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Our Updates

Strong Q1 Results

Multiply Group made a strong start to 2022, reporting a net profit of AED 334.9 million for the first quarter. The Group recorded revenue of AED 241.2 million, with a gross margin of AED 120.6 million, while investment and other income totaled AED 257 million.

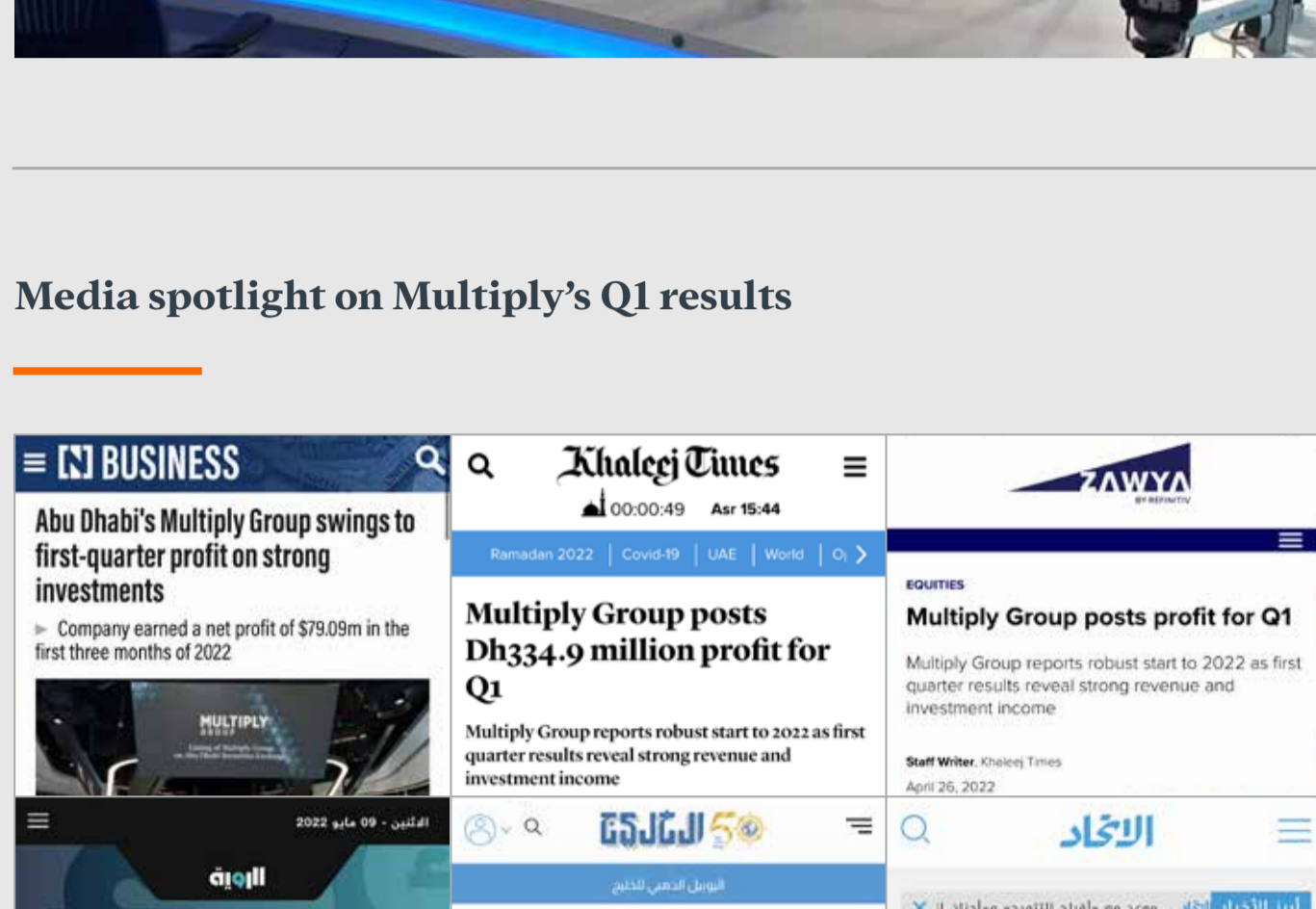
The robust performance was driven by solid returns from the investment portfolio and subsidiaries.

In January, Multiply launched its Digital Transformation program to increase operational margins and future-proof its subsidiary companies. In the same month, the Group also invested AED 92 million in Rihanna's Savage X Fenty, a direct-to-consumer e-commerce fashion company. The investment was a part of a funding round alongside other international investors that included Neuberger Berman and LionTree LLC.

The Group also invested AED 367 million in the initial public offering of Dubai Electricity and Water Authority's (DEWA) in April, becoming a cornerstone investor in one of the region's leading fully integrated utilities companies.

Multiply, which cemented its position as a major listed company in the UAE through its inclusion in the Abu Dhabi Securities Exchange's new blue-chip FADX 15 index in March, continues to benefit from a strong liquidity position, with AED 3.08 billion in cash and bank balances.

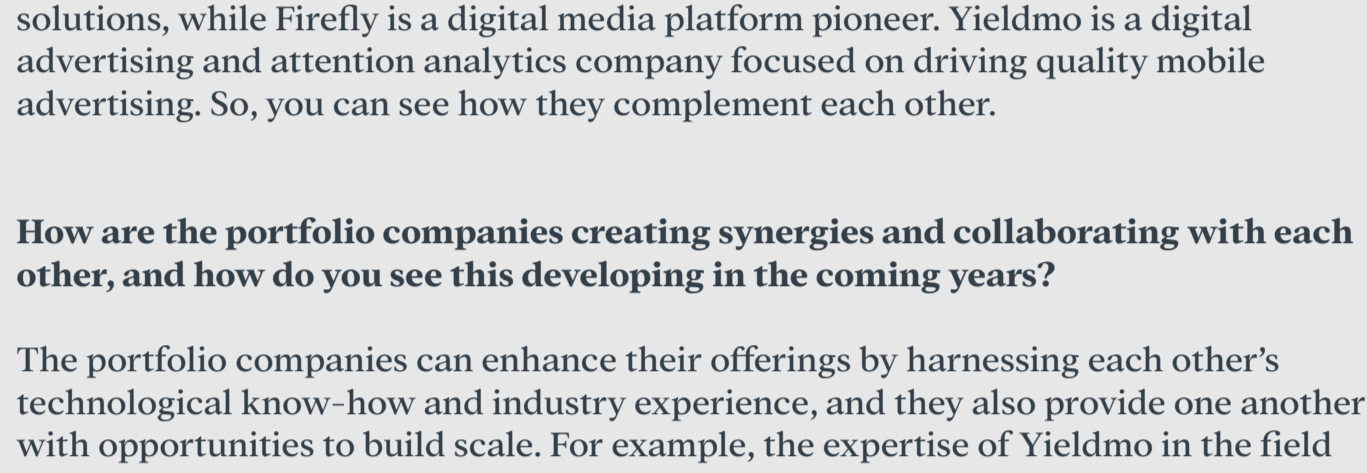
Samia Bouazza, CEO, said: "Looking ahead, in 2022, we aim to expand our portfolio, capitalizing on opportunities to buy profitable stakes. We will increase operational margins and align with subsidiary leadership on future-proofing their companies, all the while, emphasizing the professional growth and wellbeing of our employees."



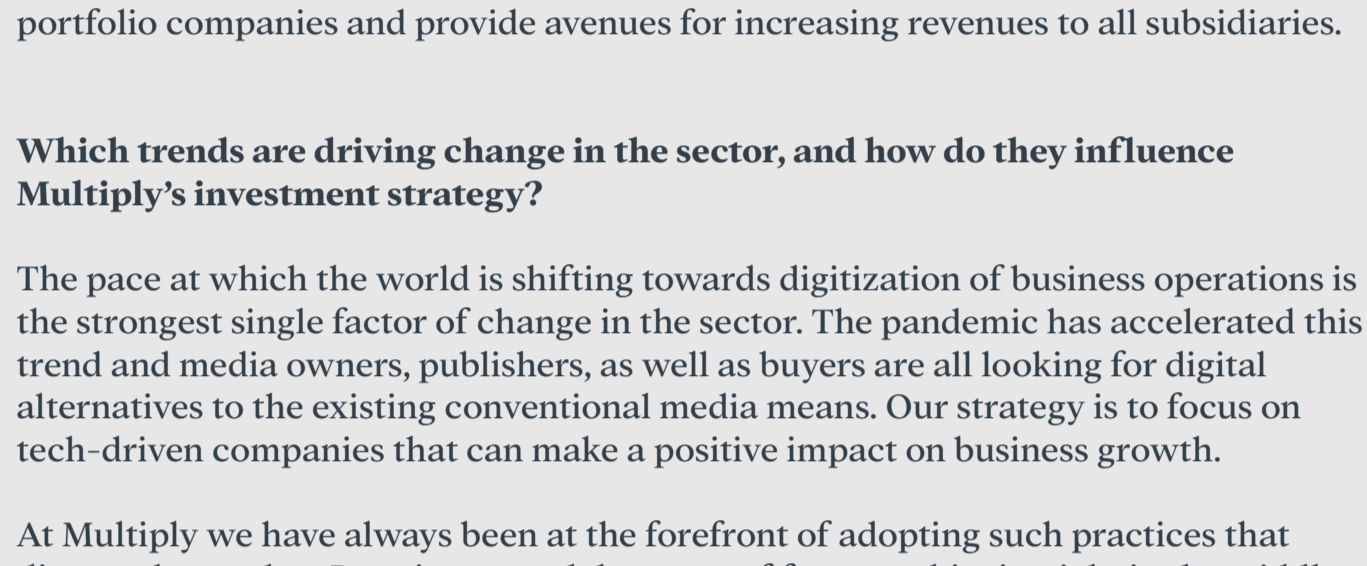
Kevin Mark Raistrick, COO of Multiply Group, Discusses Q1 Results and Outlook for 2022 on the Business Breakfast.

Kevin Mark Raistrick, COO of Multiply Group talked to Business Breakfast hosts on how Multiply Group recorded net profit of AED 334.9 million for the first quarter of 2022.

[Watch an extract of the interview here: Link](#)



Media spotlight on Multiply's Q1 results



Inside Digital Media and Communications

What investments has Multiply Group made in the Media & Communications vertical, and what is distinctive about these assets?

Multiply Group has so far made a number of investments in the Media and Communications sector, notably Firefly, Yieldmo, and Viola Communications. Each of these companies brings different expertise and technology to the vertical. For example, Viola specializes in providing fully integrated marketing and communications solutions, while Firefly is a digital media platform pioneer. Yieldmo is a digital advertising and attention analytics company focused on driving quality mobile advertising. So, you can see how they complement each other.

How are the portfolio companies creating synergies and collaborating with each other, and how do you see this developing in the coming years?

The portfolio companies can enhance their offerings by harnessing each other's technological know-how and industry experience, and they also provide one another with opportunities to build scale. For example, the expertise of Yieldmo in the field of digital programmatic advertising has huge benefits for Viola as the company seeks to provide enhanced offerings to its clients.

This is very much part of our strategy. We want our diverse regional and international investments to drive synergistic operations that empower local companies to expand globally. We also want to provide opportunities for international companies to enter the MENA market.

Future investments will create more such opportunities of collaboration between the portfolio companies and provide avenues for increasing revenues to all subsidiaries.

Which trends are driving change in the sector, and how do they influence Multiply's investment strategy?

The pace at which the world is shifting towards digitization of business operations is the strongest single factor of change in the sector. The pandemic has accelerated this trend and media owners, publishers, as well as buyers are all looking for digital alternatives to the existing conventional media means. Our strategy is to focus on tech-driven companies that can make a positive impact on business growth.

At Multiply we have always been at the forefront of adopting such practices that disrupt the market. Data is one such key area of focus as this sits right in the middle of our expansion strategy and feeds into all businesses. We are keenly looking at investing in this segment and expect data to benefit us significantly through its incorporation, by enhancing the services of all our companies. We are also looking closely the trends from blockchain technology to AR/VR/MR as these will help us scale and play in the meta world.

Artificial Intelligence (AI) and its application in the media and communication industry is another trend that we are eagerly monitoring. Some of our existing portfolio companies are already exploring its application in their business model and any potential investments with a proven AI based business model would be of good interest to us.

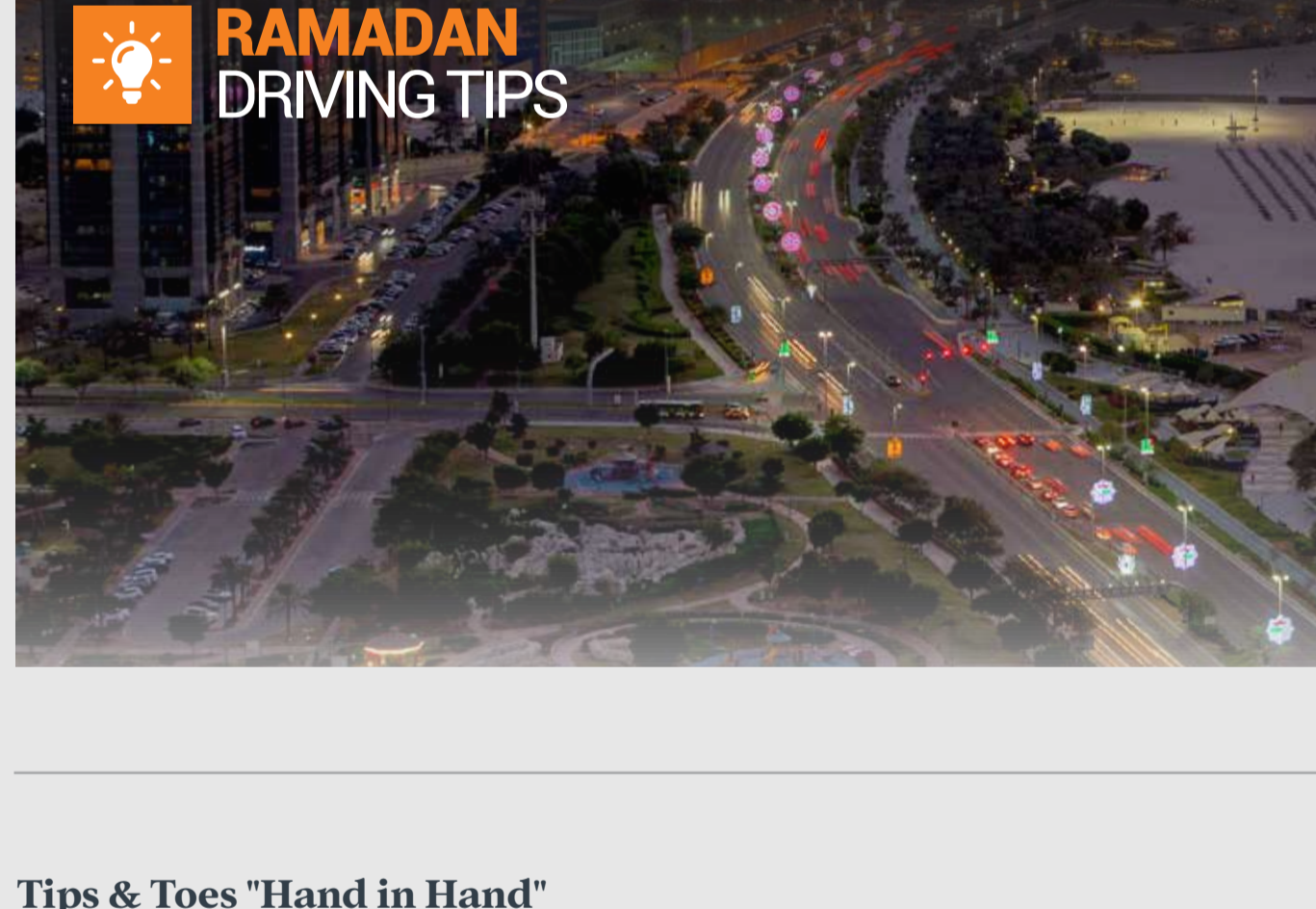
What is the deal-making environment like for this sector at the moment? What challenges do you face in getting deals over the line, and how is this impacting your approach?

The deal environment for the digital media and communications sector always moves at great speed. We are aggressively pursuing deals locally, regionally as well as globally. Our team is well versed in assessing all opportunities and are very agile in completing the required stages of an investment process.

While we are aggressive in the pursuit of the right deal, we are diligent with our capital as we look for our firms, and our people, to grow. We intend to capitalize further on what is increasingly a 'buyer's market' for deal-making in terms of valuation and opportunity to deliver attractive returns for our shareholders.

Our investment strategy revolves around picking the right target and seeing how an investment not only ensures highest returns but also how it may help us scale operations through synergistic expansion, both locally and internationally. This puts us in a stronger and more strategic position for the target company as they see the added value of growth, rather than the investment alone.

Jawad Hassan
Head of Digital Media & Communications at Multiply Group



Annual Suhoor

On April 18, the Multiply community came together for a delightful Suhoor as part of the Holy Month of Ramadan.

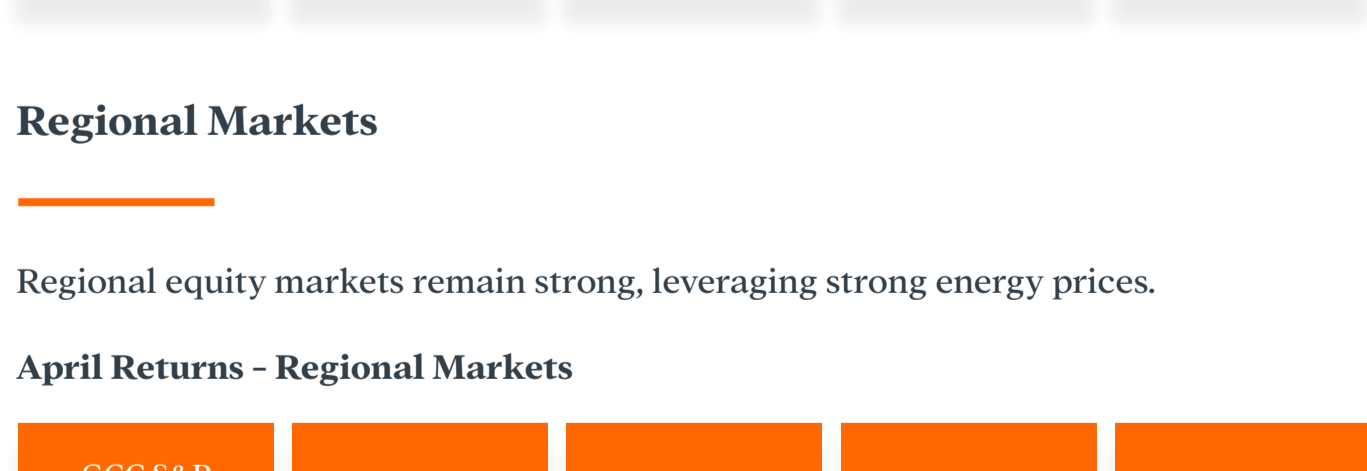


Media

Dewa Shares Surge on Dubai Financial Market Debut after IPO

Multiply invested AED 367 million into the Dubai Electricity and Water Authority's (DEWA) landmark initial public offering, following a series of strategic acquisitions to pursue growth by creating a unifying technology-enabled ecosystem.

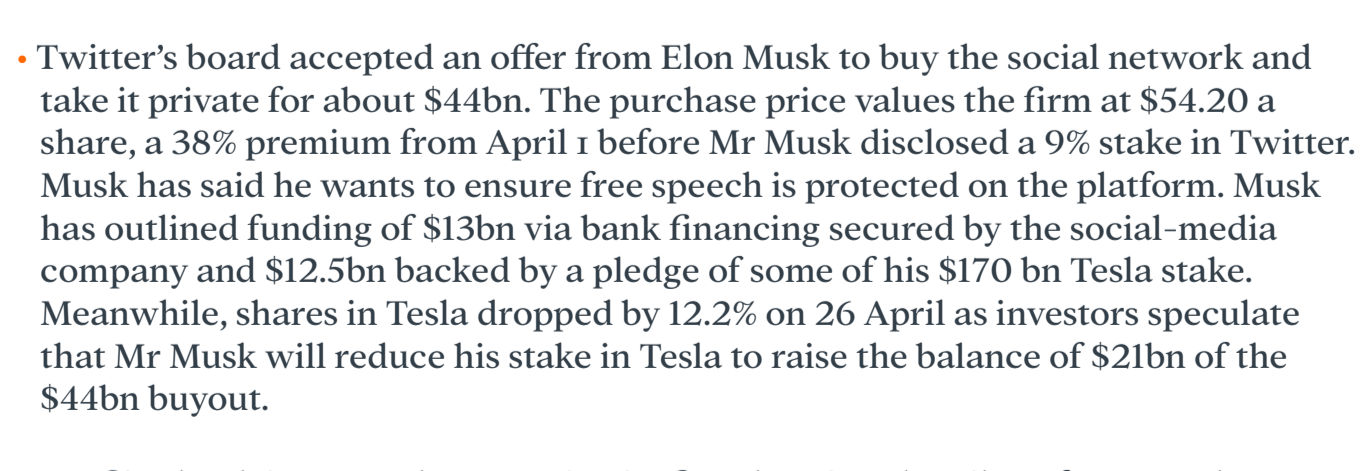
[Read the full story here: Link](#)



Subsidiaries' News

Emirates Driving Company runs a Ramadan Campaign with Abu Dhabi Police

EDC during in the Holy Month of Ramadan. Messages included advice for drivers during Ramadan, such as ensuring they were getting enough rest given that fasting can cause tiredness and fatigue; paying extra attention while driving before iftar; planning their trips properly and avoiding driving during peak hours in the Holy Month.



Tips & Toes "Hand in Hand"

During Ramadan, Tips & Toes encouraged employees to decorate a wall with their handprints and donated money for each handprint to support the children at Dubai Center for Special Needs. They also ran the "Hand in Hand" campaign encouraging their customers to take part in the initiative, which supports activities such as physiotherapy, speech therapy, and sign language education for the center's 130 students from 25 nationalities.

[For more information or donations: Link](#)



Market Monitor

Global Markets

April 2022 was one of the worst months historically, and certainly the worst this year, for global equities. This was encapsulated by the tech-heavy Nasdaq index, which had its worst monthly performance since 2008. For the S&P 500, last month was the worst April since WWII. However, the smart money has started moving in, as Warren Buffet's Berkshire Hathaway made \$41bn in net equity purchases in the first quarter, the biggest purchase since the global financial crisis.

Looking ahead, the main risk factors include more hawkish monetary tightening, heightened energy risk in Europe and global food inflation due to the war in Ukraine, as well as China's zero Covid strategy.

April Returns - Global Markets

MSCI All Country World Index	S&P 500	Euro Stoxx 600	FTSE 100	MSCI Emerging Markets Index
-8.14%	-8.80%	-1.43%	0.15%	-5.75%
US Dollar Index	Bitcoin	Crude Oil (Brent)	Gold	Vix
4.92%	-15.22%	1.47%	-1.59%	72.79%

Regional Markets

Regional equity markets remain strong, leveraging strong energy prices.

April Returns - Regional Markets

GCC S&P Index	ADX	DFM	TASI	QSE
2.81%	1.33%	5.47%	4.92%	0.25%

Other News

- World Bank predicts food and energy prices are to remain high until 2024, as the war is leading to more costly patterns of trade. While energy prices are surging, price increases for food commodities and fertilisers, which rely on natural gas as a production input, have been the largest since 2008.
- Opec said global demand will rise by 3.67-million barrels per day in 2022, down 480,000bpd from its previous forecast due to the Russia-Ukraine war and lockdowns in China.
- With chip demand set to rise over the coming decade, the global semiconductor industry is poised to become a trillion-dollar industry by 2030 from less than \$600bn in 2021 (McKinsey & Co.). About 70% of growth is predicted to be driven by the automotive (particularly electric vehicles), data storage, and wireless industries.
- Twitter's board accepted an offer from Elon Musk to buy the social network and take it private for about \$44bn. The purchase price values the firm at \$54.20 a share, a 38% premium from April 1 before Mr Musk disclosed a 9% stake in Twitter. Musk has said he wants to ensure free speech is protected on the platform. Musk has outlined funding of \$13bn via bank financing secured by the social-media company and \$12.5bn backed by a pledge of some of his \$170 bn Tesla stake. Meanwhile, shares in Tesla dropped by 12.2% on 26 April as investors speculate that Mr Musk will reduce his stake in Tesla to raise the balance of \$21bn of the \$44bn buyout.
- Netflix shook investors by reporting its first drop in subscribers for more than a decade. It lost 200,000 users over the first three months of the year and expects another 2 million will leave in the current quarter, almost 1% of its customer base. It blamed some of that on the room households that share their passwords with freeloaders, but competition from Disney+ and a rise in living costs also play a part. In Britain a record number of households are cancelling streaming services, a survey found (The Economist).
- Zoom is in talks with UAE to introduce smart call centres. The Zoom Contact Center that was launched in the US in February this year is the latest move by the company to expand and move beyond its video conferencing platform. Zoom is re-entering the contact centre solution space after its proposed \$14.7bn acquisition of Five9, which has a contact centre software, fell through the cracks last October. At the height of the pandemic in December 2019, Zoom users went up from 10-million daily to well over 300-million in April 2020. Usage has stayed at those levels since but it's not clear how things play out as the world goes back to "normal".
- AI will add up to US\$10trn to the global economy in the next decade and greater adoption of AI in the UAE could also add up to US\$200bn in productivity gains by 2030 (Arvind Krishna, Chairman and CEO of IBM).
- GCC governments have the potential to unlock \$2trn in cumulative GDP contribution, more than 1-million jobs and FDI in sustainable industries through green finance. Exporting countries can potentially capture a market of approximately 200-million tons of green hydrogen by 2050, worth \$300bn yearly. The green hydrogen export market can also create 400,000 operations and maintenance jobs (Strategy & Middle East). Furthermore, GCC have a comparative advantage where a solar-photovoltaic panel produces twice as much output as it would in Germany or any climatically similar European country.
- DEWA raised \$6.1bn in the biggest initial public offering in Europe and the Middle East in more than two years. It sold 9-billion shares at AED2.48/share, the top end of the price range. Its shares surged more than 20% on its debut on the Dubai Financial Market on 12 April 2022, valuing the company at about \$39bn and making it the largest on the exchange.
- DEWA is set to invest AED40bn (\$10.89bn) in capital expenditure over the next five years. It will spend AED16bn to strengthen the water and electricity network, AED12bn on existing projects and AED3bn in district cooling systems, with the remainder on further existing projects, especially smart systems and infrastructure.
- IHC will invest AED7.3Bn (\$2bn) in three green-focused companies owned by Indian conglomerate Adani Group. The investments in Adani Green Energy Ltd, Adani Transmission Ltd and Adani Enterprises Ltd will be exercised via preferential allotments.
- UAE will soon sell Treasury bonds denominated in local currency for the first time, seeking to raise AED9bn (\$2.45bn) with eight auctions between May and the end of the year 2022. The T-bonds will be issued with varying tenors of two, three and five years in an initial phase and a 10-year tenor in the medium term.