Agthia Group continues expansion in fast-growing snacking market with acquisition of Auf Group

- *Agthia's Board of Directors approves the acquisition of Auf Group*
- *Auf Group is an Egyptian healthy snacks and coffee company operating under the Abu Auf masterbrand, with a large direct-to-consumer channel*
- *Auf Group has plans to expand its footprint beyond Egypt, with sales to the UAE already taking place*
- *The acquisition of Auf Group will bolster Agthia's existing snacking footprint*

Abu Dhabi, UAE, 14 July 2022 – Agthia Group PJSC, one of the region's leading food and beverage companies, today announced that its Board of Directors has approved a strategic acquisition of 60% of Auf Group, a specialised healthy snacks and coffee manufacturer and retailer in Egypt.

Established in 2010, Auf Group processes, manufactures, retails and distributes a broad portfolio of products across Egypt including coffee, nuts, healthy snacks and other confectionery products sold under the ***'Abu Auf'*** masterbrand. The transaction provides Agthia with a footprint in the attractive Egyptian snacking market and, together with last year's acquisition of leading processed meat producer Atyab, facilitates the establishment of Agthia as a major player in the Egyptian consumer packaged goods industry.

The acquisition also reflects Agthia's ongoing commitment to strengthening its portfolio and diversification into branded consumer goods. It will build on last year's acquisitions of the GCC's leading innovative healthy snacks and food company, BMB Group, and the Al Foah dates business, strengthening Agthia's market, category, and channel portfolio.

Khalifa Sultan Al Suwaidi, Chairman of Agthia Group, said: "As part of our strategy to stimulate growth and enhance our operations, we are focused on expanding Agthia's footprint in the MENAP region. The acquisition of Auf Group is a compelling opportunity to bolster our delivery of this commitment, while further penetrating one of the region's fastest-growing consumer markets. Following a record first quarter in 2022, we believe that Auf Group will accelerate Agthia's strong growth trajectory both now and in the future."

Alan Smith, Chief Executive Officer of Agthia Group, said: "Auf Group is an important strategic target for Agthia to boost growth in our snacking and healthy food verticals, as we continue to adopt a more consumer-centric business model. In addition to immediate access to new revenue streams and product lines, we are excited to expand our presence in Egypt and utilize the acquisitions made last year to further strengthen our operations and market revenue base."

Ahmed Auf, Chief Executive Officer of Auf Group, said: "Auf Group has grown substantially in Egypt since its foundation in 2010, with consistent investment in corporate infrastructure and human capital enabling us to build a distinguished brand and remain at the forefront of the local healthy snacks market. Following our partnership with an institutional investor in 2019 to further accelerate growth and institutionalize the company, we believe we are now ready for the next step in our journey. We would like to thank our employees, customers and suppliers for their continued support and are very excited by the prospect of partnering with Agthia to expand our reach, realize our potential and grow our footprint in the UAE and beyond."

During the Last Twelve Months (LTM) period ending 31 December 2021, Auf Group generated total net revenue of around AED 236 million and EBITDA of approximately AED 58 million, with healthy EBITDA margins of 25%.

The transaction will see Agthia acquire 60% of Auf Group, while Auf Group's founders will retain a combined stake of 30% in the business and continue to lead the company with the full backing of Agthia's regional footprint and operational support. Tanmiya Capital Ventures, an Egyptian private equity firm which invested in Auf Group in 2019, also remains a committed shareholder with a 10% stake.

The acquisition is subject to satisfying customary closing conditions, including obtaining relevant regulatory approvals.

Freshfields Bruckhaus Deringer LLP is acting as international legal counsel, and Matouk Bassiouny & Hennawy as Egyptian counsel, to Agthia. CI Capital is acting as financial advisor to Agthia.

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About Agthia

Agthia Group is a leading Abu Dhabi based food and beverage company. Established in 2004, the Company is listed on the Abu Dhabi Securities Exchange (ADX) and has the symbol "AGTHIA". Agthia Group PJSC is part of ADQ, one of the region's largest holding companies with a broad portfolio of major enterprises spanning key sectors of Abu Dhabi's diversified economy.

The Company's assets are located in the UAE, Saudi Arabia, Kuwait, Oman, Egypt, Turkey and Jordan. Agthia offers a world class portfolio of integrated businesses providing high quality and trusted food and beverage products for consumers across the UAE, GCC, Turkey and the wider Middle East. More than 9,300 employees are engaged in the manufacturing, distribution and marketing various products in categories such as: **Consumer Business** (Al Ain Water, Al Bayan, Alpin Natural Spring Water, Ice Crystal, VOSS, Al Ain Tomato Paste, Al Ain Trading Items); **Snacking** (Al Foah, Yoplait, Al Faysal Bakery & Sweets, BMB); **Proteins and Frozen** (Nabil Foods, Atyab, Al Ain Frozen Vegetables); and **Agri Business** (Grand Mills, Agrivita).

For more information, please visit www.agthia.com or email us on corpcoms@agthia.com

About Auf Group

Auf Group is a specialised healthy snacks and coffee manufacturer and speciality retailer headquartered in Egypt with presence in UAE and Netherlands. The company employs more than 1,900 staff. It currently operates over 200 outlets in Egypt – 95 branded stores and 113 shop-in-shop outlets – with a country-wide distribution reaching around 22,000 points of sale in 26 governorates in Egypt. In addition, the company recently opened three outlets in the UAE as part of its strategic geographic expansion.

Media Inquiries:
press@30n.org

Or contact
Eman Salem
+201026611329