

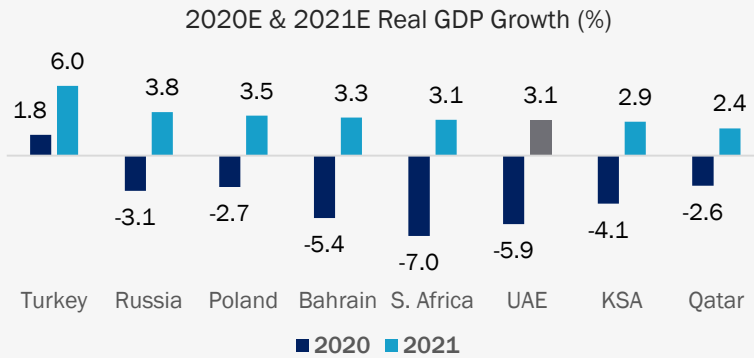
Foreign investors defined as non-UAE investors.

# Strong Demographic & Macroeconomic Fundamentals

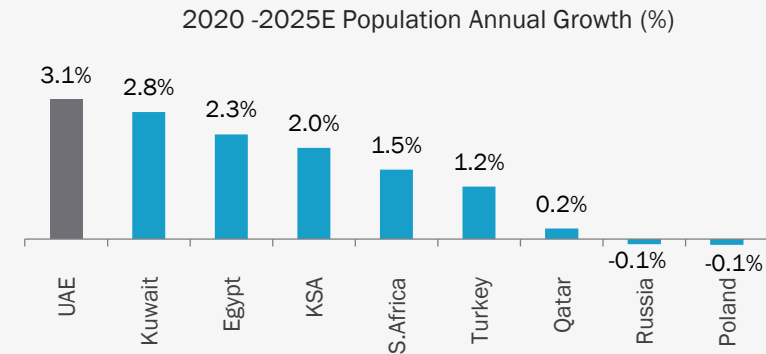
## Key Figures



### Continued GDP Recovery Post COVID-19 Pandemic

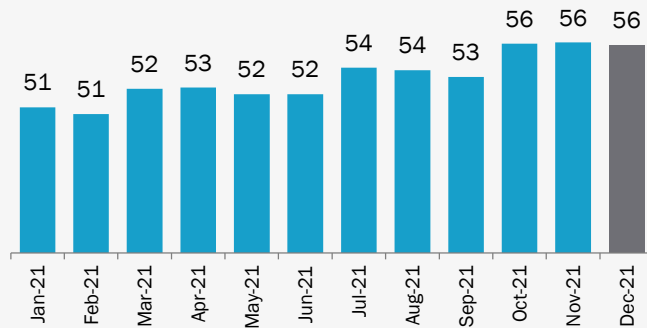


### Growing Population



### Sustained Growth In Non-Oil Economy....

UAE Non-Oil Private Sector PMI in recovery mode post COVID-19 impact.



50 – Separates Expansion from Contraction

### ...Resulting in a Stable Business Environment

UAE ranked 25th on the Global Competitiveness Index (GCI 2019) & ranked 33<sup>th</sup> on the 2022 Index of Economic Freedom (1st in the MENA) with a score of 70.2



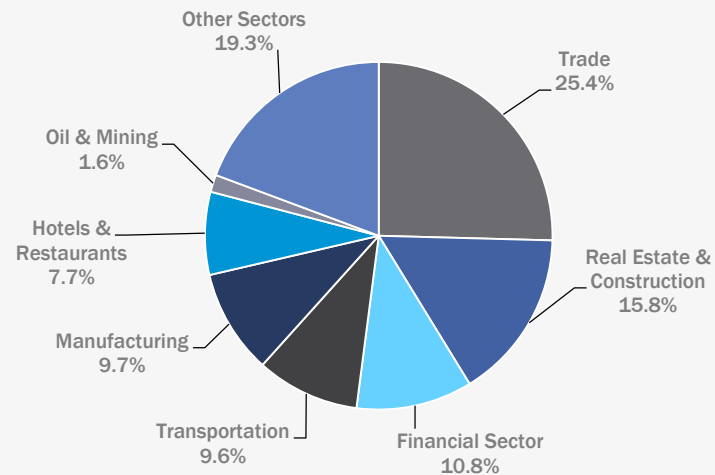
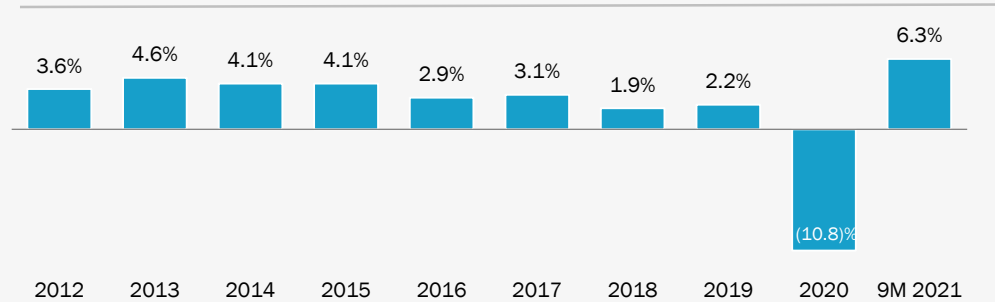
Source: The UAE National Bureau of Statistics, Euromonitor, Bloomberg, World Economic Forum, Emirates NBD, The Heritage Foundation, IMF World Economic Outlook Database, October 2020.

# Dubai Growth is Driven by a Well Diversified Economy

## Continuous Dubai GDP Growth Supported by Strong Trade Activity



Dubai GDP Growth

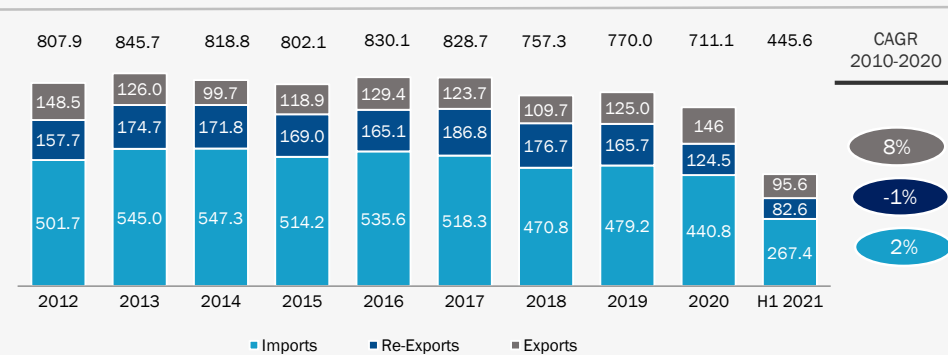


Source: Emirates NBD research, Dubai Investment Development Agency, 2017 Global Investment Report published by UNCTAD, Doing Business World Bank, IMF, Gulf news.

\* Source: Dubai Statistics Center 9M 2021, some GDP growth percentages were revised due to a new national account series issued by the Dubai Statistics Center.

<sup>1</sup> Source: The Dubai Advantage, Dubai FDI.

Dubai Direct Foreign Trade Breakdown (AED bn)



### Commentary

Main highlights of Dubai economy:

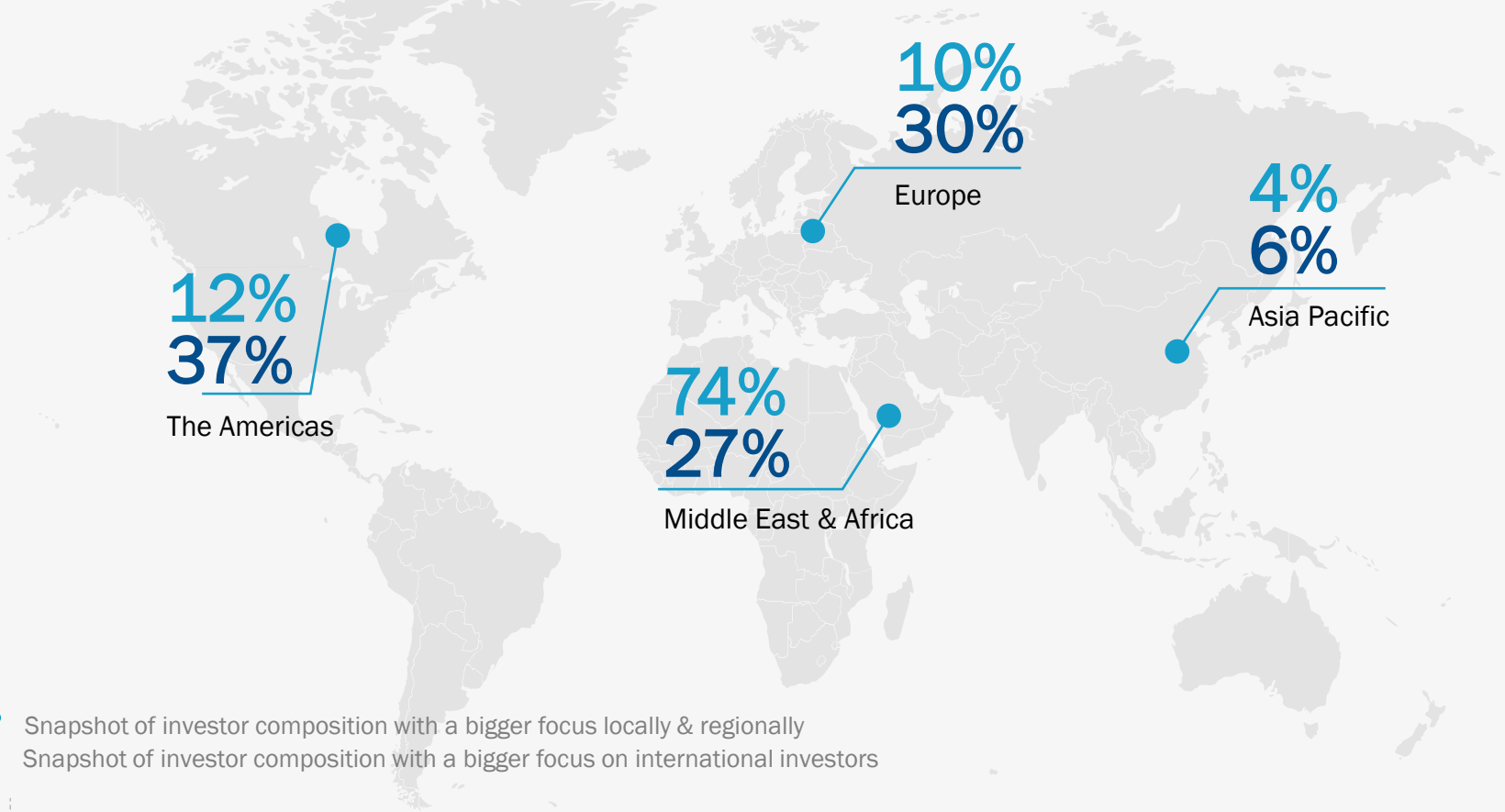
- The Emirate of Dubai has reported its budgeted expenses for 2021 to reach AED59.95 bn.
- During 2020, Dubai is one of the few destinations that remains largely open for visitors, albeit with tighter travel restrictions due to Covid-19. Dubai has set a new tourism industry 2040 masterplan which will provide long term guidance to addressing the industry's competitiveness.
- With AED24.7 bn in FDI inflows, Dubai ranked first in attracting foreign direct investments in the Middle East and North Africa for 2020, and third globally on greenfield FDI projects and fourth in FDI capital flows. <sup>1</sup>
- Dubai is the 1st regionally and the 19th globally in the Global Financial Centres Index. And ranks the 16<sup>th</sup> among 190 countries in the 2020 Doing Business.
- Dubai has moved the historical focus on Real Estate and Trade to attract more knowledge intensive projects with a greater focus on Technology.
- HH Sheikh Mohammed established the Dubai Security Centre which seeks to ensure the proper implementation of international best practices in Dubai as a financial hub.
- Dubai is placed at the forefront of the global Islamic economy, where the total value of listed Sukuk amounted to AED292 bn – end of 2021. According to the IMF, During 2001–2015, USD53.8 bn or 36 percent of all global Sukuk issuances originated in the UAE.

# Investor Reach

## Global Connectivity



Snapshot of investor composition for 2 equity listings, highlighting the ability to either concentrate on regional investors or attract a wider pool of investors from outside of the region



### Regionally

- Direct connectivity to selected regional markets

### Globally

- Investors in more than 100 countries.
- Over 206 nationalities connected.
- Connected to leading international depositories.

- Snapshot of investor composition with a bigger focus locally & regionally
- Snapshot of investor composition with a bigger focus on international investors

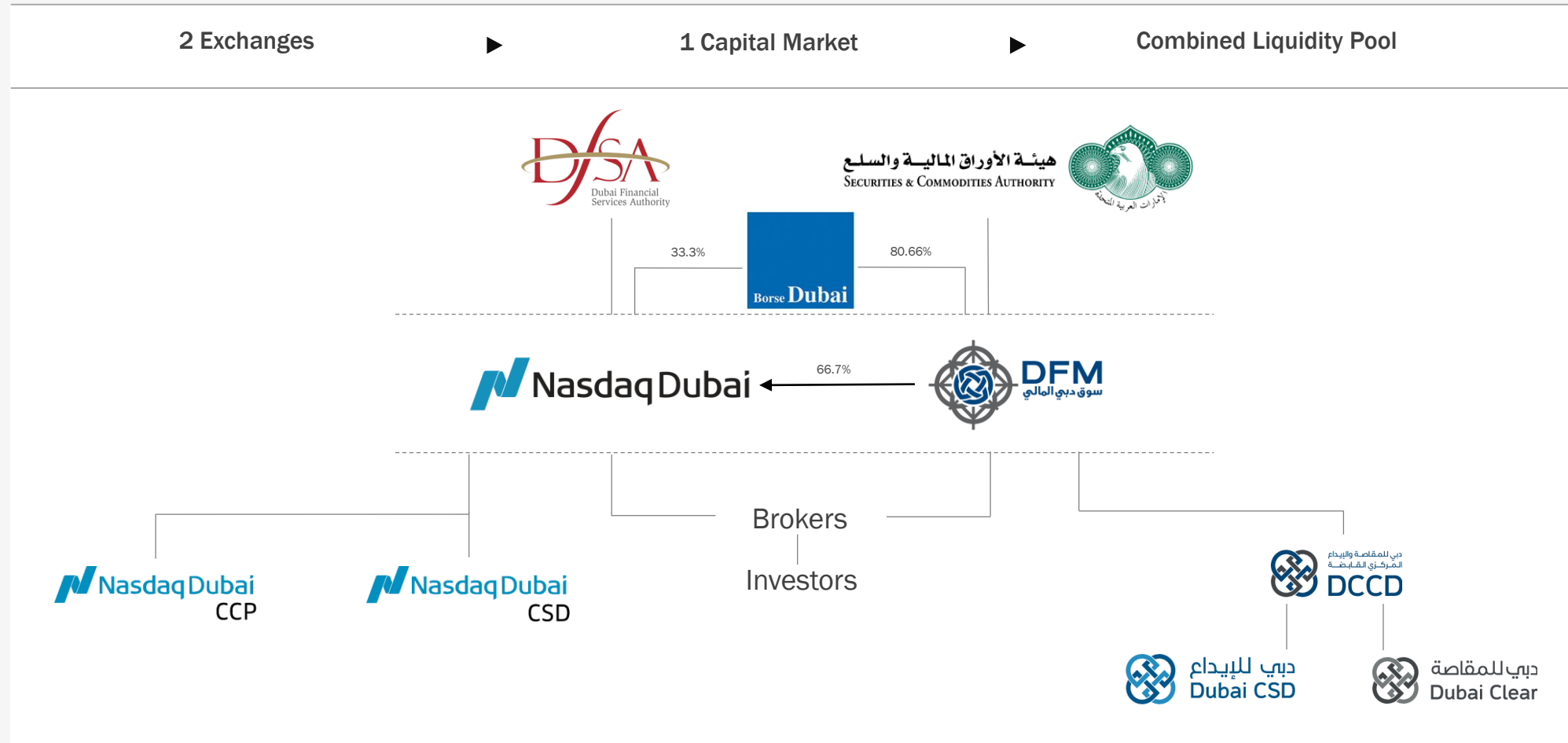
# Market Structure & Offering Landscape

# Dubai's Capital Market Structure

## DFM & Nasdaq Dubai



DFM established in 2000 as a government owned exchange and in 2007 became the first regional exchange to be publicly listed, Nasdaq Dubai was established in 2005



# Products and Services Landscape

## Key Offerings



### Listing Options

#### Main Market

Venue for listing and dual listing of Public Companies

#### Second Market

Listing venue for Private Joint Stock Companies

#### Growth Market

Designed for SMEs with more flexible listing requirements (Nasdaq Dubai)

#### Private Market

Registry / CSD admission with no trading

### Asset Classes

#### Equity Market

#### Fixed Income

(Bonds and Sukuk)

#### Derivatives Market

Futures Contracts

#### REITs & ETFs

### Post-Trade Platform & Services

- Central Counter Party Clearing (CCP)
- Depository
- Securities Lending & Borrowing (SLB)
- Regulated Short Selling
- Dividend Distribution
- iVESTOR/myAccount platform
- IPO Platform
- AGM Management



# Post-Trade Functions Development

DFM PJSC Launched its New CCP and CSD Subsidiaries on 28th April 2020



## Key Benefits

## Main Impact

Enhanced efficiency in operational performance to improve liquidity

- Maximizing clearing members' capital requirements, adopting international best practices for margins and settlement funds.
- Higher efficiency in using collateral.
- Potential boost of clearing members' liquidity.

Enhanced risk mitigation

- Enhanced risk management by ring-fencing risk through creating separate legal entities.

Compliance with regulations and international best practice

- Comply with SCA's regulations regarding CCP which requires a separate legal entity for the CCP business license.
- Comply with SCA's CSD regulations which require a separate legal entity for CSD business license. Dubai CSD LLC is the first licensed CSD in the UAE.
- Comply with the international best practice recommendations.

# Derivatives

## Supporting Investors to Manage Risk



Dubai is the first regional market to offer equity futures on regional equities, allowing investors to hedge and manage their risks.

### 3

Index Futures

		
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### 27

UAE & Regional  
Single Stock Futures

# Outreach and Opportunity

# Diversification Opportunity

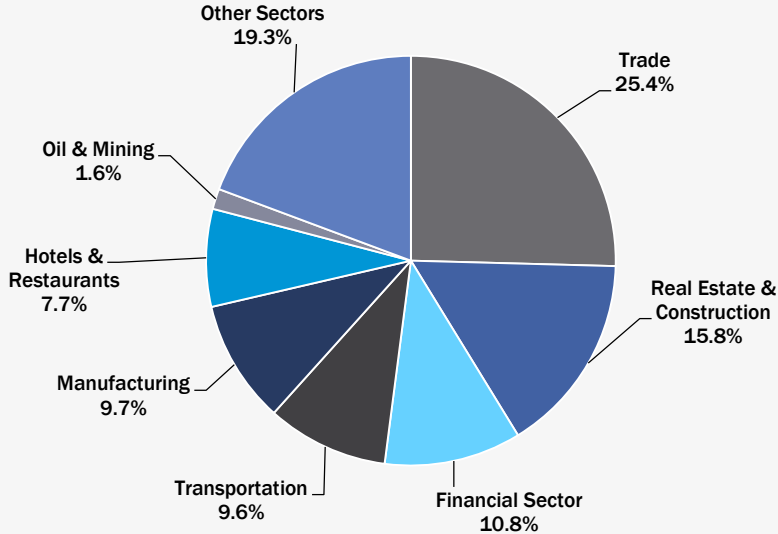
## Sector Representation of Dubai's GDP vs DFM



DFM's IPO pipeline strategy aims at a better reflection of Dubai's GDP mix.

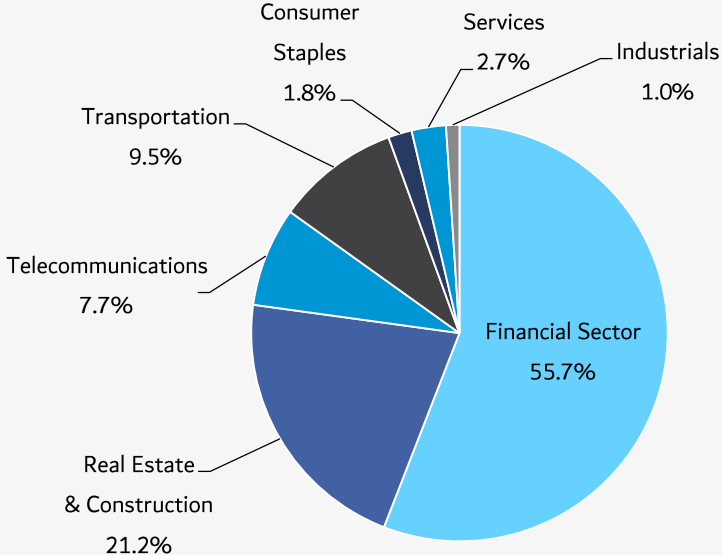
- Unlike the economy, the DFM market is dominated by the Financial sector and the Real Estate and Construction sector. These sectors collectively represent 26.6% of the economy vs. 76.9% of the market capitalisation, by end of 2021.
- This represents significant opportunities for DFM as there is a diversified pool of sectors and companies to be listed in the future, and a significant opportunity for issuers since investors are looking for diversified sectors to invest in.

Dubai Real GDP Breakdown – 9M 2021<sup>1</sup>



<sup>1</sup>Source: Dubai Statistics Center Preliminary Estimates 9M 2021.

DFM Sectors Breakdown<sup>2</sup> – 9M 2021



<sup>2</sup>DFM Sector Breakdown is by market cap.

Figures may not add up to 100% due to rounding.

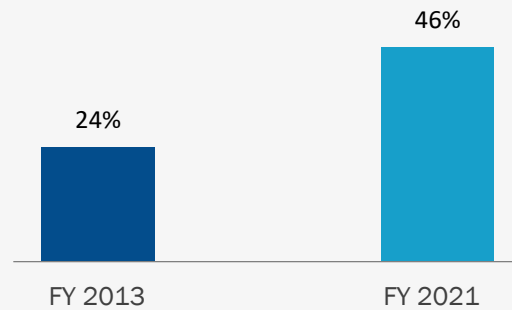
# Diversified Investor Base

Bringing Together Regional & International Investors

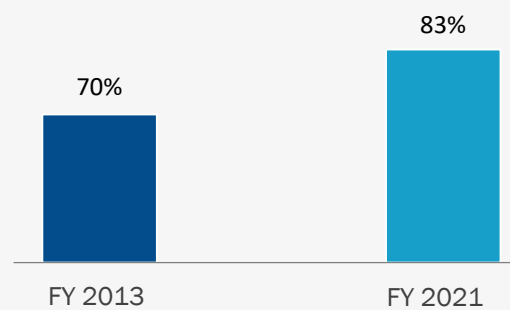


## Key Figures: Institutional & Foreign Investors

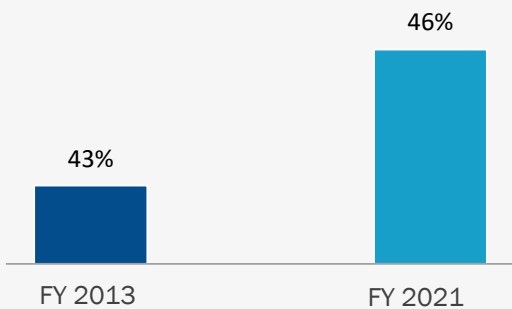
Institutional Trading Share (%)



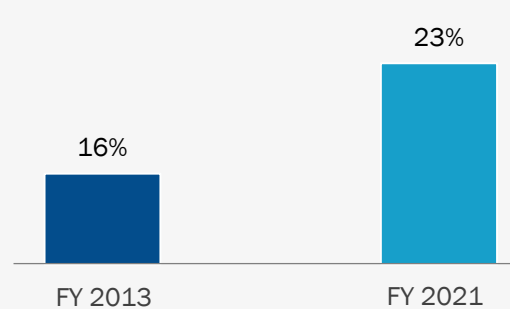
Institutional Ownership (% of Market Cap)



Foreign Investors' Trading Share



Foreign Ownership (% of Market Cap)



Note: Figures exclude Nasdaq Dubai

## Retail & HNWI Investors

**841k+**  
Direct Account  
Holders\*

**206**  
Nationalities

- Retail and HNWIs play a key role in liquidity on DFM
- 54% of trading is from retail and HNWIs, showing their importance on the market
- This includes local and international investors

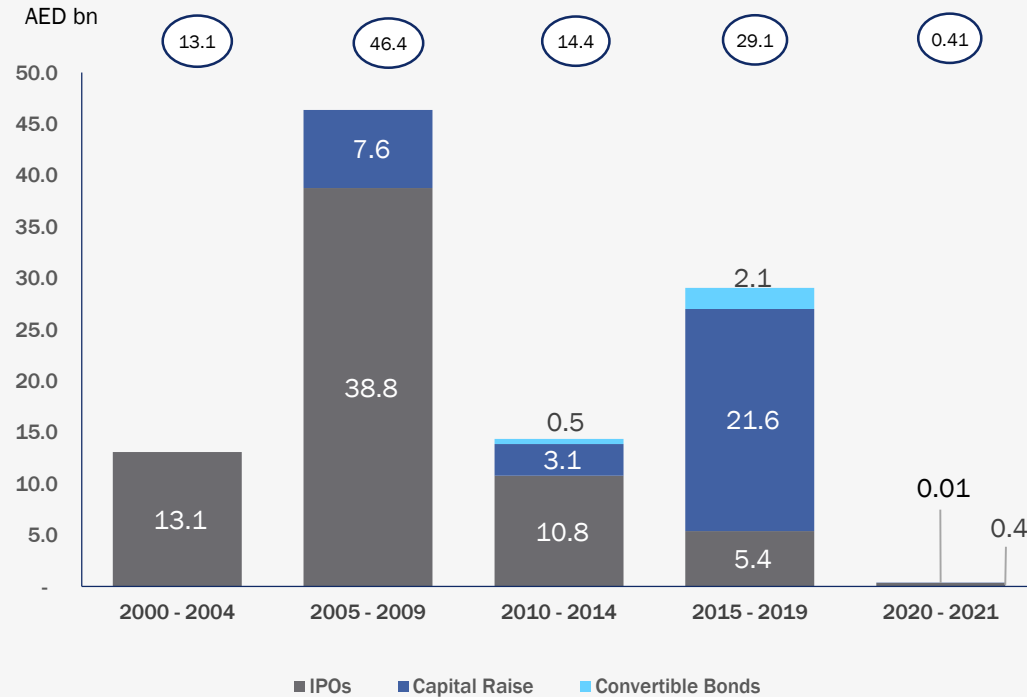
\* Total number of investors at DFM is 852k+ as of December 31<sup>st</sup> 2021.

# Capital Raising Success

Over AED103 bn Raised Since Inception in Dubai



Funds raised on Capital Markets since Inception to 2021



Selected Transactions

**IPOs**

EMAAR, DP WORLD, AL MAL REIT, داماس damas, أمانات AMANAT HEALTHCARE & EDUCATION

aramex, بنك دبي التجاري Commercial Bank of Dubai, بنك دبي الإسلامي Dubai Islamic Bank

**Convertible Bonds**

EMAAR, تبريد tabreed

**Capital Raises**

الإمارات الإسلامية TAKAFUL EMARAT, AL RAMZ, الخليج للتقانة المالية Gulf Navigation Holding LLC, Drake & Scull Oil & Gas, arabtec, بنك دبي الإسلامي Dubai Islamic Bank

الإمارات الإسلامية EMIRATES ISLAMIC, مصرف عجمان Ajman Bank, أوتو ريزورتس AND RESORTS

# Index Inclusion

## Attracting Investors Through Index Representation



All the major index providers cover stocks listed on DFM in their relevant local, regional and international indices.

Inclusion into additional indices can provide a number of benefits for issuers:

- Exposure to new type of investment; passive as well as active prominent international funds.
- Enhancing visibility to international investors.
- Enhanced valuations.
- Optimal shareholders mix and diversified investor base.



- MSCI UAE
- MSCI GCC Countries
- MSCI Emerging Market



- Dow Jones GCC
- Dow Jones MENA
- Dow Jones Sustainability



- FTSE Nasdaq Dubai
- FTSE Emerging
- FTSE Global Equity Shari'a



- DFM General Index
- DFM Shari'a



- S&P UAE Price
- S&P UAE Domestic Shari'a
- S&P Emerging Middle East & Africa

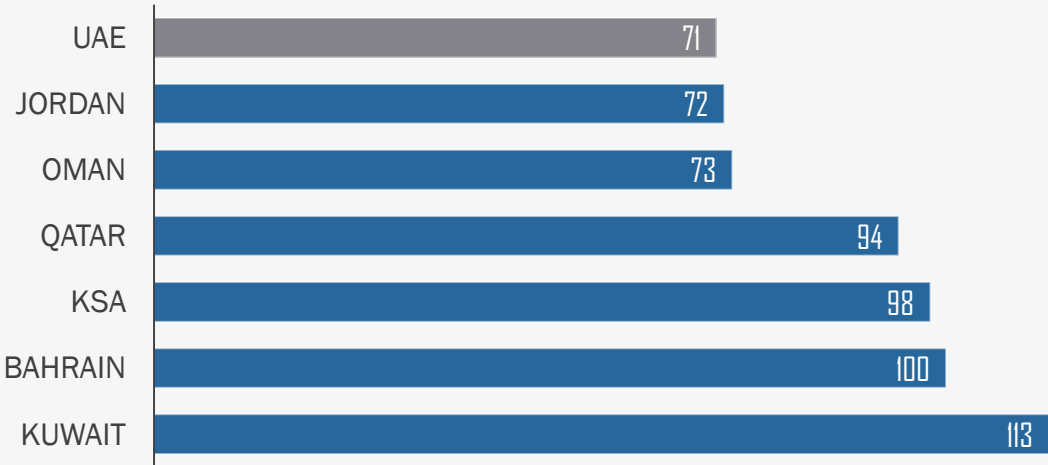
# ESG & Sustainability

## A Key Agenda for Investors



- Dubai aims to become the city with the lowest carbon footprint by 2050
- UAE ranks highest on SDGs progress in the region.
- UAE leads in ESG reporting to drive market transparency and meet growing investor demands.
- UAE's energy mix is shifting away from fossil fuels and towards renewable energy (zero emission).
- AED100 bn green fund to make Dubai an environment-friendly city with the least carbon footprint in the world by 2050.
- Mohammed bin Rashid Al Maktoum Solar Park is expected to be the largest single-site solar park in the world by 2050.
- The Dubai and Sharjah 'Sustainable Cities' are the first fully operational sustainable communities in the Middle East.

SDGs Global 2021 Ranking



Sustainable Development Report\*

Country	Bahrain	Kuwait	Qatar	Saudi Arabia	UAE
No. of companies using GRI Standards	4	46	29	34	110

\* Source: GRI data base.



# Recent Developments

## Expanding to Create Further Opportunities



### IPO Pipeline Plans

In late 2021, The Government of Dubai formed the Dubai Securities and Exchange Higher Committee and announced plans to list 10 Government-related companies on the DFM, in line with the Emirate’s stated objective of increasing the total market capitalization of its financial markets to AED3 trillion.

### Foreign Ownership

The Government has improved the attractiveness of setting up a business in Dubai by allowing businesses in most sectors to have 100% foreign ownership.

### Residency Changes

The option of obtaining a Golden Visa is not only attracting top talent to Dubai, but also making business owners want to move here.

### Expanding the Capital Market

#### Free Zone Access on DFM

Extending DFM’s Main Market IPO to cover and allow companies based in a Free Zone to benefit from raising capital and list on DFM.

#### Nasdaq Dubai Growth Market

Dedicated platform for younger and growing companies. Cost efficient mechanism to raise capital and list on Nasdaq Dubai.

#### Equity Futures

The first regional market to list Single Stock Futures on regional names to support investors.



# Key Listing Requirements

## Variety of Options Available to IPO



	Mainland Companies	Free Zone Companies	Main Market	Growth Market
<b>Size</b>	AED25 mn paid-up capital	AED20 mn paid-up capital	> USD250 mn	< USD250 mn
<b>Financial Track Record</b>	2 Years	2 Years	3 Years	Minimum 1 Year
<b>Free Float</b>	Minimum 30%	Minimum 25%	Minimum 25%	Minimum 25%
<b>Profitability</b>	Profitable for last 2 years	Profitable for last 2 years	Not required	Not required
<b>Legal Structure</b>	Public Joint Stock Company	Public Limited Company	Public Limited Company	Public Limited Company
<b>Listing Advisor</b>	Financial Institution approved by SCA	Financial Institution approved by SCA	Investment Bank	Compliance Advisor with relevant experience
<b>Lock-In Period</b>	6 months	6 months	Not required	1 year
<b>Advisor Post Listing</b>	Not required	1 Year	Not required	3 Years

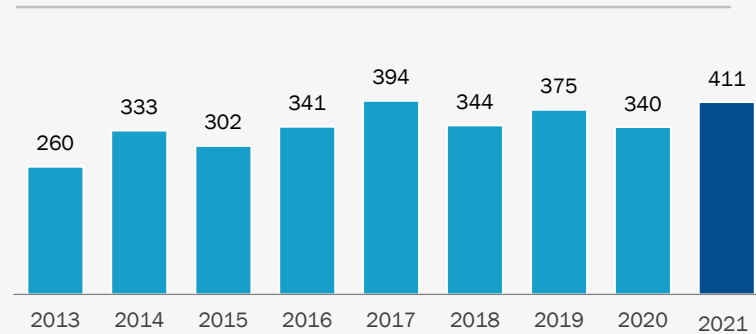
# Operational Highlights

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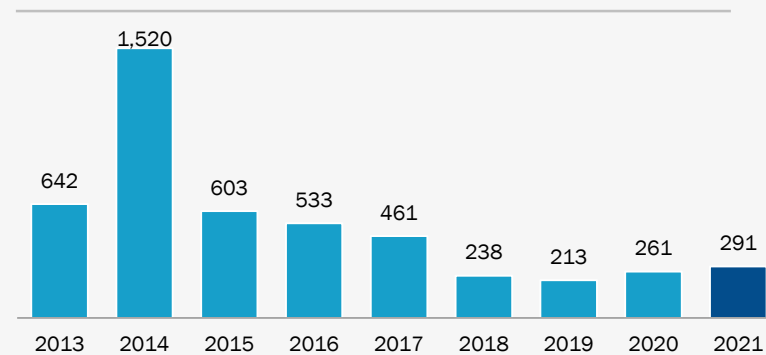
## Key Indicators



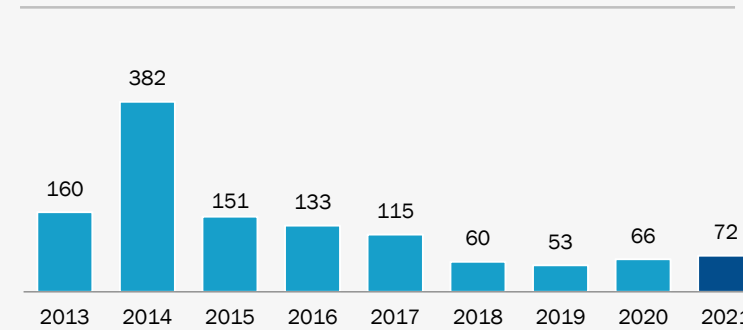
Market Capitalization (AED bn)



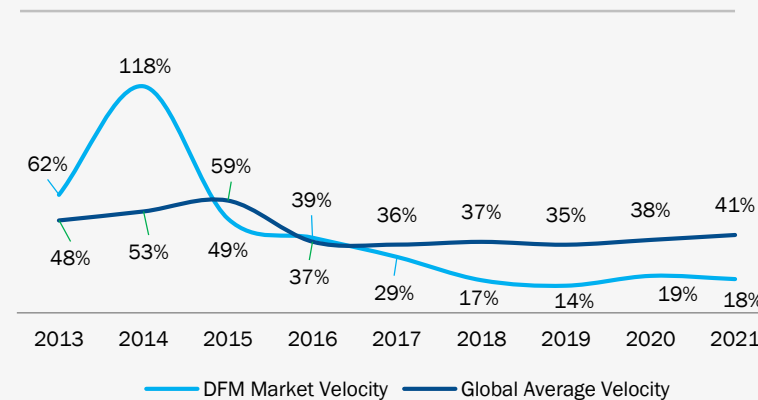
ADTV (AED mn)



Total Traded Value (AED bn)



Market Velocity<sup>1</sup> (%)



Note: Figures exclude Nasdaq Dubai

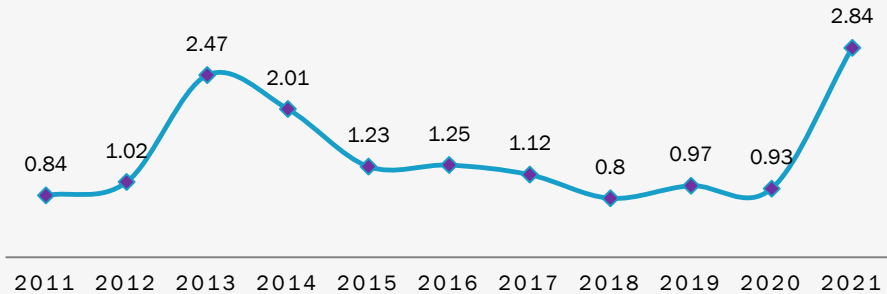
<sup>1</sup> Velocity is calculated as annualized trade value/end of period market capitalization., Source for global velocity figures is the World Federation of Exchanges.

# Operational Highlights

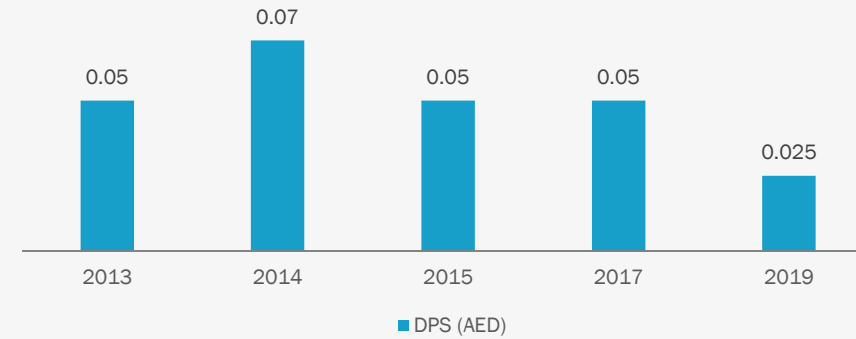
## DFM PJSC Stock Trading Activity Performance



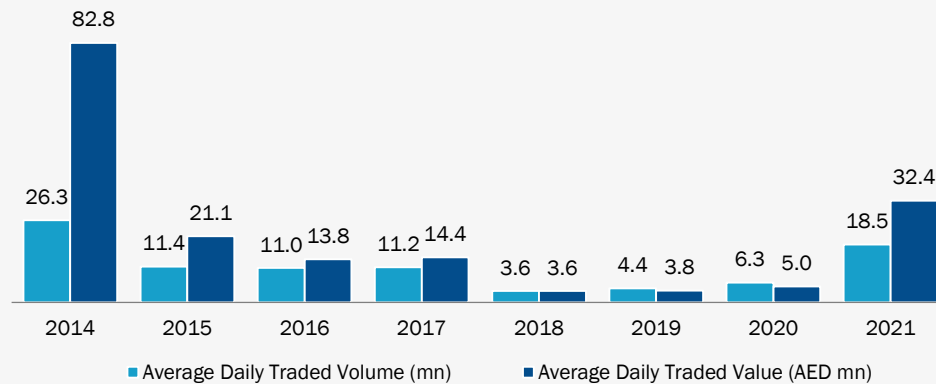
DFM PJSC Stock Price Performance (AED)



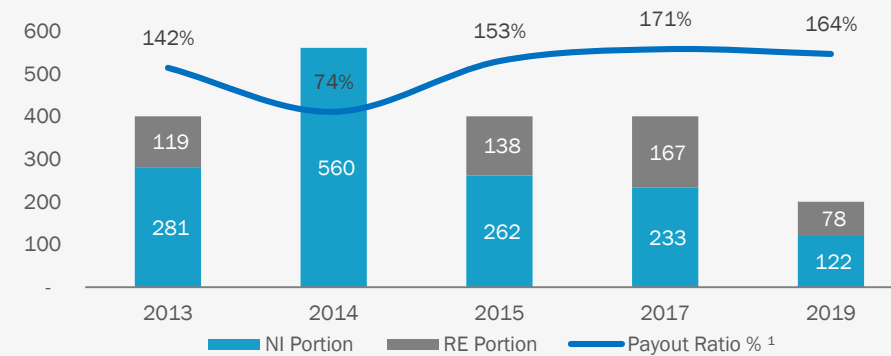
Dividends Per Share (AED)



DFM PJSC Stock Trading Activity (AED mn)



Dividends Payout History (AED mn)



NI stands for Net Income, whereas RE stands for Retained Earnings.

<sup>1</sup> Calculated as dividend (paid following year) divided by the net profit of the year.

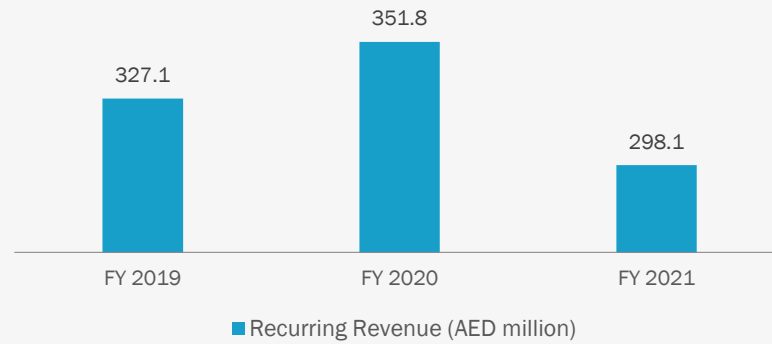
# Financial Highlights

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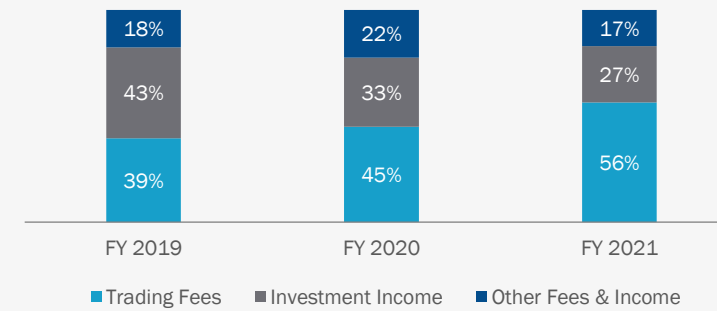
## Key Figures



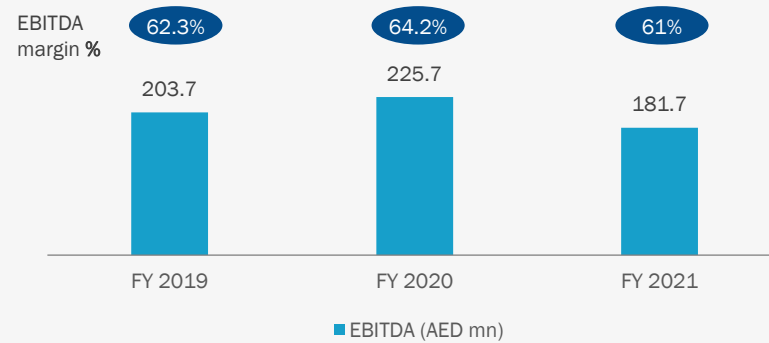
Total Revenue (AED mn)



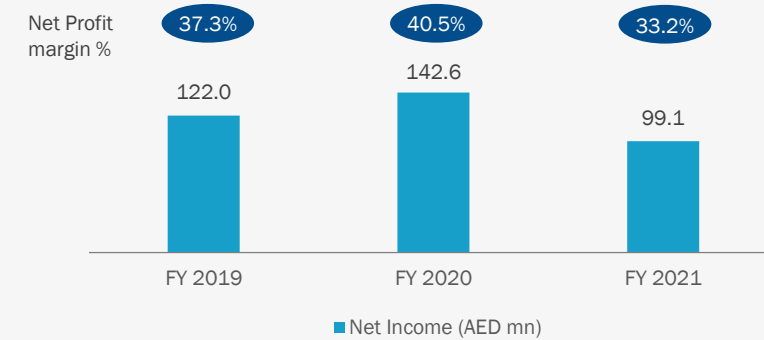
Total Revenue Mix (%)



EBITDA (AED mn) and EBITDA Margin (%)



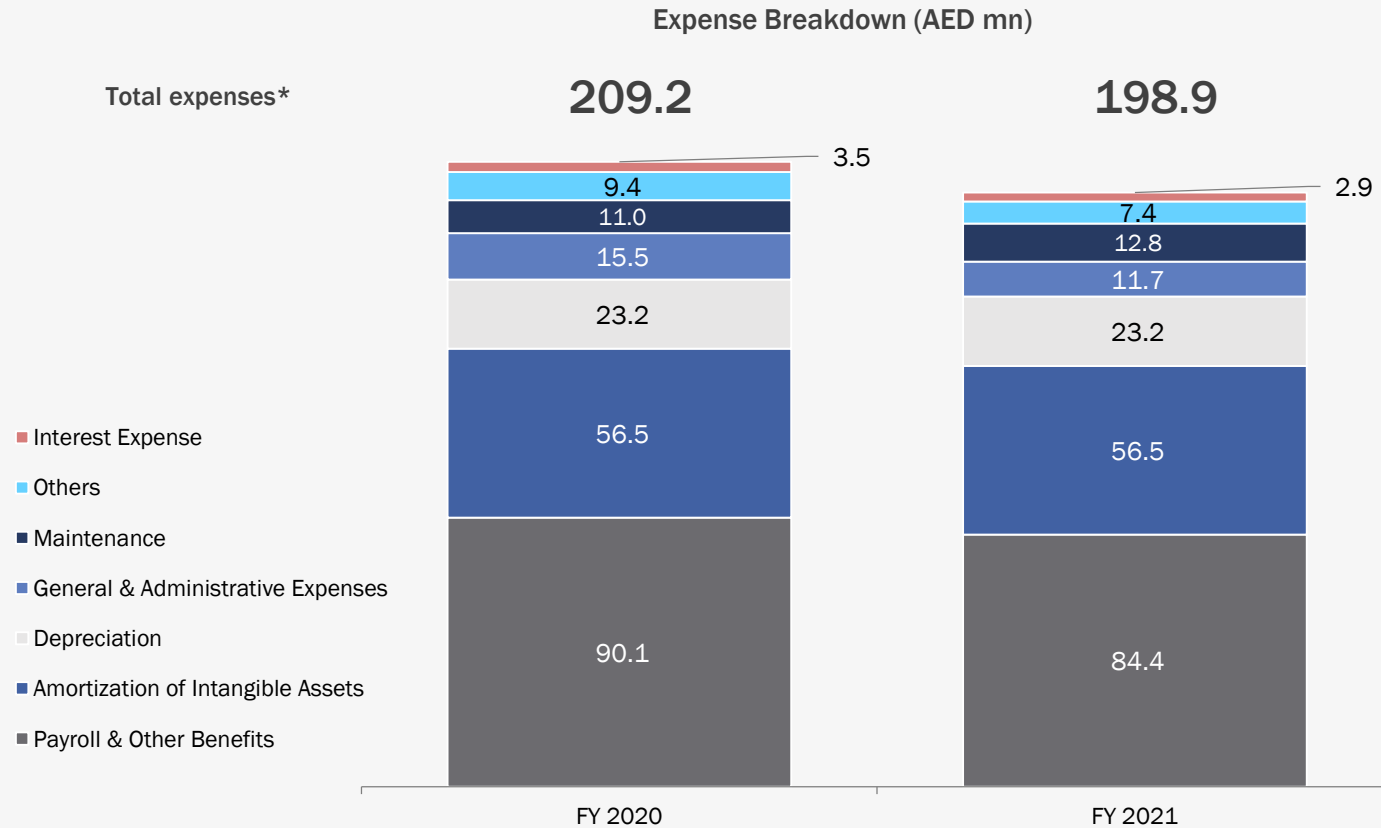
Net Profit (AED mn) and Net Profit Margin (%)



Note: Consolidated financial statements; EBITDA includes investment income and other income. Some figures & percentages in the slide might not totally add up due to rounding.

# Financial Highlights

## Cost Rationalization Base



\*Note: Consolidated expenses; some figures & percentages might not totally add up due to rounding

\*As a result of initially applying IFRS 16, in relation to the leases that were previously classified as operating rental expenses, the Group recognized right to use of assets and therefore reclassified rent/lease expense as depreciation expense starting Q1 2019.



# Financial Highlights

## Selected Items



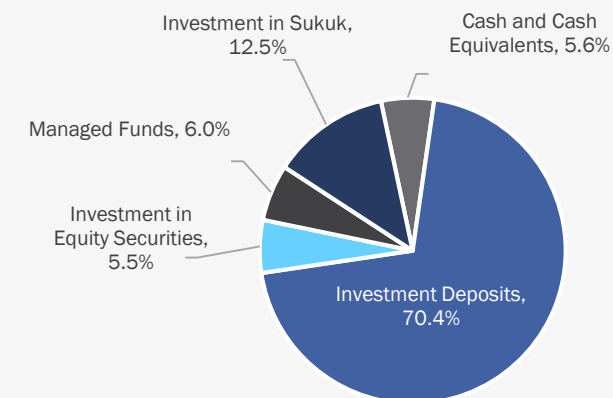
### Selected Balance Sheet Items

(AED mn)	FY 2020	FY 2021
Investment Deposits	3,093	3,253
Financial Assets Measured at Fair Value and amortized cost	967	1,109
Goodwill	2,879	2,879
Other Intangible Assets	2,034	1,977
Property and Equipment	352	335
Total Assets	9,901	9,938
Total Equity	<u>7,801</u>	<u>7,963</u>
Total Liabilities	<u>2,100</u>	<u>1,975</u>

### Main Financial Assets\*

(AED mn)	FY 2021
Cash and Cash Equivalents	259
Investment Deposits	3,253
Less than 3 Months	371
Up to 1 Year but More than 3 Months	2,660
More than 1 Year	222
Other Financial Assets Measured at Fair Value -   (FVTOCI)	1,109
Investment in Equity Securities	258
Managed Funds	276
Investment in Sukuk	575
Total	<u>4,621</u>

### Main Financial Assets Breakdown FY 2021\*



### Commentary

- Investment deposits are placed with financial institutions in the UAE, with profit rates ranging from 1.20% to 1.65% per annum.
- Investment in Sukuk in the UAE matures in 1-8 years and carries a fixed profit rate of 3.2% - 5.11% per annum.
- 93% of the other financial assets and Sukuk are invested within the UAE.

Note: Consolidated financial statements

\*Some figures & percentages might not totally add up due to rounding.

# Financial Highlights

## Consolidated P & L



(AED mn)	FY 2020	FY 2021
Trading Commission Fees	157.9	168.1
Brokerage Fees	15.5	14.6
Clearing, Settlement and Depository Fees	43.1	18.2
Listing and Market Data Fees	10.2	9.8
Other Fees	5.3	5.1
<b>Operating Income</b>	<b>232.1</b>	<b>215.8</b>
Investment Income	104.9	72.2
Dividend Income	10.0	6.9
Other Income	4.9	3.2
<b>Total Income</b>	<b>351.8</b>	<b>298.1</b>
Payroll and Other Benefits	(90.1)	(84.4)
Other General & Administrative Expenses	(35.9)	(31.9)
Depreciation	(23.2)	(23.2)
Amortization of Intangible Assets	(56.5)	(56.5)
Interest Expense	(3.5)	(2.9)
<b>Total Expenses</b>	<b>(209.2)</b>	<b>(198.9)</b>
<b>Net Profit for the Year</b>	<b>142.6</b>	<b>99.1</b>
Attributable to:		
Owners of the Company	137.9	103.8
Non-controlling Interest	4.7	(4.7)
EPS (AED)	0.017	0.013



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Dubai Financial Market

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