

## GFH's Subsidiary sells Tesco logistics park in UK for \$135 million



- GFH's UK subsidiary, Roebuck, acquired the asset for \$94 million in 2017, providing investors with a total annual return in excess of 16%
- GFH eyes new transactions alongside Roebuck in the European logistics market following raft of successful early exits, including Amazon Spain portfolio
- With GFH's backing, Roebuck targets new acquisitions of around \$500m over 2022

**Manama, Bahrain. 12 April 2022:** GFH Financial Group ("GFH" or "the Group") today announced that its UK subsidiary, Roebuck Asset Management ("Roebuck"), has concluded an off-market sale of a Tesco Distribution Centre in excess of \$135 million.

The 540,000 sq ft temperature controlled centre was originally developed by Tesco in 2010. The warehouse serves in excess of 400 supermarkets and convenience stores across the South West of England and South Wales forming a crucial part of Tesco's distribution network.

The sale marks the end of an extremely successful hold period for Roebuck, who acquired the asset for \$94 million in October 2017 on behalf of a consortium of institutional Korean investors. The robust income and significant value increase provided the investors with a post-tax internal rate of return (IRR) of more than 16%, well in advance of the target business plan for such a core asset.

The asset was the second acquisition Roebuck made with South Korean investors and also with Capstone Asset Management. The sale of Tesco Avonmouth follows Roebuck's 2021 sale of the Accolade Wines, Avonmouth Warehouse for \$123m to Tritax Big Box REIT.

GFH acquired a majority stake in Roebuck, which continues to operate independently, in December 2020 including its investments in these strategic assets. Since GFH's acquisition, Roebuck has significantly grown in terms of team members and new offices, with more being opened in London and Spain and plans for further office openings over the next 18 months.

With GFH's backing and support, the intention is to continue to grow assets under management (AUM) and collectively as a group target new acquisitions of c.\$500m over the course of 2022. Roebuck is using

its local market expertise and significant track record to establish new investment vehicles in the Core + and Value Add space working with existing and new institutional investors.

Mr. Hugh Macdonald-Brown, Managing Partner at Roebuck, said: “The sale of Tesco Avonmouth has delivered our Korean investors significant out performance following a four and-half-year hold period producing total annual return in excess of 16%. It was fantastic to work with Capstone on another successful investment and the intention is to hopefully find new projects to work on together. Roebuck is actively pursuing opportunities to recycle capital from these sales for either UK and European logistics assets.”

Mr. Nael Mustafa, Board Member at Roebuck Asset Management and Co- Chief Investment Officer at GFH, said: “We’re pleased to announce this important exit by Roebuck of one of the prime logistics assets in the portfolio. The strategy to sell the Tesco distribution centre is in line with Roebuck’s plans to continue to build on its already very strong track record.

“The strategy is in line with our recent combined sale of the Amazon portfolio in Spain which generated similar returns over a shorter hold period. While divesting from these assets reduces the immediate AUM, the pipeline identified and secured across Europe will result in a net gain over the course of 2022. We look forward to announcing new transactions with Roebuck within the European logistics marketplace.”

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**For more information contact:**

Nawal AlNaji  
Manager, Corporate Communications  
[nalnaji@gfh.com](mailto:nalnaji@gfh.com)  
+973 17538538

**About GFH Financial Group B.S.C:**

GFH is known among the global investor community as one of the Middle East region’s most highly regarded and credible financial investment groups. Over two decades, GFH has established a strong and diverse portfolio of investments across the Middle East, US, UK, Asia and other key markets. Focusing on defensive sectors, including healthcare, education, and logistics, GFH is focused on delivering growth and value creation for stakeholders.