MULTIPLY
GROUP

INVESTORS' UPDATE

SEPTEMBER 2024 | ISSUE 33

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OUR UPDATES

Multiply Group's Media Vertical Synergies

As Multiply Group continues to build its portfolio, our focus remains on creating synergies across our portfolio companies to drive efficiencies and maximize value. These will result in cost optimization, accelerated revenue growth, and a more cohesive, unified culture within our media vertical.

Within the Media vertical, we plan on creating a true platform that would include:

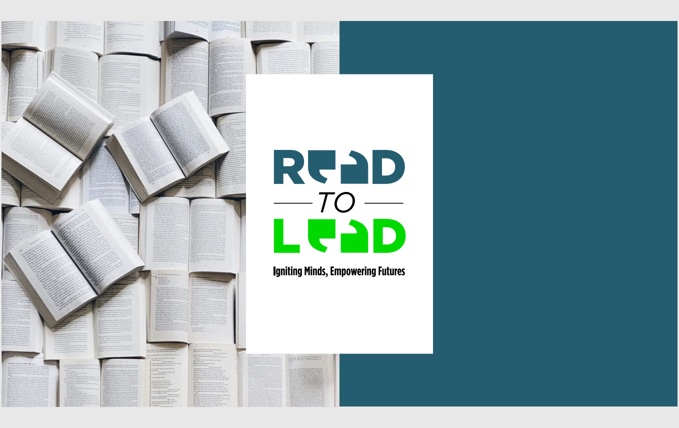
- A leaner organizational structure and more efficient decision-making
- A management team that takes the best capabilities from all our businesses and brings them under one roof
- A cohesive sales team to ensure all brands are working in a complementary manner to create value and increase market share
- Launch of a centralised procurement programme, focusing on optimising cost across all spending areas
- A unified and integrated OOH digital platform that consolidates data across the Group, enabling enhanced customer insights and greater asset visibility

Multiply Group Launches New CSR Program - 'Read to Lead'

At Multiply Group, sharing knowledge through books and digital learning tools is at the heart of the company culture and we believe in its power to bring positive change.

On International Literacy Day, Multiply Group launched its Corporate Social Responsibility program, 'Read to Lead,' dedicated to supporting a lifelong learning and community empowerment through the power of reading. Under the motto of "Empowering Minds, Igniting Futures", the CSR program will focus on expanding access to books, promoting reading habits, supporting educational resources, and encouraging knowledge-sharing.

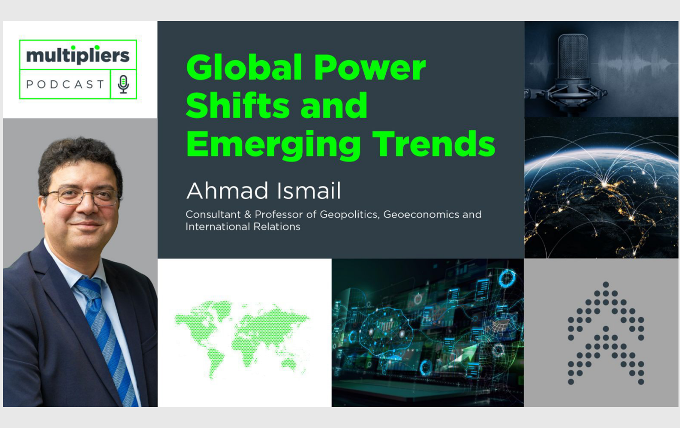
'Read to Lead,' will deliver a series of impactful contribution initiatives, giving back to both local and global communities by expanding access to books and learning resources.



Global Power Shifts and Emerging Trends

In this episode of the Multipliers Podcast, we delve into the evolving dynamics of global power, as nations navigate de-risking, trade wars, and emerging alliances. Ahmed Ismail, Consultant and Professor of Geopolitics, Geoeconomics, and International Relations, breaks down how these shifts are shaping the future of international relations.

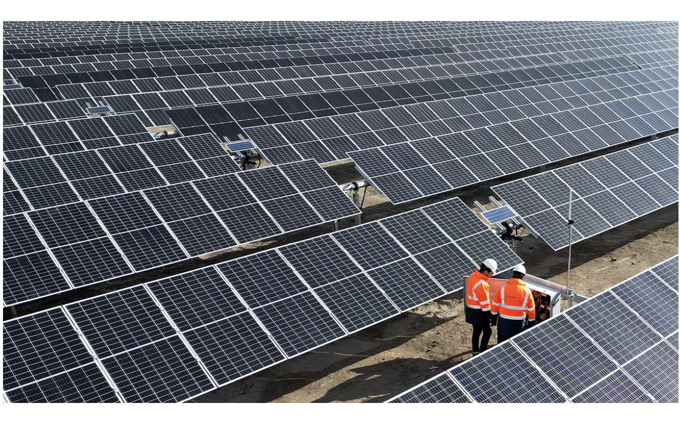
Check out the full episode on Spotify, Apple Podcasts, Google Podcasts, and our YouTube channel



SUBSIDIARIES' NEWS

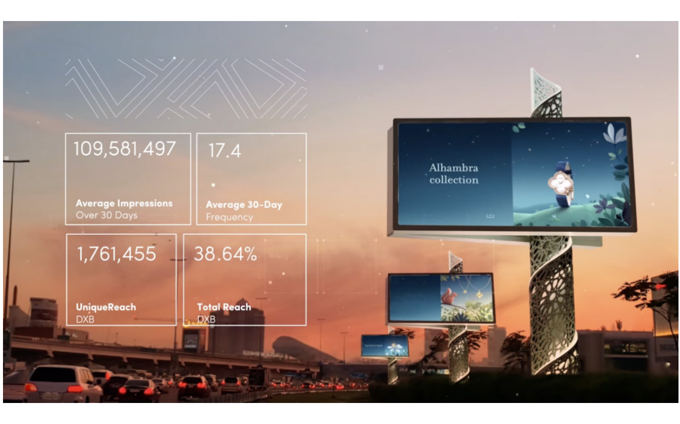
Kalyon Enerji Secures €249 million Financing to advance Türkiye's second-largest solar project

Kalyon Enerji, one of Multiply Group's subsidiaries under International Energy Holding (IEH), secured €249 million (AED 1,015 million) financing from U.K. Export Finance (UKEF) and Poland's export credit agency, to advance Türkiye's second-largest solar project. The Kalyon Enerji's 390MWp project will consist of seven sites across the provinces of Niğde-bor, Gaziantep and Sanliurfa-Viransehir, and are expected to generate enough clean energy to power more than 65,000 households annually. All three Projects (Niğde-Bor, Gaziantep and Şanlıurfa-Viranşehir) will reduce approximately 645,000 tons of carbon annually at full capacity.



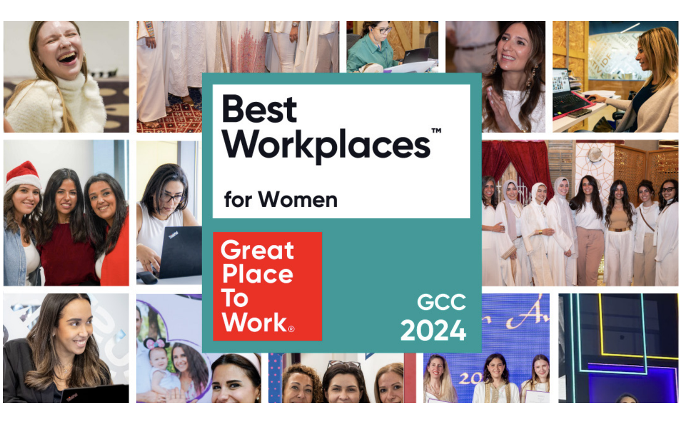
BackLite Celebrates 3 Years of the Triple Crown

As Multiply Group's BackLite Media celebrates 3 years of the Iconic Triple Crown, we hear from their leadership as they share insights into their vision, innovation, and the exciting future ahead. What started as a bold vision has become a defining symbol of Dubai's skyline and a game-changer in out-of-home advertising. The Triple Crown, part of The Landmark Series, has transformed how brands engage with their audience, blending cutting-edge technology with architectural brilliance.



Viola Communications is one of the Best Workplaces for Women™ in the GCC

Following their recent milestones as one of the Best Workplaces™ in the Middle East for 2024 and their #4 ranking among the Best Workplaces in Media, Advertising, and Marketing™ - GCC, Viola Communications has been named one of the Best Workplaces for Women™ – GCC 2024. 'Great Place to Work' is a global people authority on workplace culture that helps companies of all sizes produce better business results by focusing on the work experience for every employee.



MARKET MONITOR

Global Markets

The MSCI ACWI rose 2.2% in September, and up 6.2% for 3Q, closing a fourth consecutive quarter of positive momentum. Global equities are now up 17.2% YTD. Chinese & Hong Kong equities led global peers by a wide margin, having posted most of their gains in the final week of by PBOC bazooka. While equity volatility rose, bond market volatility subsided. Yield on the US 10-year government bonds eased further by 12.1bps to 3.787%. Across assets, performances were mostly mixed: gold (+5.3%), natural gas (+37.4%), Bitcoin (+7.1%), and copper (+7.6%) were up; the dollar (-1.0%), Brent crude (-6.8) and iron (-4.9%) retreated.

The following are the overriding themes that drove market sentiment during September:

(1) Softer US labour markets than expected
(2) US yield curve (2s/10s) un-inverted for the first time since 2022
(3) Continued disinflation in the US and Europe
(4) Fed and ECB cut rates, while the BoE and BoJ maintained
(5) A cocktail of stimulus measures by the PBOC, including rate cuts and liquidity injection
(6) China continued to show a slowdown in economic activity, particularly in imports

Summary of Weekly Global Market Movers:

Week 1: A global equities selloff due to weaker US labour reports and manufacturing activity, the worst weekly decline in almost 24 months. All the major markets that we follow ended in the red. The ACWI fell 3.7%, as the US 10-year treasury yield and de-facto global risk-free benchmark cooled by 19.2bps to 3.716%. The US yield curve (2s/10s) un-inverted for the first time since 2022: A recession usually follows once the yield curve re-normalises. That's the longest it has been inverted without the onset of a recession.

Week 2: Global markets rallied as the continued easing of American inflationary pressures supported investor sentiment. The MSCI ACWI gained 3.0%, the second-best weekly performance of the year, reflecting a broad-based rise in global equity markets, while the US 10-year Treasury yield declined by 5.6bps to 3.66%, signaling increased expectations for monetary loosening by the Fed. Tech stocks led the gains as they recovered from heavy losses experienced in the prior week, buoyed by renewed investor confidence in AI following positive demand comments from Nvidia's CEO. In Europe, the ECB cut its deposit rate by another 25bps, confirming that policy loosening is well underway. Meanwhile, data from China continued to show a slowdown in economic activity, particularly in imports figures, adding to concerns over global demand.

Week 3: Global equity markets ended higher as they digested a mix of central bank decisions. The Federal Reserve's 50bps rate cut marked a significant policy shift, while the BoE, PBOC, and BoJ opted for steady rates. Rising geopolitical tensions in the Middle East and concerns over China's economic slowdown are keeping global markets on edge in the near term. The **MSCI ACWI** rose by 1.3%, to a new weekly high, reflecting steady performance across global equity markets. The **US 10-year Treasury yield** climbed by 8.4bps to 3.744%, as markets reacted to the surprise 50bps rate cut by the Federal Reserve with investors becoming increasingly convinced of a "soft-landing".

Week 4: Global markets rallied last week as a cocktail of stimulus measures by PBOC saw Chinese stocks enjoy their best weekly performance since 2008. Weaker US consumer sentiment/manufacturing and continued global disinflation bolstered investor sentiment and bets for more interest rate cuts. MSCI ACWI gained 1.8%.

MSCI All Country World Index	S&P 500	Euro Stoxx 600	FTSE 100	MSCI Emerging Markets Index
2.2%	2.0%	-0.4%	-1.7%	6.4%

US Dollar Index	Bitcoin	Crude Oil (Brent)	Gold
-1.0%	7.1%	-6.8%	5.3%

Regional Markets

The S&P GCC regional equity performance indicator continued to recover, gaining by 1.3% in September (August: +0.3%). Sub/country indices that we follow all saw gains. Brent declined by 6.8%.

GCC Central Bank Rate Cuts: Following the US Fed's lead, GCC central banks slashed their interest rates. The **UAE Central Bank** cut the base rate on the Overnight Deposit Facility by 50bps to 4.90%, while the **Saudi Central Bank** reduced its repo rate by 50bps to 5.50%. **Qatar** followed suit with a 55bps cut, reflecting the region's alignment with US monetary policy. Meanwhile, the Central Bank of **Kuwait** cut its benchmark rate by 25bps.

OPEC+ struggled to ease market concerns about global supply and demand as it postponed its planned production increase of 180,000 barrels per day until December, which would have added about 2.2mbpd to the market through the end of next year. Additionally, potential increases in oil supply from Libya is expected as political factions are nearing an agreement. Also, the Financial Times reported that Saudi Arabia is abandoning its unofficial $100 a barrel oil price target as it gets ready to raise output to win back market share. Meanwhile, OPEC revised its forecasts, projecting global demand growth of 2.03mbpd this year and 1.74mbpd in 2025, down from August's forecast of 2.11mbpd and 1.78mbpd, respectively.

GCC S&P Index	FADG	DFM	TASI	QSE
1.3%	1.5%	4.1%	0.7%	4.0%

Other News

- **As Japan's yen-funded carry trades unwound, the currency seems to fulfill its traditional role as a safe harbor for investors.** The yen is back in favour with investors on the expected policy divergence of the BoJ with other central banks. BoJ Governor Kazuo Ueda affirmed last week that the central bank will keep raising borrowing costs should the economy and prices perform as policymakers expect.

- **Institutions re-souring on China. JPMorgan** strategists downgraded Chinese stocks to neutral from overweight, citing a challenging outlook and heightened volatility around the US election. Meanwhile, **Bank of America's** economists joined their counterparts in predicting China's economy will grow less than 5% this year: "We find both the fiscal and monetary policy stance less accommodative than desired and insufficient to revive domestic demand growth."

- **US inflation data showed core CPI rising by 0.3% m/m, slightly above forecasts of 0.2%.** Headline CPI rose by 0.2% m/m, in line with expectations. Despite this, markets reacted positively, anticipating that the Federal Reserve would institute a rate cut this week for the first time since 2020. Headline inflation was 2.5% y/y, a touch below consensus economist estimates of 2.6%, it's the lowest CPI reading since February 2021. Annual core CPI remained sticky at 3.2% and was in line with estimates.

- **US Inflation, Unemployment & Fed Rate Cut:,** but moments before the announcement, the futures market (FedWatch tool) was pricing in a 64% chance of a 50bps cut. Fed Chair **Jerome Powell** portrayed the move as a **"recalibration" of monetary policy** to address slowing inflation and rising unemployment risks. Despite the rate cut, inflation remains a concern, with consumer prices sticky at an annual pace of 2.5%. The Fed signalled that future rate cuts would proceed more slowly, with another cumulative half-point cut expected by year-end. A total of 150bps in cuts is expected by the end of next year. FOMC also raised the estimation of the **unemployment rate** this year to 4.4% from the 4% projected in June. Meanwhile, the labour market remains resilient, as jobless claims fell to a four-month low of 219K.

    - **The argument for a half-point cut** rests on **(1)** the Fed being confident that it is on track to bring inflation under control, and **(2)** its worries have shifted to the job market. The unemployment rate of 4.2% is low, but nearly a full percentage point higher than early last year. And companies have pared back their hiring.

    - **The Fed's big cut nevertheless poses some dangers.** Despite the cracks in the labour market, the economy as a whole appears to be holding up well. Resilient consumption has put it on track for annualised growth of 3% in the current quarter, well ahead of most forecasts just a month ago. A hefty rate cut against a strong economic backdrop risks sending the wrong signal to financial markets.

- **According to Iridium's GCC Sentiment Index, which measures investor sentiment/optimism, the region's investor sentiment soared by 63% above its historical average** of 26.0 points in Q2 due to positive sentiment across all the region's economies, particularly Saudi Arabia, which saw a 23% increase over the previous quarter at 44.1 points, and the UAE, which experienced an 8% increase at 49.1 points. Other GCC economies also showed marked improvements in Q2, with Kuwait achieving 45.6 points on the Sentiment Index, with all Bahrain, Oman, and Qatar also reporting hights of 52.7 points, 36.7 points and 35.3 points, respectively.

- **Deal activity in the Middle East and Africa fell 10.4% in the first eight months of 2024** amid challenging economic conditions, according to data and analytics company GlobalData. North America registered an 18.9% YoY decline, while Europe, Asia-Pacific and South and Central America reported a fall of 16.2%, 8.1% and 27.3%, respectively. Overall, global deal activity fell 15% YoY to 32,050 deals. M&A deals volume fell 9.5% YoY, while private equity and venture financing transactions declined by 13.4% and 23.9% YoY, respectively.

- **Microsoft, an American tech giant, and MGX, an Emirati-backed investment firm, will be partners in the fund.** Nvidia, America's chip champion, will offer expertise. Larry Fink, BlackRock's boss, has said that the global economy is on the cusp of an "infrastructure revolution". The $30bn that the fund raises from private capital swells to a potential $100bn when debt financing is included.

- **The Central Bank of the UAE revised upwards its GDP growth projection for 2024 to 4 percent from 3.9 percent previously, reflecting the improved performance of the oil sector.** For 2025, growth is expected to increase to 6 percent, as momentum in the non-hydrocarbon sector is projected to continue, while hydrocarbon production is forecast to pick up significantly.