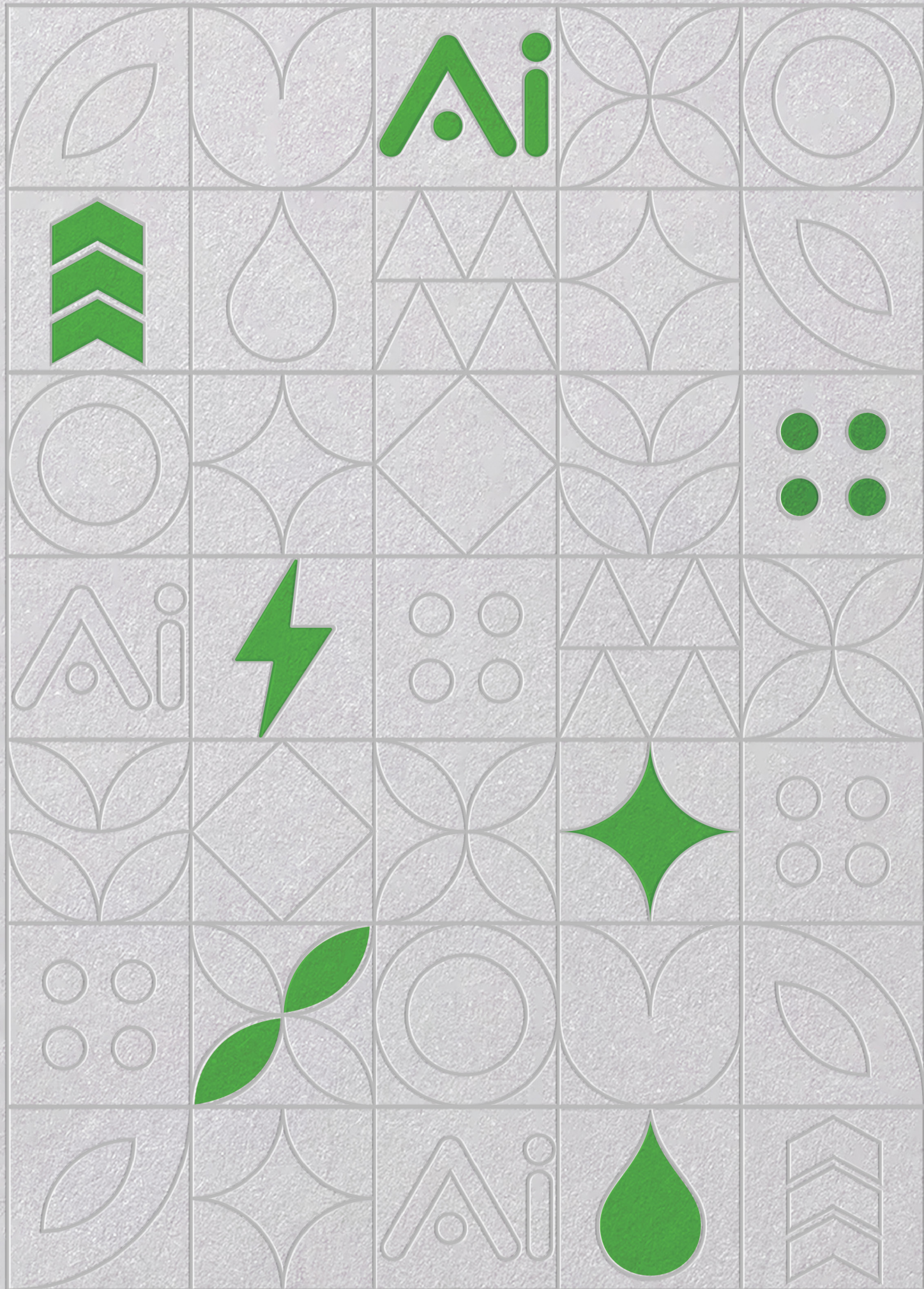


MULTIPLY GROUP



Group CEO and Managing Director Letter to Shareholders

FROM THE ANNUAL REPORT 2023

Leadership

Group CEO & Managing Director's Message

Our Valued Shareholders,

Throughout 2023, we focused on growing our verticals, ensuring our subsidiaries continue to add new sources of revenue, identifying synergies across our portfolio, while continuing to invest across both arms, Multiply and Multiply+. This effort has resulted in continued growth across our subsidiaries, as reflected in our full-year earnings.

Our year was categorized into 4 main elements: Growth, Technology, Sustainability and Culture.

Growth

Our net profit, excluding fair value changes, more than doubled from last year to reach AED 1.1 billion. This remarkable growth has been driven by the strong performance of our verticals and steady dividend income, as we remain utterly committed to strengthening our companies into market leaders and delivering sustainable shareholder value.

In line with our investment objectives, we acquired a majority stake in Media 247 under our Media vertical, as we prepare for an eventual listing of our Media entity. This acquisition performed exceptionally well in 2023, reporting AED 79 million in profit. Under Multiply+, we invested AED 367 million for a minority stake in EIG's Breakwater Energy, a move that showcases our commitment to increasing shareholder returns through investments with strong dividend profiles.

We continued to exercise caution and prudence when evaluating potential deals. We had the discipline to say "no" to significantly more investment opportunities than we said "yes" to, carefully selecting only those that will provide optimal returns in line with our existing criteria: 15% returns, operationally profitable, cash flow generative with strong revenue growth.

Technology

In terms of technology, the adoption of digital transformation and the integration of AI tools in our shared services have been instrumental this year. We have begun to integrate these into our processes, as we continue to enhance our operational efficiency, safeguard our businesses for the future and adapt in a constantly evolving market environment. At a group level, we implemented function-specific AI tools, enhancing productivity and efficiency across our operations. We have also onboarded digital transformation experts and have made the effort to receive workshops by AI experts. Our goal is to leverage all relevant and available tools, to the best of our abilities, to reduce redundancies, increase productivity and make better decisions.

Sustainability

In the UAE's first year of Sustainability, 2023, we participated at COP28 as Climate Supporters and showcased our and our subsidiaries sustainability efforts to all visitors of the landmark event. In terms of ESG, we received a low-risk rating of 15.8 from Sustainalytics, indicating a low exposure to industry-specific ESG risks, in the top 11% of companies within our industry globally. Internally, ESG considerations are becoming more and more integral to our decision making as we define what it means to be a responsible investor and owner. All of our subsidiaries have been integrated into our ESG reporting framework and in the coming year, we will be incorporating ESG factors into our investment analysis, due diligence approach, and operational decision-making processes.

Culture

Our people shape our culture, with their flexibility and capacity to change, the attitude and their perseverance to continue pursuing growth, for themselves as individuals as well as for our company. We have always been very serious about lifelong learning, embedding it into employee evaluations, and to a great deal, credit much of our success to it. It's a feedback loop, a growth-oriented culture cultivates a team of high-performers who are driven to continue enhancing the culture, growing the company, while of course, developing themselves.

As we remain guardians of our, and our companies', balance sheets, we will continue to organically grow our subsidiaries, integrate technology and AI tools to optimize operations and margins, while continuing to identify cash-generating opportunities to invest in and preparing our media vertical for IPO.

And as always, our unwavering belief remains that the best is yet to come.



Samia Bouazza
Group CEO & Managing Director

