

## TECOM GROUP'S Q1 2023 NET PROFIT GROWS 34% TO AED 255 MILLION AS OCCUPANCY RATES INCREASE FOR FIFTH CONSECUTIVE QUARTER

- Q1 2023 revenue at AED 514 million, a 6% year-on-year increase on the back of sustained occupancy levels and high retention rates
- Occupancy rate for commercial and industrial assets reached 87%, the fifth quarter of sequential growth and a 7% increase from Q1 2022
- Substantial growth in Funds from Operations (FFO<sup>1</sup>) to AED 359 million, a 44% increase from Q1 2022
- AED 200 million dividend distributed in April 2023, making up a total AED 400 million paid out to shareholders for H2 2022

**Dubai, UAE, 2 May 2023** – TECOM Group PJSC (DFM: TECOM), (the "Company" or the "Group"), the creator of specialised business districts and vibrant communities, today announced its financial results for its fiscal 2023 first quarter ended 31 March 2023. The Group delivered a strong financial and operational performance, reporting a 6% year-on-year (YoY) increase in revenues to AED 514 million and a 34% YoY increase in net income to AED 255 million.

### Financial Highlights

AED '000s (Unless otherwise stated)	First Quarter		YoY%
	2023	2022	
<b>Revenue</b>	513,784	485,111	6%
<b>EBITDA</b>	398,805	349,435	14%
<b>EBITDA Margin</b>	78%	72%	6%
<b>Net Profit</b>	255,133	190,262	34%

### Operational Highlights

Commercial and Industrial – As of	31 March 2023	31 March 2022	YoY%
<b>Occupancy Level</b>	87.1%	80.6%	6.5%
<b>Retention Rate</b>	95.4%	94.6%	0.8%



**Abdulla Belhoul, Chief Executive Officer, TECOM Group**, said: "TECOM Group's solid first quarter results, are not just a testament to the success of our long-term growth strategy, but also a reflection of the underlying business confidence in Dubai and the thriving business ecosystem in the emirate."

The sustained growth in our occupancy demonstrates the continued demand for our specialised assets and reaffirms Dubai's position as a global hub for investment, innovation, and entrepreneurship. We believe we are well positioned to continue to capitalise on the booming real estate market in Dubai.

<sup>1</sup> Funds from Operations = Cash from operations (including net financing costs and income) before changes in working capital

*Looking ahead, our outlook for the rest of the year is positive, particularly with the prospect of higher rental rates, continued growth in occupancy and the immense potential that the city offers to businesses of all sizes and from all sectors. We will maintain our focus on maximising value to our shareholders and all our stakeholders."*

**Q1 2023:**

- Revenue for the first quarter of 2023 came in at AED 514 million, an increase of 6% YoY that is driven by a significant increase in our commercial and industrial occupancy rates compared to the same period last year.
- EBITDA increased 14% to AED 399 million, primarily driven by top line growth and lower operational expenses.
- Net profit grew 34% YoY to AED 255 million, underpinned by strong growth in revenues, enhanced operational efficiencies and sustained growth across all business segments.
- Funds from operations (FFO) reached AED 359 million, a 44% increase on Q1 2022, due to strong collections and continued high levels of customer retention.

**Key Operational Activities**

Through its provision of business districts, TECOM Group continues to support many industries that drive Dubai's diversification agenda and economic growth. In Q1 2023, TECOM Group witnessed:

- The announcement by AstraZeneca on its intention to move to Dubai Science Park with new sustainable offices ahead of COP28.
- The successful launch and first edition of Dubai Fashion Week (DFW), which recorded a 55% increase in RSVP's compared to the 21<sup>st</sup> edition of Arab Fashion Week in March 2022. M Normandie French Business School inauguration of its first regional campus at Dubai Knowledge Park
- The opening of THRYVE™ factory, the first 100% plant-based meat factory in the Middle East, in Dubai Industrial City.
- Silver Line Gate Group (one of the Middle East's leading suppliers of milk powder) announcement to build an AED 200 million manufacturing facility at Dubai Industrial City in line with Dubai Economic Agenda D33, the UAE food security agenda and Make it in the Emirates.
- Al Khayyat Investments breaking ground on its largest fulfilment centre to date in Dubai Industrial City.

**Dividend**

TECOM Group shareholders approved a dividend payment of AED 200 million, that was paid in April 2023. This follows a AED 200 million pay-out which was distributed in November 2022, taking the total dividend payment for the second half of 2022 (H2) to AED 400 million.

As per the dividend policy set out in the IPO prospectus, TECOM Group is committed to paying a total dividend amount of AED 800 million per annum over the first three years of being a listed company. The next dividend payment will be distributed in September 2023, subject to shareholder approval, and will cover the first half of 2023.

---ENDS---

**Note to Editors:****Definitions**

TECOM Group has an integrated portfolio of real estate assets, spread across 10 strategically located *business districts* in Dubai. These business districts serve 6 industry sectors. We refer to each sector we serve as a *Cluster*, which consists of one or more business districts operating in the same industry.

- **Technology Cluster:** Consists of *Dubai Internet City* and *Dubai Outsource City*.
- **Media Cluster:** Consists of *Dubai Media City*, *Dubai Studio City* and *Dubai Production City*.
- **Education Cluster:** Consists of *Dubai International Academic City* and *Dubai Knowledge Park*.
- **Science Cluster:** Consists of *Dubai Science Park*.
- **Design Cluster:** Consists of *Dubai Design District*.
- **Manufacturing Cluster:** Consists of *Dubai Industrial City*.

More broadly, the Company provides real estate solutions across three segments: *Commercial Leasing*, *Land Leasing* and *Industrial Leasing*.

- **Commercial Leasing.** TECOM Group provides state of the art built-to-lease (BTL) and built-to-suit (BTS) properties across office and retail spaces including purpose-built business centres and HQs tailored to customer specifications as well as industry specialised facilities (e.g. sound stages, film studios, university campuses, lab facilities, etc.). Typically, BTL properties have a lease term of 1 to 5 years and BTS properties have lease terms of 10 years and over.
- **Industrial Leasing.** Warehouse space, showrooms and worker accommodation facilities utilised by large corporates and other businesses to accommodate their employees. Typically, lease terms for Industrial Leasing are 1 to 5 years.
- **Land Leasing.** Available land within our various business districts for which infrastructure (e.g. roads, water, electricity, sewage) is already in place or will be put in place allowing us to lease the land or utilise it for our planned future investments. Typically, lease terms for Land Leasing are between 30 to 50 years.

TECOM Group also provides an array of value-added government and business services (e.g. visa, immigration, licensing, etc.) including services promoting individual talent, start-ups and entrepreneurship through our dedicated platforms *axs*, *in5*, *gofreelance*, *marketplace.ae* and *D/Quarters* respectively, as well as advertising, property and venue management services specific to each industry / district. Collectively we refer to these services as **Services & Others**.

	<b>MEDIA ENQUIRIES</b>	<b>INVESTOR RELATIONS ENQUIRIES</b>
<b>TECOM Group P.J.S.C</b>	<b>Mutaz Albadri</b> <a href="mailto:media@tecomgroup.ae">media@tecomgroup.ae</a>	<b>Ghaith Zghaibi</b> <a href="mailto:ir@tecomgroup.ae">ir@tecomgroup.ae</a>
<b>Brunswick Group</b>	<a href="mailto:tecomgroup@brunswickgroup.com">tecomgroup@brunswickgroup.com</a>	

# Q1 2023 FINANCIAL RESULTS

## FINANCIAL HIGHLIGHTS

Q1 2023

Q1 2022

**AED 514**  
MILLION

**REVENUE**  
▲ 6%

**AED 485**  
MILLION

**AED 399**  
MILLION

**EBITDA**  
▲ 14%

**AED 349**  
MILLION

**AED 255**  
MILLION

**NET PROFIT**  
▲ 34%

**AED 190**  
MILLION

**AED 0.05**

**EPS\***  
▲ 34%

**AED 0.04**

**AED 359**  
MILLION

**FFO\*\***  
▲ 44%

**AED 249**  
MILLION

## OPERATIONAL HIGHLIGHTS

31 MARCH 2023

31 MARCH 2022

**87.1%**

**OCCUPANCY LEVEL**  
▲ 6.5%

**80.6%**

**95.4%**

**RETENTION RATE**  
▲ 0.8%

**94.6%**