

Magellan Capital Holdings acquires Danish Ship Finance A/S (Danmarks Skibskredit A/S)

Magellan Capital Holdings Limited, has agreed to acquire 100% of the Class A shares of specialised ship finance provider Danish Ship Finance from Axcel, PFA and PKA, for an undisclosed amount. The transaction was approved by the Danish Financial Supervisory Authority and is expected to complete imminently.

The Danish Maritime Fund will maintain its 10% shareholding in Danish Ship Finance, while Axcel will retain a 5% stake for up to two years.

Magellan Capital is focused on continuing the evolution of Danish Ship Finance in accordance with its current strategy, led by the current Executive Management. Ahmed Omar, Chief Investment Officer at Magellan Capital, and Omar Elali, Director at Magellan Capital, will join the Board of Directors of Danish Ship Finance, alongside Chairman Eivind Kolding and the existing board members.

“Magellan’s investment in Danish Ship Finance is central to our long-term strategy to build a portfolio of premium diversified assets. Danish Ship Finance’s stable performance throughout shipping cycles makes it an attractive long-term investment for Magellan. With our expertise and network, we will support the business in further strengthening its market positioning,” **says Ahmed Omar, Chief Investment Officer at Magellan Group.**

It is reaffirmed that Danish Ship Finance's existing Issuer Credit Rating of "BBB+" and Covered Bond Rating of "A" with Stable Outlook from Standard & Poor’s will remain unchanged following the transaction. Magellan Capital Holding Limited has also received a rating of “BBB-” from S&P.

Magellan was founded by Hassan Elali following the sale of ZMI to ADNOC Logistics & Services in 2022. With more than US\$1 billion in committed capital, Magellan Capital is focused on opportunities in private equity, private credit and public markets. The firm invests throughout the capital structure of high quality and deep value businesses across a range of sectors around the world.

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About Magellan Capital Holdings Ltd

Magellan Capital Holdings Ltd (“Magellan”) is owned by Swedish national Hassan Elali, a serial entrepreneur who has been based in Abu Dhabi since the early 1980s. Magellan was founded after the sale of Hassan Elali's 40-year-old business ZMI Holdings, in which he continues to serve as a board member and advisor to the new owner, ADNOC. Magellan has a well-diversified investment approach, focusing on investments with robust and stable returns in public and private markets and real estate.

For further information

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About Danish Ship Finance

Danish Ship Finance is a highly specialised niche player in the ship finance market and has been committed to the industry since 1961. The company is a trusted partner for Danish and international shipping companies and leverages its extensive sector knowledge to act as more than a financier for its clients. It has a strategic focus on financing the transition to a sustainable shipping industry.

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Facts of the Transaction

- Axcel, PFA and PKA together own 97.6% (rounded) of the shares in Danish Ship Finance Holding and thereby 96.2% (rounded) of the A-shares in Danish Ship Finance.
- The buyer of the shares in Danish Ship Finance Holding is Magellan Capital Holdings Ltd.
- In accordance with the current shareholders agreement in Danish Ship Finance, as a result of the change of control in Danish Ship Finance, an offer will be submitted to the remaining A-shareholders in Danish Ship Finance at the same price and on the same terms as Axcel, PFA and PKA have received.
- The A-shares constitute 90% of the share capital in Danish Ship Finance, while the B-shares owned by The Danish Maritime Fund constitute 10% of the share capital in Danish Ship Finance.
- As a consequence of The Danish Maritime Fund's continued ownership, the A-shareholders not wishing to sell their A-shares to Magellan cannot be compulsory redeemed.

The history of Danish Ship Finance and The Danish Maritime Fund

Danmarks Skibskreditfond was founded on 6 June 1961 by Danish banks, insurance companies, shipping companies, shipyards – represented by the trade association in question – and Danmarks Nationalbank. No capital was invested, however the parties subscribed for the guaranteed capital of the fund.

The purpose was to create a permanent source of financing of Danish ship owners and new buildings from Danish shipyards and thereby provide a financial basis of a continued development of the Danish maritime industries. This continues to be an essential objective. Until the middle of the 1990's the fund financed vessels constructed at Danish shipyards. From 1997 and onwards, as the Danish shipbuilding industry diminished, the mandate has gradually been expanded to cover financing of vessels that are neither constructed at Danish shipyards nor Danish-owned.

In 2005 a need to modernise the scope of Danmarks Skibskreditfond arose, in order to correspond to the rules governing other financial companies. The transformation was based on an agreement between Danmarks Skibskreditfond, the Danish Ministry of Economic and Business Affairs and Danmarks Nationalbank and was completed by the conversion of Danmarks Skibskreditfond to a limited liability company. At the same time, the name was changed to Danish Ship Finance (Danish: Danmarks Skibskredit A/S).

The equity of approx. DKK 8.3 billion became a locked-up capital reserve in the interest of the continued possibility to finance the lending activity. The total share capital was DKK 333,333,334, of which 10% is B-shares, that were transferred to the newly founded "The Danish Maritime Fund". The B-shares have been assigned preference dividend by an amount of 15% of the yearly profit after tax in Danish Ship Finance, subject to a maximum of DKK 83.3 million. Since 2005 The Danish Maritime Fund has received close to DKK 1 billion in dividends.

The purpose of The Danish Maritime Fund is to provide financial support towards initiatives or measures, which serves to develop and promote Danish shipping trade and/or the Danish shipbuilding industry. This can be in relation to research, technology and product development, training, recruiting and other initiatives with a maritime focus.