



EGXtrans

2022

EARNINGS RELEASE

EGYTRANS [ETRS.CA; ETRS EY EQUITY] RECORDS 152% INCREASE IN NET PROFITS WITH A 36.3% INCREASE IN REVENUES Y-O-Y.

KEY HIGHLIGHTS CONSOLIDATED 2022

- **Revenues** increased by 36.3% Y-o-Y to EGP 400 million
- **Costs** increased by 42% to EGP 311 million
- **SG&A** went up by 24.9% to EGP 63.8 million
- **EBIT** added 7.2% to EGP 24.3 million
- **Investment Income** rose 29% to reach EGP 12.1 million
- **Interest Income** ended in a loss of EGP 5.7 million
- **FX** registered a big gain of EGP 36.2 million from a previous loss of EGP 0.3 million
- **Taxes** reached EGP 8.4 million from EGP 6.4 million
- **Net Profits** shot up by 152.4% to EGP 46.1 million



EGYTRANS CONSOLIDATED

CONSOLIDATED FINANCIALS REVIEW

Revenues for 2022, reached EGP 400 million, representing a jump of 36.3% Y-o-Y. As a result, net profits after taxes for the year increased by almost 152.4%, reaching EGP 46.1 million up from EGP 18.2 million, registering a net profit margin of 11.5% vis-a-vis a margin of 6.2% in 2021. This increase in Net Profits was mainly driven by FX gain of EGP 36.3 million post the latest EGP flotation. Meanwhile, it is marginally improved by our continued emphasis on cost and expansion opportunities,

in addition to improved performance in 2022 in core business areas such as Logistics & Land Transportation. Meanwhile group net operating profit margin showed a slight decline from 7.7% recorded in 2021 reaching 6.1% in 2022. SG&A/revenues ratio dropped from 17.4% to 15.9% although we witnessed an increase in cost/revenues ratio from 74% in 2021 to 78% in 2022.



EGYTRANS CONSOLIDATED

THE MARKET CONTINUED TO REFLECT THE GEOPOLITICAL LANDSCAPE

In 2022, all of the world's major economies were hit by a slowdown after the rebound of 2021. According to World Bank data, the pace of economic growth has thus been roughly halved, affected by elevated inflation, higher interest rates, and disruptions caused by Russia's invasion of Ukraine.

The supply chain side mirrored the economic environment placing logistics and transport under great pressure due to a number of lingering issues including the pandemic, huge increases in energy prices, large fluctuations in supply and demand for transport capacities, delays in ports and bottlenecks in road transport and the war, along with inflation, which did not improve the situation. In addition, there is also the environmental challenge and the question of how to reduce CO2 emissions and deal with the costs for doing so.

On the positive side the pandemic, which had disrupted supply chains, has seen intensive capacity building, by the industry, which has helped reduce difficulties in access to transport means and in infrastructure congestion. In reality, the drastic amount of capacity increase in terms of ships and containers will soon find a capacity oversupply working to bring prices down more.

Beginning Q3 saw shipping congestion and prices go down with analysts confirming that freight rates were almost back to pre-pandemic levels after being multiplied by 5 in our region and by 8 in the Americas at the height of the overheating period. In air freight, prices also contracted, although they remain slightly higher than in 2019. These two sectors have been hit hard by the slowdown in trade.

The road transport sector generally reacts with a lag of a few months compared to international transport. This was again the case during this crisis.

OPERATIONAL REVIEW

The year saw improvements in revenues and SG&A/revenue ratio for regular business compared to 2021 in spite of the continued disruption and multiple negative influences on the supply chain ecosystem. This continued to impact operations and, as noted in our previous reports, the knock-on effects increased the need for strong Customer Relationship Management to offset the negative impact of erratic pricing and delays. In addition, we continued to focus and improve internal controls and streamline processes to improve productivity and efficiency.

Improving our commercial execution has been a key focus in terms of technological and people capability along with a continued focus to expand our service offering. The combined effects of those activities are reflected in the increased SG&A which we believe will be ameliorated over the long term. During the year, the significant development on customer facing and business development fronts with increased marketing effort have resulted in a number of new customer acquisitions as well as expanded business from inhouse customers with new volume agreements reflected in our top line performance.

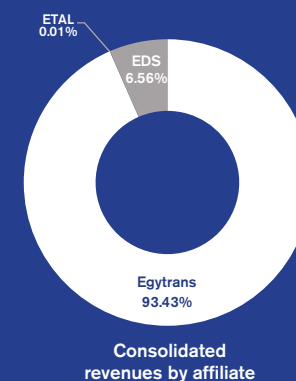
Profitability ratios for project logistics continue to witness a decline as a result of competition on new projects pushing prices

and therefore margins down. That being said, our category leadership in windfarm transport has opened opportunities for ETAL along with a number of smaller projects in Q4 which will see completion in Q1 2023.

Likewise, EDS performance reflects market dynamics. Dependent primarily on international traffic our tank container cleaning business reflects the supply chain disruptions witnessed over the past years. Going into 2023 we expect market conditions to begin to stabilize barring any new developments, as a result of which both businesses should begin a positive performance.

Our diversification strategy and increased focus and development of core services has gone a long way towards ameliorating the negative repercussions of the market on our project and ISO tank depot business. The year also saw significant investments and improvements in customer satisfaction and retention. We also continue to develop our product portfolio in line with customer demand in the fields of less-than-container-loads (LCL), International Freight management (Ocean, Air, Land), Transit Business and other products.

EGYTRANS CONSOLIDATED



CONSOLIDATED FINANCIALS REVIEW

Selected B/S Figures in EGP

Item	2021	2022	Growth
Net Fixed Assets	122,768,276	152,682,332	24.4%
Accounts Receivable	72,328,207	85,263,522	17.9%
Other Debtors	43,110,574	59,553,340	38.1%
Projects Under Construction	42,746,656	45,028,675	5.3%
Cash	41,098,953	87,440,369	112.8%
Total Assets	345,279,133	494,529,820	43.2%
Accounts Payable	23,166,608	37,941,509	63.8%
Other Creditors	27,832,739	41,281,833	48.3%
CPLTD	2,692,968	1,156,679	-57.0%
LTD	3,802,058	15,516,612	308.1%
Total Liabilities	103,951,843	180,626,168	73.8%
Total Shareholders' Equity	241,327,290	313,903,652	30.1%

I/S Figures in EGP

Item	4Q21	4Q22	Change YoY
Revenues	92,873,111	107,691,126	16.0%
Costs	(70,172,882)	(81,744,061)	16.5%
Gross Profit	22,700,229	25,947,065	14.3%
SG&A	(11,040,713)	(20,259,955)	83.5%
EBIT (Net Operating Profit)	11,659,516	5,687,110	-51.2%
Investment Income	2,478,368	4,488,407	81.1%
Net Interest Income	(921,629)	(1,150,156)	24.8%
FX Gain/Loss	149,407	21,980,635	14612%
Sundry Expense	(5,385,201)	(17,628,341)	227.3%
Sundry Income	988,494	6,725,934	580.4%
Net Profit Before Taxes	8,968,955	20,103,589	124.1%
Taxes	(1,356,936)	(4,785,555)	252.7%
Net Profit After Taxes	7,612,019	15,318,034	101.2%
Minority Interest	(397)	(252)	-36.5%
Net Profit After Taxes & Minority Interest	7,611,622	15,317,782	101.2%

Item	2021	2022	Change YoY
Revenues	293,515,840	400,103,068	36.3%
Costs	(219,747,235)	(311,960,494)	42.0%
Gross Profit	73,768,605	88,142,574	19.5%
SG&A	(51,074,340)	(63,808,537)	24.9%
EBIT (Net Operating Profit)	22,694,265	24,334,037	7.2%
Investment Income	9,425,871	12,163,055	29.0%
Net Interest Income	799,211	(5,752,920)	n/a
FX Gain/Loss	(304,005)	36,296,233	n/a
Sundry Expense	(9,772,774)	(19,976,213)	104.4%
Sundry Income	1,900,355	7,468,236	293.0%
Net Profit Before Taxes	24,742,923	54,532,428	120.4%
Taxes	(6,468,357)	(8,409,567)	30.0%
Net Profit After Taxes	18,274,566	46,122,861	152.4%
Minority Interest	(1,303)	(1,075)	-17.5%
Net Profit After Taxes & Minority Interest	18,273,263	46,121,786	152.4%
EPS	0.11	0.29	175.2%

EGYTRANS SEPARATE

Egytrans' separate revenues reached EGP 373 million showing a strong jump of 41.4% Y-o-Y. In the meantime, costs increased at a higher rate of 42% to EGP 307 million while SG&A added 26.2%, registering EGP 57 million. As a result, net operating profit increased by a healthy 282.7% to EGP 8.7 million up from EGP 2.3 million in 2021. Moreover, FX turned to a gain of EGP 31.5 million in 2022 versus a loss of EGP 0.3 million in 2021. Net profit after taxes went up by 118% to EGP 40.4 million in 2022 vis-à-vis EGP 18.5 million a year ago, representing Net Profit Margins of 10.8% and 7% for both respective periods. Earnings per Share (EPS) reached EGP 0.24 for 2022 compared to 0.12 in 2021.

SEPARATE FINANCIAL STATEMENTS

Selected B/S Figures in EGP

Item	2021	2022	Growth
Net Fixed Assets	42,089,855	64,255,852	52.7%
Accounts Receivable	66,061,983	78,227,736	18.4%
Other Debtors	44,694,403	51,404,919	15.0%
Cash	36,294,102	59,872,689	65.0%
Total Assets	317,470,873	392,745,425	23.7%
Accounts Payable	22,142,126	32,795,951	48.1%
Other Creditors	26,171,948	38,774,343	48.2%
CPLTD	2,036,294	772,149	-62.1%
LTD	3,078,167	5,711,354	85.5%
Total Liabilities	117,951,824	146,307,527	24.0%
Total Shareholders' Equity	199,519,049	246,437,898	23.5%

I/S Figures In EGP

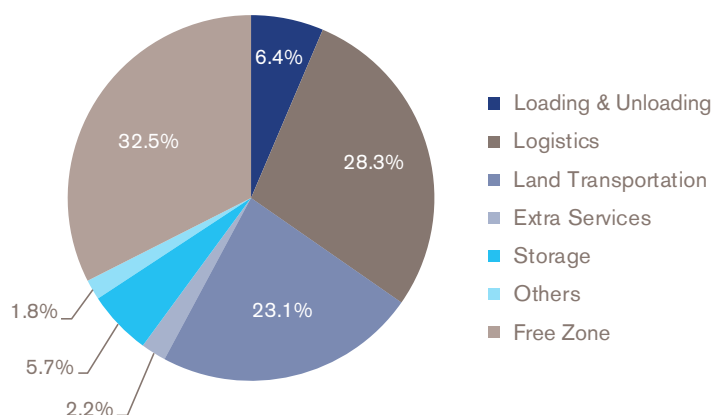
Item	4Q21	4Q22	Change YoY
Revenues	85,651,443	100,637,128	17.5%
Costs	(66,199,781)	(85,740,409)	29.5%
Gross Profit	19,451,662	14,896,719	-23.4%
SG&A	(11,524,699)	(18,051,381)	56.6%
EBIT (Net Operating Profit)	7,926,963	(3,154,662)	n/a
Investment Income	0	0	0%
Net Interest Income	(903,765)	(814,338)	-9.9%
FX Gain/Loss	(350,866)	20,048,836	n/a
Sundry Expense	(5,573,592)	(17,505,971)	214.1%
Sundry Income	2,394,804	7,338,191	206.4%
Net Profit Before Taxes	3,493,544	5,912,056	69.2%
Taxes	(634,759)	(4,341,966)	584.0%
Net Profit After Taxes	2,858,785	1,570,090	-45.1%

Item	2021	2022	Change YoY
Revenues	264,400,057	373,809,445	41.4%
Costs	(216,864,585)	(307,953,927)	42.0%
Gross Profit	47,535,472	65,855,518	38.5%
SG&A	(45,241,095)	(57,075,639)	26.2%
EBIT (Net Operating Profit)	2,294,377	8,779,879	282.7%
Investment Income	21,273,233	18,898,023	-11.2%
Net Interest Income	(74,561)	(4,442,188)	5857.8%
FX Gain/Loss	(350,866)	31,512,510	n/a
Sundry Expense	(9,689,446)	(19,264,822)	98.8%
Sundry Income	7,644,379	12,495,851	63.5%
Net Profit Before Taxes	21,097,116	47,979,253	127.4%
Taxes	(2,559,144)	(7,565,877)	195.6%
Net Profit After Taxes	18,537,972	40,413,376	118.0%
EPS	0.12	0.24	99.0%

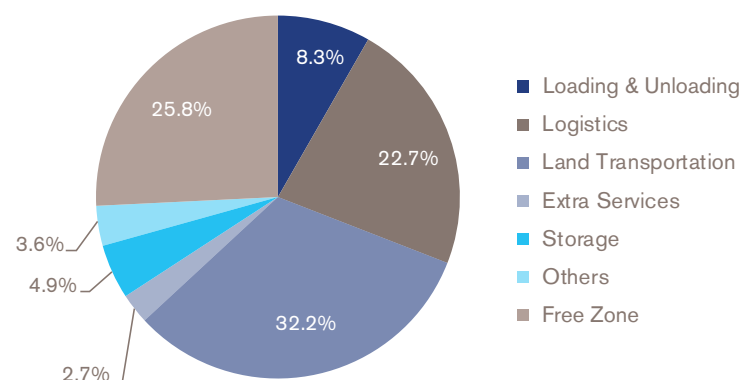
I/S Comparison

Item (In EGP)	4Q21	3Q22	4Q22	QoQ	YoY	2021	2022	YoY
Revenues	85,651,443	100,021,488	100,637,128	0.6%	17.5%	264,400,057	373,809,445	41.4%
Costs	(66,199,781)	(80,276,084)	(85,740,409)	6.8%	29.5%	(216,864,585)	(307,953,927)	42.0%
Gross Profit	19,451,662	19,745,404	14,896,719	-24.6%	-23.4%	47,535,472	65,855,518	38.5%
SG&A	(11,524,699)	(13,068,819)	(18,051,381)	38.1%	56.6%	(45,241,095)	(57,075,639)	26.2%
EBIT	7,926,963	6,676,585	(3,154,662)	n/a	n/a	2,294,377	8,779,879	282.7%
Investment Income	0	0	0	0.0%	0.0%	21,273,233	18,898,023	-11.2%
Net Interest Income	(903,765)	(1,643,531)	(814,338)	-50.5%	-9.9%	(74,561)	(4,442,188)	5857.8%
FX Gain/Loss	(350,866)	3,145,131	20,048,836	537.5%	n/a	(350,866)	31,512,510	n/a
Sundry Expense	(5,573,592)	(284,829)	(17,505,971)	6046.1%	214.1%	(9,689,446)	(19,264,822)	98.8%
Sundry Income	2,394,804	1,440,024	7,338,191	409.6%	206.4%	7,644,379	12,495,851	63.5%
Net Profit Before Taxes	3,493,544	9,333,380	5,912,056	-36.7%	69.2%	21,097,116	47,979,253	127.4%
Taxes	(634,759)	(99,840)	(4,341,966)	4248.9%	584.0%	(2,559,144)	(7,565,877)	195.6%
Net Profit After Taxes	2,858,785	9,233,540	1,570,090	-83.0%	-45.1%	18,537,972	40,413,376	118.0%

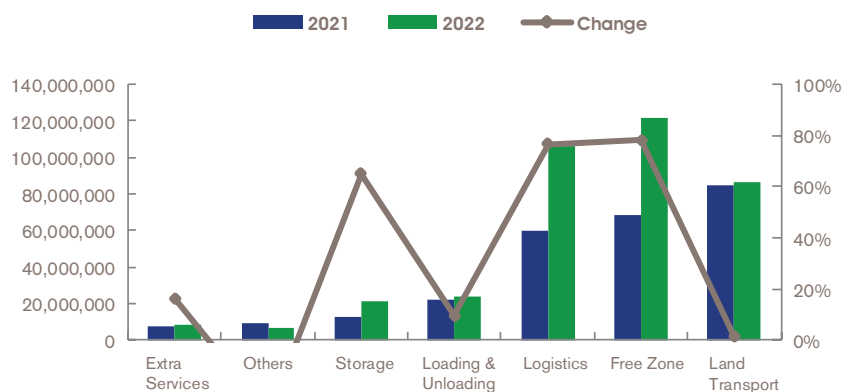
REVENUES BY LINE OF BUSINESS 2022



REVENUES BY LINE OF BUSINESS 2021



REVENUES CONTRIBUTION & GROWTH BY LINE OF BUSINESS



TRANSPORTED SOUTH HELWAN POWER STATION - 2016



Egytrans transported and discharged 255 tons turbine for South Helwan Power Station. The Turbine is 9.10 m long, 4.90 m wide and 5.40 m high.

EGYPTIAN
TRANSPORT &
LOGISTICS - ETAL

Our project business continues to reflect the cyclical nature of this sector and is strongly impacted by market conditions with infrastructure projects on the decline within a sector characterized by intense competition and price wars affecting margins. This is even more true given recent difficulties with FX liquidity slowing down the public infrastructure investment market.

Mirroring the sector performance, ETAL recorded revenues of EGP 21.9 million in 2022 representing a minimal increase of 3.5% Y-o-Y compared to EGP 21.2 million in 2021. Likewise, costs increased 11.7% to EGP 16.2 million vs. EGP 14.4 million Y-o-Y. Net Operating Profit added 51.2% to EGP 0.47 million, in 2022 versus EGP 0.3 million in 2021. This ended up the bottom line to record a negligible profit of EGP 60k vis-à-vis a loss in 2021.

Selected B/S Figures in EGP

Item	2021	2022	Change YoY
Net Fixed Assets	62,350,878	61,958,380	-0.6%
Accounts Receivable	1,945,322	1,603,564	-17.6%
Other Debtors	1,782,017	5,193,800	191.5%
Cash	1,241,972	629,313	-49.3%
Total Assets	81,914,689	86,238,092	5.3%
Accounts Payable	979,128	4,955,911	406.2%
Other Creditors	442,555	799,298	80.6%
Total Liabilities	19,013,166	23,275,753	22.4%
Total Shareholders' Equity	62,901,523	62,962,339	0.1%

I/S Figures In EGP

Item	4Q21	4Q22	Change YoY
Revenues	2,896,400	13,744,155	374.5%
Costs	(3,403,386)	(7,274,521)	113.7%
Gross Profit	(506,986)	6,469,634	n/a
SG&A	(1,073,819)	(652,094)	-39.3%
EBIT (Net Operating Profit)	(1,580,805)	5,817,540	n/a
Net Interest Income	1,405	8,465	502.5%
Sundry Income	1	42,310	0.0%
Provisions & Sundry Expense	1,146	(256,205)	n/a
Net Profit Before Taxes	(1,578,253)	5,612,110	n/a
Taxes	167,649	(41,800)	n/a
Net Profit After Taxes	(1,410,604)	5,570,310	n/a

Item	2021	2022	Change YoY
Revenues	21,182,478	21,922,345	3.5%
Costs	(14,466,323)	(16,165,189)	11.7%
Gross Profit	6,716,155	5,757,156	-14.3%
SG&A	(6,408,202)	(5,291,390)	-17.4%
EBIT (Net Operating Profit)	307,953	465,766	51.2%
Net Interest Income	102,312	(26,551)	n/a
Sundry Income	2,588	230,205	8795.1%
Provisions & Sundry Expense	(329,605)	(389,025)	18.0%
Net Profit Before Taxes	83,248	280,395	236.8%
Taxes	(388,081)	(219,579)	-43.4%
Net Profit After Taxes	(304,833)	60,816	n/a

I/S Comparison

Item (In EGP)	4Q21	3Q22	4Q22	QoQ	YoY	2021	2022	YoY
Revenues	2,896,400	3,594,696	13,744,155	282.3%	374.5%	21,182,478	21,922,345	3.5%
Costs	(3,403,386)	(4,080,299)	(7,274,521)	78.3%	113.7%	(14,466,323)	(16,165,189)	11.7%
Gross Profit	(506,986)	(485,603)	6,469,634	n/a	n/a	6,716,155	5,757,156	-14.3%
SG&A	(1,073,819)	(1,546,407)	(652,094)	-57.8%	-39.3%	(6,408,202)	(5,291,390)	-17.4%
EBIT	(1,580,805)	(2,032,010)	5,817,540	n/a	n/a	307,953	465,766	51.2%
Net Interest Income	1,405	(11,825)	8,465	n/a	502.5%	102,312	(26,551)	n/a
Sundry Income	0	16,834	42,310	151.3%	100.0%	2,588	230,205	8795.1%
Provisions & Sundry Expense	1,146	0	(256,205)	n/m	n/a	(329,605)	(389,025)	18.0%
Net Profit Before Taxes	(1,578,253)	(2,027,001)	5,612,110	n/a	n/a	83,248	280,395	236.8%
Taxes	167,649	(711)	(41,800)	5779.0%	n/a	(388,081)	(219,579)	-43.4%
Net Profit After Taxes	(1,410,604)	(2,027,712)	5,570,310	n/a	n/a	(304,833)	60,816	n/a

TRANSPORTED AL ATF POWERPLANT - 2008

Transporting a gas turbine for Al Atf Power Plant after reinforcing Al Atf bridge due to the turbine's heavy weight of 372 tons.

EGYTRANS DEPOT SOLUTIONS - EDS

Our ISO Tank Depot solutions business leads the market and continues to provide unique service and expertise to our customers. Like the remainder of the market this segment continues to be strongly impacted by the capacity crisis in shipping with liquid bulk movement showing considerable slowdown globally of nearly 40%. Reflecting this market, EDS recorded a drop of 78.2% in its 2022 net profits after taxes to USD 0.166 million vis-a-vis USD 0.766 million in 2021. On the top level, revenues recorded a drop of 24.5% to USD 1.1 million as opposed to USD 1.5 million in 2021.

Selected B/S Figures in USD

Item	2021	2022	Change YoY
Net Fixed Assets	1,171,089	1,071,583	-8.5%
Accounts Receivable	276,096	219,928	-20.3%
Cash	227,660	1,040,615	357.1%
Total Assets	3,343,580	3,156,879	-5.6%
Other Creditors	51,597	51,084	-1.0%
Provisions	75,554	73,374	-2.9%
Accrued Income Taxes	221,861	66,166	-70.2%
Total Liabilities	463,844	838,286	80.7%
Total Shareholders' Equity	2,879,736	2,318,593	-19.5%

I/S Figures in USD

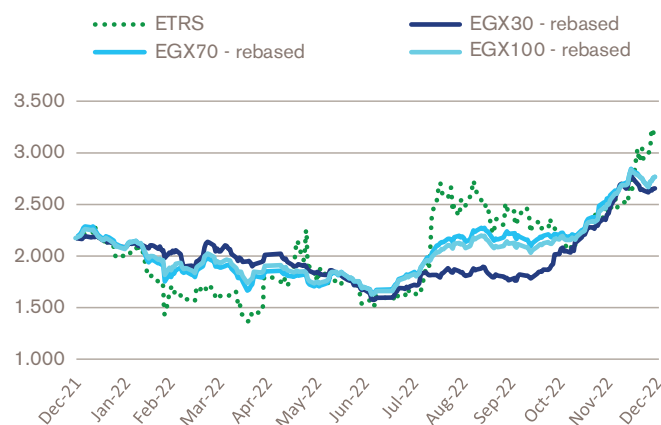
Item	4Q21	4Q22	Change YoY
Revenues	403,601	262,978	-34.8%
Costs	(81,303)	(74,857)	-7.9%
Gross Profit	322,298	188,121	-41.6%
SG&A	(76,275)	(90,325)	18.4%
EBIT (Net Operating Profit)	246,023	97,796	-60.2%
Net Interest Income & FX Gain/Loss	399	(86,101)	n/a
Sundry Expenses/Income	1,350	(2,583)	n/a
Net Profit Before Taxes	247,772	9,112	-96.3%
Taxes	(56,857)	(17,032)	-70.0%
Net Profit After Taxes	190,915	(7,920)	-104.1%

Item	2021	2022	Change YoY
Revenues	1,552,008	1,171,598	-24.5%
Costs	(306,111)	(315,219)	3.0%
Gross Profit	1,245,897	856,379	-31.3%
SG&A	(305,405)	(336,285)	10.1%
EBIT (Net Operating Profit)	940,492	520,094	-44.7%
Net Interest Income & FX Gain/Loss	52,239	(256,784)	n/a
Sundry Expenses/Income	(1,657)	(28,042)	1592.3%
Net Profit Before Taxes	991,074	235,268	-76.3%
Taxes	(224,777)	(68,429)	-69.6%
Net Profit After Taxes	766,297	166,839	-78.2%
EPS	3.47	0.75	-78.4%

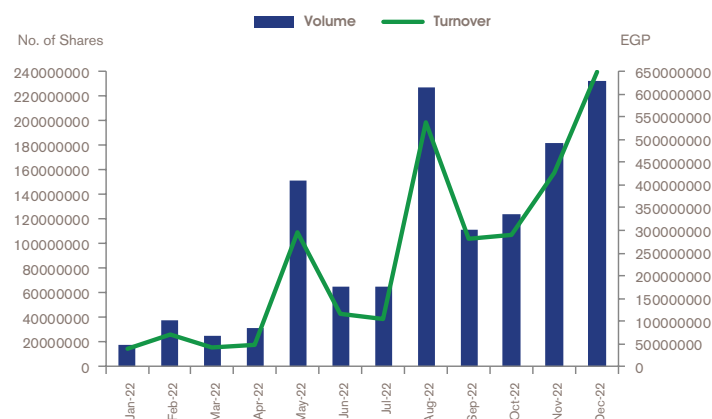
I/S Comparison

Item (In USD)	4Q21	3Q22	4Q22	QoQ	YoY	2021	2022	YoY
Revenues	403,601	209,640	262,978	25.4%	-34.8%	1,552,008	1,171,598	-24.5%
Costs	(81,303)	(78,586)	(74,857)	-4.7%	-7.9%	(306,111)	(315,219)	3.0%
Gross Profit	322,298	131,054	188,121	43.5%	-41.6%	1,245,897	856,379	-31.3%
SG&A	(76,275)	(87,161)	(90,325)	3.6%	18.4%	(305,405)	(336,285)	10.1%
EBIT	246,023	43,893	97,796	122.8%	-60.2%	940,492	520,094	-44.7%
Net Interest Income	399	(22,154)	(86,101)	288.6%	n/a	52,239	(256,784)	n/a
Sundry Expenses/Income	1,350	(525)	(2,583)	392.0%	n/a	(1,657)	(28,042)	1592.3%
Net Profit Before Taxes	247,772	21,214	9,112	-57.0%	-96.3%	991,074	235,268	-76.3%
Taxes	(56,857)	337	(17,032)	n/a	-70.0%	(224,777)	(68,429)	-69.6%
Net Profit After Taxes	190,915	21,551	(7,920)	n/a	n/a	766,297	166,839	-78.2%

EGYTRANS SHARE PERFORMANCE 2022



EGYTRANS SHARE TRADING DATA 2022

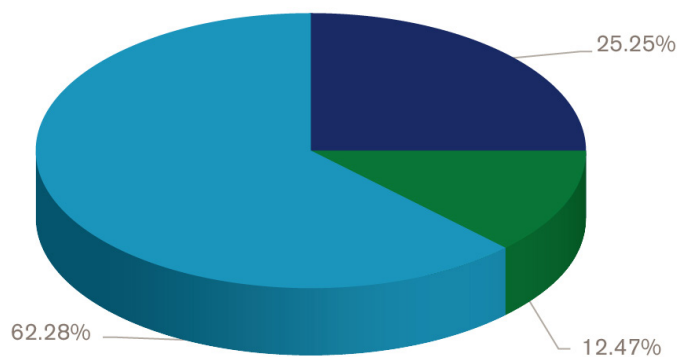


EGYTRANS SHARE DATA 2022

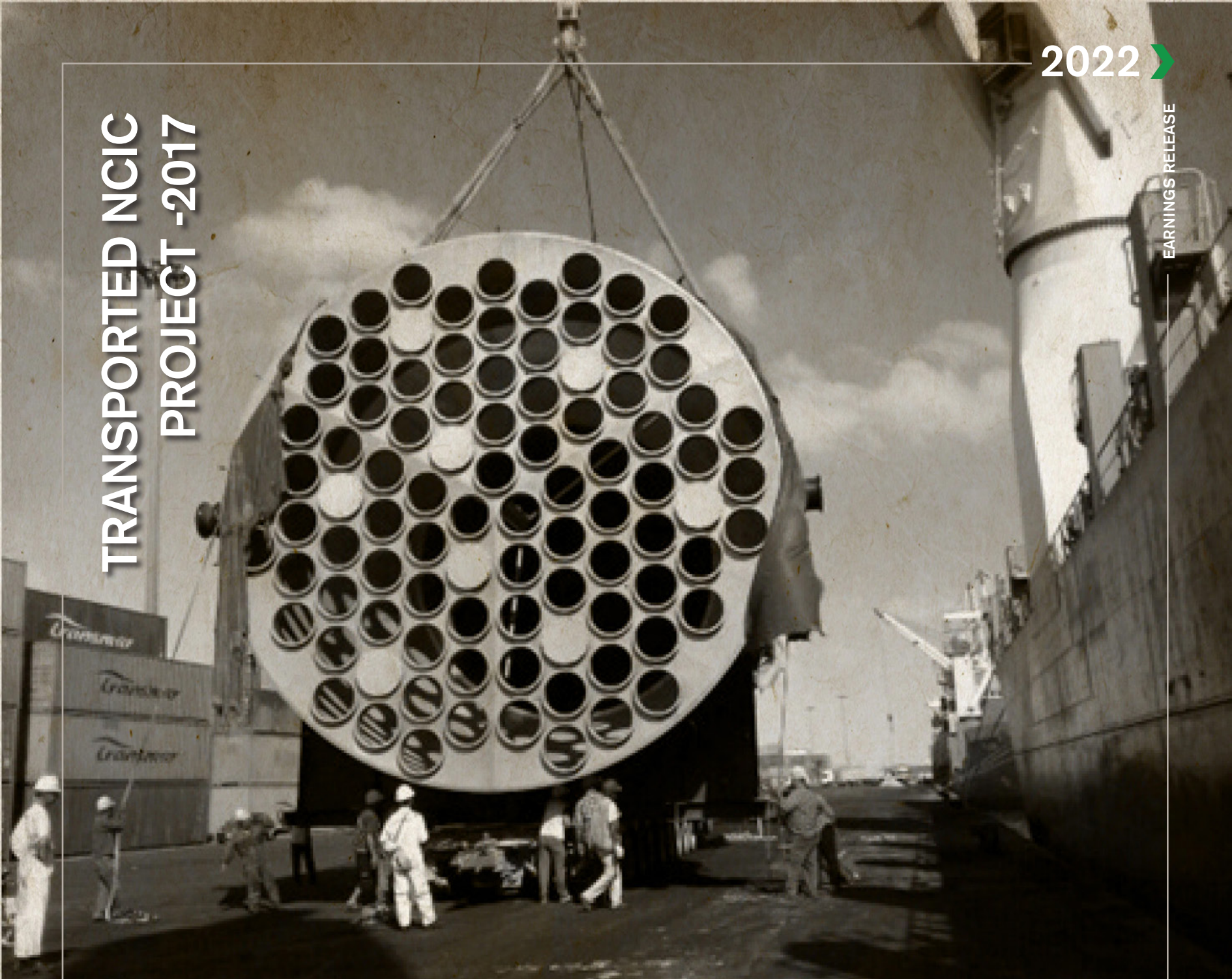
Month	Volume	Turnover	Average	Month High	Month Low	% Change MoM	YTD %	Buy Volume	Sell Volume	Net	Mkt. Cap	% Change MoM
Jan-22	17,288,518	39,295,597	2.00	2.40	1.98	-7.83%	-8.19%	7,448,714	9,839,804	Seller	311,500,750	-8.19%
Feb-22	37,180,395	70,361,635	1.69	2.13	1.40	-15.50%	-22.17%	15,170,925	22,009,470	Seller	264,057,750	-15.23%
Mar-22	25,000,385	41,655,296	1.61	1.80	1.45	-4.73%	-25.85%	11,061,645	13,938,740	Seller	251,572,750	-4.73%
Apr-22	30,883,502	47,704,766	1.80	1.81	1.31	11.80%	-17.20%	14,904,151	15,979,351	Seller	280,912,500	11.66%
May-22	151,135,243	296,027,129	1.84	2.28	1.69	2.22%	-15.36%	71,725,837	79,409,406	Seller	287,155,000	2.22%
Jun-22	64,499,341	114,851,644	1.55	1.90	1.47	-15.76%	-28.70%	27,244,397	37,254,944	Seller	241,896,875	-15.76%
Jul-22	64,738,561	105,588,710	1.66	1.72	1.46	7.10%	-23.60%	27,672,000	37,066,561	Seller	256,410,688	6.00%
Aug-22	226,932,711	537,555,415	2.53	2.90	1.61	52.41%	16.38%	113,695,781	113,236,930	Buyer	394,838,125	53.99%
Sep-22	111,192,844	281,445,890	2.42	2.88	2.04	-4.35%	11.32%	55,053,372	56,139,472	Seller	377,671,250	-4.35%
Oct-22	123,753,098	290,337,800	2.23	2.55	2.10	-7.85%	2.58%	58,756,557	64,996,541	Seller	348,019,375	-7.85%
Nov-22	182,175,378	426,529,865	2.41	2.56	2.05	8.07%	10.86%	92,606,108	89,569,270	Buyer	376,110,625	8.07%
Dec-22	231,987,950	649,069,338	3.14	3.26	3.18	30.29%	44.43%	121,993,891	109,994,059	Buyer	490,036,250	30.29%
Total	1,266,767,926	2,900,423,085						617,333,378	649,434,548	Seller		

EGYTRANS SHAREHOLDERS' STRUCTURE 2022

■ National Investment Bank ■ Leheta Family ■ Free Float



TRANSPORTED NCIC PROJECT -2017



Egytrans discharged the highest drying tower in the NCIC project
9.75 m height 10.0 m width.

FUTURE OUTLOOK

Our outlook for 2023 remains conservative for a number of reasons. Uncertainty remains in some of our core businesses with costs reaching historical highs. This coupled with the negative impact of a number of key developments including the predicted cost of fuel, the impact of global inflation on our operations, the continued repercussions of the pandemic supply chain disruptions and the resulting impact on price and delays, and last but not least, the impact of the Russia-Ukraine war on supply chains and its direct impact in terms of inflation. Combined together, these recent developments are expected to further negatively impact global and local supply chains during a time when there is little room remaining for more complexity in an already difficult environment.

The World Bank along with the WTO and other organizations predict that the slowdown will continue and even worsen in 2023. Predictions for World Trade – the driver of logistics and transport, by the incumbent economists is that the growth of the volume of global merchandise trade will be only 1% for 2023. This is a very sharp decline from +3.5% in 2022. Given fragile economic conditions, any new adverse development - such as higher-than-expected inflation, abrupt rises in interest rates to contain it, a resurgence of COVID or escalating geopolitical tensions - could push the global economy into recession. The year 2023 therefore promises to be a tricky one for transport and logistics, especially given the impact of inflation pressures and energy prices on operating costs.

On the upside, the strategic plan set in place has helped Egytrans continue to operate within a difficult environment and show results. Nevertheless, we continue to remain cautious in our estimates as part of our risk management strategy. Therefore, our plans for 2023 align with the current realities with a view to ensuring business continuity while planning ahead for the future.

The forthcoming period will therefore continue along our strategy of restructuring as we seek to adjust our operational capability to align with new market realities and capture potential opportunities in the market. As such our priorities will be to continue streamlining our operations and injecting new investments with a focus on generating growth and synergies based on a group structure with multiple brands, contributing to generating new potential and sustainable income and profits. Going forward Egytrans will deliver best in class transport and logistics services with a strategy that rests on three pillars of Grow, Deliver and Simplify for long-term profitable growth.

It is important to remember the outlook for the prospects of the logistics and transport sector remains positive with immense potential. Looking forward, logistics and transport is expected to take on a much larger role than before spearheaded by economic growth and changes in business operations. Egypt, specifically, is evolving as one of the major trading countries, thereby creating a wide range of opportunities for logistics service providers. Moreover, in a geopolitical context, the government aims to make the country a production and distribution hub to serve Europe and the Middle East & Africa with particular focus on expansion into Africa as part of the regional African Free Trade Agreement.

About Egyptian Transport and Commercial Services Company (Egytrans):

The Egyptian Transport and Commercial Services Company (Egytrans) is a leading integrated transport and logistics company with a comprehensive portfolio of services in Egypt. With experience dating back to 1939, the company was established in 197 under the name Egytrans. It has since developed a number of subsidiary and affiliate brands consisting of Egytrans Depot Solutions (EDS), Egyptian Transportation & Logistics S.A.E. (ETAL), Wilhelmsen Ships Service Egypt and Scan Arabia. Working across 9 branches in Egypt, the mission of Egytrans is to make integrated transport easy, safe and cost-effective. Egytrans enables and facilitates global and national supply chains through its extensive range of services including Sea Freight, Air Freight, Land Transport, Customs Clearance, Project Logistics, Exhibitions, and Storage. Egytrans employs around 350 employees across its operations in Egypt and is publicly traded on the Egyptian Stock Exchange (EGX) as [ETRS.CA] for Reuters and [ETRS EY Equity] for Bloomberg. For more information please visit: ir.egytrans.com

Forward Looking Statements

Statements contained in this document that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of Egytrans. Such statements involve known and unknown risks, uncertainties and other factors; undue reliance should not be placed thereon. Certain information contained herein constitutes "targets" or "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "seek," "should," "expect," "anticipate," "project," "estimate," "intend," "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Actual events or results or the actual performance of Egytrans may differ materially from those reflected or contemplated in such targets or forward-looking statements. The performance of Egytrans is subject to risks and uncertainties. Various factors could cause actual results to differ materially from those expressed or implied by the forward-looking statements in this document including worldwide economic trends, the economic and political climate of Egypt, the Middle East and changes in business strategy and various other factors.

EGYTRANS INVESTOR RELATIONS

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