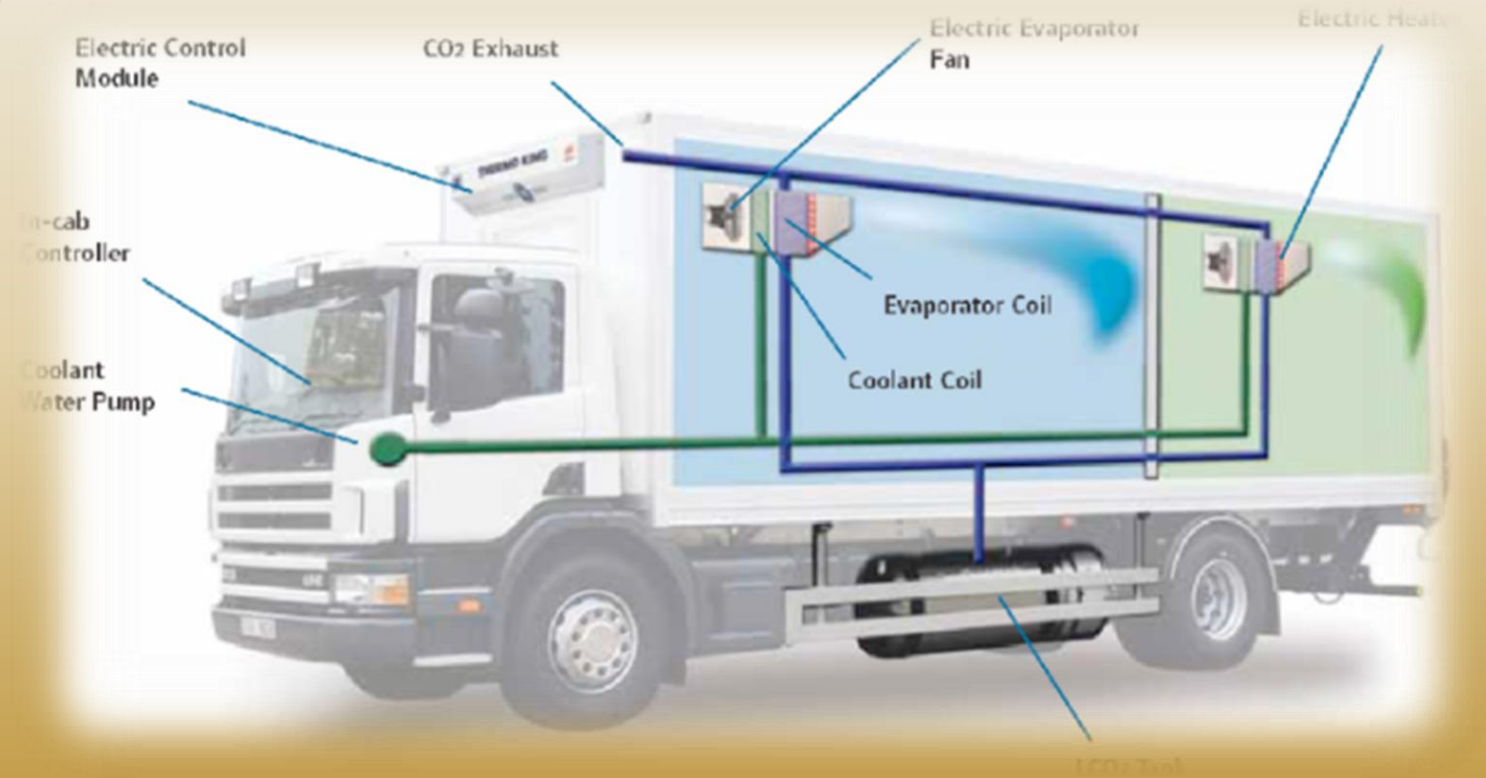




UNITED ARAB EMIRATES
MINISTRY OF INDUSTRY
& ADVANCED TECHNOLOGY

Industrial Investment Opportunities

Commercial & transport refrigeration opportunity





Commercial and transport refrigeration Opportunity

Commercial and transport refrigeration products maintain a specific temperature to increase the shelf-life of perishable products



Product description

- Commercial and transport refrigeration is the process of eliminating excess heat from a source or material to maintain a temperature lower than its surroundings
- Commercial and transport refrigeration products include
 - Commercial kitchen refrigerator
 - Chest refrigeration
 - Freezers
 - Display fridges
 - Reefer trucks
 - Refrigerated trailers
 - water chillers

Main applications

- **Food retail industry** (Supermarkets, convenience stores)
- **Food service industry** (Full-service restaurants, hotels, quick service restaurants)
- **Food processing industry**
- **Health care and pharmaceuticals cold chain** (Retail pharmacies, hospitals)

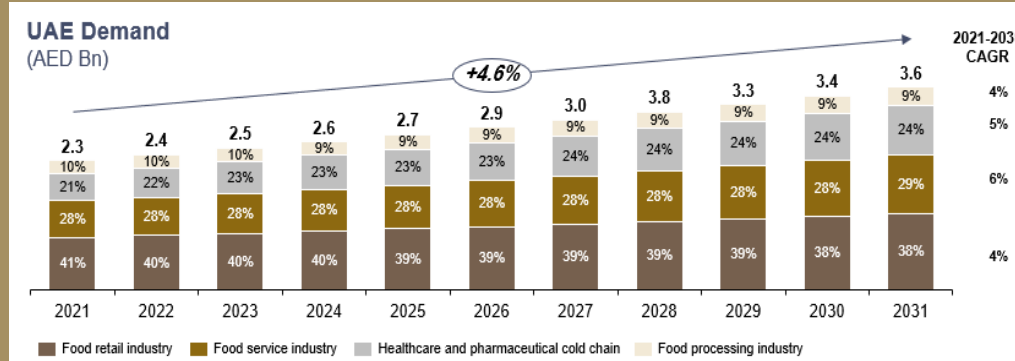
The UAE has existing capabilities in commercial and transport refrigerator from the assembly stage to the end of the value chain

Investment Case

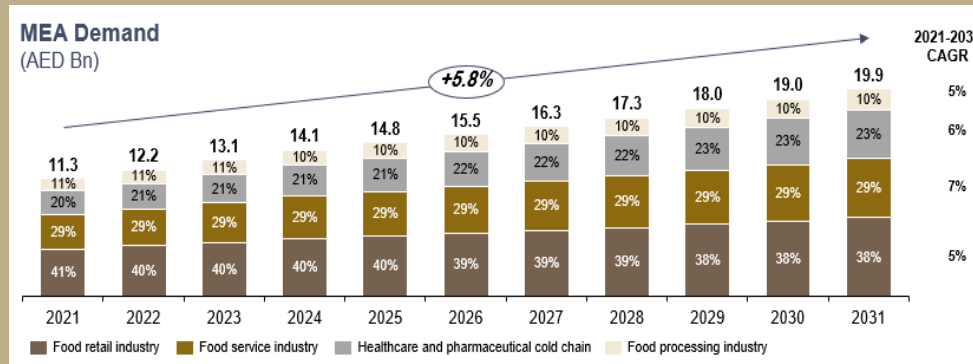
Setup Medium-sized facilities¹ focused on manufacturing of commercial and transport refrigeration systems with components sourced from local and global sources

- **Investment Size:** AED 35 – 40 Mn
- **Plant Capacity:** 12,000 – 13,000 units/year.
- **Work Force:** 95-100 employees
- **Expected IRR:** 14%
- **Expected NPV (10 Yrs):** AED 55M
- **Payback Period:** 11 Yrs

The UAE demand for HVAC system products is expected to grow at 4.6% p.a.



The MEA demand for HVAC system products is expected to grow at 5.8 % p.a.



Key market trends MEA trends

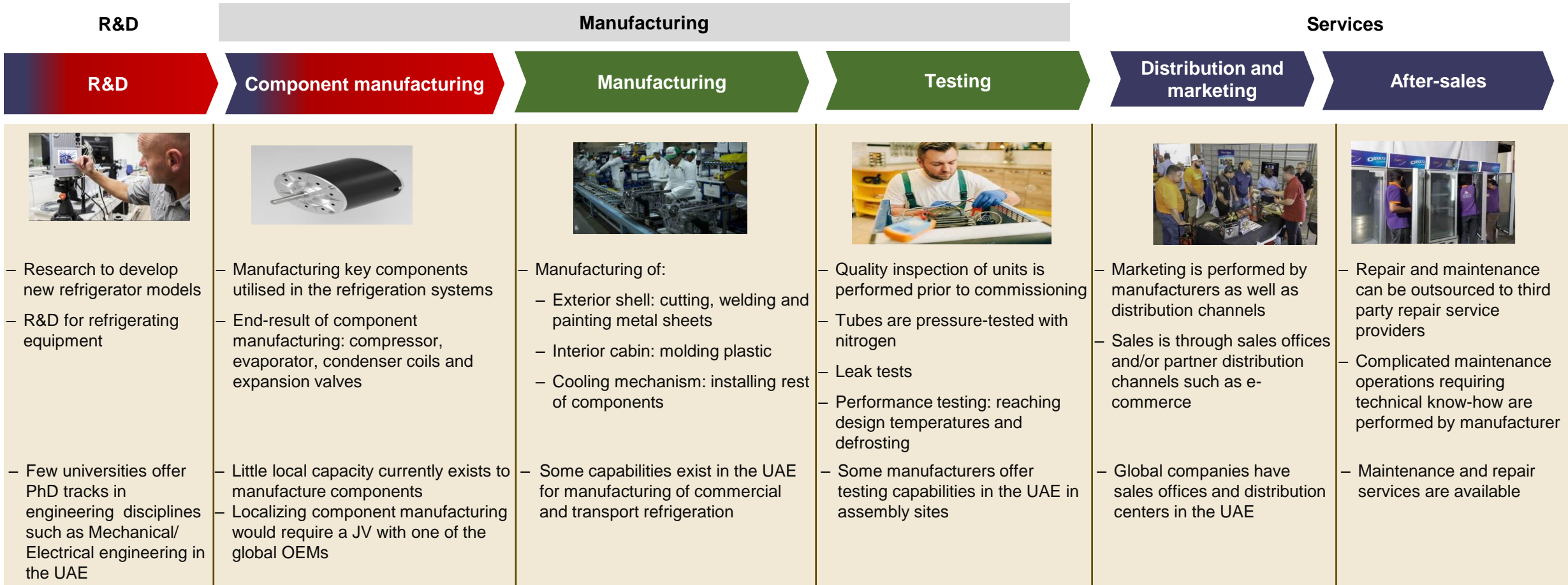
- Commercial and transport refrigerator market growth is driven by:
 - Growth in the food service industry as consumers are trending towards ready made meals
 - Growth in the healthcare and pharmaceutical cold chain to ensure national resilience
 - Increased investments in pharma and health services in the GCC region has driven increased demand for a robust pharma cold chains

UAE trends

- The UAE Commercial and transport refrigeration market growth is in line with MEA growth
- Growth in the commercial and refrigeration market is driven by:
 - Growth in the food service industry as consumers require faster & convenient meals
 - Higher income levels are allowing for greater access to full-service restaurants which require refrigeration to ensure perishables maintain their shelf-life
 - Growth in the healthcare and pharmaceuticals segment as healthcare expenditures are increasing driven by the UAE's diversification away from dependency on oil and gas industries

Commercial and transport refrigeration Value Chain

The UAE has existing capabilities in commercial and transport refrigerator from the assembly stage to the end of the value chain



High localization in UAE

Limited localization in UAE

MoIAT Classification: OPEN

Focus of manufacturing plant to set up

Food ingredients and concentrates



Value proposition

- Strategic location that can act as a dispatch hub for MENA
- UAE ranked 16th globally in Ease of Doing Business (WB)
- UAE ranked #10 globally for world class infrastructure in (LPI)
- High quality of life attractive for skilled talent
- 100% foreign business ownership and low VAT (5%)
- Competitive costs of licensing costs and work visas (under process)
- Strong logistics infrastructure - UAE has busiest ports in MENA region strategically located and enable seamless flow of trade across a region of more than 3.5bn.



Enablers

- Up to 80% project financing by Emirates Development Bank
- 2-year grace periods and low interest-rate loans for CAPEX, working capital, and supply chain financing.
- Export credit and insurance via Etihad Credit Insurance and AD Exports
- Access to Free Trade Agreements with high-growth markets such as GCC, Arab countries, Egypt, India, Jordan, Israel, Indonesia, and others
- Customs exemptions for raw materials
- 53% of UAE's exports are to countries with no import duties (GCC countries and other GAFTA countries with FTAs)