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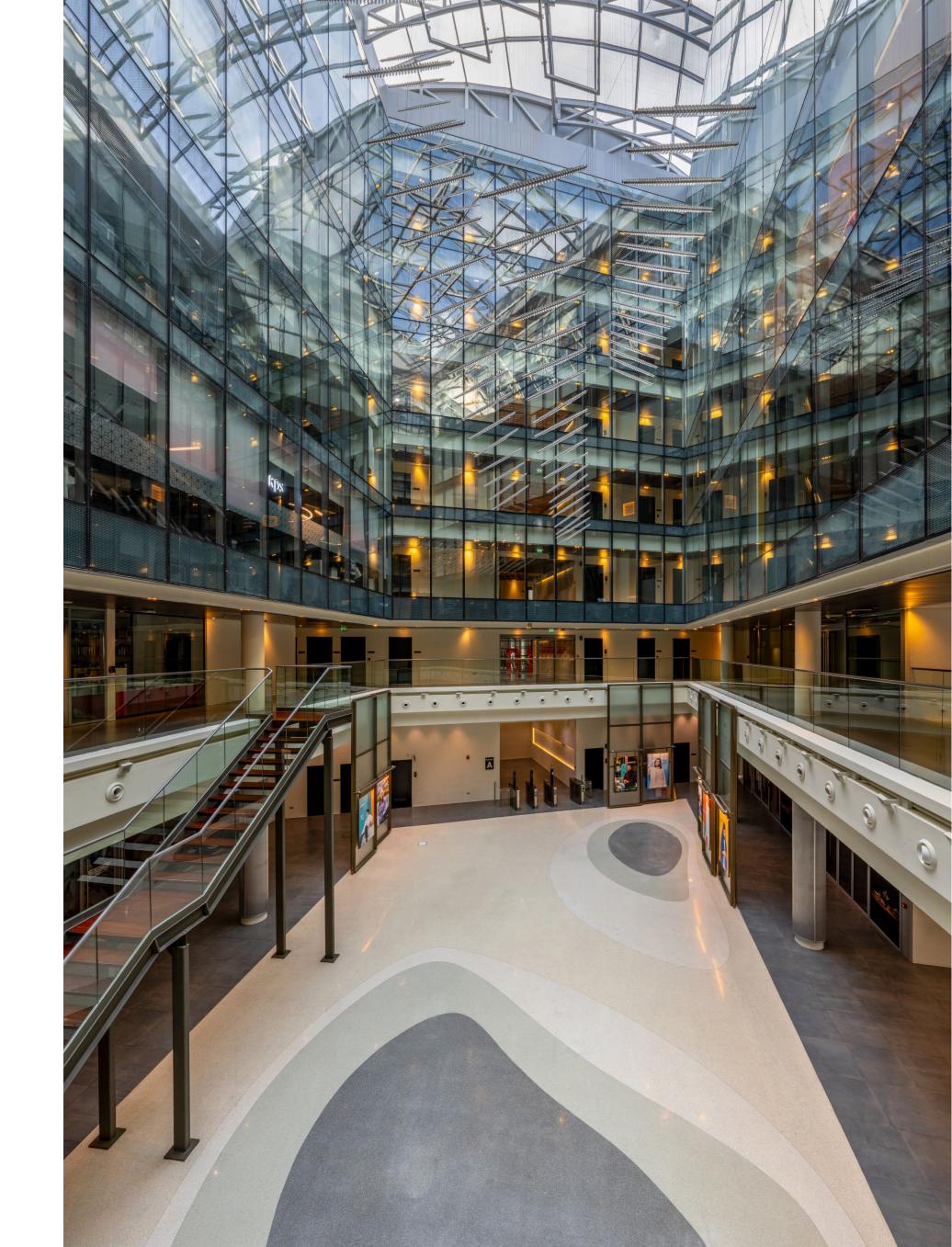
### TECOM GROUP MANAGEMENT PRESENTING





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# DUBAI'S ECONOMY POISED FOR STRONG GROWTH IN 2024, UNDERPINNED BY NON-OIL GROWTH, SUPPORTED BY "D33"

#### **DUBAI'S ECONOMY EXPANDED AT A STEADY PACE IN 2023**

- Dubai's economy registered a 3.3% YoY growth in first 9M of 2023 (Source: Dubai's Department of Economy and Tourism)
- Central Bank anticipates UAE economy to expand 3.1% YoY in 2023 with non-oil GDP growth expected to register a strong 5.9% YoY growth (Source: UAE Central Bank)

## BUSINESS ACTIVITITY ENDED THE YEAR ON A VERY STRONG NOTE

- S&P Global Dubai PMI survey ticked up to 57.7 in December 2023, the strongest performance for the Dubai non-oil sector in 16 months as business activity and new orders all increased, reflecting robust business confidence and private sector expansion.
- Pipeline of activity is encouraging, which is expected to support growth momentum into 2024.

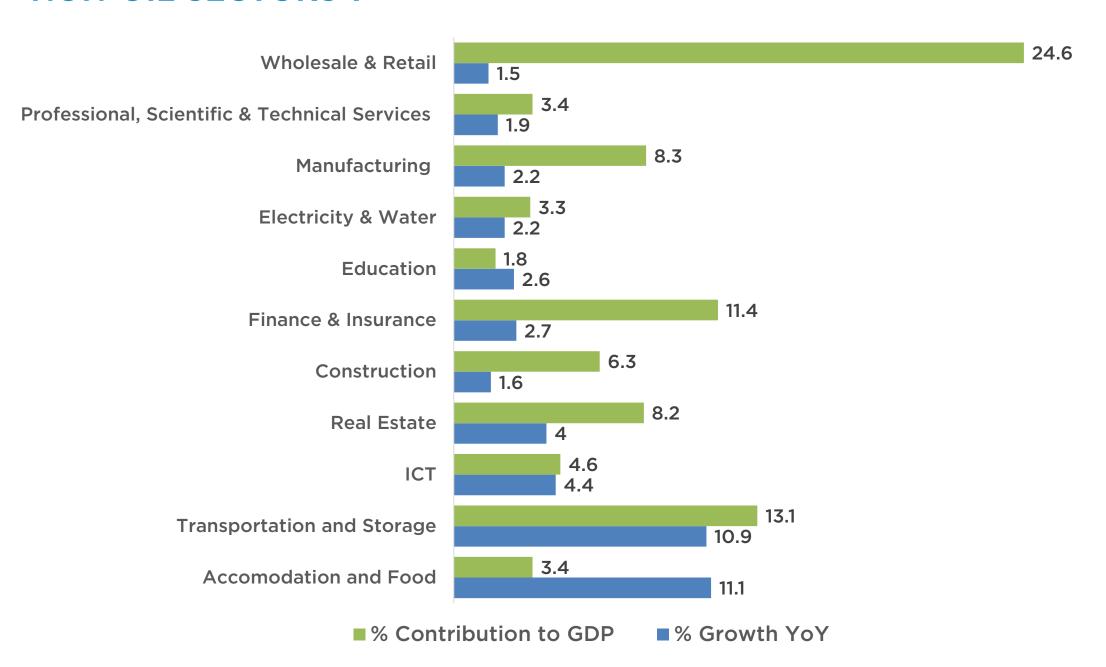
## SURGE IN NUMBER OF NEW BUSINESS AND ROBUST POPULATION GROWTH

- Over 30,000 new businesses opened in Dubai during H1 2023, driven by a surge in interest from entrepreneurs in Asia, Central Asia and MENA market. (Source: Dubai Chamber of Commerce)
- Dubai's population has hit an all-time high of 3.6 million as of July 2023, up 3% YoY driven by increase in number of expatriates

## THE UAE IS EXPECTED TO ACCELERATE ECONOMIC GROWTH IN 2024

• UAE Central Bank has revised upward UAE's projected GDP growth in 2024 to 5.7% (from previously projected 4.3%) on expected higher oil production and continued expansion in non-hydrocarbon activities.

## ... WITH STRONG GROWTH & CONTRIBUTION FROM KEY NON-OIL SECTORS\*:



# Dubai Economic Agenda "D33" will continue to catalyze economic growth and diversification and enhance Dubai's global positioning for talent, business and capital

- Almost a year into the launch of D33 and the ambitious economic plan has spurred economic growth, diversification and attracted FDI.
- D33 will continue to be a key catalyst of growth for Dubai in 2024 and beyond.

# HEALTHY MACROECONOMIC BACKDROP, PRIVATE SECTOR GROWTH DRIVING DEMAND FOR DUBAI OFFICE SPACES

## ROBUST DEMAND FOR COMMERCIAL REAL ESTATE LIFTS OCCUPANCY RATES

- Grade A office space vacancies within CBD are only 8%, as of Q4 2023\* Robust demand in the office market is being driven by both new market entrants and inquiries linked to expansion plans. Moreover, there is an increasing preference for high-quality office spaces, and the market continues to witness a shift towards sustainable practices\*.
- Number of commercial sales transactions increased 54% YoY to AED 2 billion, and was up 12% QoQ in Q4 2024, demonstrating the robust investor and end-user interest in commercial spaces, driven by an increase in economic activity (Source: Dubai Land Department)

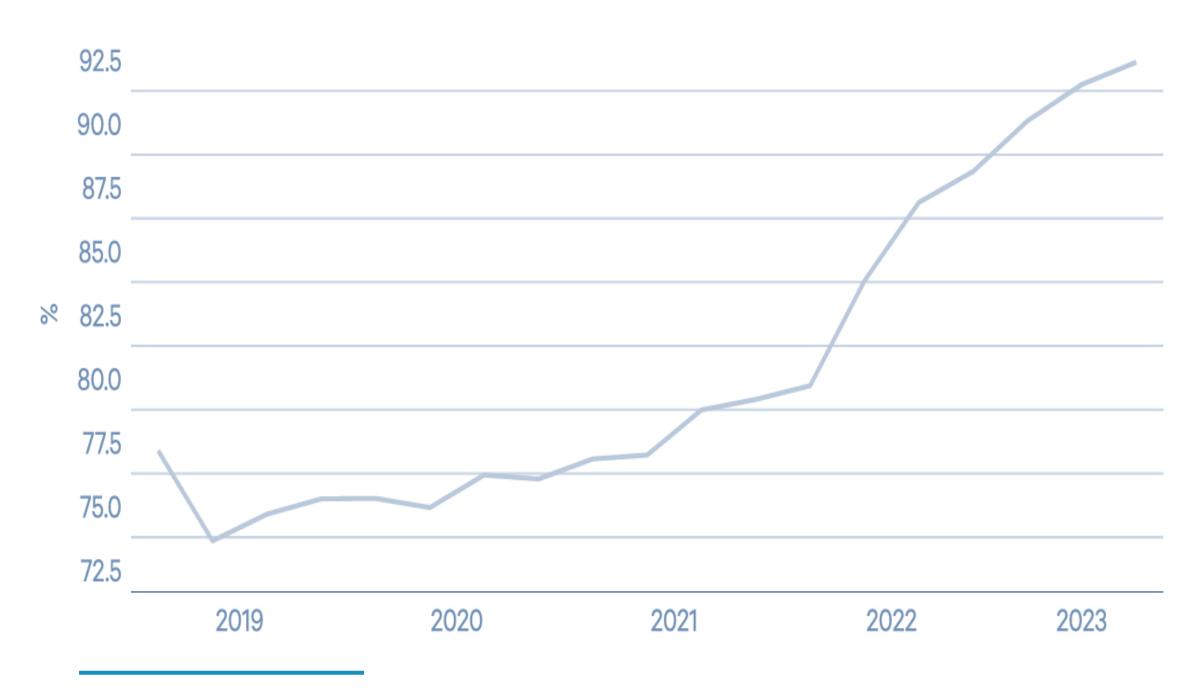
## SUPPORTING STRONG PRICE INCREASE, WITH RENTS IN GRADE A OFFICES REACHING ALL TIME HIGH

In Q4 2023, average Grade A rents within Dubai's CBD increased by 15% YoY to AED 2,425 per sq. m. per annum. According to JLL, these rates set a new market record, surpassing the previous high of 2016 by nearly 6%\*

## QUALITY SUPPLY REMAINS RESTRICTED, PRESENTING OPPORTUNITY FOR NEW PROJECTS

- In 2023, approximately 92,000 sq. m. of gross leasable area (GLA) was delivered in Dubai, with the majority consisting of Grade A specifications, increasing the total stock to 9.2 million sq. m.\*
- The current market presents an opportunity for commercial real estate developers to capitalise on the rising demand by initiating new projects\*

### **DUBAI OFFICES AVERAGE OCCUPANCY RATES (%)\*\***



#### **TECOM'S HOUSE VIEW**

- We continue to see strong demand for quality office space from both our existing and new customers and believe that it will be sustained for the mid term
- Occupancy hit 90% in our CBD, and with expected continued robust demand we believe this is the right time to bring fresh supply to the market

\*Source: JLL \*\*Source:

# STRONG GROWTH IN TRANSPORTATION & STORAGE SECTOR DRIVES DEMAND FOR WAREHOUSING SPACES



### DEMAND FOR WAREHOUSES IS SURGING WHILE SUPPLY REMAINS CONSTRAINED

- Increase in economic activity requiring storage spaces and solutions such as manufacturing, e-commerce, and retail is driving strong demand.
- Supply of quality, strategically located and well-connected spaces remains limited in Dubai, and is driving prices and rental rates higher.

#### **TECOM HOUSE VIEW**

- We continue to see strong demand for storage and logistics spaces from our existing and new customers and expect robust demand to be sustained over the mid term.
- Encouraged by robust demand, we are expanding our portfolio of storage and logistics facilities. We already announced the launch of new storage and logistics facilities with a total GLA of c. 200k sq.ft to be developed in Dubai Science Park.



### A COMPELLING INVESTMENT OPPORTUNITY



### Over 20 years

Of experience as Leading player in Dubai's business hub proposition



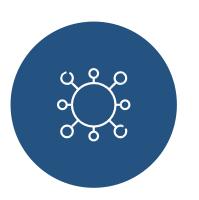
### 11,000+

long-term, loyal and diversified customer base



### **Dividend payout**

Supported by robust and attractive financial profile



### 6 strategic sectors

primed for sustainable growth



## Income-generating assets

In unique, diverse, high-quality portfolio strategically located across Dubai



Clear roadmap
For growth



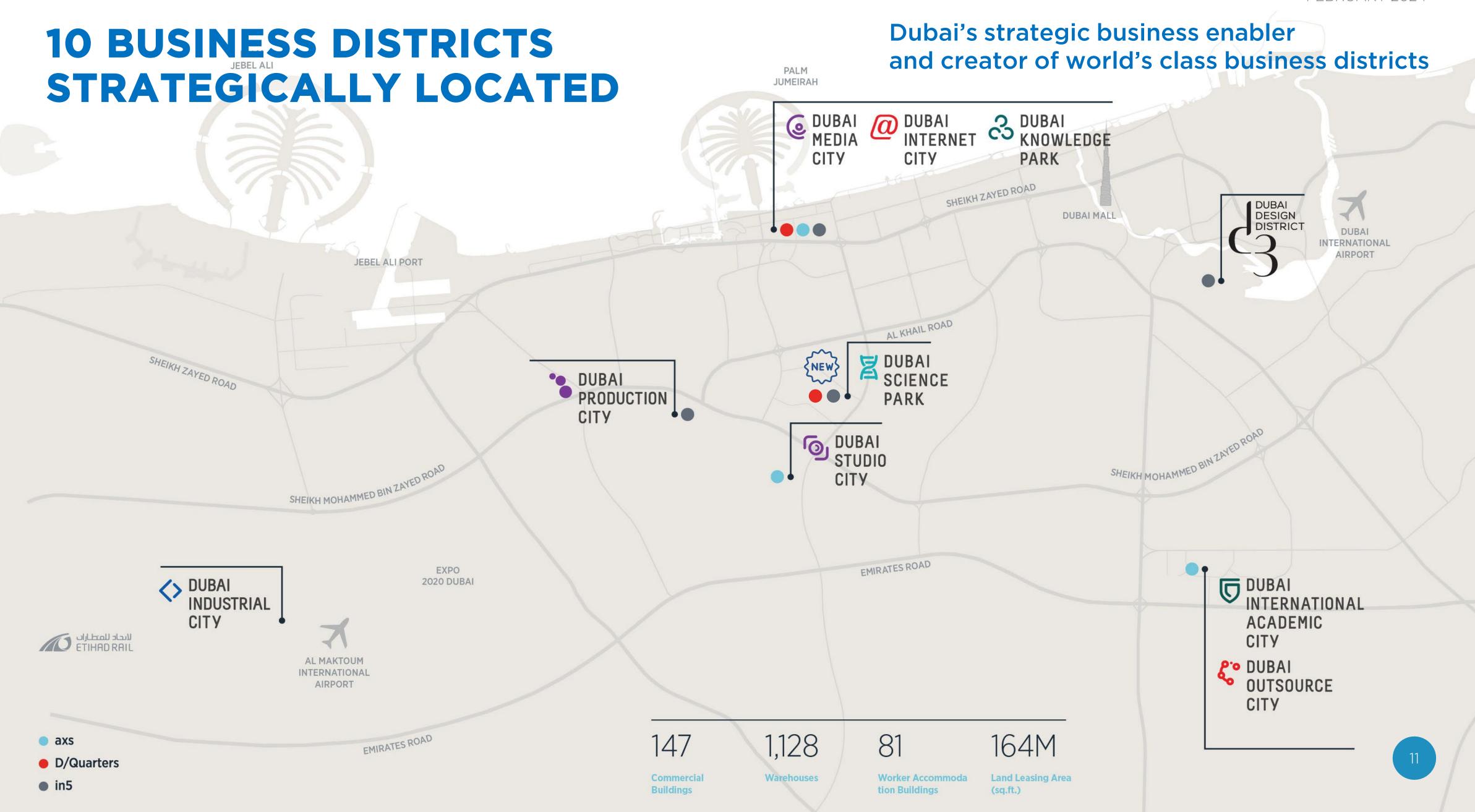
## Robust governance & ESG frameworks

in line with best-in-class standards

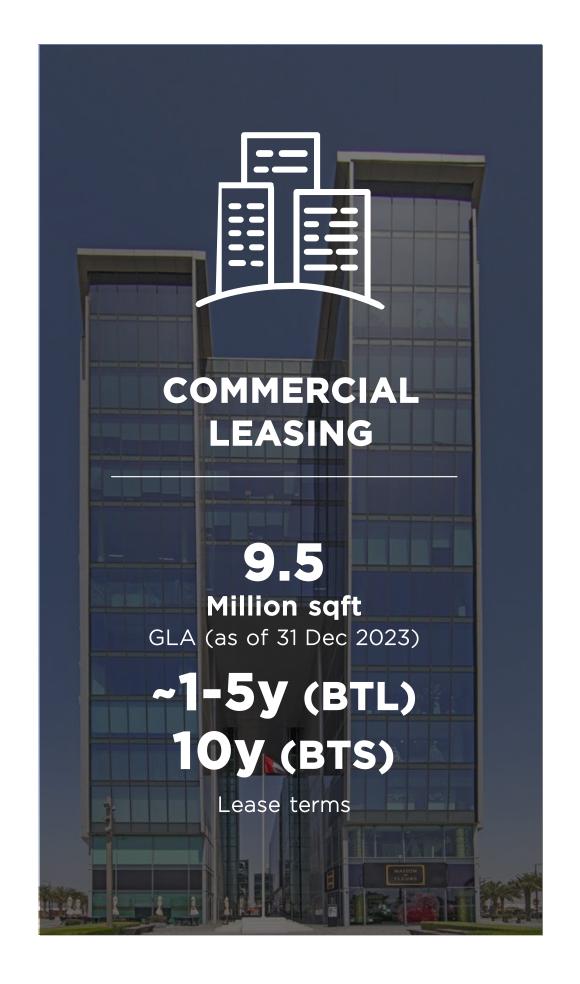


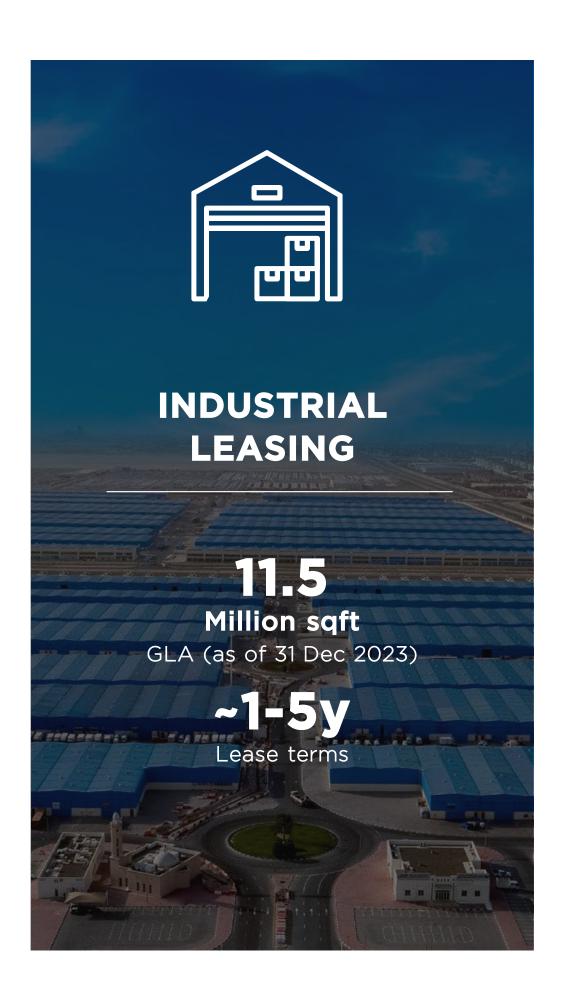
# Dynamic management team

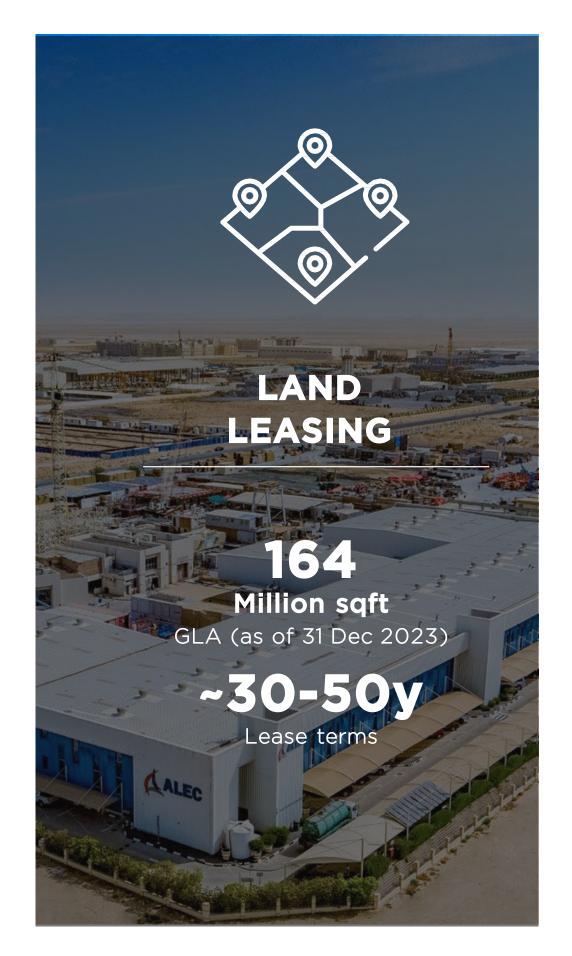
with proven track record and know how in creating and managing industry ecosystems

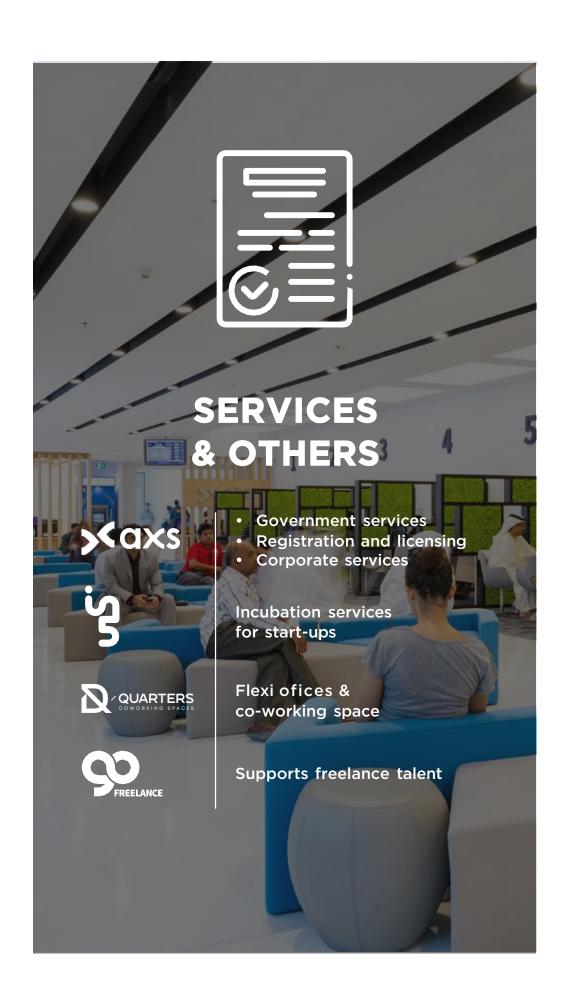


## DELIVERING VALUE THROUGH OUR 4 BUSINESS SEGMENTS









# UNLOCKING SUSTAINABLE GROWTH THROUGH CLEARLY DEFINED OBJECTIVES

### STRATEGIC PILLARS



## OPTIMISE CORE BUSINESS & PERFORMANCE

- Retain and strengthen relationships with customers
- Focus on prudent costs, cashflow and capital management
- Deliver on ongoing BTS and infrastructure programme
- Review and refine pricing to align with market conditions



# DEVELOP DIFFERENTIATED VALUE PROPOSITION

- Deliver a compelling value proposition
- Deliver best-in-class customer experiences
- Identify improvements for selected commercial assets
- Maximize synergies across the TECOM Group ecosystem



# BUILD NEW SOURCES OF GROWTH

- Drive new opportunities in high growth industry segments
- Develop new product offerings in emerging office asset classes
- Expand and challenge existing commercial business models
- Support the development of Dubai's economy and strategic sectors

### STRATEGIC ENABLERS

Build Superior People & Organisational Capabilities

- Attract, retain and develop top talent
- Foster a corporate culture of growth, learning and innovation
- Build delivery capabilities and frameworks to support productivity
- Retain flexibility and agility to adapt to significant market changes



### FY 2023 KEY HIGHLIGHTS

STRONG PROFITABILITY GROWTH SUPPORTED BY RECORD REVENUE AS WE LEVERAGED OUR MARKET LEADERSHIP POSITION, REPUTATION, AND QUALITY PORTFOLIO TO CAPTURE DEMAND-INDUCED MARKET GROWTH



### Record revenue of AED 2.2 billion

driven by strong demand underpinned by an expansionary economy



#### **High occupancy rate of 89%**

(commercial & industrial portfolio)
on increase in number of new customers
and high customer retention rate of
91%



### c. 1,500 new customers added in 2023

from varying industries Including some major companies such as AstraZeneca, Endava, School of Jewelry Arts L'ÉCOLE



### 49% YoY surge in profitability to AED 1.1 billion

driven by strong broad-based growth across the business, cost optimisation, and prudent financial management



# Fair value of investment property portfolio increased by 7.7% from year end 2022, and by 18.2% from IPO

driven by an increase in the value of our operating assets.



#### **Expanded our spaces in DSP**

including opening D/Quarters co-working solutions and launching storage & logistics space with a total GLA of 200,000 sq. ft.



## Attractive annualized dividend yield of 5.8%

as we remain committed to distributing AED 800 million for FY 2023, reaffirming our commitment to distribute AED 800 million for FY 2024

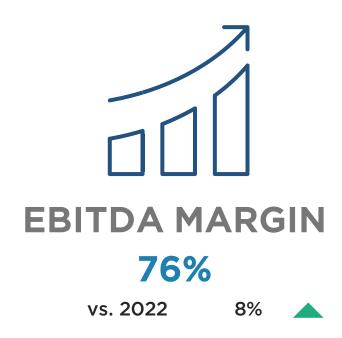


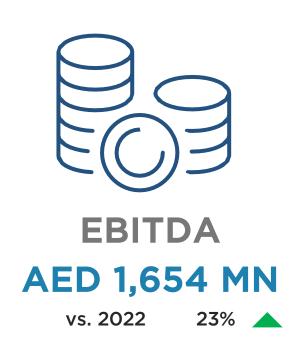
### Significant strides were made across our ESG Framework pillars

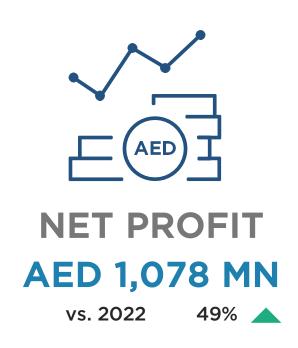
of Economy, Governance, People,
Community and Environment.
With holistic approach to sustainability is
deeply ingrained in our corporate DNA

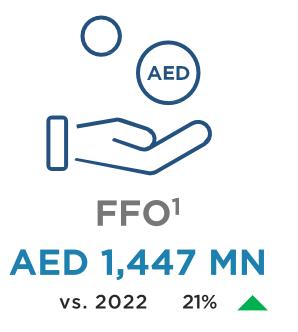
### FINANCIAL HIGHLIGHTS (FULL YEAR 2023)













# OPERATING PERFORMANCE 89%

Consolidated Occupancy (Excluding Land Leasing)

2.4 Years

Overall blended WALT\*
(Weighted of Commercial
[BTS & BTL] and Industrial)

\*WALT: Weighted Average Lease Term

AED 3.2Bn

Available liquidity undrawn corporate facility to fund growth

4.17%

Average Cost of borrowing for 5 years

1.7x

Net debt to LTM EBITDA ratio

12.3%

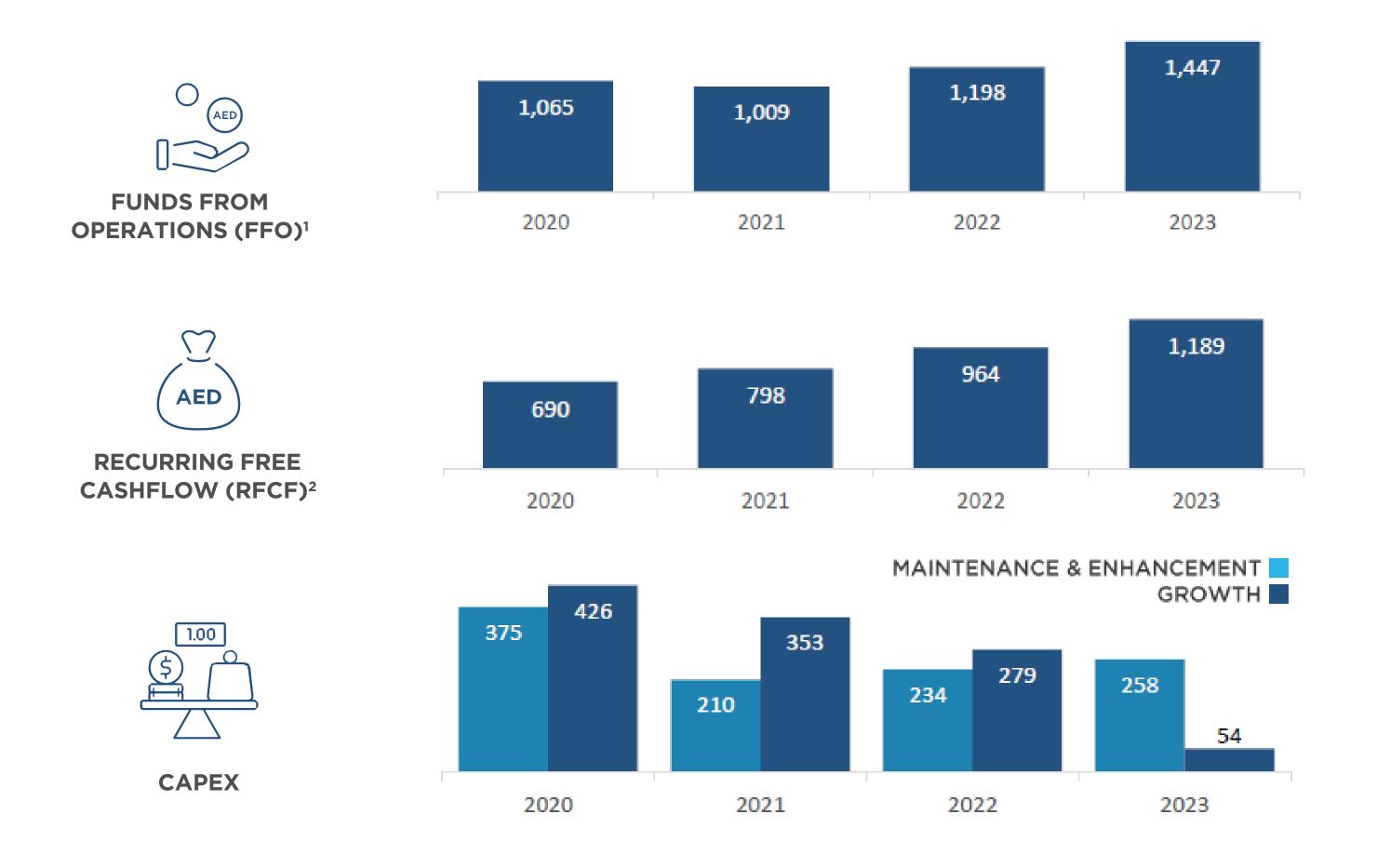
Loan to Value (LTV) ratio of

## FINANCIAL HIGHLIGHTS (QUARTERLY 2023)

	2023	Q1	Q2	Q3	Q4
	REVENUE vs. 2022	<b>AED 514 MN</b> 6% ▲	<b>AED 535 MN</b> 6% ▲	<b>AED 541 MN</b> 10% ▲	<b>AED 579 MN</b> 17% ▲
	EBITDA vs. 2022	AED 399 MN 14% ▲	<b>AED 426 MN</b> 14% ▲	AED 410 MN 13%	<b>AED 419 MN</b> 61% ▲
AED	EBITDA MARGIN vs. 2022	<b>78%</b> 6% ▲	80% 6% ▲	<b>76%</b> 1% •	<b>72%</b> 20% <b>^</b>
	NET PROFIT vs. 2022	<b>AED 255 MN</b> 34% ▲	AED 283 MN* 19% ▲	<b>AED 283 MN</b> 34% ▲	<b>AED 311 MN</b> 259%▲

<sup>\*</sup> Adjusted Net Profit (Excluding the one-off impact from fees associated with refinancing loan facility)

# HEALTHY CASH FLOW GENERATION & INCREASE IN FREE CASH FLOW



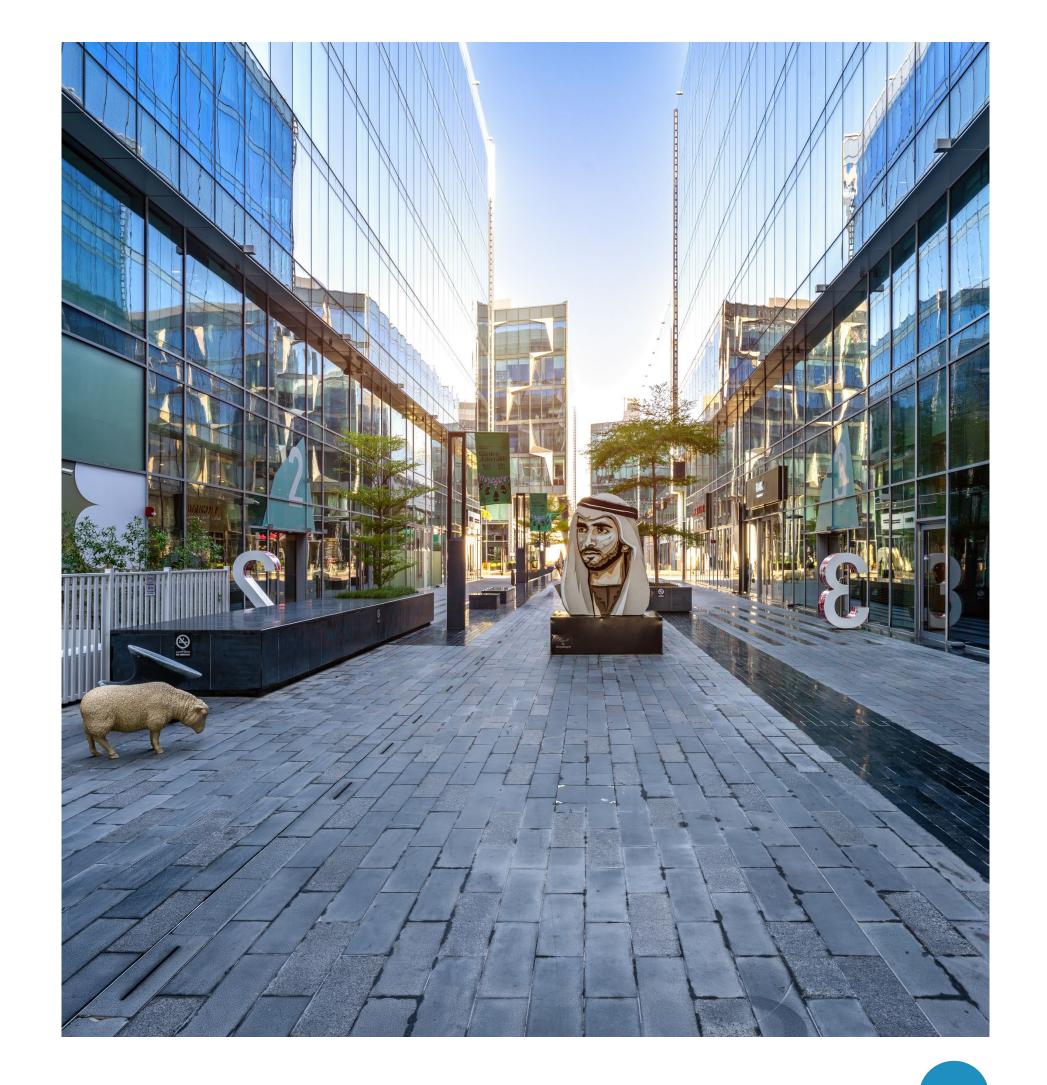
- FFO performance has been vigorous, with a noteworthy 21% growth, underscoring the Group's strong cash generation from core operations
- The Group's recurring free cash flow has consistently demonstrated resilience and effectiveness with a 23% growth and 72% conversion from EBITDA, showcasing its prowess in generating positive cash flow from core operations.
- Continued to invest in the maintenance of our assets, to ensure we maintain superior quality of assets.
- We are actively pursuing expansion opportunities and expect an increase in growth capex in 2024

<sup>1.</sup> Cash flow from operations (including net financing costs) before changes in working capital

<sup>2.</sup>FFO minus maintenance and enhancement capital expenditure

### **BALANCE SHEET**

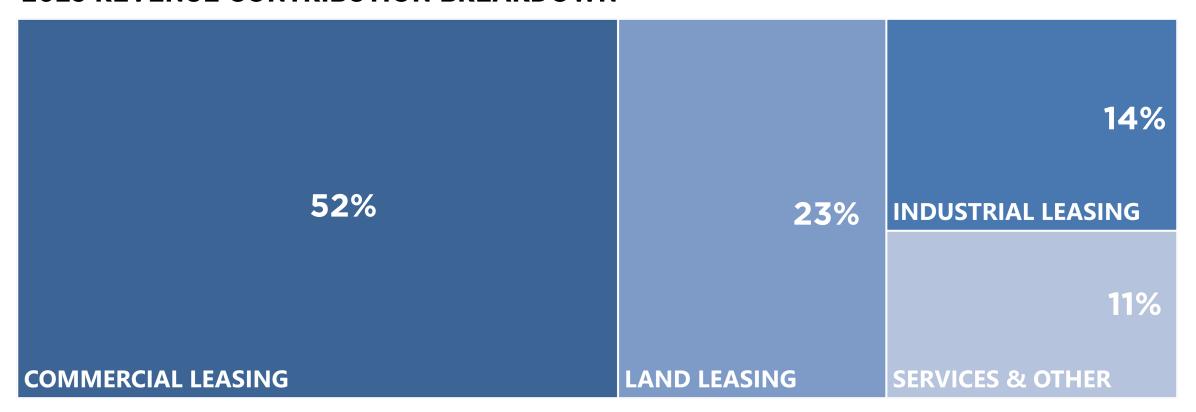
DESCRIPTION	31 DEC 2023	31 DEC 2022	YoY CHANGE %
PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS	114	116	-2%
INVESTMENT PROPERTY	11,865	11,874	0%
DERIVATIVE FINANCIAL INSTRUMENTS	222	316	-30%
TRADE, UNBILLED AND FINANCE LEASE RECEIVABLES	816	743	10%
NON-CURRENT ASSETS	13,017	13,049	0%
TRADE RECEIVABLES	102	151	-32%
OTHER RECEIVABLES	125	66	90%
DUE FROM RELATED PARTIES	35	30	18%
CASH AND BANK BALANCES	1,535	1,261	22%
CURRENT ASSETS	1,798	1,507	19%
TOTAL ASSETS	14,814	14,555	2%
SHARE CAPITAL	500	500	-
RESERVES	677	773	-12%
RETAINED EARNINGS	5,152	4,695	10%
TOTAL EQUITY	6,329	5,968	6%
BANK BORROWINGS	4,352	4,342	0%
ADVANCES AND REFUNDABLE DEPOSITS FROM CUSTOMERS	624	645	-3%
OTHER LIABILITIES, DERIVATIVE FINANCIAL INSTRUMENTS AND EOSB	880	916	-4%
PROVISION FOR OTHER LIABILITIES AND CHARGES	903	881	2%
NON-CURRENT LIABILITIES	6,758	6,784	0%
TRADE AND OTHER PAYABLES	349	410	-15%
ADVANCES AND REFUNDABLE DEPOSITS FROM CUSTOMERS	837	767	9%
OTHER LIABILITIES & PROVISIONS	482	422	14%
DUE TO RELATED PARTIES	60	204	-70%
CURRENT LIABILITIES	1,727	1,803	-4%
TOTAL LIABILITIES	8,485	8,587	-1%
TOTAL EQUITY AND LIABILITIES	14,814	14,555	2%

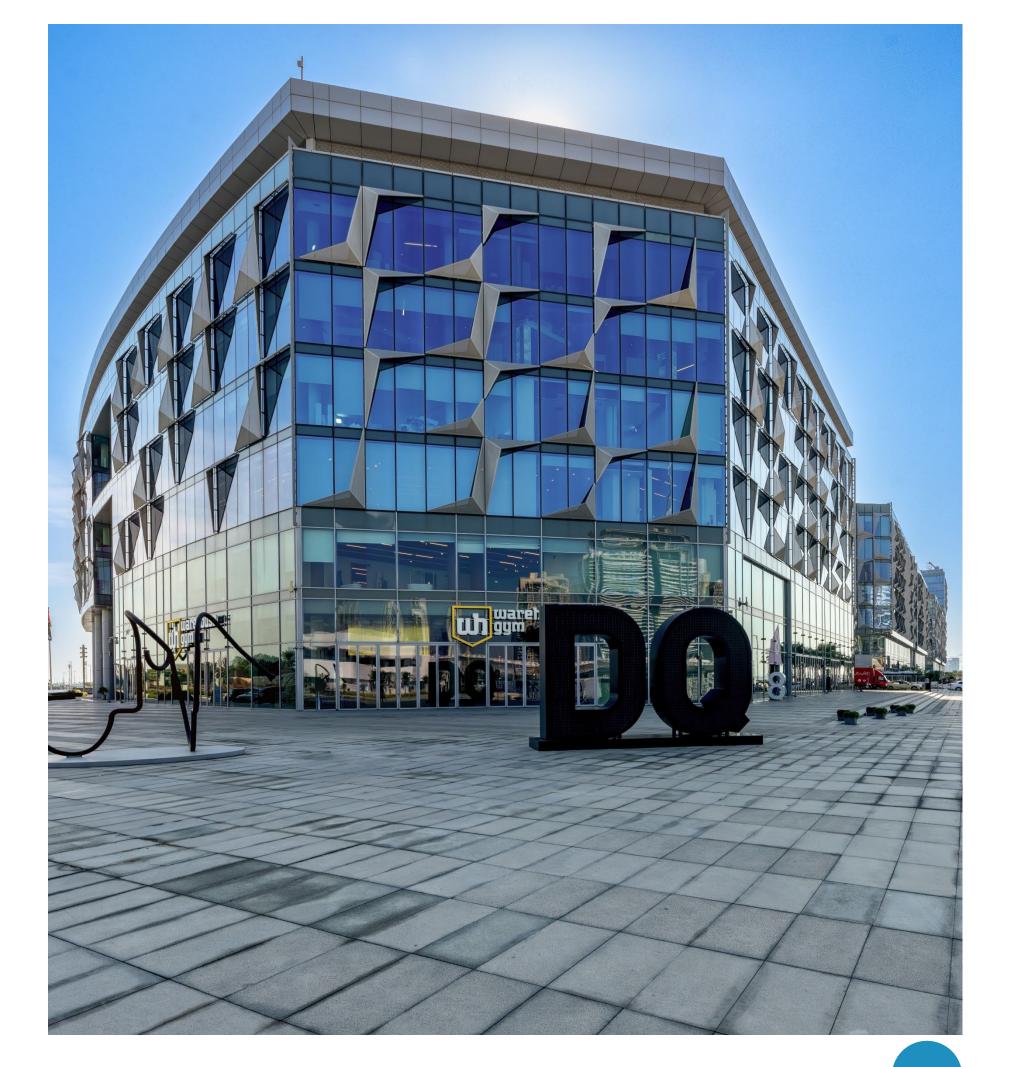


### **INCOME STATEMENT**

DESCRIPTION	31 DEC 2023	31 DEC 2022	YoY CHANGE %
REVENUE	2,169	1,973	10%
DIRECT COSTS	(760)	(768)	-1%
GROSS PROFIT	1,409	1,206	17%
OTHER OPERATING INCOME	47	42	12%
	1,456	1,248	17%
GENERAL AND ADMINISTRATIVE	(154)	(245)	-37%
MARKETING AND SELLING	(43)	(42)	3%
TOTAL EXPENSES	(197)	(287)	-31%
OPERATING PROFIT	1,259	961	31%
FINANCE INCOME	82	77	6%
FINANCE COSTS	(262)	(312)	-16%
FINANCE COSTS - NET	(181)	(235)	-23%
PROFIT FOR THE YEAR	1,078	726	49%
EARNINGS PER SHARE (EPS - AED)	0.22	0.15	49%

#### **2023 REVENUE CONTRIBUTION BREAKDOWN**



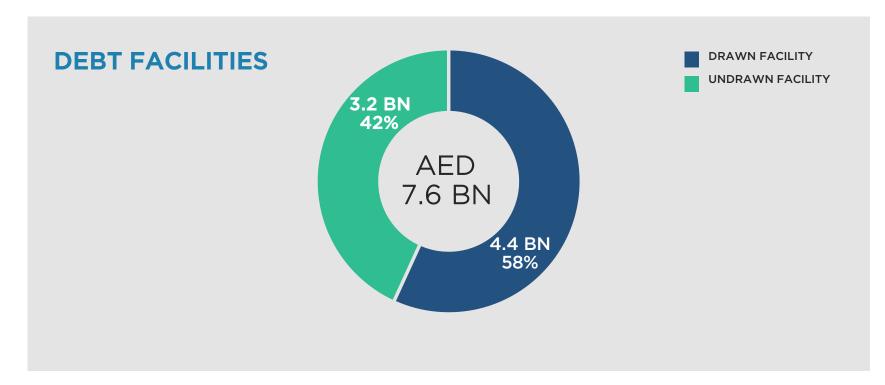


# GROWTH STRATEGY SUPPORTED BY HEALTHY LEVERAGE STANDING

BALANCE SHEET	
	AED MN
DEBT	4,352
CASH	1,535
EQUITY	6,329
TOTAL ASSETS	14,814

KEY RATIOS	
LOAN TO VALUE (LTV) <sup>1</sup>	12.3%
DEBT / EQUITY	0.7X
NET DEBT / LTM <sup>2</sup> EBITDA	1.7X
EBITDA / INTEREST	9.1X
ROE	17.54%

CAPITAL STRUCTURE						
	AMOUNT	LTV <sup>1</sup>	NET DEBT / LTM <sup>2</sup> EBITDA			
AED 7.6BN CORPORATE FACILITY	4,352					
TOTAL FINANCIAL DEBT	4,352					
LESS CASH	(1,535)					
NET DEBT	2,817	12.3%	1.7x			



- Ended the year with an optimised financial position, supporting our day-to-day business needs and enabling us to invest in future development projects and acquisitions.
- Enhanced leverage ratios owed to refinancing of existing loan facility at more competitive terms and rate.

1 LTV - Loan to Value
2 LTM - Last 12 Months
Figures in AED 'Million'

### PORTFOLIO VALUATION

Strong appreciation in portfolio value driven by robust economic growth, increase in Dubai's commercial property prices and rental income, high occupancy rates across our assets

#### **OUR PORTFOLIO**













#### **FAIR VALUES BY SEGMENT**

COMMERCIAL LEASING 12.2BN +1Bn (+9.2%) vs 2022 Valuation	LAND LEASING 6.6BN +0.5Bn (+7.7%) vs 2022 Valuation	INDUSTRIAL LEASING 2.9BN +0.5Bn (+21.5%) vs 2022 Valuation
		AVAILABLE LAND 1.3BN -0.4Bn (-21%) <sup>5</sup> vs 2022 VALUATION

ASSUMPTION		ERCIAL SING	LAND L	EASING	INDUSTRIAL TOTAL LEASING <sup>4</sup>		ΓAL	
	Dec-23	Dec-22	Dec-23	Dec-22	Dec-23	Dec-22	Dec-23	Dec-22
EQUIVALENT YIELD	8.00%	7.90%	6.70%	6.70%	9.40%	9.30%	7.80%	7.70%
NET INITIAL YIELD	7.80%	6.70%	6.60%	6.40%	7.10%	6.10%	7.30%	6.60%
VALUE/GLA (AED/SQ. FT.)	1,201	1,129	49	49	248	240	143	130

- (1) Based on CBRE, Fair value of TECOM Group PJSC investment properties and land bank as of 31-Dec-2023
- (2) 2022 Valuation of AED 21.3 Bn as of 31-Dec-2022
- (3) IPO Valuation of AED 19.4 Bn as of 31-Mar-2022
- (4) Industrial leasing includes Warehouses and Worker Accommodations
- (5) Valuation decrease due to change of plot status, i.e. from available to Land Lease

### **EPRA KPIs**

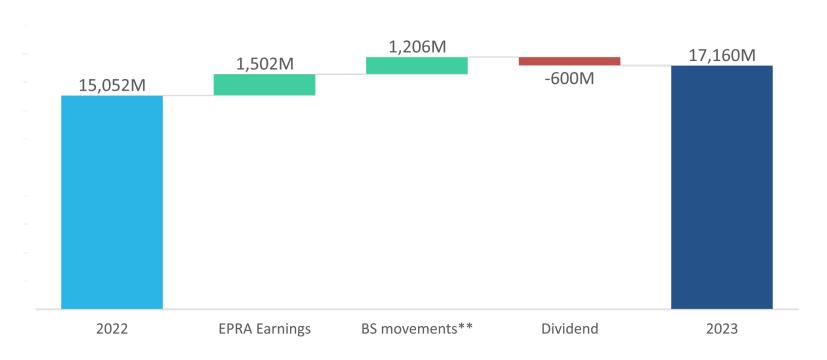
KPI	2023	Q3 2023	Q2 2023	Q1 2023
IFRS EARNINGS (AED Million)	1,078	768	485	255
EPRA EARNINGS (AED Million)	1,502	1,096	721	348
IFRS NET ASSETS (AED Million)	6,329	6,141	6,256	5,981
EPRA NET ASSET VALUE (NAV) (AED Million)	17,160	15,266	15,387	15,126
EPRA NIY	6.7%	7.2%	6.9%	6.5%
EPRA "TOPPED-UP" NIY	7.0%	7.4%	7.2%	7.0%

2022	2021	2020	2019
726	569	579	634
1,024	898	944	984
5,968	5,613	6,168	6,131
15,052	11,359	12,035	12,705
6.6%	6.8%	6.1%	7.0%
6.7%	7.1%	6.6%	7.3%

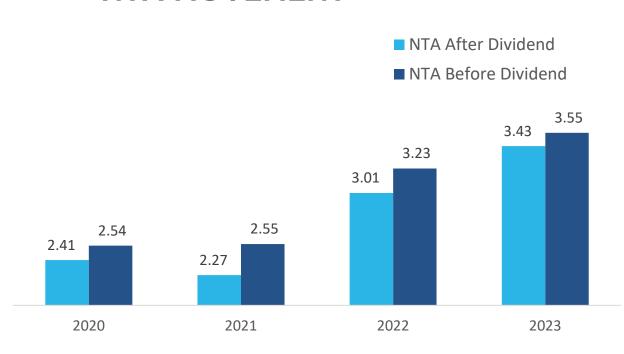
PER SHARE ANALYSIS	2023	Q3 2023	Q2 2023	Q1 2023
NUMBER OF SHARES (Million)	5,000	5,000	5,000	5,000
EPRA EARNINGS PER SHARE (AED)	0.30	0.22	0.14	0.07
EPRA NET ASSET VALUE (NAV) EX DIVIDEND (AED)	3.43	3.05	3.08	3.03
EPRA NET ASSET VALUE (NAV) BEFORE DIVIDEND (AED)	3.55	3.17	3.12	3.07

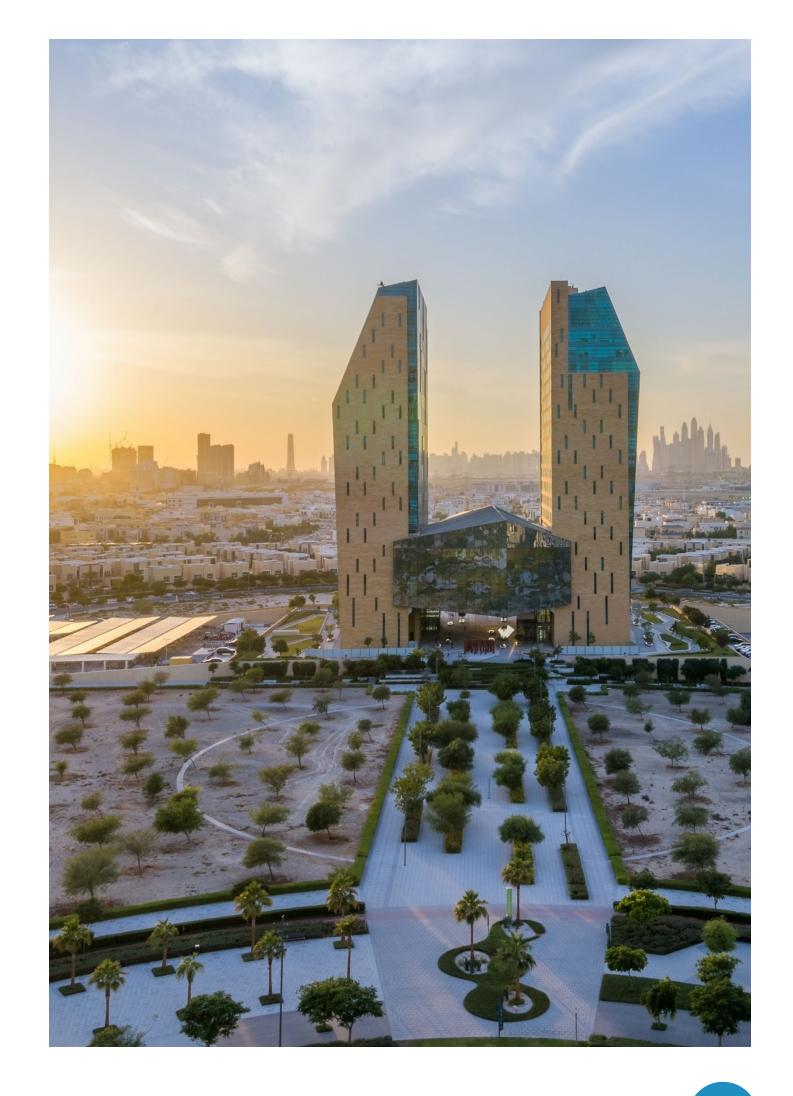
2022	2021	2020	2019
5,000	5,000	5,000	5,000
0.20	0.19	0.18	0.20
3.10	2.27	2.41	2.54
3.23	2.55	2.54	NA

#### **EPRA NTA BRIDGE**



### **NTA MOVEMENT**





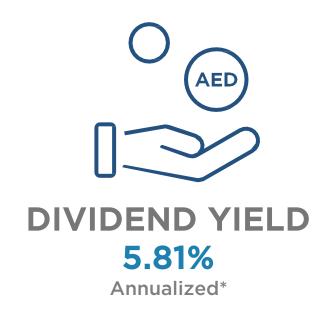
<sup>\*</sup>EPRA Earnings per share for Q1 2023, H1 2023 and Q3 2023 not annualized

<sup>\*\*</sup>BS Movements = Balance sheet Movements mainly arise due to use of IP fair values for EPRA reporting vs Balance sheet cost model.

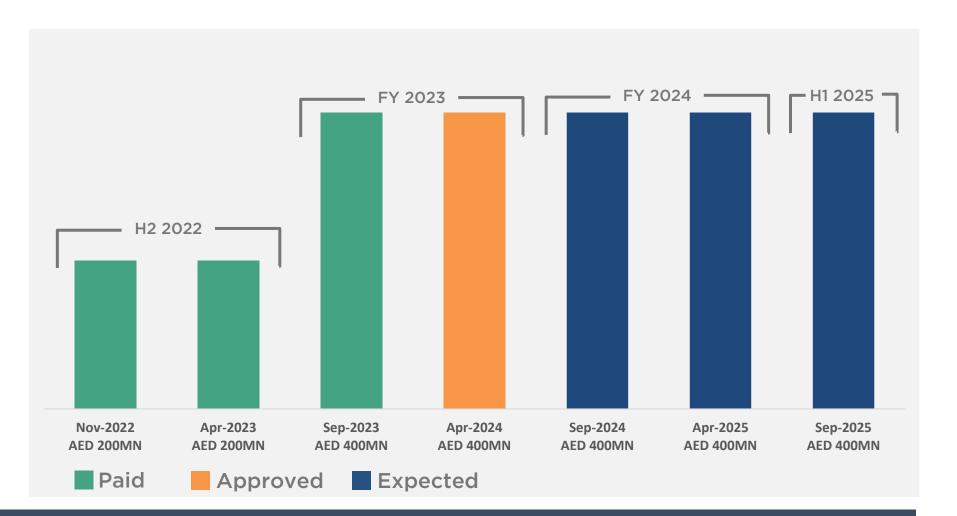
## ANALYST COVERAGE REPORT

	Goldman Sachs	Morgan Stanley	<b>UBS</b>	al ramz الــرمـــز	<b>S/CO</b> St 1995	Emirates NBD  SECURITIES	arqaam	أبوظيمي الأول للأوراق المالية SECURITIES
DATE	3 <sup>rd</sup> NOV 2023	31 <sup>st</sup> OCT 2023	1 <sup>st</sup> NOV 2023	9 <sup>th</sup> NOV 2023	25 <sup>th</sup> SEP 2023	19 <sup>th</sup> OCT 2023	14 <sup>th</sup> DEC 2023	30 <sup>th</sup> DEC 2023
RATING	BUY	EQUAL-WEIGHT	BUYE	OVER-WEIGHT	BUY	BUY	BUY	BUY
ANALYST	HARSH MEHTA	NIDA IQBAL	CHARLES BOISSIER	NIKHIL MIRSHA	INDARPREET SINGH	ADITYA PUGALIA	MOHAMAD HAIDAR	AHMED BANI HANI
	Harsh.Mehta@gs.com	Nida.Iqbal.Siddiqi@morganstanley.com	Charles.Boissier@ubs.com	nmishra@alramz.ae	isingh@sicobank.com	adityap@emiratesnbd.com	mohamad.haidar@ arqaamcapital.com	ahmad.banihani@bankfab.com

### DIVIDEND POLICY



- In June 2022 we announced our dividend policy:
- Semi-annual dividend pay-outs adding to **AED 800 million** per annum were committed.
- **AED 400 million** dividend paid for second half of 2022 in two payments of AED 200 million each.
- **AED 400 million** interim dividend approved by BOD and paid in September 2023 for H1 2023.
- **AED 400 million** dividend proposed by BOD to be paid in April 2024 for H2 2023, subject to Shareholders approval.
- A strong dividend coverage ratio of 149% based on LTM Q4 2023 recurring free cashflow and planned annual dividend, supported by our healthy profitability and cashflows



#### ABILITY TO PAY DIVIDEND SUPPORTED BY: Stable and predictable cash Positive outlook for flow generation, supported commercial real estate Healthy liquidity Solid balance of by improving market market in 2024 supporting position enabling us to retained earning conditions, high occupancy ability to sustain healthy reward shareholders (AED 5.1 Bn as of rates and well-balanced growth momentum, while investing in our 31 December business model between underpinned by an 2023) growth expansionary Dubai short- term and long-term contracts economy



### NEW DEVELOPMENT UPDATE

#### PROJECT RATIONALE



• Existing warehouses in DSP are operating at full occupancy (100% as of Jun 2023) over the last few years



• DSP's location is attractive to a variety of customers within the science sector looking for storage and logistics spaces.



• The team has established a strong pipeline from existing and new customers.



• DSP's mix of products allows it to differentiate itself and cross sell products

DEVELOPMENT - DUBAI SCIENCE PARK (DSP)

#### **PROJECT KEY HIGHLIGHTS**



**PLOT AREA** 

317,203 sq.ft



**GFA** 

200,031 sq.ft



BUA

247,418 sq.ft



**GLA** 

200,031 sq.ft



**PARKING** 

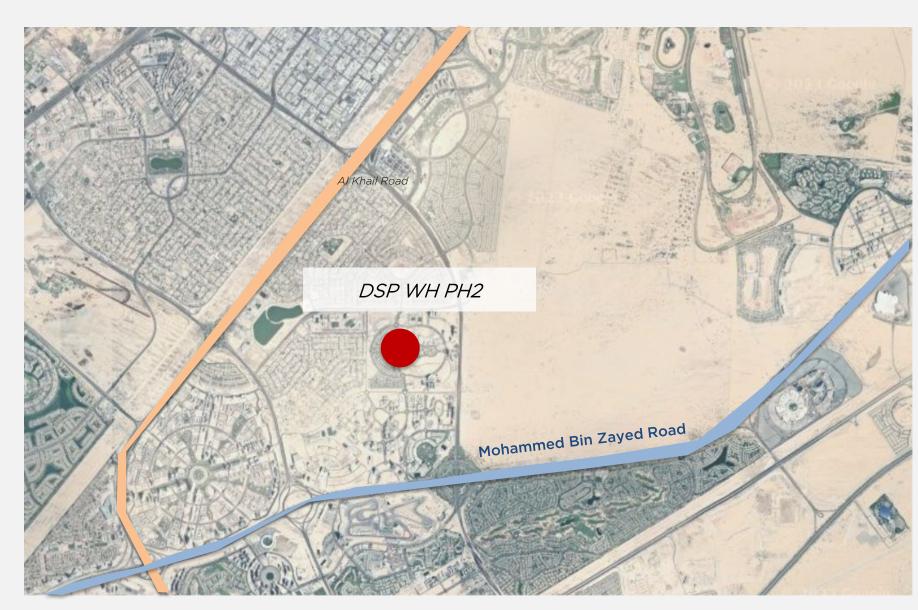
148 bays



CAPEX

AED 75 Mn

#### **PROJECT LOCATION**





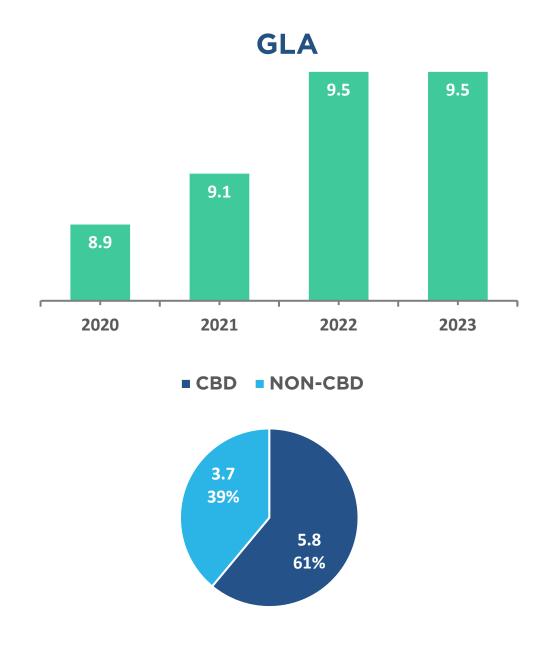
### **COMMERCIAL LEASING SEGMENT**

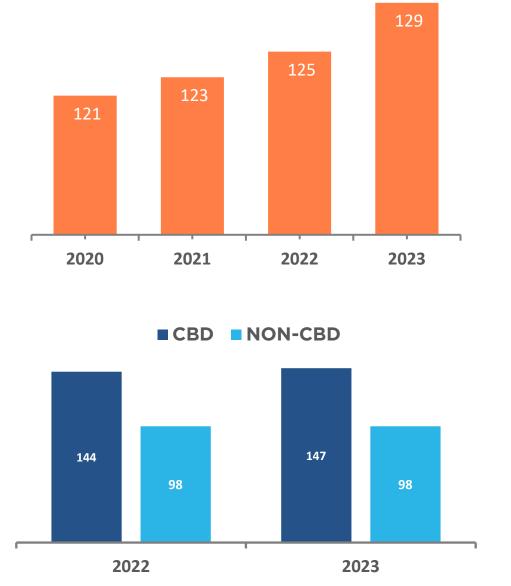
STELLAR PERFORMANCE DRIVEN BY EXCEPTIONAL DEMAND, LEADING TO VERY HIGH OCCUPANCY RATES, NOTABLY FOR GRADE A OFFICES IN CBD

DESCRIPTION	FULL	% CHANGE	
DESCRIPTION	2023	2022	YOY
REVENUE	1,124	1,056	6%
EBITDA	772	666	16%
EBIDTA MARGIN	69%	63%	6%

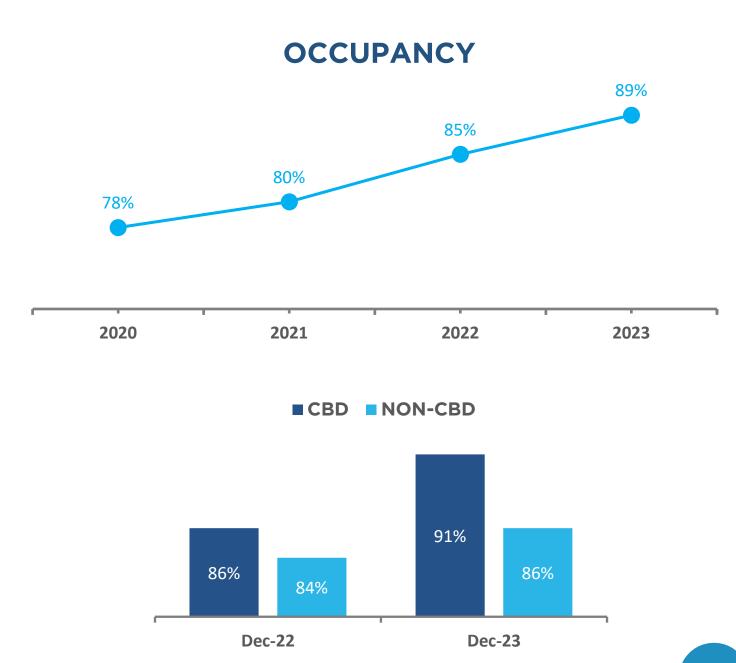
### Revenue growth driven by:

- Higher occupancy due to demand for high-quality offices and co-working spaces coupled with a short supply in the market.
- Rental rates increase across the central business districts.
   EBITDA expansion driven by revenue growth and positive impact from enhanced cost efficiency





**RENTAL RATE** 



### INDUSTRIAL LEASING SEGMENT

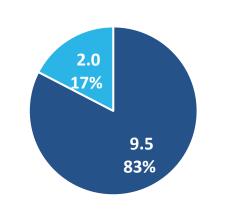
OUTSTANDING PERFORMANCE DRIVEN BY STRONG DEMAND FOR STORAGE & LOGISTICS SPACE AND WORKER ACCOMMODATION, UNDERPINNED BY INCREASED ACTIVITY IN SECTORS REQUIRING THOSE SOLUTIONS INCLUDING MANUFACTURING, TRADE AND CONSTRUCTION

DESCRIPTION	FULL	% CHANGE	
DESCRIPTION	2023	2022	YOY
REVENUE	304	274	11%
EBITDA	220	170	30%
EBIDTA MARGIN	72%	62%	10%

The leasing performance in both warehouse and worker accommodation products has exhibited commendable growth, with persistent increase in occupancy alongside lease rate escalations, leading to higher revenue.

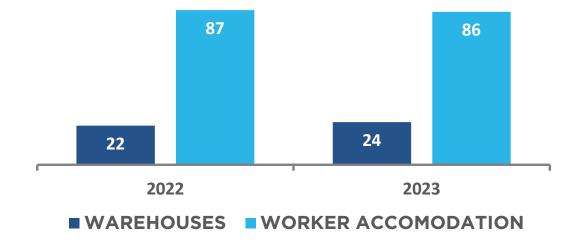
EBITDA expansion driven by revenue growth and lower OPEX

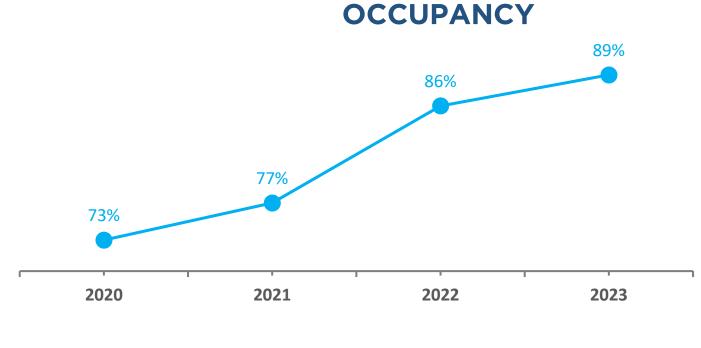


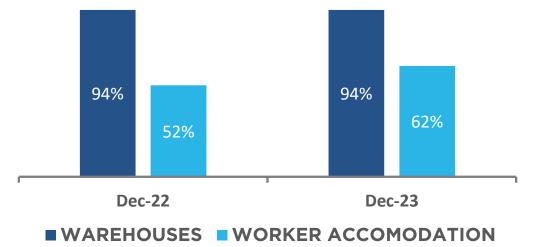


■ WAREHOUSES ■ WORKER ACCOMODATION









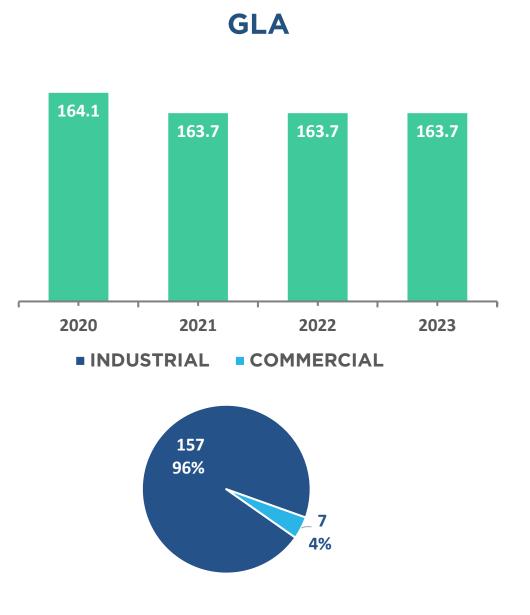
### LAND LEASING SEGMENT

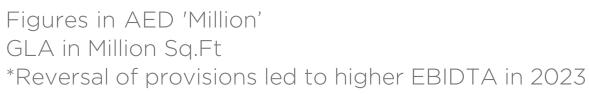
EXCEPTIONAL PERFORMANCE DRIVEN BY INCREASE IN OCCUPANCY AS ECONOMIC CONDITIONS CONTINUED TO IMPROVE, DRIVING DEMAND FOR BOTH INDUSTRIAL AND COMMERCIAL LAND

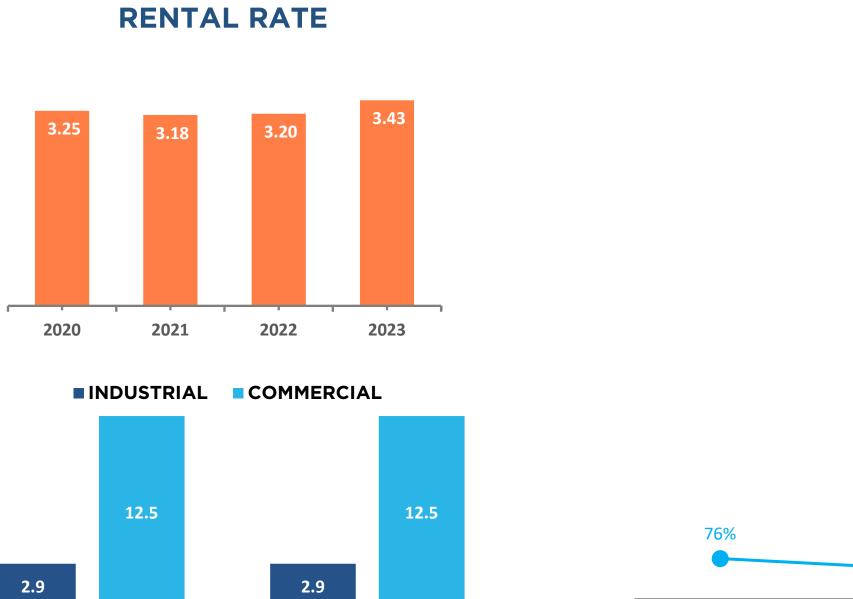
2022

DESCRIPTION	FULL	% CHANGE	
DESCRIPTION	2023	2022	YOY
REVENUE	502	427	18%
EBITDA	481	358	34%
EBIDTA MARGIN	96%	84%	12%

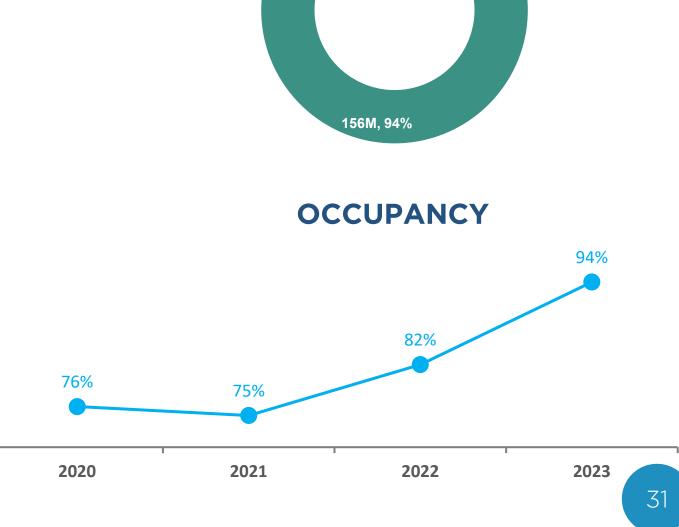
- Economic trends in the region have positively influenced the demand for industrial land.
- Occupancy increased by 13% during 2023 reaching 95%.
- Growth was largely due to market shortage of industrial lands, and efficient utilisation of the opportunity by TECOM,







2023



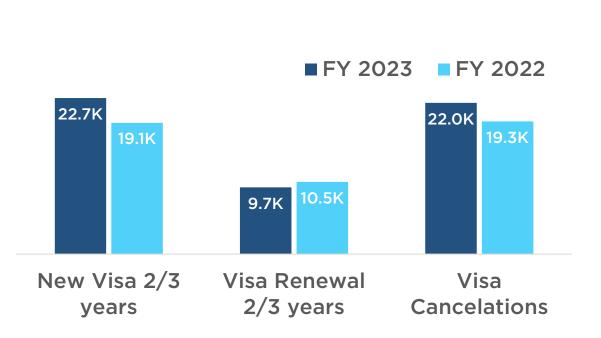
### **SERVICES & OTHERS SEGMENT**

DOUBLE DIGIT GROWTH UNDERPINNED BY STRONG DEMAND FROM FREELANCERS, INCREASE IN NUMBER OF TRANSACTIONS ("AXS") DRIVEN BY AN INCREASE IN THE NUMBER OF CUSTOMERS AND THEIR RESPECTIVE EMPLOYEES

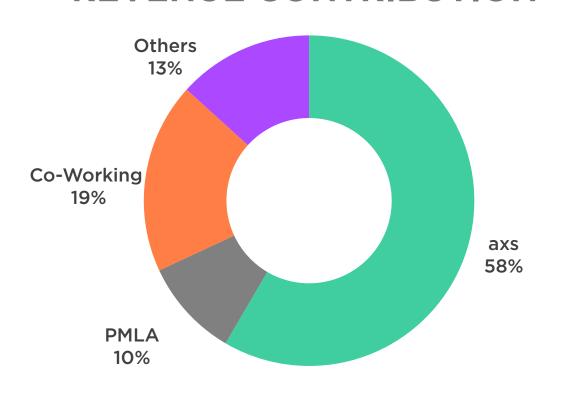
DESCRIPTION	FULL	% CHANGE	
DESCRIPTION	2023	2022	YOY
REVENUE	240	216	11%
EBITDA	180	153	17%
EBIDTA MARGIN	75%	71%	4%

- This growth was attributed to rising demand for co-working spaces and stable performance of our well-known visa services
- Higher revenue due to increase in D/Quarters (freelancers) revenues and pick-up in "axs" revenues during Q4 2023
- Change in "axs" product mix helped reduce total costs of this segment, supporting EBITDA expansion





#### **REVENUE CONTRIBUTION**







# ENVIRONMENT & SUSTAINABILITY GOALS

STRATEGIC OBJECTIVES		National/International Mandates				
Stabilise core business	• Ethical business policies & practices  Governance and Risk • Prudent risk management • Ethical business policies & practices • Robust governance • Prudent risk management			UAE Centennial 2071		
		Responsible sourcing and procurement				
	ECONOMY	COMMUNITY	PEOPLE	ENVIRONMENT	Energy Strategy	
Develop differentiated value proposition	<ul><li> Economic performance</li><li> Incubating innovation</li><li> Customer centricity</li></ul>	<ul> <li>Investing in local communities</li> </ul>	<ul><li>Safe &amp; healthy workspaces</li><li>Training &amp; development</li></ul>	<ul><li>Energy efficiency</li><li>Water efficiency</li><li>Waste management</li></ul>	UAE Net Zero 2050	
	4 QUALITY B DECENT WORK AND ECONOMIC GROWTH	3 GOOD HEALTH AND WELL-BEING   4 QUALITY EDUCATION	3 GOOD HEALTH AND WELL-BEING  Outlity EDUCATION	Reducing GHG emissions  7 AFFORDABLE AND OLEAN ENERGY  9 MOUSTRY, INNOVATION AND INFRASTRUCTURE  1 AFFORDABLE AND OLEAN ENERGY  1 AFFORDABLE AND OLEAN ENERGY  2 AFFORDABLE AND OLEAN ENERGY  3 AND INFRASTRUCTURE  1 AFFORDABLE AND OLEAN ENERGY  2 AFFORDABLE AND OLEAN ENERGY  1 AFFORDABLE AND OLEAN ENERGY	UAE Green Growth Strategy 2015-2030	
Build new sources of growth	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	5 GENDER EQUALITY	5 GENDER EQUALITY  8 DECENT WORK AND ECONOMIC GROWTH	12 RESPONSIBLE CONSUMPTION AND PRODUCTION  COO  13 CLIMATE ACTION	UN Sustainable Development Goals	

# KEY ESG HIGHLIGHTS AND ACHIEVEMENTS OF YEAR 2023

### **Economy**

87.4%

Customer Experience (CX) Index, adopted in 2023. Previously we measured Customer Satisfaction only. In CX, we incorporated additional "Likelihood to Recommend" metric in our transactional surveys and the results of our in-depth interviews with Business Partners.

AED 1.1BN

Net profit for FY2023 (+49% increase compared to same period 2022) 380

Active Start-ups (9.83% up from 2022) *Including:* 

44

Start-ups led by Women (7.32% increase from 2022)

### Community

**AED 1.47MN** 

Spending on CSR Activities in 2023

Including:

AED 358,010

**Donated during 2023** 

# Year-Round Donations

The Good Store: Partnered with Emirates Red Crescent to launch a virtual and 'phygital' donation experience, encouraging people to donate essential supplies such as food, clothing, and shelter materials. AED 100,000 donations made in the event launch.

# Other CSR Initiatives

- Together We Can Food drive for UAE Food Bank
- Colon Cancer: Awareness campaign on importance of early detection
- Pink Caravan: Awareness campaign on breast cancer
- WeWalk: Walkathon to raise funds for Dubai Autism Center.

# KEY ESG HIGHLIGHTS AND ACHIEVEMENTS OF YEAR 2023 - CONT'D





12.35GWh

**Clean Energy Generation** 

235

Tonnes of waste recycled

Understanding that UAE was the first country in the Middle East and North Africa to announce a Net Zero by 2050 Strategic Initiative, this will provide an exciting opportunity for our Business districts, companies and professionals to share their sustainability best practice with the World.

# KEY ESG HIGHLIGHTS AND ACHIEVEMENTS OF YEAR 2023 - CONT'D

As the UAE took the global stage by hosting COP28, TECOM Group was deeply engaged in supporting and advancing sustainability awareness initiatives across our districts and through collaborations with other agencies.

### COP28

To support climate change and sustainability awareness efforts, TECOM has undertaken and supported several initiatives during the year including:

- Annual Dubai Design Week, curated in strategic partnership with Dubai Design District (d3), had a strong focus on sustainability
- Held a campaign at Dubai Knowledge Park and Dubai International Academic City concentrating on promoting academic programmes centred around sustainability.
- As the global push towards positive climate action prompts greater investment in sustainable food production, we inaugurated Sokovo (a vertical farm which produces leafy greens and microgreens) at Dubai Industrial City.
- Themed Escape Room in collaboration with Nature-WWF and Environment Agency Abu Dhabi.
- in5 platform proudly showcased groundbreaking initiatives from 10 start-ups at COP28
- Launch of new Averda facility and THRYVE factory at Dubai Industrial City, in partnership with UAE Ministry of Climate Change and Environment (MOCCAE) and Ministry of Industry and Advanced Technology (MoIAT).
- Launch of LEED Platinum certified offices by AstraZeneca in Dubai Science Park.







### **ACHIEVEMENTS FY2023**















TARGETS

(IPO FINANCIAL GUIDANCE)

**AED 1,900 MN** 

**AED 1,266 MN** 

66%

**AED 558 MN** 

**AED 969 MN** 

~85%
COMMERCIAL LEASING

~80%
INDUSTRIAL LEASING

ACHIEVED



**AED 2,169 MN** 

(+14% vs IPO Guidance)

+10% YoY

**AED 1,654 MN** 

+23% YoY

(+31% vs IPO Guidance) (+10% vs IPO Guidance)

**76%** +8% YoY

( vs.IDO Guidansa)

**AED 1,078 MN** 

+49% YoY

(+93% vs IPO Guidance)



**AED 1,447 MN** 

+21% YoY

(+49% vs IPO Guidance)



COMMERCIAL LEASING



INDUSTRIAL LEASING

### PRIORITIES FOR 2024 & BEYOND



# OPTIMISE CORE BUSINESS & PERFORMANCE

Identify customer priorities and retention initiatives

Refine pricing across products and services

Expand the use of business intelligence tools and capabilities

Focus on operational excellence



# DEVELOP DIFFERENTIATED VALUE PROPOSITION

Enhance and integrate customer journeys throughout our ecosystems

Enhanced and coordinated business development and customer management approach

Identify and develop improvement plans/risk mitigation strategies for any underperforming assets



# BUILD NEW SOURCES OF GROWTH

Identify novel, differentiated products to be launched within our ecosystem and adapt existing products for current and expected market demand

Continue to support the development of Dubai's economy through various strategic initiatives

### **GROWTH DRIVERS**

**Occupancy Rates** 

Occupancy rates growth driven by strong demand across business districts and further headroom to achieve occupancy ramp-up

Rental Rates

Rental rates growth
as Dubai office rental
rates are recovering
from COVID-19, and
favorable commercial
real estate supply
and demand
dynamics

Completed Projects

Delivery of highquality built-to-suit
(BTS) properties
tailored to
customized
specifications setting
a strong ability to
deliver future BTS
projects

**Growth Projects** 

Future organic
growth upside from
committed and
future developments
access to a large land
bank, with continuous
assessment of
inorganic growth
opportunities through
acquisitions

**Complementary Services** 

Growth driven by increase in population, occupancy rates and additional GLA, as well as ongoing expansion of services offerings to clients



