

DFM Achieves Robust Results in 2023 with Net Profit of AED 329.4 Million

- DFM reported an increase of 124% in net profit for 2023.
- Market capitalization increased by 18% to AED 688 billion.
- Foreign investors contributed 47% of DFM's trading activity.
- DFM onboarded 62,676 new investors, with 73% comprising foreign investors from over 200 nationalities.

Dubai, 30 January 2024: Dubai Financial Market Company (PJSC) today announced its consolidated results for the fiscal year ending on 31st December 2023, showcasing an increase of 124% in net profit to AED 329.4 million, compared to AED 147.1 million in 2022. DFM concluded 2023 on a high note, driven by a significant uptick in trading activities, capital inflow and a notable influx of new investors. This was complemented by the introduction of an enhanced digital platform, the launch of an IPO accelerator program and the implementation of various innovative market initiatives.

During the Board meeting, the Directors endorsed the annual results, which will be presented for ratification at the upcoming Annual General Assembly Meeting.

The Board has proposed a cash dividend of AED 280 million, representing 3.5% of the capital and 95% of the total retained earnings available for distribution.

Following the Board meeting, **H.E. Helal Al Marri, Chairman of DFM** said, "In 2023, Dubai Financial Market marked a series of noteworthy accomplishments, underscoring its intrinsic strengths in adaptability, innovation, and an unwavering dedication to excellence. These achievements align seamlessly with the objectives outlined in the Dubai Economic Agenda "D33" showcasing the market's pivotal role in fostering economic growth and solidifying Dubai's stature as a key player on the global financial stage. The Board is pleased to witness the robust outcomes stemming from our proactive initiatives and the substantial progress that DFM has made towards redefining our capital market and business landscape.

H.E. Helal Al Marri concluded by emphasizing the DFM's ambition for the future, stressing their continued commitment to agility and flexibility with the aim of contributing to the continued successes of Dubai and enhancing its leading global position in the financial sector."

Robust Financial Performance

As one of the best performing exchanges globally, DFM General Index reported a growth of 21.7% while DFM PJSC reported total revenues of AED 541.6 million for the full year of

2023, marking a 54% increase from last year's AED 351.2 million. The revenue includes AED 346.2 million in operating income and AED 195.4 million in investment returns & other income. Meanwhile, the overall expenses amounted to AED 212.2 million, compared to AED 204.1 million during the corresponding period concluding in December 2022.

In the fourth quarter of 2023, the company recorded a net profit of AED 143.2 million, demonstrating its sustained strong performance compared to AED 58.1 million in the corresponding period of 2022. The total revenue for the period reached AED 204 million, exceeding the AED 113.4 million reported in Q4-2022.

Reflecting on the accomplishments of 2023, **Hamed Ali, CEO of DFM and Nasdaq Dubai**, stated, "The year 2023 stands as a pivotal chapter in DFM's journey. Our fiscal results not only highlight the robustness of our operational framework but also underscore the significant strides we are making in transforming our business, exploring new horizons, and expediting the advancement of UAE capital markets."

He continued, "DFM's state-of-the-art infrastructure, market initiatives, and our drive to innovate and evolve, positions us strategically for continuous growth, solidifying Dubai's status as a global epicenter for financial activities."

Elevating the IPO Landscape

In 2023, DFM solidified its status as a premier market for IPOs, boasting two highly successful offerings from Dubai Taxi Company and Al Ansari Financial Services, the first family – owned company. This achievement propelled DFM to the forefront of the MENA markets, establishing itself as the benchmark for index performance. The two offerings raised AED 1.97 billion in 2023, marking an outstanding achievement. The overwhelming investor demand led to an oversubscribed value of AED 163 billion, underscoring the market's attraction and resilience.

Beyond listing successes, 2023 witnessed significant milestones for DFM. The success of the MENA IPO Summit and launch of the IPO Accelerator Program marked pivotal moments in DFM's journey as one of the leading global exchanges, aligning the entire IPO value chain and providing invaluable insights into the intricate IPO process.

Sustainable Financing Initiatives

Responsible financing remained a key focus for DFM this year as it ventured into sustainable financing initiatives, launching the Carbon Credit Trading Pilot program at COP28. This initiative aims to propel issuers toward achieving the 2050 sustainability goals, showcasing DFM's commitment to driving positive environmental impact through innovative programs.

Market Capitalization Growth

DFM experienced significant market capitalization growth, rising from AED 582 billion in the end of 2022 to AED 688 billion in the same period of 2023. The sector distribution of DFM's market capitalization is closely aligned to reflect Dubai's GDP mix with Financials at 41%, Utilities at 22%, Real Estate at 17%, Industrials at 15%, and Communication Services at 3.4%, while other sectors like Consumer Staples contributed to the remainder. DFM concluded the year with a robust trading value increase of 12% to AED 101 billion compared to 2022. The DFM General Index (DFMGI) advanced by 21.7%, marking a positive trajectory outperforming major global markets.

DFM introduced the futures contracts on its General Index (DFMGI), featuring the market's most liquid and significant companies. Trading futures allows investors to tap into one of the world's top-performing indices, fostering diversification and hedging opportunities for both retail and institutional investors, enhancing market depth and liquidity.

Enhancing Market Accessibility

DFM launched the Omnibus Accounts structure, a strategic initiative designed for holding securities. This move functions as a gateway, enabling international investors to access variety of investment opportunities and enhancing their engagement with DFM's diversified portfolio.

Furthermore, in collaboration with xCube, DFM has taken steps to enhance market accessibility by introducing a digital account opening platform. This innovative solution offers seamless accessibility, straightforward IPO subscription, and advanced tools for real-time market monitoring, providing investors with an efficient and streamlined investment journey.

Thriving Investor Community

In 2023, against the backdrop of the increasing interest of international investors in Dubai's capital markets, DFM placed significant focus on investor engagements to reinforce our standing as a leading global exchange. DFM successfully executed four international investor roadshows spanning across prominent financial hubs such as London, Singapore, and two editions in New York, which garnered widespread participation and facilitated numerous meetings with esteemed global institutional investors and funds. Notably, the most recent New York roadshow, held in November 2023, concluded with an impressive tally of 82 one-to-one meetings involving senior representatives from 45 international funds. Such collaborative forums provide invaluable insights, contributing directly to increased investor participation on the exchange.

Foreign investors maintained a strong presence, contributing to 47% of DFM's trading value with net purchases totaling AED 5.1 billion. Their market capitalization share stood at 20% at the close of the year. Additionally, institutional investors accounted for 58% of the trading value. DFM's success story continued with an impressive influx of 62,676 new investors, including 73% of which were foreign investors, expanding the current investor base, which includes over a million individuals from over 200 nationalities, serves as a testament to the success of DFM's digital onboarding journey.

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About Dubai Financial Market:

Dubai Financial Market (DFM) was established as a public institution with its own independent corporate body. DFM operates as a secondary market for the trading of securities issued by public shareholding companies, bonds issued by the Federal Government or any of the local Governments and public institutions in the country, units of investment funds and any other financial instruments, local or foreign, which are accepted by the market. The DFM commenced operations on March 26, 2000 and became the first Islamic Shari'a-compliant exchange globally since 2007. Following its initial public offering in November 2006, when DFM offered 1.6 billion shares, representing 20 per cent of its paid-up capital of AED 8 billion, DFM became a public joint stock company, and its shares were listed on 7 March 2007 with the trading symbol (DFM). Following the IPO, the Government of Dubai retained the remaining 80 per cent of DFM Company through Borse Dubai Limited. www.dfm.ae

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