



AD Ports Group Acquires 80% stake in Global Feeder Shipping

AED 2.9 billion Strategic Investment Expands Feeder and NVOCC Services Across the Middle East, Indian Subcontinent, and Southeast Asia Regions

Abu Dhabi, UAE – 3 November 2022: AD Ports Group (ADX: ADPORTS) today announced that it has signed an agreement to acquire an 80 percent equity stake in Dubai-based Global Feeder Shipping (GFS), a global container shipping company.

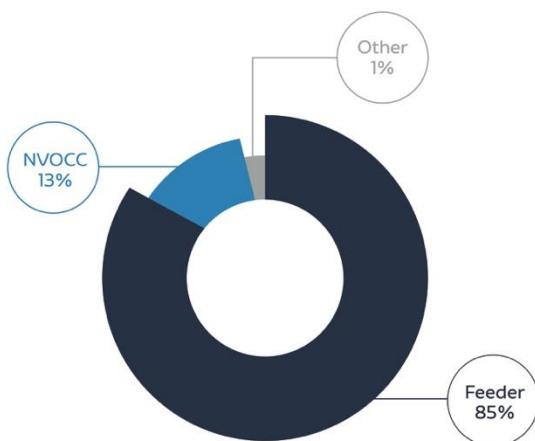
The total purchase consideration for the 80% stake amounts to AED 2.9 billion (US\$ 800 million), implying a 100% Enterprise Value of AED 3.7 billion (US\$ 1.0 billion), with the acquisition being fully funded through a new acquisition loan.

This earnings and value-accretive strategic investment significantly broadens AD Ports Group's global feeder shipping footprint and contributes to its long-term strategy to become one of the world's premier short-sea and feeder shipping players.

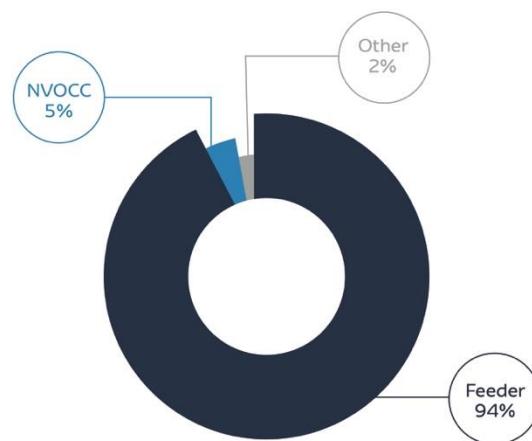
GFS' LTM financial performance was strong with revenue of US\$ 1,085m, EBITDA of US\$ 521m (EBITDA Margin of 48%) and Net Profit of US\$ 481m, implying an EV/EBITDA of 1.9x for the transaction.

Our base case scenario factors a correction of 60% in the freight rates over the coming years from the peak rates in 2022.

2021 Revenue Breakdown by Business Segment*

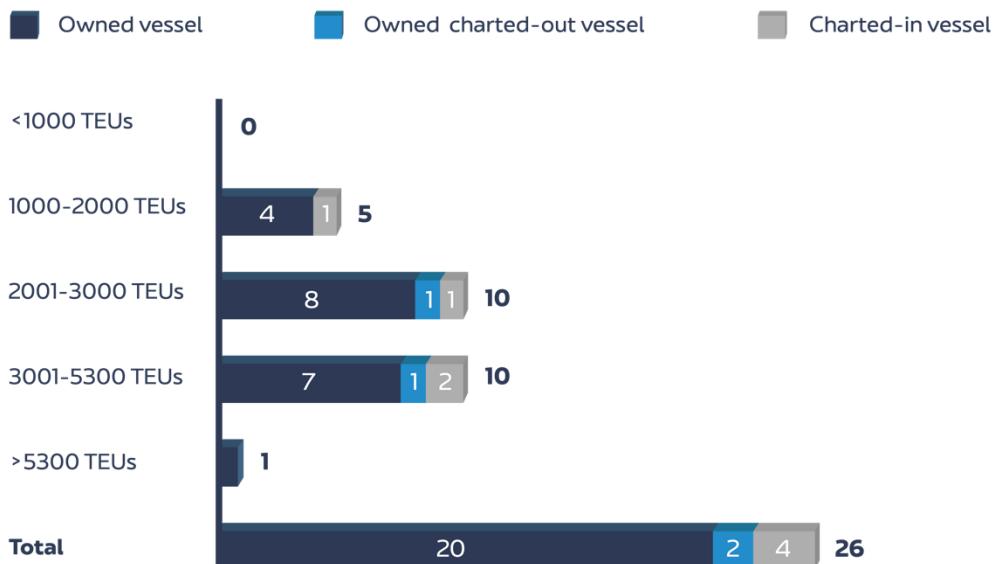


2021 Gross Profit Breakdown by Business Segment*



GFS has built one of the largest fleets of container ships globally, featuring 26 owned and operated vessels with a total capacity of 72,500 TEUs, covering the Middle East, Indian Subcontinent and Southeast Asia with services connecting the UAE to India, Pakistan, Sri Lanka, Egypt, Sudan, Djibouti, Yemen, Kingdom of Saudi Arabia, Bahrain, China, South Korea, and Vietnam, among others.

Maritime Fleet Overview



AD Ports Group will look to integrate GFS into its Maritime Cluster, which already offers a comprehensive portfolio of shipping, offshore and subsea services. Aligning GFS services with SAFEEN Feeders and Transmar, will make AD Ports Group the largest single provider of feeder shipping services in the region with a fleet of 35 vessels and third largest globally by volumes carried with a total container capacity of 100,000 TEUs.



The acquisition will boost AD Ports Group's trade activities and connectivity to core markets, as well as enhancing its feeding business, providing significant economies of scale through an expanded route network and fleet. In addition, the acquisition will further strengthen the company's hub and spoke model by linking core markets in the Gulf, Indian Subcontinent, Red Sea, and Turkey to its key port assets, such as Khalifa Port.

GFS' integration with SAFEEN Feeders service has the potential to generate significant operational synergies .

Subject to regulatory approvals, the transaction is expected to close in Q1 2023. GFS's existing management will remain in place with the founders retaining a 20% stake in the company.

H.E. Falah Mohammed Al Ahbabi, Chairman of AD Ports Group, said: "At the direction of our nation's wise leadership, AD Ports Group has been on a journey of development throughout 2022, driven by both organic growth and prudent investments. Our acquisition of a majority stake in GFS, which is the largest external investment in our company's history, will deliver a step-change in the range of services we can offer and significantly enhance our global connectivity. Our ambition is to become one of the world's leading shipping companies, offering the most comprehensive range of maritime services, and this investment moves us significantly closer to achieving that goal."

Captain Mohamed Juma Al Shamisi, Managing Director and Group CEO, AD Ports Group, said: "GFS offers more than 30 years of experience and excellence in the provision of container feeder services in the Middle East, Asia and Africa, in addition to a diverse and fit-for-purpose fleet. Our Maritime Cluster has delivered remarkable returns in 2022, reflecting the significant market appetite for shipping, offshore and subsea services, and integrating GFS into our operations will enable us to increase our customer base, broaden our global footprint and build upon this significant momentum. As always, we thank the UAE's wise leadership, whose support has enabled us to achieve today's historic announcement."

Amir Maghami, Chairman, GFS, said: "This is a key moment for GFS, which sees our company become part of AD Ports Group to create the largest single provider of shipping services in the region. I am truly proud of what our team has achieved and excited for the future, which will see us continue expanding our global footprint. Our priority has always been to continuously improve our systems and processes to serve global trade, and under the ownership of AD Ports Group we will be able to deliver a new level of service and support for international customers."



Citi acted as the financial advisor and A&O as the legal advisor while Roland Berger completed the commercial due diligence and KPMG the financial and tax due diligence for AD Ports Group in this transaction.

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About AD Ports Group:

Established in 2006, AD Ports Group today serves as the region's premier facilitator of logistics, industry, and trade, as well as a bridge linking Abu Dhabi to the world. Listed on the Abu Dhabi Securities Exchange (ADX: ADPORTS), AD Ports Group's vertically integrated business approach has proven instrumental in driving the emirate's economic development over the past decade.

Operating several clusters covering Ports, Economic Cities & Free Zones, Maritime, Logistics, and Digital, AD Ports Group's portfolio comprises 10 ports and terminals, and more than 550 square kilometres of economic zones within KEZAD Group, the largest integrated trade, logistics, and industrial business grouping in the Middle East.

AD Ports Group is rated A+ by S&P and A+ Outlook Stable by Fitch.

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