

The Sustained Infrastructure Holding Company (formerly known as Saudi Industrial Services Company) announces the signing of a contract of its portfolio company Red Sea Gateway International with Chittagong Port Authority in Bangladesh

Jeddah, Saudi Arabia, December 2023: The Sustained Infrastructure Holding Company ("SISCO Holding," "TADAWUL: 2190") (formerly known as Saudi Industrial Services Company), Saudi Arabia's leading strategic investor in Infrastructure, Ports and Logistics, and Water Solutions, has announced that its portfolio company Red Sea Gateway Terminal International Limited (a portfolio company of SISCO Holding in which it owns 36.36% its investment vehicle RSPDI) has signed a concession with the Chittagong Port Authority for Patenga Container Terminal (PCT) in Chittagong, Bangladesh's primary port, to develop a comprehensive long-term plan for a container terminal.

Red Sea Gateway Terminal International Limited (RSGTI) and the Chittagong Port Authority have entered into a 22-year concession agreement to operate PCT. Under this new concession agreement, RSGTI will develop and operate a 500,000-TEU facility at PCT in Chittagong, Bangladesh's primary port. The terminal, which currently features a 580-meter quay, will be equipped with the latest technologies to handle the fast-growing export market. The capital expenditure for the Bangladesh concession is approximately \$170 million, which will be funded through debt and equity.

The concession has been signed in partnership with the Public Investment Fund (PIF), a 40% shareholder in RSGTI, to accelerate the Company's global expansion efforts. The PCT concession is further underpinned by a Government-to-Government framework agreement for joint cooperation between the Kingdom of Saudi Arabia and the People's Republic of Bangladesh, providing a solid regulatory framework.

This concession marks a pivotal change in RSGT's overarching strategy to expand its presence in the global ports sector, elevating it to a multi-port operator. The company is currently engaged in advanced negotiations with several selected international ports and has built an extensive project pipeline.

The financial impact of the new concession on SISCO Holding's consolidated financial statements is expected to be reflected from 2024.

Investment Rationale

Key investment highlights of the Bangladesh terminal are:

- The investment in Bangladesh is fully aligned with RSGTI's international expansion plan which focuses on high-growth low-risk markets that play a major role in global trade.
- Bangladesh's macroeconomic environment is on a positive trajectory, characterized by a rapidly growing economy, a stable regulatory and legal framework, and a population exceeding 160 million that provides a dynamic demographic for sustained economic development.
- The PCT terminal is situated in the Port of Chittagong, which serves as the gateway for 90 per cent of Bangladesh's import and export activities. The terminal will therefore target the fast-growing import and export market that has an expected annual gateway volume growth rate of 7% per annum, underscoring the potential for higher revenues and margins over time.



- The port will be managed by a seasoned international team with a proven track record in optimizing port operations globally. RSGTI's strategic investment will leverage the expertise of this accomplished management team to enhance operational performance and shareholder value.
- The proposed investment by RSGTI will contribute to the economic development of the country, facilitate trade, and is aligned with RSGTI's commitment as a responsible long-term investor.

Commenting on the signing of new concession, Khalid Suleimani, Group CEO of SISCO Holding said:

"We established RSPDI as our latest investment vehicle in 2022 to extend the reach and presence of RSGT beyond the Kingdom. Our early endeavors through RSPDI have yielded fruitful outcomes, as we signed a concession to operate a port terminal in Bangladesh. This strategic decision to advance RSGTI marks a pivotal step in our comprehensive strategy to expand our global presence in the ports industry. The project aligns well with RSGTI's competencies and its expansion strategy for emerging markets, taking advantage of strong international growth prospects. The project is also aligned with Saudi Arabia's National Transportation Logistics Strategy of enhancing the Kingdom's connectivity with global trade routes and extending its influence in the global trade arena.

With our deep sector expertise, combined with our strategic knowledge of signing and operating concessions, we have strengthened our market leadership and achieved economies of scale. Additionally, we remain committed to expanding operations internationally and making strategic investments to facilitate the growth of our existing portfolio companies.

Further updates regarding these developments will be communicated by the company in the appropriate course of time."

RSGTI's CEO Jens Floe commented:

"The Patenga Terminal concession is a significant step forward for RSGTI as we execute our strategy to expand internationally. Our strengthened partnership with the PIF, combined with strong governmental support, underscores the credibility and strategic importance of this project. We are eager to contribute to the success of Patenga Terminal, further solidifying our commitment to sustainable growth and excellence in port management.

We are very confident that through this investment, we will be able to contribute significantly to Bangladesh's fast-growing trade and economy."

Outlook and (26X6) Strategy

SISCO Holding is the Kingdom's first publicly listed infrastructure and logistics investment holding company, which capitalizes attractive opportunities in its core sectors. The focus of SISCO Holding's investment approach remains on value-accretive investments.

SISCO Holding has achieved significant progress in the delivery of its (26X6) five-year strategy announced late 2021, to drive long-term value creation for its shareholders, with a target to double revenue to SAR 2 billion and increase AUMs to SAR 6 billion by 2026. This transaction is a pivotal pillar for the implementation of this strategy particularly in relation to RSGT and enhancing its leading position to expand globally through RSGTI.



RSGT will focus on fortifying its leadership position in its core Saudi Arabian market, where significant growth opportunities exist, via expansion in Jeddah Islamic Port and actively bidding for new concessions to service the steady demand for increased throughput capacity in the Kingdom and beyond.

Investor relations

Email: ir@sisco.com.sa

About SISCO Holding

SISCO Holding is an investment company with a diversified portfolio of unique assets spanning infrastructure, ports and logistics and water solutions, building on the success of establishing unique companies that hold market leading positions. SISCO Holding was established in 1988, supported by a team of more than 3,000 employees and provides strategic support to portfolio companies with a clear and long-term investment philosophy to unlock available growth opportunities. The company has assets under management of over SAR four (4) billion through its seven (7) strategic portfolio companies.

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