



GFH ACQUIRES MISSION CRITICAL CHICAGO DISTRIBUTION CENTRE



- Strategically located facility leased to global tire giant Michelin

Manama– 23 February 2021 - GFH Financial Group (GFH) today announced the acquisition of a mission-critical distribution facility in Chicago, Illinois, which has been leased since November 2015 to blue chip tenant, Michelin North America (“Michelin N.A.”), the international, top selling tire brand and global tire industry innovator.

The transaction, valued at over c.US\$135 million, marks the continued expansion of GFH’s global portfolio of income generating real estate assets including prime distribution centres; well positioned logistics assets and last mile delivery facilities in the US and Europe. The transaction was undertaken in partnership with Silver Creek Commercial Development LLC, a US based asset manager with a track record of over \$2 billion in logistics transactions.

The facility is distinguished by its strategic location in the geographic centre of the United States. It is situated at the intersection of I-55 (Chicago to Louisiana) and I-80 (New York to Northern California) offering seamless access to major interstate highways. The facility is one of only two bulk logistics centres used by Michelin in the US, handling 35% of the company’s imported inventory and therefore sitting at the heart of its US operations.

It’s in close proximity to the BNSF Logistics Park Chicago, a transport hub linking manufacturers with rail, road and ocean links, and the UP Joliet Intermodal Facility. Respectively, these transport centres handle approximately six million TEUs annually, ranking third in the US by activity, lagging only behind the Ports of Los Angeles and Long Beach in terms of total US container volumes.

Commenting, Razi Al Merbati, CEO of GFH Capital S.A., said, “With this transaction, we continue to further our efforts to diversify and expand our portfolio of international, blue chip real estate assets. This includes new acquisitions of prime properties in strategic geographies for us including the US. This is especially true in the distribution and logistics segment today, where demand is strong for well-located facilities close to major urban centres and populations that require faster and more seamless access to goods. With



this deal, we move further towards solidifying our position as a leading real estate investor in the US and look to transact on the strong pipeline of other unique opportunities we have in place.”

Salem Patel, Head of Asset Management, at GFH, added, “We’re extremely pleased to announce another strategic global acquisition in the logistics sector. The Chicago-based facility is uniquely positioned in the centre of the country and boasts seamless access to a variety of transport links giving tenants easy access to their customers located across major US states and commercial centres. This investment is supported by its long-term lease to Michelin N.A, a highly reputable tenant and global tire industry giant, who has helped establish and maintain the facility as a state-of-the-art distribution centre. We are continuing to look at further investments in the sector globally and to maximise the value of this and our growing portfolio of logistics centres for the benefit of the Group, our shareholders, investors and partners.”

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About GFH Financial Group B.S.C.

GFH is one of the most recognised financial groups in the Gulf region. Its businesses include Asset Management, Wealth Management, Commercial Banking and Real Estate Development. The Group’s operations are focused in the GCC, North Africa and India. GFH is listed in Bahrain Bourse, Boursa Kuwait and Dubai Financial Market. For more information, please visit www.gfh.com

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