

Dubai Financial Market PJSC

Investor Presentation
FY 2018

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DFM at a Glance

Leading Exchange in the MENA Region

- Established in 2000 as a government owned exchange and in 2007 became the first regional exchange to be publicly listed.
- Provides investors and market participants with the best in class international platform offering innovative products and services while conducting trading, clearing and settlement in an efficient, transparent and liquid environment.
- Currently, Borse Dubai owns 80% of DFM with the remaining being public float.

| | | | |
|-----------------------------------------|---------------------------------------------------|----------------------------------------------------------|------------------------------------------------------------------------------------------|
| Listings (FY 2018) | AED 344bn Market Capitalization | 67 Companies Listed on the DFM* | 96 Bonds and Sukuks Listed on Nasdaq Dubai with a value of \$75bn |
| Volumes (FY 2018) | AED 60bn Total Traded Value | AED 238mn Average Daily Traded Value (ADTV) | 17% Market Velocity ¹ |
| Volume by Investor Type (FY 2018) | 45% Foreign Investors' Trading Share | 18% Foreign Ownership (% of Market Cap) | 49% Institutional Investors' Trading Share |
| Consolidated Financials (FY 2018) | AED 334.4mn Revenue | AED 195.2mn EBITDA | AED 125.5mn Consolidated Net Profit |

Source: DFM analytics.

Note: Trading statistics for DFM excludes Nasdaq Dubai.

Foreign investors defined as non-UAE investors.

¹ Velocity is calculated as annualized trade value / end of period market capitalization.

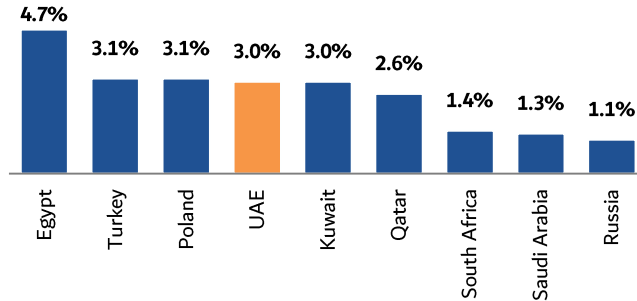
* Excluding one listed ETF.

The UAE Benefits from Strong Demographic & Macroeconomic Fundamentals

1

Continued GDP Growth...

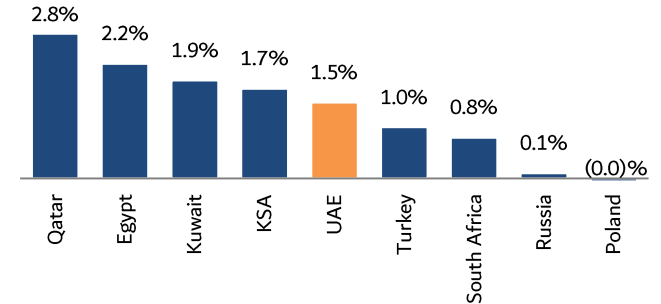
2015E-2020E Real GDP Growth (%)



2

Growing Population...

2015E-2020E Population Annual Growth (%)

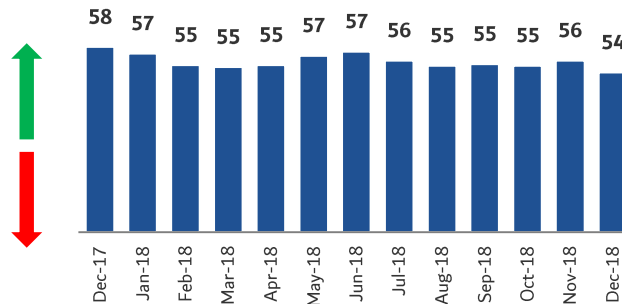


3

Sustained Growth in Non-Oil Economy...

UAE Non-Oil Private Sector PMI

Increasing Rate of Growth

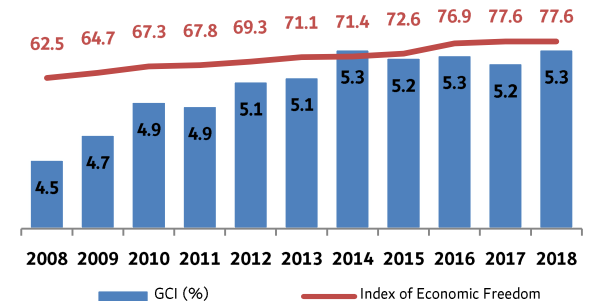


Increasing Rate of Contraction
50 – No Change vs. Previous Month

4

...Resulting in a Stable Business Environment

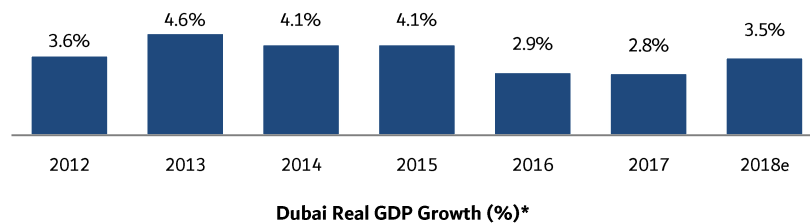
Globally, strengthened with the quality of its enabling environment, UAE ranks 27th on the Global Competitiveness Index (GCI Oct-2018) & 9th on the 2019 Index of Economic Freedom (1st in the MENA).



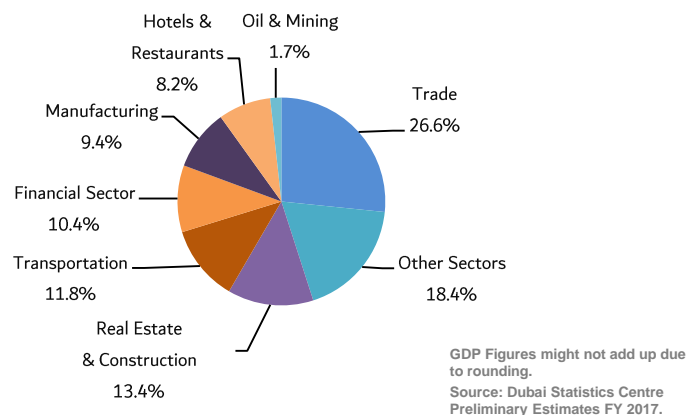
Source: The UAE National Bureau of Statistics, Euromonitor, Bloomberg, World Economic Forum, Emirates NBD, The Heritage Foundation, IMF.

Dubai Growth is Driven by a Well-Diversified Economy

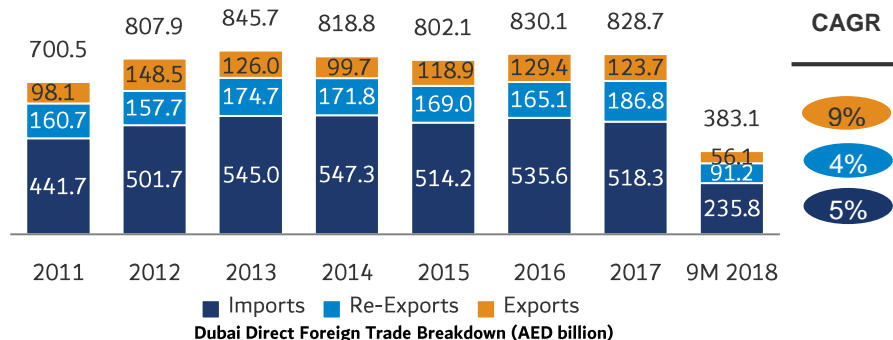
Continuous Dubai GDP Growth ...



...Driven by a Diversified Economy...



...Supported by Strong Trade Activity



Commentary

Main highlights of Dubai economy:

- Fiscal discipline with an increase in investment spending
 - The Emirate of Dubai has increased its budgeted expenses by 17.3% y-o-y for 2019 to AED 51.4bn.
- The UAE's fiscal and external deficits are small relative to the rest of the GCC and continued investment in infrastructure is expected to underpin non-oil GDP growth through 2020.
- Dubai is in the top 6 global destinations for travellers, as such it serves as the main hub in the Arab world, benefitting from increasing global trade, rising tourism and stabilizing real estate.
- Dubai recorded AED 290.7bn in foreign direct investment balance in 2016 and expects to invest another AED25bn in infrastructure-related projects during EXPO 2020.
- Dubai is the 1st regionally and the 15th globally in the Global Financial Centres Index. And became upgraded to the 11th rank among 190 countries in the 2018 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 AED214bn – end of FY 2018. According the IMF, During 2001–2015, \$53.8bn or 36 percent of all global Sukuk issuances originated in the UAE.

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

* Source for (2012 – 2017) values: Dubai Statistics Center, some GDP growth percentages were revised due to a new national account series issued by the Dubai Statistics Center. Source for 2018 estimated values: the Department of Economic Development.

DFM 2021 Positioning

Embracing a **new mission for 2021** will strengthen our leading position in our industry

Bringing the highest possible value to the UAE's
economic ecosystem, our stakeholders & our shareholders

*Strengthening the core offerings
& products to drive listings*

*Developing new capabilities
across diverse revenue streams*

*Innovating through technology
to maintain leadership*

Allowing us to play a leading local, regional
and global role

Globally

- Develop global best-in-class operations & offerings to raise exchange standing
- Uplift DFM brand recognition within specific sectors & areas of expertise

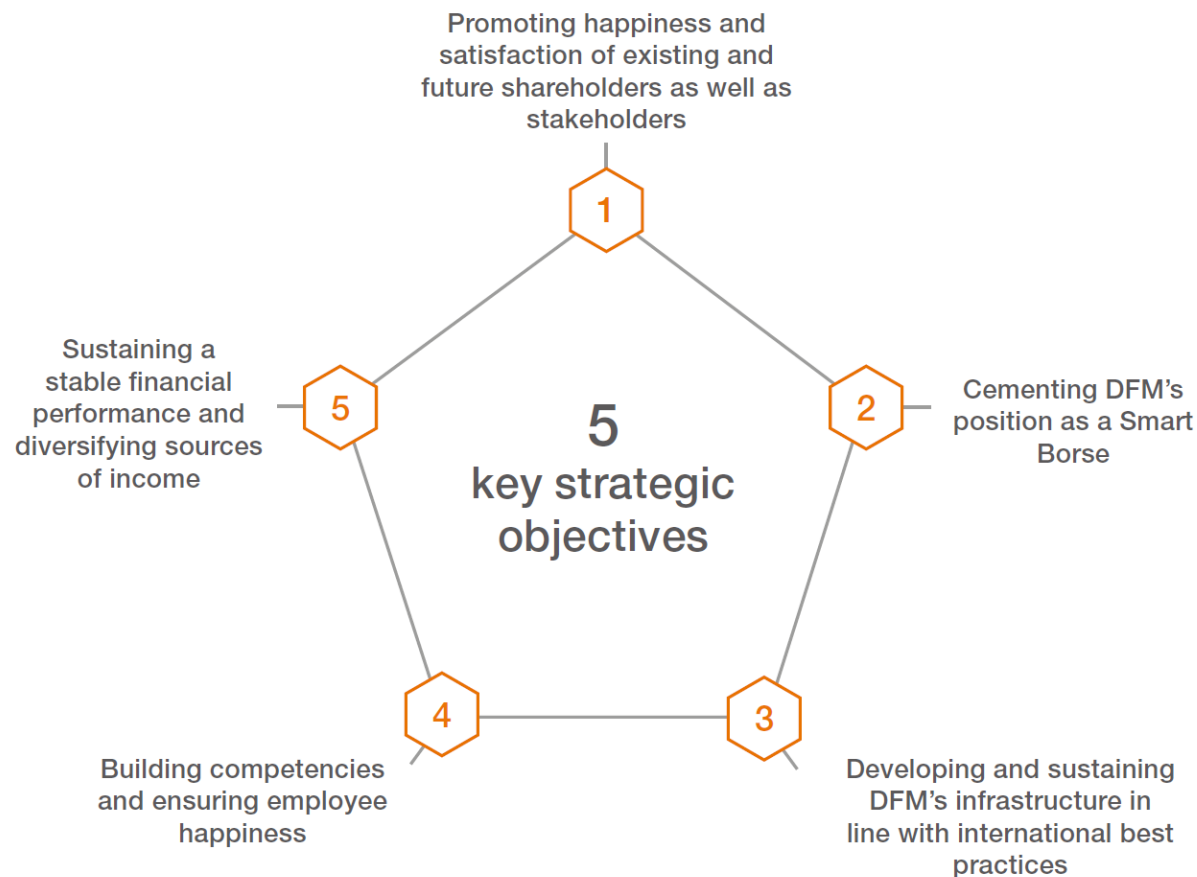
Nationally in Dubai & UAE

- Become chief venue for financing local firms' growth & source of wealth creation
- Focus on developing Dubai & UAE's priority sectors to spur development

Regionally in GCC & MENA

- Attract regional investments & position DFM as ideal platform for sourcing capital
- Position DFM as the gateway to regional exchange trading

DFM Strategic Objectives 2021



DFM Strategic Programs 2021

FIVE PROGRAMS AIMING AT SUSTAINING A STABLE FINANCIAL PERFORMANCE AND DIVERSIFYING SOURCES OF INCOME



**INCREASING TRADE VOLUMES
PROGRAM VIA FULL TRADE
TYPE OFFERINGS**



**ENHANCING EQUITY LISTING
PROGRAM AND SUPERIOR
SERVICES**



**MAXIMISING INVESTOR SERVICES
TO MEET EVOLVING NEEDS**



**UPLIFTING CSD FUNCTION AND
PROCESSES**



**ADVANCEMENT OF
TECHNOLOGICAL SOLUTIONS**

STAKEHOLDERS' VALUE

Post-Trade Functions Development

As part of a comprehensive development of the post-trade functions and in line with the international best practices, the DFM PJSC shareholders ratified establishing independent subsidiaries for the clearing & settlement, and the depository businesses.

| Key Benefits | Main Impact |
|------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Enhanced Efficiency in Operational Performance improve liquidity | <ul style="list-style-type: none"> • 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 | <ul style="list-style-type: none"> • Enhanced risk management by ring-fencing risk through creating separate legal entities. |
| Compliance with Regulations and International Best Practice | <ul style="list-style-type: none"> • Comply with SCA's regulations regarding CCP which requires a separate legal entity for the CCP business license. • Comply with SCA's CSD regulations will also require a separate legal entity for CSD business license. • Comply with international best practice recommendations. |

DFM's Diversified Product Offering

Multiple product and service offerings leading to diversified revenue streams

Listing

- Equities
- ETFs
- Sukuks/ Bonds
- Mutual Funds
- Equity Derivatives (currently traded through Nasdaq Dubai & DFM in progress)
- Rights Issues
- REITs (in progress)

Listing Mechanisms: Public listing, Private listing and Dual Listing

Trading Tools

- Margin Trading
- Regulated Short Selling
- Equities Repos Settlement
- Block Trade
- Special Trade
- Online Trading Tools
- Allocation Account

One Trading Platform Serving Various Markets: DFM, Nasdaq Dubai and Free Zone (in progress)

Post Trade

- Clearing
- Settlement
- Pledge Services
- Securities Lending & Borrowing
- Settlement of Repos on DFM listed shares
- Transfer of margined securities between trading members

CCP and CSD (in progress)

Market Data

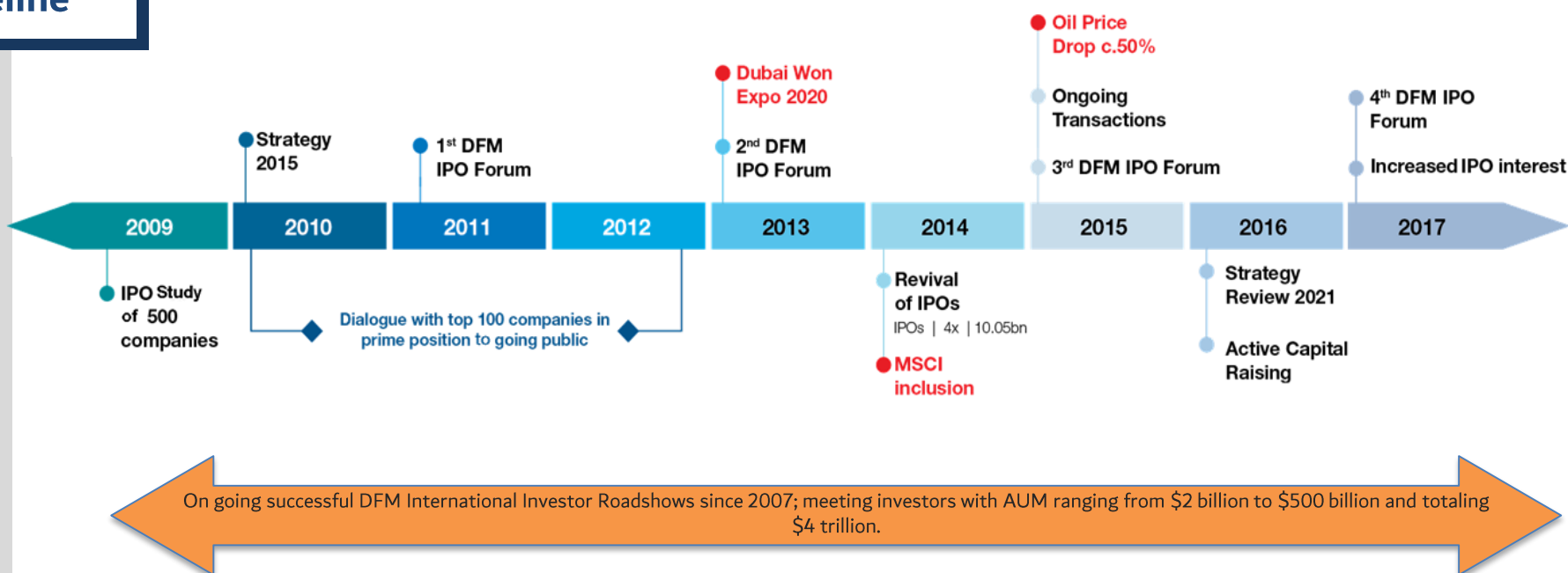
- Real-time and historical data
- Indices

Investor and Issuers Services

- Custody
- eIPO
- iVESTOR
- Electronic Dividend Payment Services
- Issuers' Support Program
- International Roadshows
- AGM / EGM Services & Voting Services
- Share Book Services
- XBRL (in progress)
- eSAR Services
- efsah Electronic Disclosure Services
- Links with foreign CSDs for dual listings

Nasdaq Dubai launched Derivatives trading in September 2016.

Strategic Milestones Building Strong IPO Pipeline

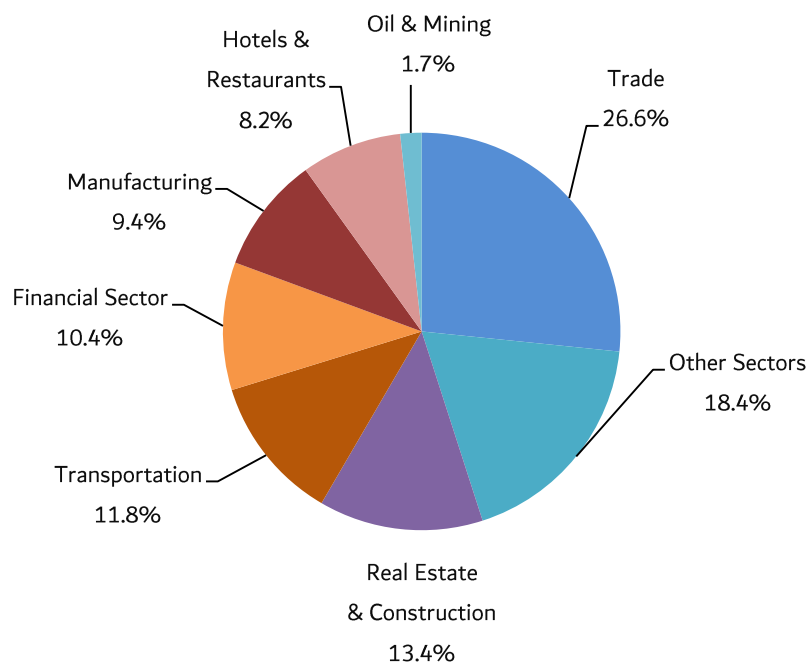


Sectors Mix of Dubai's GDP vs. DFM's

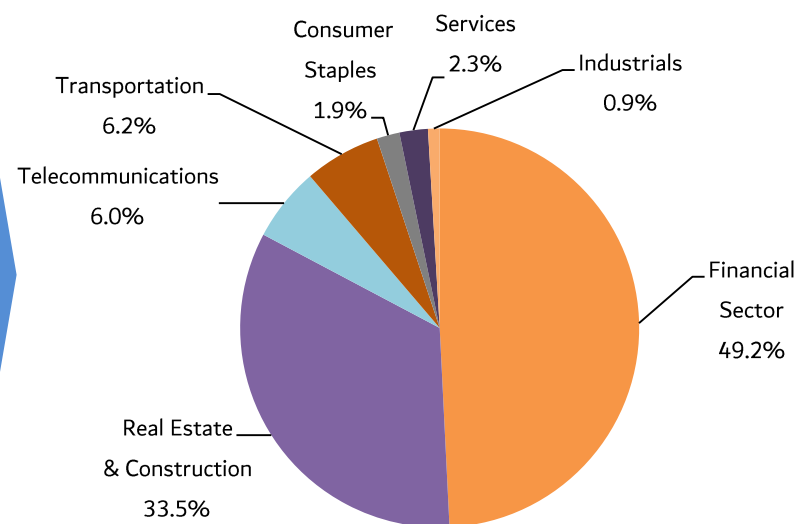
DFM's IPO pipeline strategy aims at a better reflection of Dubai's GDP mix.

- Unlike the economy, the DFM market is dominated by the Financial sector and the Real Estate and Construction sector. These sectors collectively represent 24% of the economy vs. 83% of the market capitalisation, by end of FY 2017.
- This represents significant opportunities for DFM as there is a diversified pool of sectors and companies to be listed in the future.

Dubai Real GDP Breakdown - FY 2017*



DFM Sectors Breakdown¹ - FY 2017



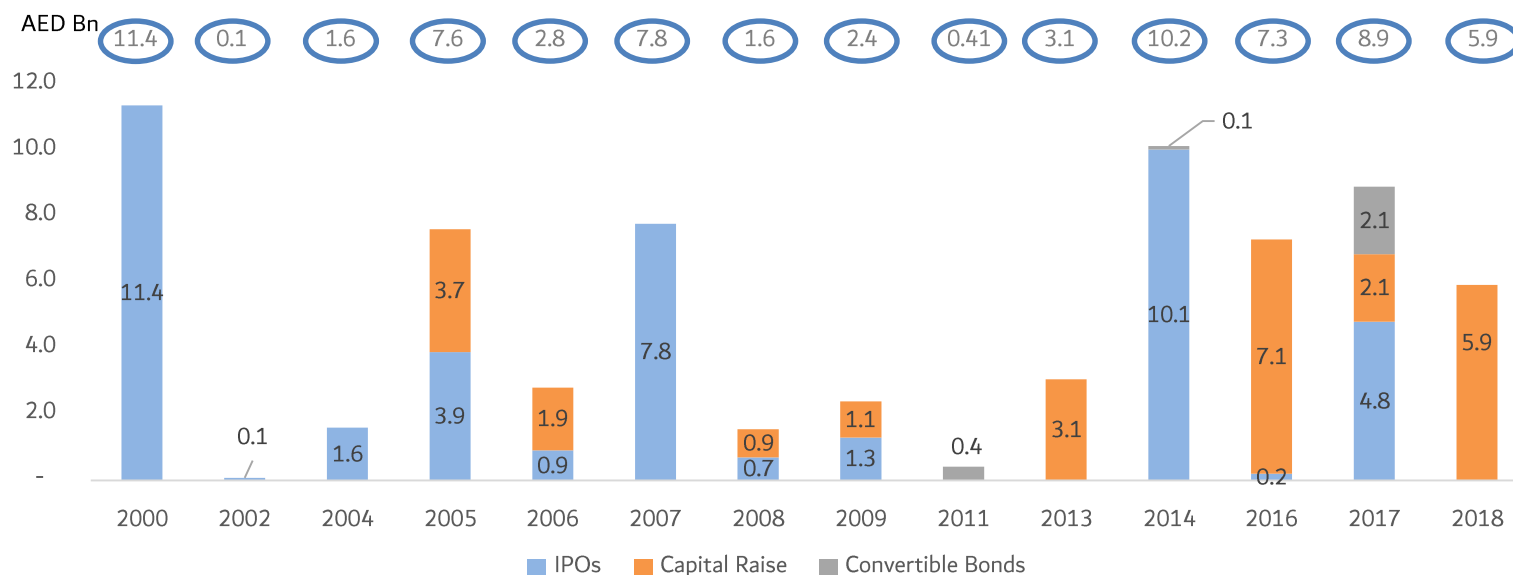
Figures may not add up to 100% due to rounding.

* Source: Dubai Statistics Centre Preliminary Estimates FY 2017.

¹ Sector Breakdown is by market cap.

Issuer Transactions 2000 – 2018

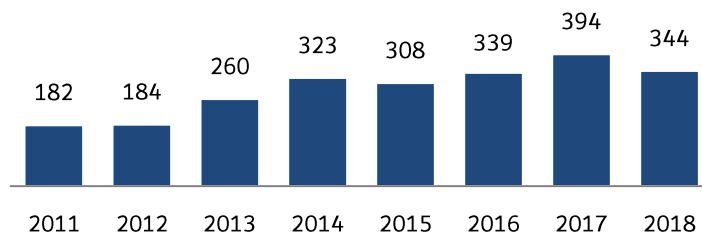
Funds raised on DFM reached AED 70+ billion (inception – end of 2018)*



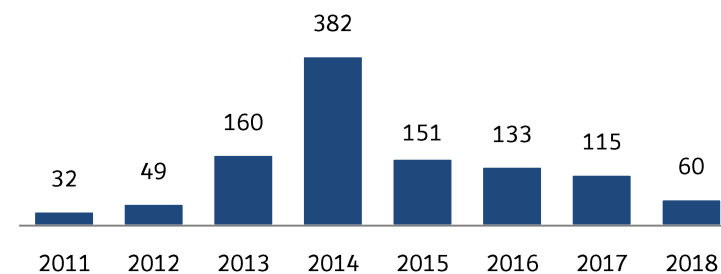
*Total funds raised represent the floated amounts in AED.

Operational Highlights

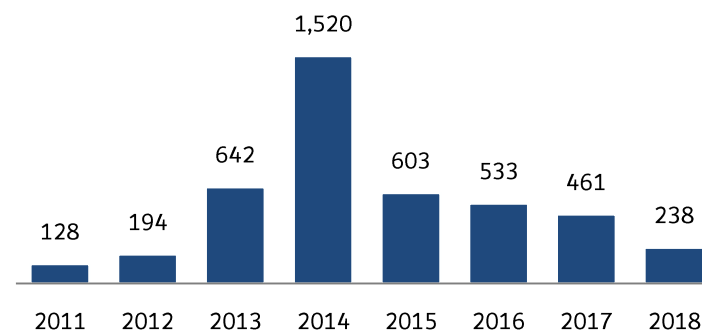
Market Capitalization (AED bn)



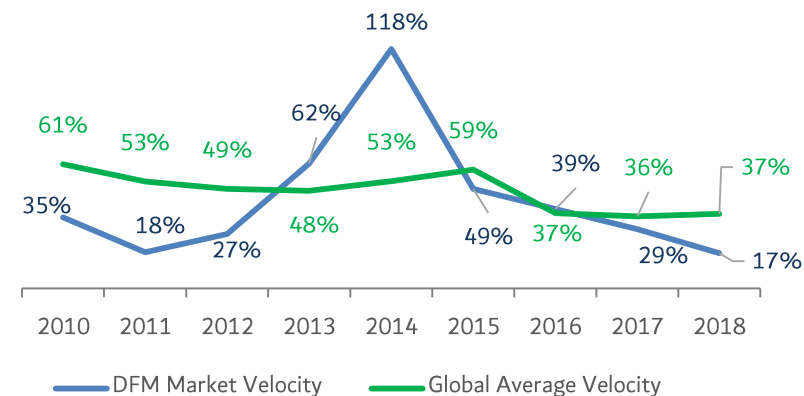
Total Traded Value (AED bn)



ADTV (AED mn)



Market Velocity¹ (%)



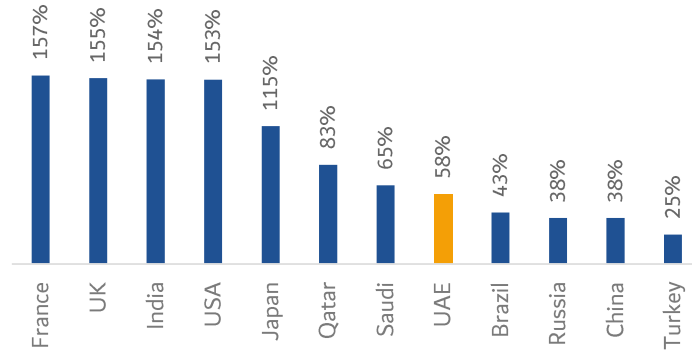
Note: Figures exclude Nasdaq Dubai

¹ Velocity is calculated as annualized trade value/end of period market capitalization.

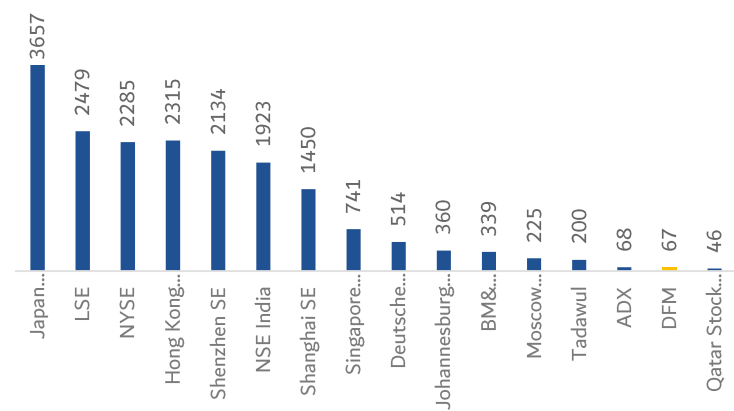
Source for Global velocity figures is World Federation of Exchanges.

DFM Presents Significant Growth Opportunities

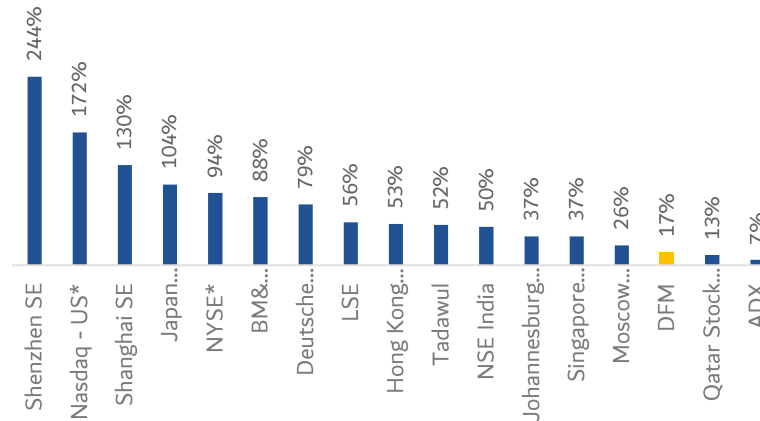
Equity Market Capitalisation to GDP¹



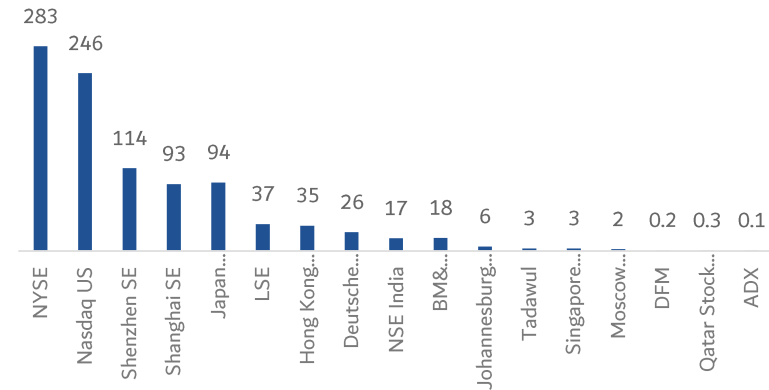
Number of Listed Companies²



Equity Market Velocity³



ADTV (AED bn)²



Source: Euromonitor, World Bank, World Federation of Exchanges.

¹ Based on Dec 2017 market capitalization over 2017 nominal GDP (current prices).

² Data is updated till Dec 2018, except for Abu Dhabi until August 2018.

³ Data is updated till Dec 2018.

* Velocity for this exchange is calculated as annualized trade value/end of period market capitalization.

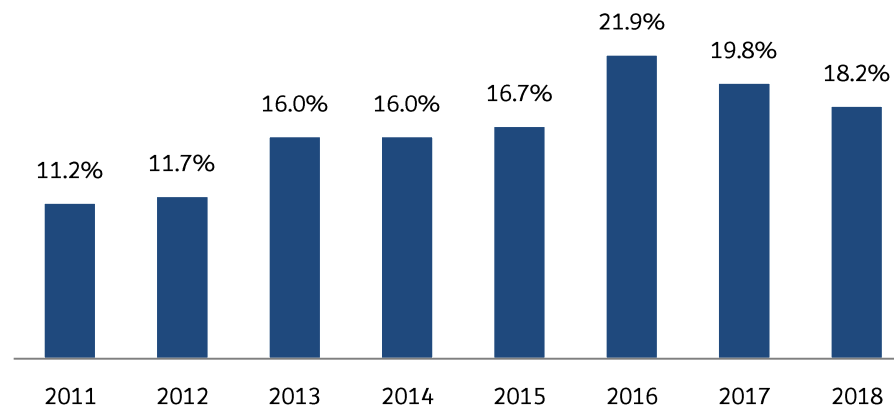
Continued Foreign Investor Interest

- DFM continues its efforts, in co-operation with issuers and investment banks, to attract foreign investors' interest in DFM listed companies.
- UAE was classified as a global emerging market in 2014 by MSCI and S&P Dow Jones.
- Net foreign investment flowing to the DFM market during 2014 was AED 4 billion (excluding Arab and GCC nationals).
- Foreign investors continue to show confidence in the quality and diversity of investment opportunities that the DFM offers.

Foreign Investors' Trading Share



Foreign Ownership (% of Market Cap)

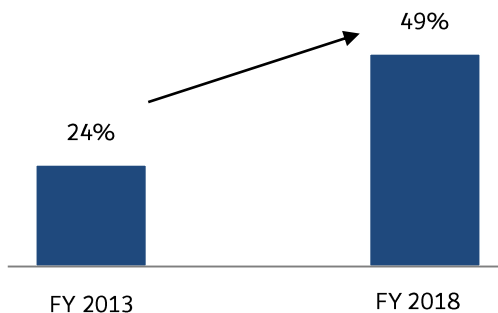


Source: DFM analytics.

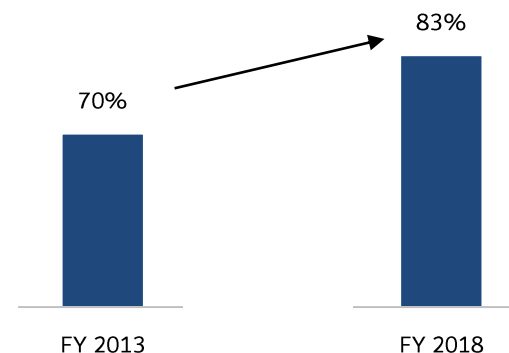
Note: Foreign investors defined as non-UAE investors. Figures excluding Nasdaq Dubai.

Increasing Institutional Investor Base

Institutional Trading Share (%)



Institutional Ownership (% of Market Cap)



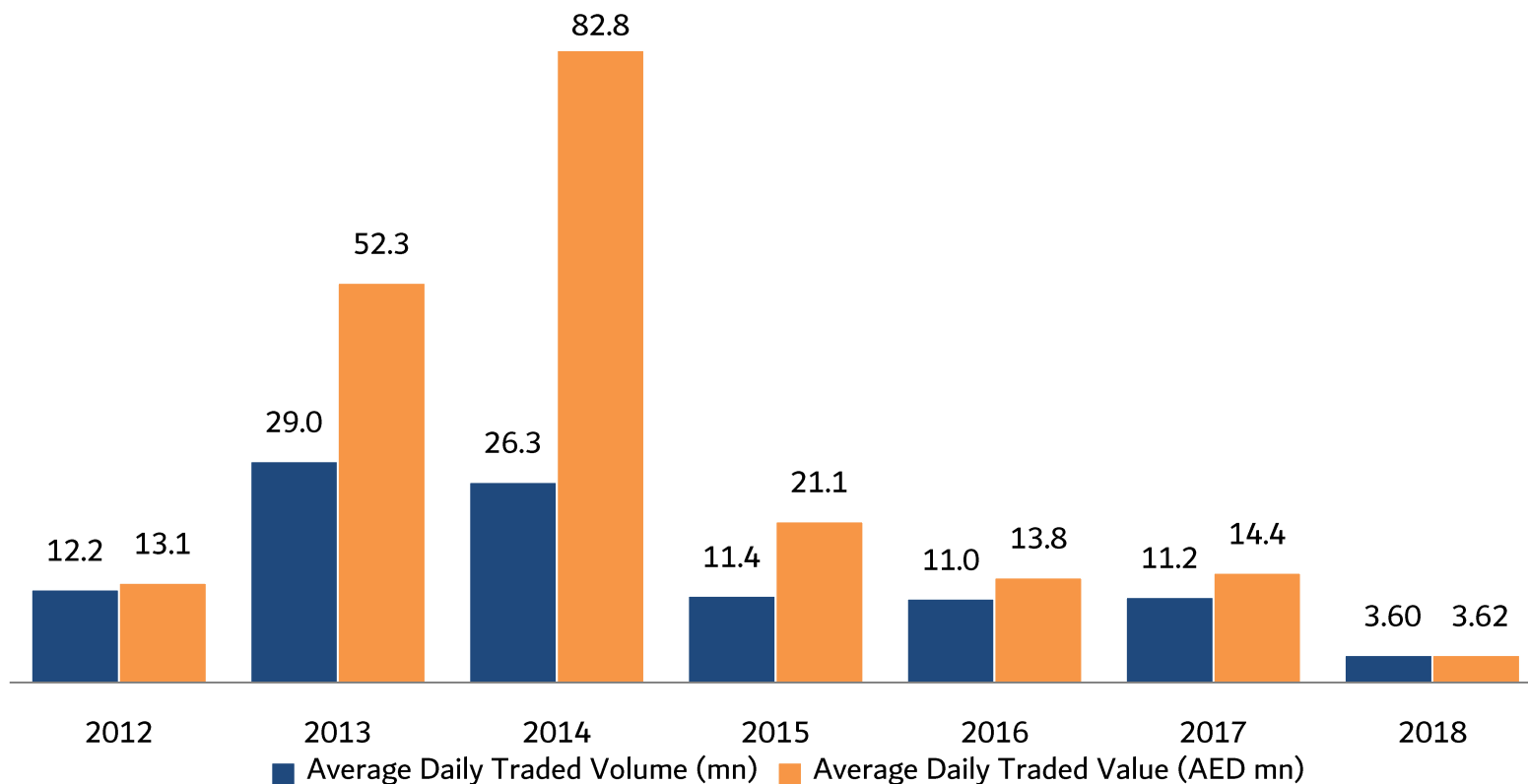
Commentary

- The DFM has attracted an increasing institutional investor base, in light of the sound national economy and the continuous improvement of listed companies' performance.
- Institutional investors own 83% of the stocks listed on the DFM by the end of FY 2018.

Source: DFM analytics.
 Note: Figures excluding Nasdaq Dubai.

DFM PJSC Stock Trading Activity

DFM PJSC is one of the most Liquid Stocks on the Exchange

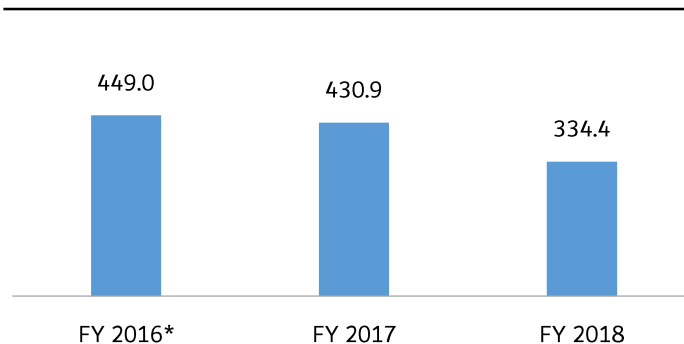


Source: DFM analytics.

Financial Highlights

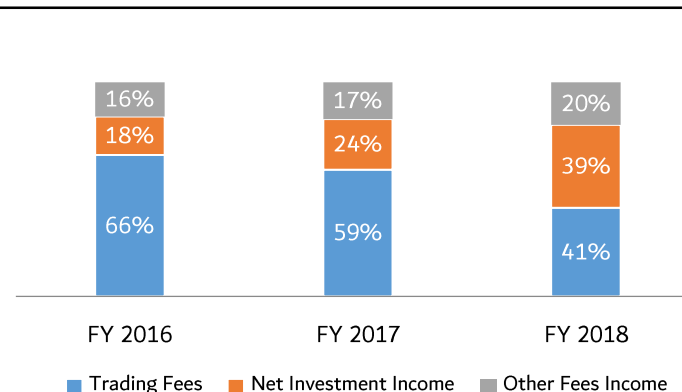
- DFM continues to provide advanced and innovative products/services as part of its strategy to diversify revenue streams and increase non-trading commission income.

Recurring Revenue (AED mn)

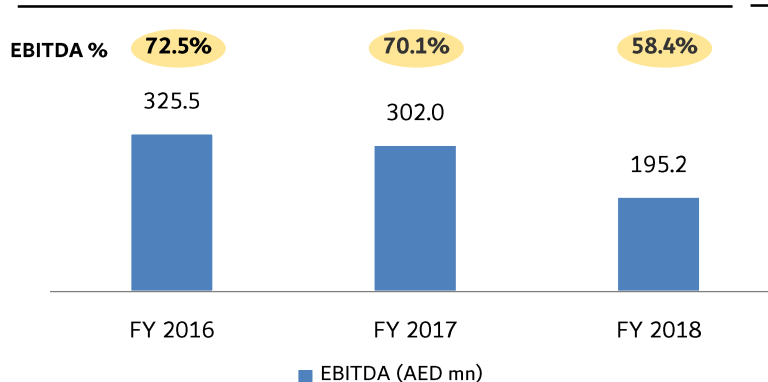


* 2016 revenue is adjusted to exclude a one-off additional income due to gifted land in the amount of AED 231.3m against the provision for impairment of an investment deposit in the amount of AED 226m.

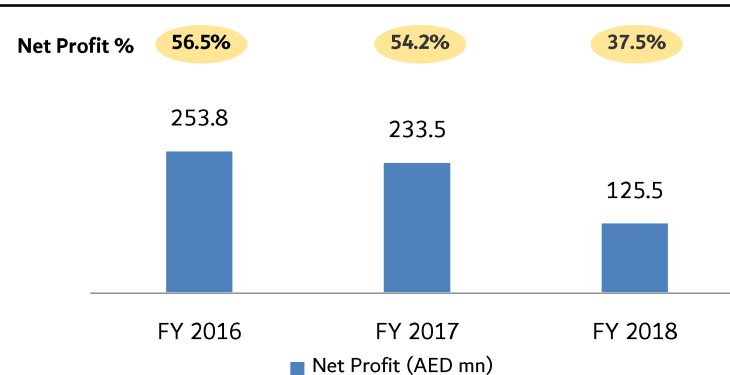
Total Revenue Mix (%)



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.

Stable Expense Base

Breakdown in AED mn

Total expenses (AED mn)

197.4

208.9

■ Interest Expense

■ Rent

■ Maintenance

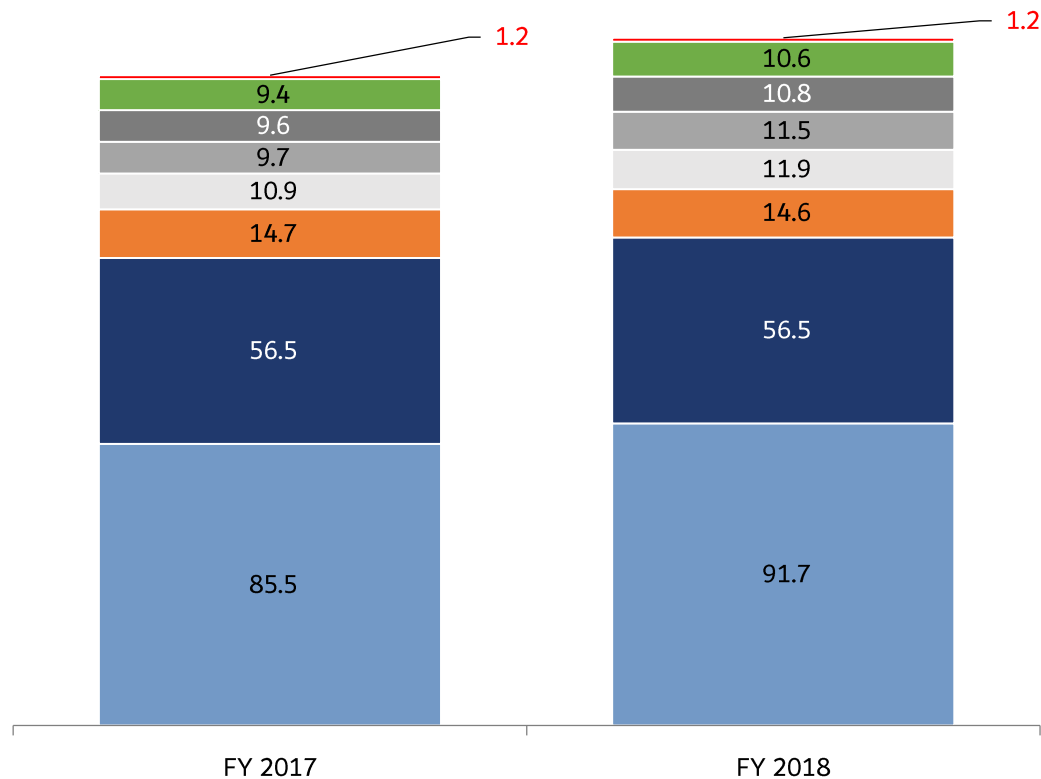
■ Others

■ Depreciation

■ General & Administrative
Expenses

■ Amortization of Intangible
Assets

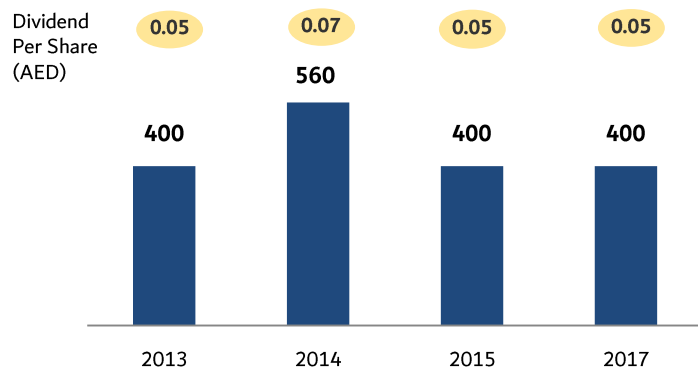
■ Payroll & Other Benefits



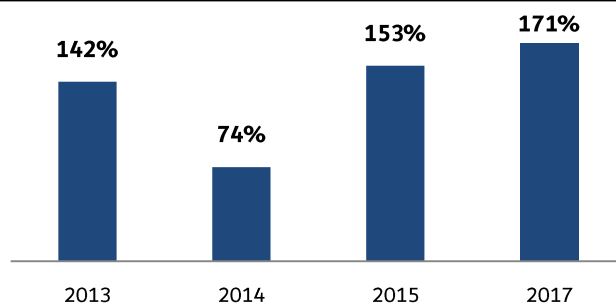
Note: Consolidated expenses; some figures & percentages might not totally add up due to rounding.

Dividend Payout History

Dividends (AED mn)



Dividend Pay-out (% of Net Profit)¹



Note: Consolidated financial statements

¹ Calculated as dividend (paid following year) divided by the net profit of the year. 2016 Dividends were retained.

Selected Balance Sheet Items

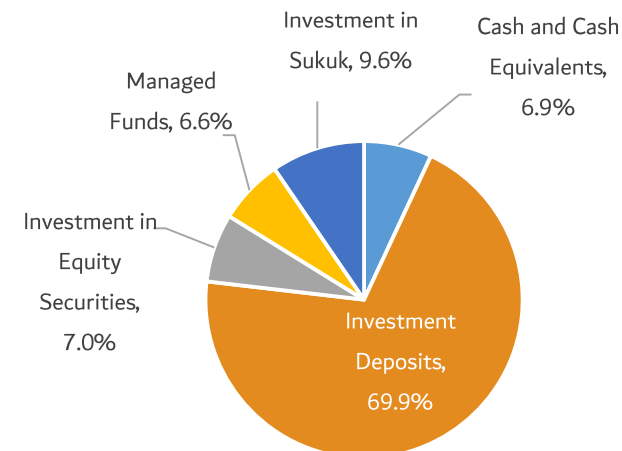
| (AED mn) | FY 2017 | FY 2018 |
|-----------------------------------------------------------|---------|---------|
| Investment Deposits | 2,582 | 2,830 |
| Financial Assets Measured at Fair Value & Amortised Costs | 951 | 938 |
| Goodwill | 2,879 | 2,879 |
| Other Intangible Assets | 2,203 | 2,147 |
| Property and Equipment | 275 | 294 |
| Total Assets | 9,427 | 9,443 |
| Total Equity | 8,161 | 7,783 |

Strong Balance Sheet with Significant Financial Assets

Main Financial Assets

| (AED mn) | FY 2018 |
|------------------------------------------------------------------------------------|--------------|
| Cash and Cash Equivalents | 281 |
| Investment Deposits | 2,830 |
| Less than 3 Months | 87 |
| Up to 1 Year but More than 3 Months | 2,378 |
| More than 1 Year | 365 |
| Other Financial Assets Measured at Fair Value – (FVTOCI) and Amortized Cost Sukuks | 938 |
| Investment in Equity Securities | 283 |
| Managed Funds | 268 |
| Investment in Sukuk | 387 |
| Total | 4,049 |

Main Financial Assets Breakdown FY 2018



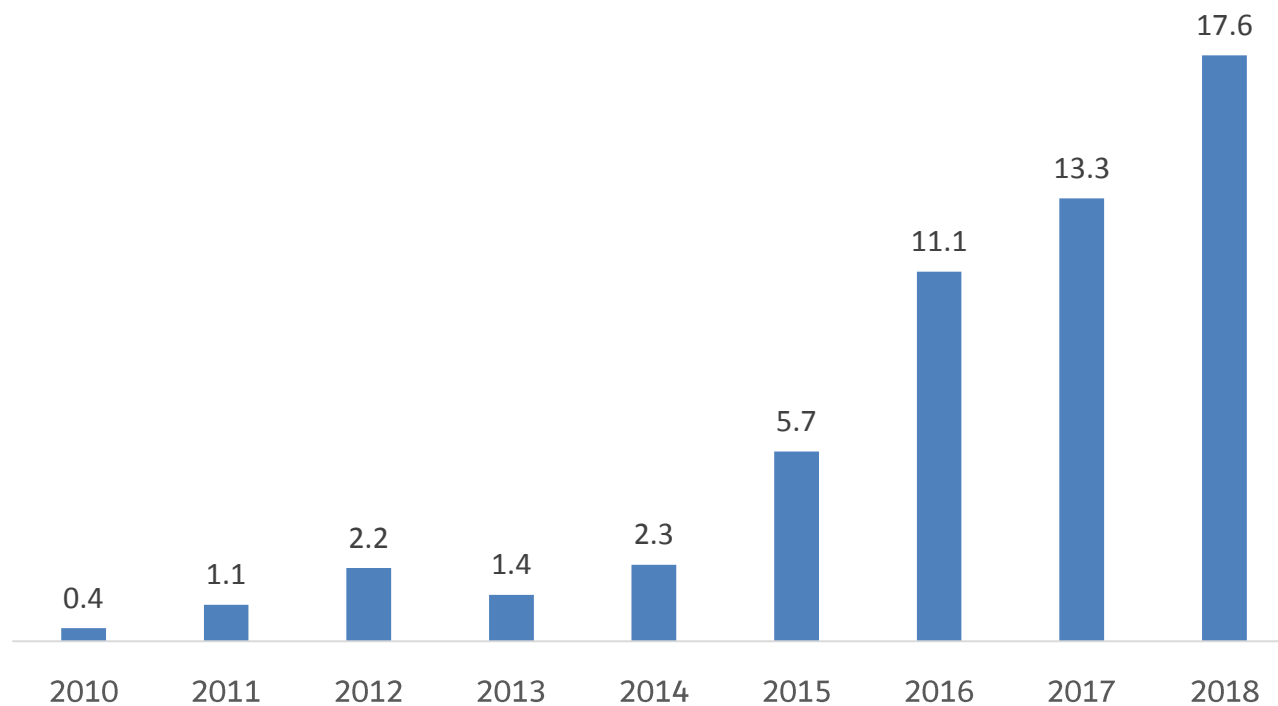
Commentary

- Investment deposits are placed with financial institutions in the UAE, with profit rates ranging from 3% to 4.1% per annum.
- Investment in Sukuk in the UAE matures in 4-9 years and carries a fixed profit rate of 4.5% - 5.1% per annum.
- 97% of the other financial assets are invested within the UAE.

Note: Consolidated financial statements

Issuers Dividends (AED bn)

**Strong
Track Record
of Issuers
Dividend
Management**



DFM managed 100% of issuers dividends, majority of which were paid electronically.

APPENDICES

DFM Consolidated P&L

| (AED mn) | FY 2017 | FY 2018 |
|------------------------------------------|---------|---------|
| Trading Commission Fees | 255.3 | 138.2 |
| Brokerage Fees | 21.0 | 21.6 |
| Clearing, Settlement and Depositary Fees | 36.9 | 26.0 |
| Listing and Market Data Fees | 9.8 | 9.5 |
| Other Fees | 6.0 | 7.9 |
| Operating Income | 329.0 | 203.2 |
| Investment Income | 101.4 | 129.8 |
| Other Income | 0.5 | 1.4 |
| Total Income | 430.9 | 334.4 |
| Payroll and Other Benefits | (85.5) | (91.7) |
| Other General & Administrative Expenses | (33.9) | (36.9) |
| Rent | (9.4) | (10.6) |
| Depreciation | (10.9) | (11.9) |
| Amortization of Intangible Assets | (56.5) | (56.5) |
| Interest Expense | (1.2) | (1.2) |
| Total Expenses | (197.4) | (208.9) |
| Net Profit for the Year | 233.5 | 125.5 |
| Attributable to: | | |
| Owners of the Company | 232.9 | 125.5 |
| Non-controlling Interest | 0.6 | 0.046 |
| EPS (AED) | 0.029 | 0.016 |

Note: Consolidated financial statements, where some figures & percentages in the slide might not totally add up due to rounding.

Relationship with Nasdaq Dubai & Regulatory Authority

Regulatory Authorities

Securities & Commodities Authority (SCA)
(UAE Regulations)

Dubai Financial Services Authority (DFSA)
(International Regulations)

Stock Exchanges

ADX

ADX
سوق أبوظبي للأوراق المالية
ABU DHABI SECURITIES EXCHANGE

DFM

DFM
سوق دبي المالي

Nasdaq Dubai

Nasdaq Dubai

Ownership Structure

حكومة أبوظبي
THE GOVERNMENT OF ABU DHABI

100%

ADX
سوق أبوظبي للأوراق المالية
ABU DHABI SECURITIES EXCHANGE

Borse Dubai

79.62%

33.33%

20.38%

Public Stake

DFM
سوق دبي المالي

66.67%

Nasdaq Dubai

New Company Law Supporting IPO Market

| Requirements | Old | New |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| Offer Size | <ul style="list-style-type: none"> Not be less than AED 10 million | <ul style="list-style-type: none"> Not be less than AED 30 million |
| Founders Hold | <ul style="list-style-type: none"> Founders hold not less than 20% and not more than 45% of the total authorized Share Capital | <ul style="list-style-type: none"> Founders hold not less than 30% and not more than 70% of the total authorized Share Capital |
| Refund Days | <ul style="list-style-type: none"> Two weeks | <ul style="list-style-type: none"> 5 Days |
| Sell Down | <ul style="list-style-type: none"> Not allowed | <ul style="list-style-type: none"> Max. 30% from the capital |
| Subscriptions Period | <ul style="list-style-type: none"> 90 Days | <ul style="list-style-type: none"> 30 Days |
| Pricing | <ul style="list-style-type: none"> Fixed price only - Book Building allowed by regulatory approval | <ul style="list-style-type: none"> Book Building is now available for the companies as an another option with fixed price |
| Employee Stock Option | <ul style="list-style-type: none"> Not recognized | <ul style="list-style-type: none"> Allowed |
| Foreign Ownership Limit | <ul style="list-style-type: none"> 49% maximum foreign ownership | <ul style="list-style-type: none"> 49% maximum foreign ownership but some exceptions can be granted upon ministerial decision |

Notes:

- Only changes associated to IPO related matters are listed above.
- The above excludes Government owned entities as they may have special exemptions.

Investor Relations Contacts

For additional Investor Relations information:

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