

MULTIPLY GROUP INVESTORS' UPDATE

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OUR UPDATES

Making Cooling Green

Q&A with Muhammad Zafar, CEO at PAL Cooling Holding

What is PAL Cooling's business strategy?

As one of the top players in the UAE's district cooling industry, PAL Cooling provides its services to landmark residential, commercial and mixed-use developments. We offer reliable and quality services such as 24/7 chilled water for air conditioning from state-of-the-art central cooling plants. We currently use the latest technologies in district cooling system with six state-of-the-art district cooling plants in the UAE. We also hold eight long-term agreements and have partnerships with leading master developers including Aldar Properties, Al Qudra, Al Tamouh Investment and Reem Developers.

Our strategy is to continue growing our business to provide energy-efficient technology solutions to our customers that will in turn enable them to reduce their carbon emissions and decrease energy consumption.

What are your views on the district cooling industry in the UAE, particularly in Abu Dhabi?

District cooling is vital in a hot climate like the UAE, and operates as a regulated utility to ensure all buildings have access to efficient cooling systems. The government has mandated that all new developments of scale must have district cooling, meaning continued growth and enhancements in the sector.

With the UAE's 2050 net zero commitment, I expect to see an increase in district cooling projects as well as the demand to upgrade existing buildings through retrofits. District cooling systems are proven to be the most energy efficient way to cool buildings in arid environments – using about 50 % less energy than conventional air-cooled chillers. These systems are also incredibly reliable and have a lifespan of up to 40 years, making them ideal for large-scale buildings such as shopping malls, residential buildings and schools. It is beneficial for all stake holders as it improves the building space utilisation, reduces noise pollution, reduces refrigerant use and most importantly it reduces the cost of cooling and significantly optimises the country's electrical high voltage infrastructure.

Can you tell us about PAL's main milestones?

Since inception, we have signed eight concessions with a total contract capacity of over 600,000 refrigerated tons (RT). We have so far constructed almost 215,000 RT design capacity of plants with an installed capacity of 145,000 RT. The nature of the business is long term and exclusive concession-based, so the capital expenditure is secured for the next 30 to 35 years. We have also streamlined revenues to cover our investment and our margins.

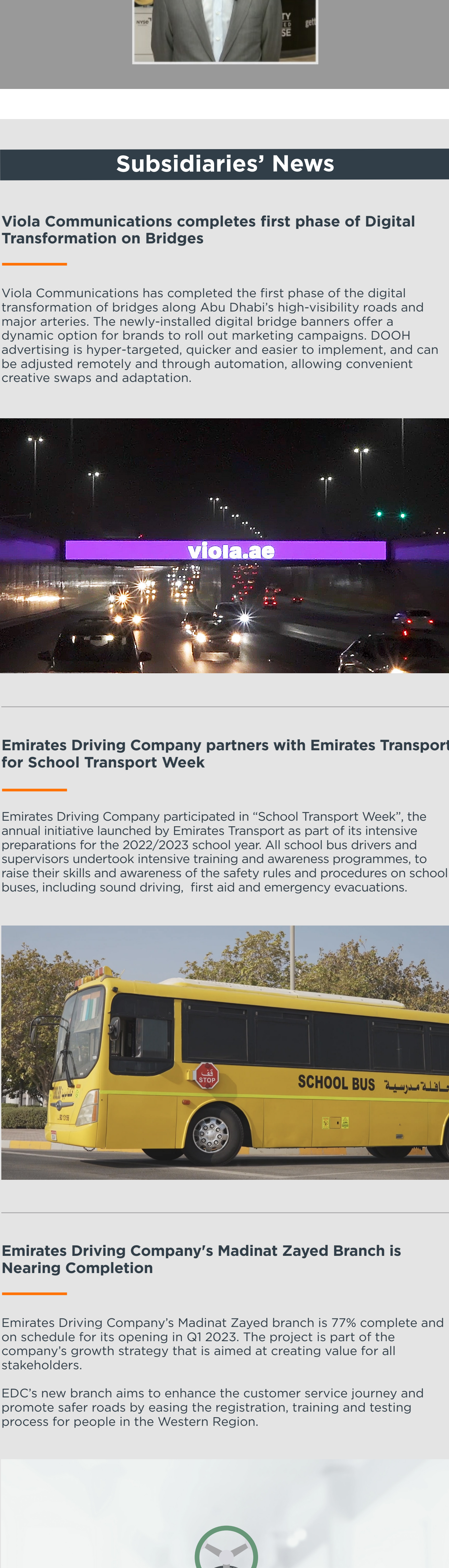
What is your latest market-leading project?

We recently completed and commissioned the second district cooling plant for Shams Development, with a full design capacity of 57,000 RT and an installed capacity of 33,000 RT. The plant is equipped with an advanced control system allowing it to run fully automated, along with comprehensive reports and trends to ensure the highest efficiency is achieved.

In our chiller halls, we have used Trane chillers, utilising the latest technology with HFO (hydrofluoro-olefins) green refrigerant with zero Ozone Depletion Potential and ultra-low Global Warming Potential, which reduces the impact on the environment. The centrifugal chillers save almost 50% electricity compared to conventional air conditioning and reduce carbon footprint, contributing to meeting the UAE's net zero 2050 target.

What is unique about this new project at Shams?

The plant is strategically designed, achieving a record of 16.3 RT per square meter footprint density in terms of cooling capacity, including the Thermal Energy Storage (TES) Tank. We were the first company in the region to invest in 7500 RT module using Trane chillers with HFO green refrigerant in 2018. Following successful R&D, this new plant in Shams is the second one we have built with HFO green refrigerant. With its first phase in operation, the new district cooling plant is expected to offset more than 12,000 metric ton of CO2 emissions yearly compared to conventional cooling.

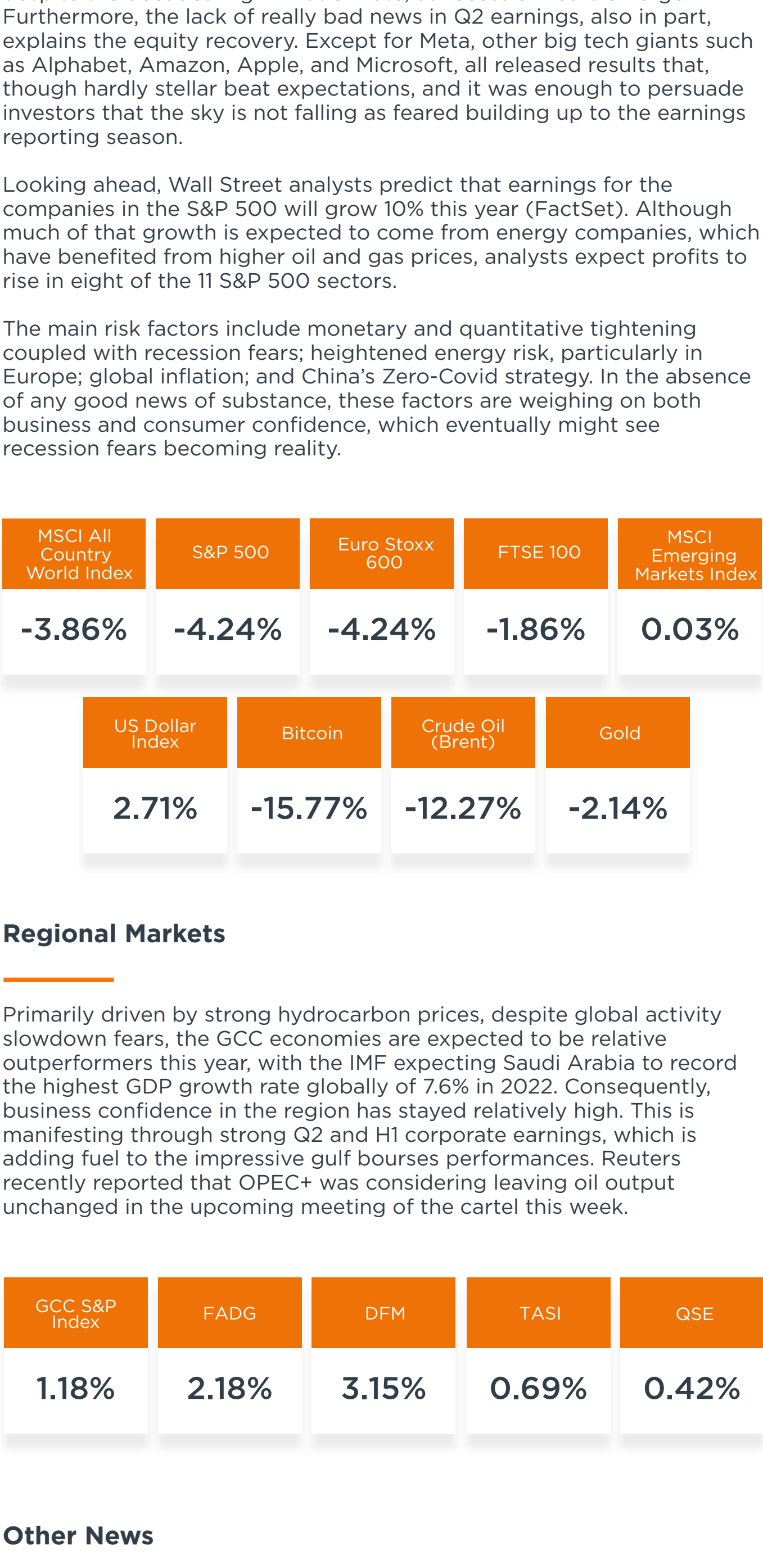


Media

Getty Images CEO talks earnings, growth areas, and acquisitions

Craig Peters joined Yahoo Finance Live from the New York Stock Exchange after the company reported its first earnings since going public in late July. Craig talked about the company's decision to go public, its quarterly performance, growth potential in the corporate market and new regions.

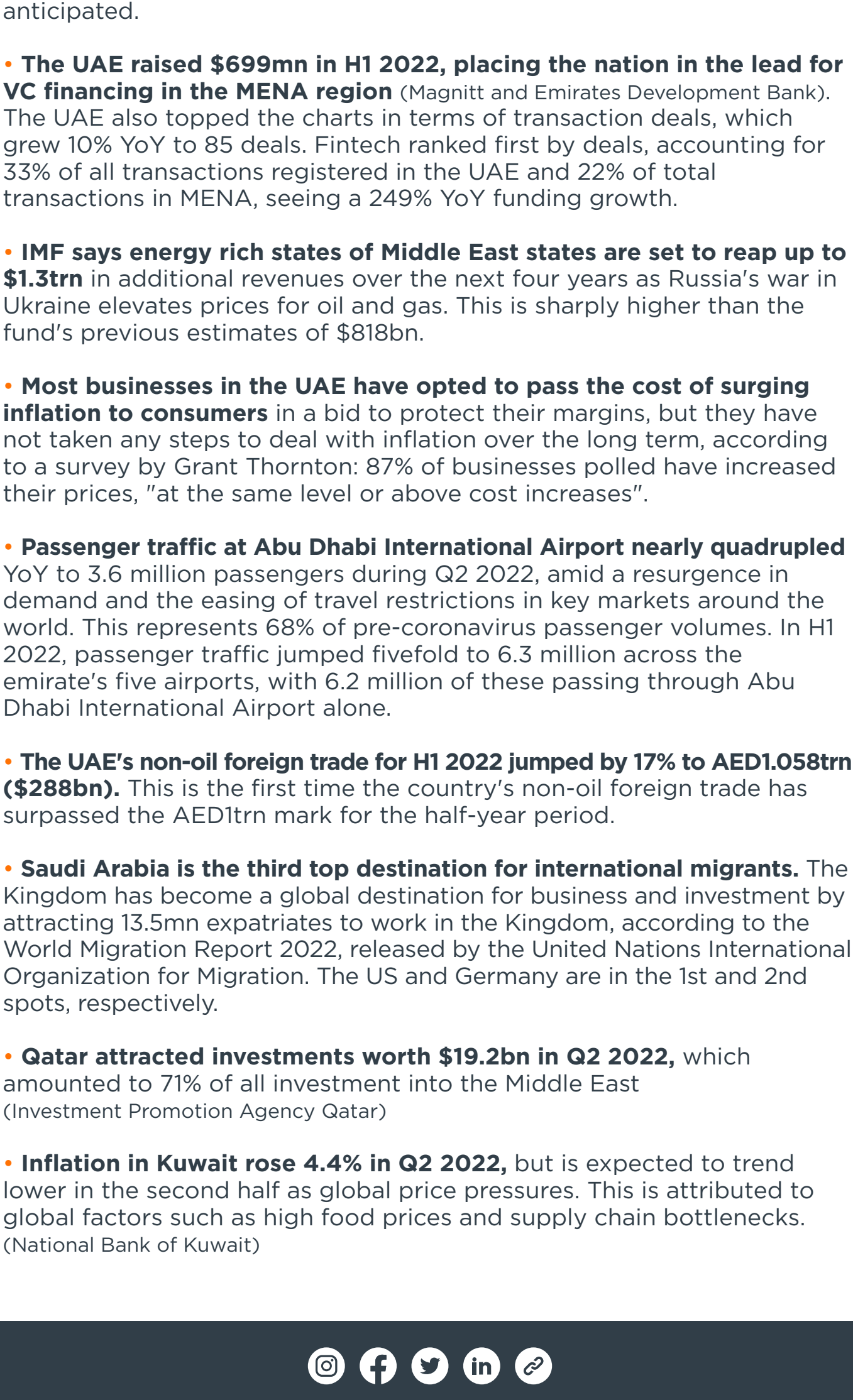
[Watch the interview here](#)



Subsidiaries' News

Viola Communications completes first phase of Digital Transformation on Bridges

Viola Communications has completed the first phase of the digital transformation of bridges along Abu Dhabi's high-visibility roads and major arteries. The newly-installed digital bridge banners offer a dynamic option for brands to roll out marketing campaigns. DOOH advertising is hyper-targeted, quicker and easier to implement, and can be adjusted remotely and through automation, allowing convenient creative swaps and adaptation.



Emirates Driving Company partners with Emirates Transport for School Transport Week

Emirates Driving Company participated in "School Transport Week", the annual initiative launched by Emirates Transport as part of its intensive preparations for the 2022/2023 school year. All school bus drivers and supervisors undertook intensive training and awareness programmes, to raise their skills and awareness of the safety rules and procedures on school buses, including sound driving, first aid and emergency evacuations.

Emirates Driving Company's Madinat Zayed Branch is Nearing Completion

Emirates Driving Company's Madinat Zayed branch is 77% complete and on schedule for its opening in Q1 2023. The project is part of the company's growth strategy that is aimed at creating value for all stakeholders.

EDC's new branch aims to enhance the customer service journey and promote safer roads by easing the registration, training and testing process for people in the Western Region.

Market Monitor

Global Markets

Once more, July demonstrates that "bad news is good news" for global stocks, marking the best month since November 2020 following a dismal H1. A mantra conjured to describe the Fed-economic data feedback loop, partially explains the strong global equity recovery in July. The Fed raised the benchmark rate by 75bps instead of the feared 100bps, despite the decades-high inflation rate, as recession fears emerge. Furthermore, the lack of really bad news in Q2 earnings, also in part, explains the equity recovery. Except for Meta, other big tech giants such as Alphabet, Amazon, Apple, and Microsoft, all released results that, though hardly stellar beat expectations, and it was enough to persuade investors that the sky is not falling as feared building up to the earnings reporting season.

Looking ahead, Wall Street analysts predict that earnings for the companies in the S&P 500 will grow 10% this year (FactSet). Although much of that growth is expected to come from energy companies, which have benefited from higher oil and gas prices, analysts expect profits to rise in eight of the 11 S&P 500 sectors.

The main risk factors include monetary and quantitative tightening coupled with recession fears; heightened energy risk, particularly in Europe; global inflation; and China's Zero-Covid strategy. In the absence of any good news of substance, these factors are weighing on both business and consumer confidence, which eventually might see recession fears becoming reality.

MSCI All Country World Index	S&P 500	Euro Stoxx 600	FTSE 100	MSCI Emerging Markets Index
-3.86%	-4.24%	-4.24%	-1.86%	0.03%

US Dollar Index	Bitcoin	Crude Oil (Brent)	Gold
2.71%	-15.77%	-12.27%	-2.14%

Regional Markets

Primarily driven by strong hydrocarbon prices, despite global activity slowdown fears, the GCC economies are expected to be relative outperformers this year, with the IMF expecting Saudi Arabia to record the highest GDP growth rate globally of 7.6% in 2022. Consequently, business confidence in the region has stayed relatively high. This is manifesting through strong Q2 and H1 corporate earnings, which is adding fuel to the impressive gulf bourses performances. Reuters recently reported that OPEC+ was considering leaving oil output unchanged in the upcoming meeting of the cartel this week.

GCC S&P Index	FADG	DFM	TASI	QSE
1.18%	2.18%	3.15%	0.69%	0.42%

Other News

- Further constraining global grain supply, India, the world's biggest rice shipper, will likely restrict some** India's shipments abroad. India accounts for 40% of global rice trade.
- Economic activity weakened in the US, Europe and Asia:** US business activity contracted for a second straight month in August, falling to the weakest level since May 2020, while output in the euro zone fell as record energy and food inflation saps demand. In Asia, Japanese output shrank, Australia's services sector contracted, and China is dealing with the twin blows of a real estate crisis and a zero-Covid policy exports as domestic supply is under threat. Rice planting has shrunk due to a lack of rain in some areas and the government is discussing curbs on broken rice exports, which account for almost 20% of which is damaging the economy.
- China announced an additional CY300bn (\$44bn) for banks to lend to infrastructure**, to help counter an alarming economic slowdown. The money comes on top of a similar amount announced in June. China's cabinet also confirmed that local governments could issue an extra CY500bn of "special" bonds, to be repaid with the help of revenues earned from the projects they finance.
- Britain's annual inflation rate jumped to 10.1% in July**, the first time the country has hit double-digit inflation since 1982. Higher energy costs were the main factor behind rising prices, but transport and food also added to the squeeze on household bills. An average household is expected to see its annual bill double to over £4,300 (\$5,200) by January.
- The World Bank forecasts energy prices to rise by about 50% in 2022.** Prices are expected to remain elevated for longer than previously anticipated.
- The UAE raised \$699mn in H1 2022, placing the nation in the lead for VC financing in the MENA region** (Magnitt and Emirates Development Bank). The UAE also topped the charts in terms of transaction deals, which grew 10% YoY to 85 deals. Fintech ranked first by deals, accounting for 33% of all transactions registered in the UAE and 22% of total transactions in MENA, seeing a 249% YoY funding growth.
- IMF says energy rich states of Middle East states are set to reap up to \$1.3trn** in additional revenues over the next four years as Russia's war in Ukraine elevates prices for oil and gas. This is sharply higher than the fund's previous estimates of \$818bn.
- Most businesses in the UAE have opted to pass the cost of surging inflation to consumers** in a bid to protect their margins, but they have not taken any steps to deal with inflation over the long term, according to a survey by Grant Thornton: 87% of businesses polled have increased their prices, "at the same level or above cost increases".
- Passenger traffic at Abu Dhabi International Airport nearly quadrupled** YoY to 3.6 million passengers during Q2 2022, amid a resurgence in demand and the easing of travel restrictions in key markets around the world. This represents 68% of pre-coronavirus passenger volumes. In H1 2022, passenger traffic jumped fivefold to 6.3 million across the emirate's five airports, with 6.2 million of these passing through Abu Dhabi International Airport alone.
- The UAE's non-oil foreign trade for H1 2022 jumped by 17% to AED1.058trn (\$288bn).** This is the first time the country's non-oil foreign trade has surpassed the AED1trn mark for the half-year period.
- Saudi Arabia is the third top destination for international migrants.** The Kingdom has become a global destination for business and investment by attracting 13.5mn expatriates to work in the Kingdom, according to the World Migration Report 2022, released by the United Nations International Organization for Migration. The US and Germany are in the 1st and 2nd spots, respectively.
- Qatar attracted investments worth \$19.2bn in Q2 2022**, which amounted to 71% of all investment into the Middle East (Investment Promotion Agency Qatar)
- Inflation in Kuwait rose 4.4% in Q2 2022**, but is expected to trend lower in the second half as global price pressures. This is attributed to global factors such as high food prices and supply chain bottlenecks. (National Bank of Kuwait)