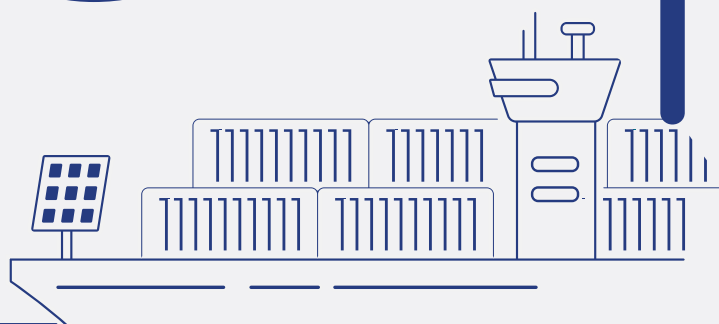
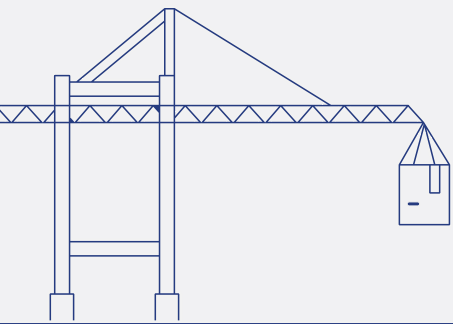




expect
more

In 2023, Egytrans embraced the theme 'Expect More' to commemorate our 50th anniversary and set the tone for the future. 'Expect More' is a testament to our relentless pursuit of excellence, innovation, and growth. It reflects our commitment to exceeding the expectations of our customers, employees, and stakeholders, driving forward with our strategic ambitions of Grow, Deliver and Simplify, and contributing positively to the communities we serve. As we reflect on five decades of leadership in logistics and transport, 'Expect More' embodies our dedication to building on this legacy, pushing boundaries, and shaping the future of logistics with unwavering resilience, agility, and integrity.

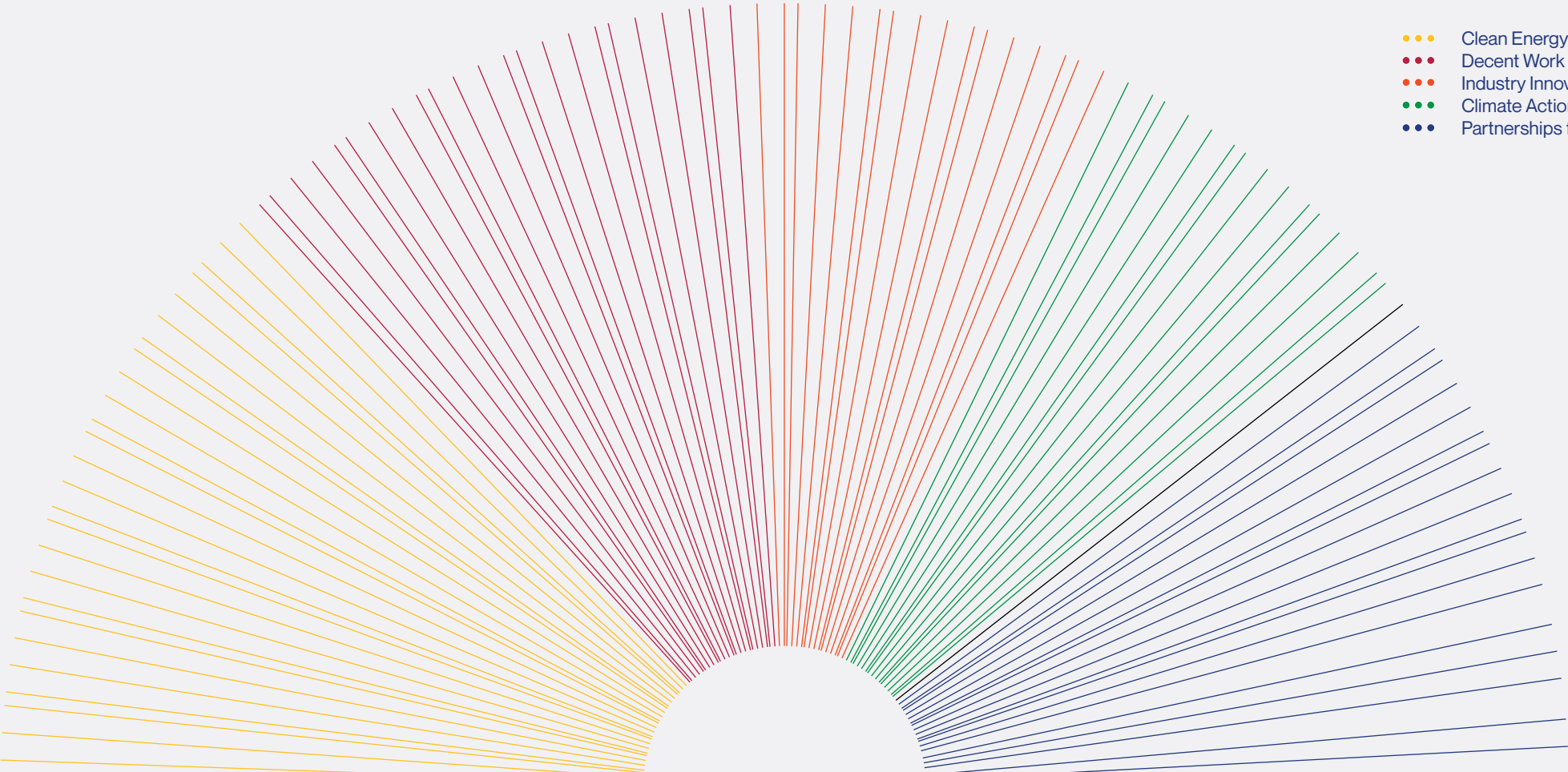
expect more



OUR BLUEPRINT FOR SUSTAINABLE DEVELOPMENT

At Egytrans, we believe that sustainable practices are not merely an obligation but a strategic advantage that drives innovation, efficiency, and long-term success. This Annual Report reflects our commitment to the United Nations Sustainable Development Goals (SDGs), visually represented through the integration of SDG colors throughout the document. We highlight our progress in the area of sustainability and the methods we have adopted to enhance the efficiency, cost-effectiveness, and reliability of our services.

- ● ● Clean Energy
- ● ● Decent Work and Economic Growth
- ● ● Industry Innovation and Infrastructure
- ● ● Climate Action
- ● ● Partnerships for the Goals





OUR FINANCIAL PERFORMANCE IN 2023



EGP 414 MILLION

Group Revenues

27%

Group Gross Profit Margin

EGP 113 MILLION

Group Gross Profit

EGP 62 MILLION

Group Net Profit

EGP 24 MILLION

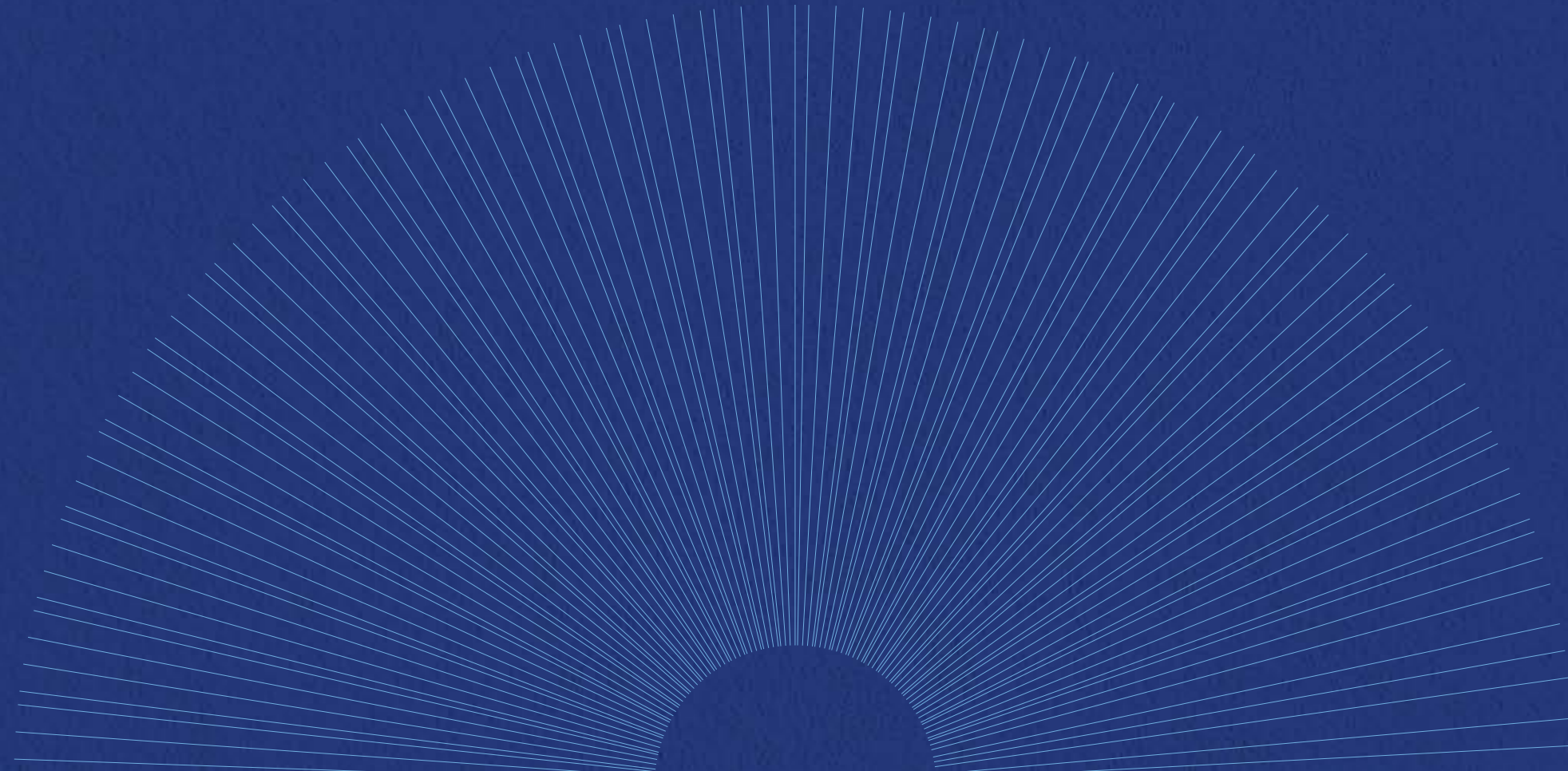
Operating Profit

0.40

Earnings Per Share

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01 STRATEGIC REPORT





OUR BUSINESS MODEL

Egytrans' operations, spanning the logistics and transport value chain, are unified by a commitment to delivering integrated solutions. This year, marked by our 50th anniversary and the theme 'Expect More', reflects our resilience and strategic growth amidst global challenges. 'Expect More' signals our dedication to excellence and sustainability, guiding us to exceed customer expectations and lead industry innovation. It celebrates our legacy and propels us toward a future of continuous improvement and strategic expansion.



● ● ● OUR BUSINESS MODEL

Our Purpose and Strategy

Our core purpose—to provide seamless, secure, timely, and cost-efficient logistics solutions—remains the cornerstone of our strategy. This commitment to excellence and customer success is fueled by cutting-edge technologies and the deep expertise of our team. It's the foundation upon which we introduce differentiated, essential services to the market, aiming to exceed the evolving expectations of our customers.

Our Long-term Priorities

The strategic pillars of Growth, Delivery, Simplification, and Trust continue to guide our operations, aligned with our culture of innovation, continuous learning, solution orientation, integrity, and partnership building. These priorities, coupled with our ambition to cultivate a purpose-driven performance culture, set the stage for achieving our strategic objectives and generating value across our ecosystem of employees, customers, investors, and communities.

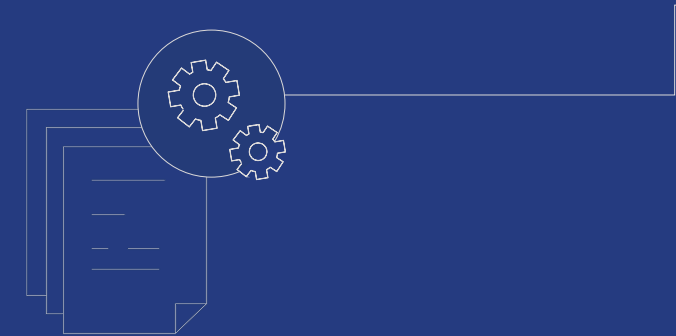
In 2023, leveraging the NOSCO acquisition has been a focal point, significantly enhancing our service portfolio and market position. This move, along with our ongoing business diversification efforts, underscores our commitment to growth and innovation. Our startup acceleration program, initiated in 2021, has continued to foster industry advancements, seamlessly integrating emerging solutions into our business model to meet and anticipate customer needs. You can read more about our strategy on pages 82 - 105.

Delivering Value

Our investment in our business and people, alongside competitive execution, is the key to unlocking new services and solutions. The successful launch of new offerings and the expansion of our existing portfolio are central to our commercial success and customer satisfaction.

Building Trust

Trust remains a foundational element of our success. Our dedication to being a responsible corporate citizen is reflected in our efforts to address safety, environmental, and employment standards, aligning with our ESG commitments. These initiatives contribute to the UN Sustainable Development Goals, especially in safety, underlining our role in driving positive industry and societal change. You can read more about our commitment to Trust on pages 122 - 133.

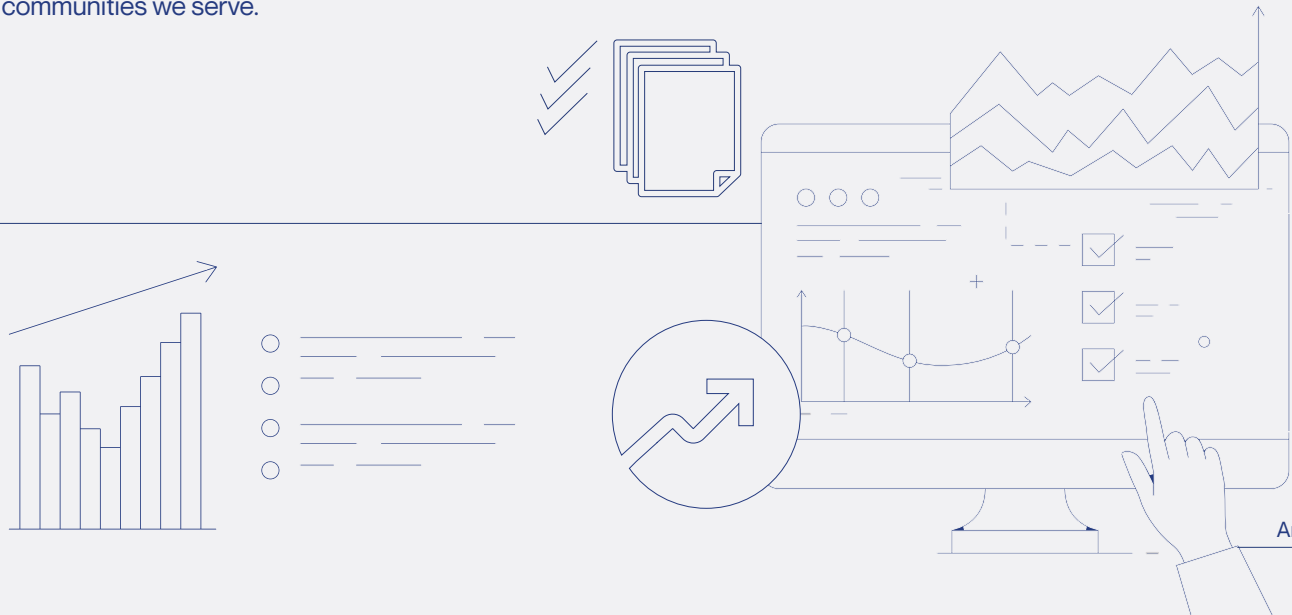


The Value We Create

Fulfilling our purpose allows us to make significant contributions: delivering unparalleled logistics services, driving shareholder value through strategic investments, and making positive impacts in our communities. With over 350 employees nationwide and substantial contributions through taxes and social initiatives, we strive to be a model employer, offering comprehensive benefits to attract and retain top talent, reflecting our commitment to our people and the communities we serve.

Simplifying for the Future

The transformation of our operational processes and structures is critical in an ever-evolving industry. By simplifying how we work, we're enhancing our agility and efficiency, enabling us to support a more diversified and sustainable business model aimed at long-term profitability.





A TRIBUTE TO OUR MENTOR

GAMAL MOHARRAM

(CHAIRMAN FROM APRIL 2022 – JANUARY 2024)



With profound sorrow, we honor the memory of Gamal Moharram, whose tenure as Chairman, though brief, was deeply impactful. Gamal's legacy is not measured in time but in the depth of his influence and the strength of his vision for Egytrans.

In his inaugural year, Gamal steered Egytrans with wisdom and foresight, embracing the challenges of an ever-evolving industry with a steadfast commitment to excellence and innovation. He envisioned Egytrans not just as a leader in logistics and transport, but as a beacon of good citizenship and sustainable growth. Under his chairmanship, pivotal strides were made, including the strategic NOSCO acquisition and the expansion into new frontiers, each step reflecting his belief in Egytrans' potential to do more, and be more.

Gamal's leadership was a blend of firm guidance and gentle mentorship. To us, he was more than a chairman; he was a mentor, a stabilizer in turbulent times, and a source of wise counsel. His approachable nature and unwavering support made him a father figure to many, providing direction and encouragement with a compassionate understanding of the challenges faced by those around him.

As we bid farewell to Gamal, we extend our deepest sympathies to his family, sharing in the loss of a remarkable individual whose contributions reached far beyond the boardroom. Gamal's vision for Egytrans and his legacy of leadership will continue to guide us as we move forward, inspired by his dedication to making a difference in the world through our work.

Egytrans stands as a testament to Gamal Moharram's enduring impact - a company poised for a future as promising as the vision he had for it. In his memory, we reaffirm our commitment to the principles he championed, striving to embody the values he instilled and to continue the journey he began with us.

May Gamal Moharram rest in peace, forever remembered as a guiding light in Egytrans' continuing journey.



CEO STATEMENT

As we step into 2024, reflecting on the year behind us and looking forward to the future, it's clear that Egytrans stands at a pivotal juncture in its long history. Celebrating our 50th anniversary, we honor a legacy of resilience and innovation, while also embracing a future ripe with opportunity and growth. This year, we also commemorated the 25th anniversary of our listing on the Egyptian Stock Exchange—a testament to our enduring commitment to transparency, financial integrity, and shareholder value.

This past year, set against a backdrop of global challenges, has underscored the resilience and strategic agility of our team. Our response to these challenges, guided by our core values and strategic vision, has positioned Egytrans to capitalize on the opportunities ahead.

ABIR LEHETA
CHIEF EXECUTIVE OFFICER



Dear Shareholders,

As we mark the 50th anniversary of Egytrans, I am both honored and humbled to address you in this landmark year—a year that not only celebrates our rich history of excellence and innovation but also ushers in a new era of strategic expansion and resilience. As CEO, and having served as Chairman, I've witnessed firsthand our evolution and the strategic milestones that have defined our journey. This year, more than ever, we are poised to “Expect More” from ourselves, for our clients, and for the communities we serve.

Our golden anniversary is not just a celebration of the past but a launchpad for our future ambitions. Within this report, you'll find testimonials and achievements that highlight our journey—a testament to our enduring commitment to excellence. As we honor this milestone, we are also laying the groundwork for the next fifty years of innovation and leadership in the logistics and transport sector.

Before I begin my report, I take this opportunity to pay tribute to the passing of our esteemed chairman, Gamal Moharram, which was a profound loss for our Egytrans family and for me personally. His visionary guidance, unwavering commitment to our strategic direction, and profound impact on our organizational culture will forever shape our legacy. As we navigate this transition, we honor his memory and pledge to uphold his vision for excellence, innovation, and integrity. The Board is actively engaged in identifying a suitable successor to uphold and advance his legacy.



SUSTAINING MOMENTUM AMIDST CHALLENGES



The consecutive crises of recent years have undoubtedly tested our mettle, yet they have also masked the tremendous efforts and achievements of our team. It is the adaptability and resilience inherent in the logistics and transport market—and deeply ingrained in Egytrans' DNA—that have allowed us to navigate these challenges successfully. Our performance, amidst these adversities, is a clear indication of our team's unwavering dedication and strategic execution.

Despite the trials presented by the global landscape Egytrans has showcased remarkable performance. Our operational achievements, driven by a focus on innovation, customer satisfaction, and sustainability, have set a solid foundation for continued success. The strategic imperatives of Grow, Deliver, and Simplify, continue to guide our efforts, reflecting the collective vision and dedication of our leadership and team.

I am particularly pleased with the operational achievements in 2023 that have laid a robust foundation for Egytrans' continued success, with significant growth in our service offerings and an enhanced competitive edge in our core business areas. Despite a challenging economic climate, Egytrans has demonstrated remarkable resilience. Our total revenues for the year increased modestly by 2.4% to EGP 409.8 million, indicative of our strategic adaptability and focus on lucrative market segments such as Free Zone services and transit operations.

This year, net profits after taxes saw a healthy increase of 26%, reaching EGP 58 million, compared to the previous year, marking an expansion of our net profit margin to 14.2%. This improvement in net profits was largely driven by our strategic emphasis on high-profit-

generating customers and activities, alongside capturing gains from favorable exchange rate changes.

Our operational efficiency has been evident in the group's net operating profit, with EBIT rising by an impressive 69.1% to EGP 20 million. Although SG&A expenses grew by 23% to EGP 78.1 million, primarily impacted by local inflation and our strategic restructuring, including the NOSCO acquisition, these were important investments that underpin our long-term growth strategy. Our SG&A/revenues ratio remained well-managed within the context of an inflationary environment, and we continued to invest in marketing and customer-facing functions to strengthen our customer acquisition and retention, laying a solid foundation for future revenue growth.

In 2023, Egytrans' share performance contrasted with the broader market trends, as the main indices saw significant gains. Despite the market's upward trajectory, Egytrans shares underperformed relative to the main indices. The share price experienced only a slight year-over-year decrease, closing at EGP 3.13 at year's end compared to EGP 3.14 the previous year. This minor dip, alongside a peak of EGP 3.48 and a low of EGP 2.04, underscores the company's resilience amidst a local market struggling with USD shortages and steep inflation, as well as emerging global crises potentially impacting key maritime routes. The stability of Egytrans' share price amid these challenges reflects the underlying strength of our operational and financial strategies, even as we navigate through ongoing market volatility.



A YEAR OF STRATEGIC MILESTONES & EXPANSION

In 2023, Egytrans achieved significant strategic milestones that have strengthened our position as a leading integrated logistics provider. The acquisition of NOSCO, a strategic move aimed at expanding our operational capabilities, market reach, and service offerings, has already begun to yield promising results. Additionally, our strategic expansion into the Kingdom of Saudi Arabia represents a bold step towards our strategic imperative of expanding our footprint, capitalizing on new growth opportunities and further diversifying our revenue streams. You can read more about the acquisition on pages 94 - 103 and the Links Investments joint venture on pages 90 - 91 of our report. These initiatives are not just achievements but also a testament to our ability to adapt and thrive amid changing market dynamics. These initiatives enhance our service offerings, extend our market presence, and underscore our commitment to becoming the leading integrated logistics provider in the region.



COMMITMENT TO TRUST

Our commitment to sustainability and digital transformation remains at the forefront of our strategy, reflecting our dedication to future-proofing our operations and making a positive contribution to the planet and society. The initiatives we have undertaken underscore our commitment to integrating sustainable practices into every aspect of our business, ensuring that we remain leaders in the industry's evolution towards a more connected, agile, and sustainable future.

To actualize our commitment to sustainability, we are dedicated to minimizing our environmental footprint, optimizing our operations, and driving long-term value for our stakeholders. Through initiatives focused on digital transformation, operational excellence, and environmental stewardship, we aim to lead the industry towards a more sustainable, resilient, and interconnected future. You can find more details about our approach in the Trust section of this report on pages 122 - 133.





LOOKING AHEAD: EXPECT MORE



First and foremost, we extend our heartfelt gratitude to our employees, partners, and shareholders for their unwavering support, dedication, and trust. Without your tireless efforts, unwavering commitment, and shared vision, none of our achievements would have been possible. As we celebrate our past, embrace our present, and chart our course for the future, we do so with deep appreciation for the collective contributions of our Egytrans family.

As we honor our 50th anniversary, we are reminded of our rich history and the contributions of those who have shaped Egytrans' legacy. This milestone, celebrated throughout our report with testimonials and achievements, inspires our future direction. The strategic ventures we've undertaken, including the transformative merger with NOSCO, not only reflect our adaptability but also our ambition to redefine the logistics and transport sector.

The strategic expansions and partnerships we've embarked upon not only enhance our operational capabilities but also open avenues for significant growth within profitable markets. Moving into 2024, our focus remains on leveraging these opportunities to reinforce our market leadership and drive innovation. Furthermore, our commitment

to sustainability and digital transformation continues to be a priority, ensuring that Egytrans remains at the forefront of industry advancements.

As we look to the future, inspired by the legacy of our past leaders and driven by the collective ambition of our team, I am confident in our ability to achieve extraordinary success. Guided by our theme of "Expect More," we are filled with optimism, excitement, and determination. While the road ahead may be paved with challenges, uncertainties, and complexities, it is also brimming with opportunities, possibilities, and potential. With a renewed sense of purpose and a steadfast commitment to our core values, we are poised to exceed expectations, drive positive change, and shape the future of logistics and transport in Egypt as we have done over the last 50 years. By leveraging our strengths, embracing innovation, and fostering collaboration, we will continue to deliver value to our stakeholders, empower our employees, and make a meaningful impact on the world around us. As we "Expect More" from ourselves, we invite you to join us on this exciting journey into the future.

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OUR 50TH ANNIVERSARY MARKS
A CELEBRATION OF LEGACY
AND A LAUNCHPAD FOR FUTURE
INNOVATION IN LOGISTICS

AMIDST GLOBAL CHALLENGES, OUR
TEAM'S RESILIENCE HAS POSITIONED
US FOR THE OPPORTUNITIES AHEAD

STEERING LEGACY: WISDOM FROM EGYTRANS' CHAIRMEN



WAELEHETA
CHAIRMAN AND CEO EGYTRANS 10/1983 TO 7/1999

Forging Forward: The Founder's Resilience

Wael Leheta, the esteemed Chairman and CEO of Egytrans from October 1983 to July 1999, embodied the spirit of perseverance and innovation that defined the company's trajectory for decades to come. His remarkable journey began with adversity but transformed into a legacy of visionary leadership and industry transformation.

Born into a family with a business legacy, Wael faced early challenges when his family business was nationalized in 1960. Undeterred by setbacks, he seized each obstacle as an opportunity for growth and reinvention. In the midst of the Lebanese Civil War in 1975, Wael rebuilt his business from scratch in Greece, showcasing his resilience and determination.

In 1980, Wael returned to Egypt, taking the helm of Egytrans and laying the foundation for its future success. His visionary leadership revolutionized the transport and logistics industry, introducing innovative practices such as LCL (Less than Container Load) and bonded warehousing. Wael's belief in the industry's potential as an economic enabler set him apart as a true pioneer.

Beyond his business acumen, Wael was known for his charismatic presence and unwavering optimism. His ability to find humor in difficult situations and his commitment to mentorship left an indelible mark on all who knew him. As an educator and mentor, he shaped the next generation of industry leaders, leaving a lasting impact on the industry as a whole.

Today, Wael Leheta's legacy lives on as a beacon of inspiration for Egytrans and the industry at large. His transformative perspective, unwavering determination, and commitment to innovation continue to guide the company forward. As Egytrans embraces his values and ethos, it honors the enduring legacy of a visionary leader whose impact transcends generations.

5 DECADES OF TRAILBLAZING: CELEBRATING 25 YEARS FROM OUR IPO ON THE EGYPTIAN STOCK EXCHANGE, 1998



In 1998, Egytrans became the first logistics company to be publicly traded on the Egyptian Stock Exchange, marking a significant milestone in our history. This event not only demonstrated our pioneering role in the logistics sector but also established a solid foundation for future growth by enhancing our visibility and credibility in the financial markets. Celebrating the 25th anniversary of this achievement in 2023, Egytrans held a special “Ring the Bell” event, attended by prominent figures from the Egyptian Stock Exchange and our leadership team. This quarter-century milestone underscores our long-standing commitment to transparency, financial integrity, and shareholder value, aligning us with the highest standards of corporate governance and operational excellence. Our journey on the stock exchange has been pivotal in attracting diverse investments, driving innovation, and expanding our services, reinforcing our position as a leader in the logistics industry.





50 YEARS

SINCE 1973

5 DECADES OF INNOVATION: ESTABLISHING THE FIRST BONDED WAREHOUSE IN EGYPT, 1990

Egytrans not only pioneered LCL services but also introduced the first bonded warehouse service in Egypt in 1990. This groundbreaking initiative, starting with a modest facility in Haram, set a precedent for the Egyptian government's approval of bonded warehouses nationwide. Today, bonded warehousing has become a cornerstone of trade facilitation across Egypt, underscoring Egytrans' role in innovating cost-effective business management solutions. This development marks another significant milestone in Egytrans' history of driving progress in the logistics industry.



EGYTRANS 50TH ANNIVERSARY CELEBRATION: COMMÉMORATING OUR SHARED JOURNEY



Amidst the beautiful set up of the Qubba Presidential Palace garden, Egytrans employees, clients, partners and stakeholders gathered to commemorate a momentous occasion - the company's 50th anniversary celebration. For us, this event wasn't just a milestone; it was a heartfelt tribute to the decades of dedication, hard work, and camaraderie that have defined our journey together.

As we look to the next chapter of Egytrans' journey, we do so with hope, excitement, and a renewed sense of purpose. With the same spirit of unity, determination, and passion that has guided us thus far, we look forward to the future with optimism and anticipation.

Here's to fifty years of excellence, and to many more years of success, growth, and friendship at Egytrans.



THE MARKET IN WHICH WE OPERATE



Supply chains under pressure worldwide will continue to be caught between politics, economics, and ecology in the future.

In 2023, global supply chains grappled with unprecedented challenges stemming from macroeconomic, geopolitical, and ecological factors. The lingering effects of the pandemic, coupled with soaring energy prices and disruptions in transport capacities and port operations, intensified pressures on logistics worldwide. Geopolitical tensions, including conflicts in regions like Ukraine, Gaza, and Yemen, further strained trade routes and supply chains. However, amidst these complexities, Egypt emerges as a promising hub within the African Continental Free Trade Area (AfCFTA), offering opportunities for the logistics industry.

Operating within this dynamic landscape, Egytrans recognizes the importance of adeptly navigating market dynamics. Despite challenges, the industry remains resilient, with stakeholders prioritizing optimization strategies and sustainability initiatives. Through collaboration with government and industry partners, Egytrans is committed to providing reliable, timely, and cost-effective transport solutions to meet the evolving needs of its clients in the evolving global logistics landscape.

Operating within this dynamic landscape, Egytrans recognizes the importance of adeptly navigating market dynamics. Despite challenges, the industry remains resilient, with stakeholders prioritizing optimization strategies and sustainability initiatives. Through collaboration with government and industry partners, Egytrans is committed to providing reliable, timely, and cost-effective transport solutions to meet the evolving needs of its clients in the evolving global logistics landscape.

The global logistics market continues to evolve, influenced by various macroeconomic forces and geopolitical tensions. In 2023, the market reached a value of

USD

9.4075 trillion

and is projected to grow further at a CAGR of **6.4%** between 2023 and 2032, reaching a value of

USD

15.9782 trillion

by 2032.

● ● ● THE MARKET IN WHICH WE OPERATE

However, despite this growth trajectory, the year 2023 posed challenges due to factors such as foreign currency deficits, soaring inflation, and geopolitical tensions, including the war on Gaza and Red Sea attacks on commercial ships by Houthis in Yemen. These events led to spikes in commodity prices and heightened supply chain disruptions, with a significant contraction in trade flow through the Suez Canal in December 2023.

In 2023, the global air freight industry witnessed a remarkable recovery, with demand approaching pre-pandemic levels seen in 2019. Despite a modest decline of 1.9% in cargo tonne-kilometers (CTKs) compared to 2022, capacity surged by 11.3%, showcasing the industry's resilience. Middle Eastern carriers reported a 1.6% increase in demand, coupled with a significant rise in capacity, particularly for international operations. The sea freight sector, responsible for over four-fifths of global trade, experienced a 2.4% growth in trade volumes, albeit slower than historical averages. Despite challenges



such as supply chain disruptions and geopolitical tensions, containerized trade is projected to rebound, with a 1.2% increase in 2023 and over 3% growth between 2024 and 2028. However, disruptions along key trade routes, particularly in the Red Sea and Panama Canal, have led to significant increases in shipping rates and costs, driving inflation and impacting global supply chains. Despite these challenges, the industry outlook remains positive, with markets stabilizing towards normal demand patterns and positioning for success in 2024.

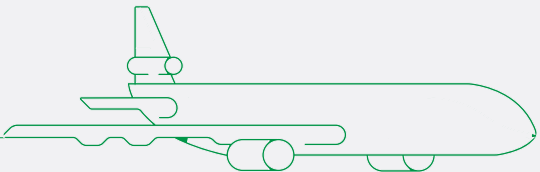
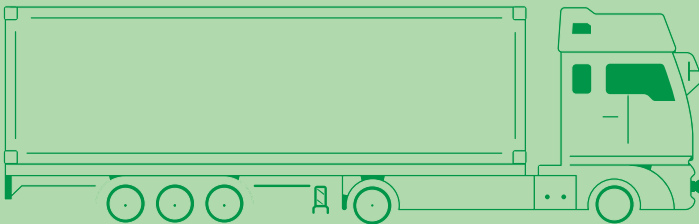
LOOKING AHEAD

the global logistics industry faces continued changes and challenges, shaped by major social, economic, and geopolitical trends. While the significance of logistics and transport in driving global commerce remains evident, uncertainties persist. The market landscape is influenced by factors such as demographic changes, political dynamics, sustainability concerns, and increasing expectations from stakeholders.

Demographic shifts, including the growth of the global population and the rise of the middle class, are driving demand for logistics services, particularly in emerging economies. Political developments, such as trade harmonization efforts and environmental regulations, impact global trade dynamics and logistics operations. Sustainability considerations, including the push towards net-zero emissions, are reshaping transport and logistics strategies, emphasizing the need for greener practices and technologies.

Moreover, societal expectations are evolving, with stakeholders demanding transparency, integrity, and social responsibility from companies. This requires strong partnerships between the public and private sectors to address global challenges effectively.

In response to these dynamics, our strategy focuses on creating a balanced business and product portfolio that positions us well for market changes. We recognize the importance of resilience and



flexibility in supply chains, particularly in light of recent disruptions and geopolitical uncertainties. Additionally, we acknowledge the growing significance of e-commerce and digitalization in shaping logistics trends and customer expectations.

As we navigate these challenges and opportunities, we remain committed to delivering safe, efficient, and sustainable transport solutions in collaboration with government and industry partners. Together, we strive to meet the evolving needs of our customers, drive positive change, and contribute to a more connected and resilient global logistics ecosystem



THE MARKET IN WHICH WE OPERATE



In 2023, the global freight forwarding market encountered formidable challenges driven by major economic forces, resulting in a 3.9% contraction in real terms, which compressed the market value to

€ 334.34 billion

Despite efforts to stabilize, the demand for air and sea freight forwarding services remained subdued, indicating a continued normalization process in the industry. Looking forward, the global freight forwarding market is projected to expand, with a forecasted size of US\$ 207 billion by 2026, up from US\$ 170 billion in 2021, representing a compound annual growth rate (CAGR) of 2.8% during the period of 2020-2026.

Both air and sea freight forwarding services experienced soft demand, leading to an overall contraction of 3.9% contraction in 2023 versus

3.7% in 2022. Air freight forwarding saw a further notable decline of 7.3%, while sea freight forwarding also contracted by 1.5%.

These downturns were primarily driven by the global economic downturn, shifts in consumer behavior, and a slowdown in manufacturing activities. These factors created an imbalance between supply and demand, causing freight rates to decline and reducing yields for freight forwarders like Egytrans.

To adapt to these challenging market conditions, Egytrans reassessed its strategies by integrating technology and offering more value-added services. These efforts aimed to mitigate margin erosion and address the evolving needs of customers in a rapidly changing economic landscape.

LOOKING AHEAD

to the long term, despite the current challenges, projections indicate gradual recovery and growth for the freight forwarding market. Key drivers such as increasing international trade volumes, rising trade agreements, and the demand for integrated services are expected to contribute to this recovery. Egytrans remains committed to navigating these challenges and capitalizing on emerging opportunities in the global logistics sector.



DRIVERS FOR GROWTH

International Trade Volumes:

The continuous growth in international trade volumes is a significant driver of the global logistics market. In 2021, merchandise trade volume surged by 8.4%, reaching a total value of \$20.8 trillion, according to the WTO. This growth fuels demand for logistics services to facilitate the movement of goods across borders efficiently.

E-commerce Growth:

The rapid expansion of e-commerce contributes significantly to the demand for logistics services. Global online retail sales reached \$4.9 trillion in 2021 and are forecasted to surpass \$6.3 trillion by 2024, driving the need for efficient logistics solutions, including last-mile delivery and fulfillment centers.

Technological Advancements:

Technological advancements play a pivotal role in driving the logistics industry’s growth by enhancing efficiency and optimizing operations. The global logistics automation market is projected to reach \$121.5 billion by 2028, growing at a CAGR of 11.5% from 2021 to 2028, as reported by Research and Markets.

Government Initiatives:

Government initiatives aimed at improving infrastructure and reducing trade barriers stimulate the growth of the logistics market. China’s Belt and Road Initiative (BRI) aims to enhance connectivity and cooperation among countries, potentially increasing global trade by 2.8% and global GDP by 0.7% by 2040, according to the World Bank.

Environmental Sustainability:

The focus on environmental sustainability drives the adoption of eco-friendly practices and technologies in the logistics industry. The global green logistics market size is expected to reach \$370.7 billion by 2028, growing at a CAGR of 6.5% from 2021 to 2028, as projected by Grand View Research.

Urbanization and Population Growth:

Urbanization trends and population growth in emerging markets drive the demand for efficient logistics networks to support the flow of goods to densely populated areas. The world’s urban population is projected to reach 68% by 2050, creating opportunities and challenges for logistics companies.

Supply Chain Resilience:

Supply chain disruptions persist in 2023 due to a range of factors including ongoing pandemic effects like labor shortages and port congestion, geopolitical tensions impacting trade routes, climate-related events damaging infrastructure, cybersecurity threats compromising data integrity, and labor market dynamics affecting workforce availability. As a result, many companies are outsourcing aspects of their supply chain management to specialized providers to enhance resilience and mitigate disruptions.

Trade Agreements:

Trade agreements between countries promote trade and investment, stimulating demand for logistics services. For example, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Africa Continental Free Trade Area (AfCFTA) aim to boost trade and drive the need for efficient logistics infrastructure.



DRIVING SUCCESS: EGYTRANS EMPLOYEE SPOTLIGHT



SALEM MORSY
DRIVER AND HEAVY TRANSPORT SUPERVISOR

19 YEARS
WITH EGYTRANS

Heavy Hauler's Story: Life Behind the Wheel

Salem's journey with Egytrans began in 2004 when he joined as a specialized transport driver. Over the course of 19 years, he has proudly served the company, and as he approaches his sixtieth birthday next April, he reflects on his profound dedication to this esteemed organization. "I feel honored to be part of a large and distinguished company in the heavy transport sector," Salem remarks, especially in light of the recent merger with Nosco earlier this year.

"At Egytrans, respectful treatment of employees is paramount," Salem emphasizes. "Whether in humanitarian matters or financial dealings, the company demonstrates a remarkable level of consideration." He also notes Egytrans' exceptional ability to navigate the complexities of their work, which often involves completing tasks and transfers of extraordinary dimensions. "We tackle challenges of any size with ease, ensuring smooth operations every step of the way," Salem adds. Throughout his tenure with Egytrans, Salem has acquired invaluable technical expertise, enabling him to participate in large-scale projects involving weights exceeding 500 tons and lengths of up to 8 meters. These are specifications that would be considered exceptional even in the realm of heavy transport operations he proudly asserts.

In his final comment, Ahmed extends his heartfelt gratitude to all his colleagues at Egytrans for their unwavering support and collaborative efforts. "It is through our collective dedication that we consistently deliver excellence in performing our tasks," he concludes with gratitude.



5 DECADES OF TRANSPARENCY: SIGNING THE UN GLOBAL COMPACT, 1995



Recognizing a critical market gap, Egytrans established Egytrans Depot Solutions (EDS) in 2010, pioneering the specialized services of ISO tank cleaning and repair in Egypt. EDS, a testament to Egytrans' forward-thinking approach, stands as the first facility in the country to offer such services to European standards. This initiative not only filled a vital industry need but also underscored the importance of maintaining high-quality standards for the safe and efficient handling of liquid bulk cargo. With advanced equipment and skilled professionals, EDS embodies Egytrans' commitment to innovation and excellence, significantly enhancing the logistics landscape in Egypt and reinforcing the company's legacy of industry leadership.



DRIVING SUCCESS: EGYTRANS EMPLOYEE SPOTLIGHT



AHMED EL SAYED ABBAS
DRIVER AND YARD SUPERVISOR

**13 YEARS
WITH EGYTRANS**

Continuing a Legacy: Egytrans through the generations

Ahmed Abbas isn't just a driver and yard supervisor at Egytrans —he's a living testament to the company's rich history and enduring legacy. For Ahmed, Egytrans isn't just a workplace; it's a second home that has been a part of his life for over a decade. "Since my childhood, I've been associated with Egytrans," Ahmed reflects, "going to work with my father and witnessing the genuine camaraderie among the employees. It's more than just a company to me; it's like a family."

From childhood, Ahmed was immersed in the world of Egytrans, accompanying his father to work and witnessing firsthand the camaraderie and sense of belonging that defined the company culture. As he grew older, Ahmed's admiration for Egytrans only deepened, fueled by the memories of Mr. Wael's organized trips to Port Said and the genuine connections forged between employees and management. "remember how Mr. Wael knew each worker by name and their personal circumstances," Ahmed recalls. "It truly felt like a big family that included us all."

But it wasn't just the camaraderie that kept Ahmed loyal to Egytrans; it was the company's unwavering support during challenging times. Whether it was navigating conflicts within the team or weathering global crises like the COVID-19 pandemic and geopolitical tensions, Egytrans remained a beacon of stability and compassion.

"During difficult situations, management always intervened to solve problems and ensure everyone's needs were met," Ahmed explains. "We worked together as a team, putting in long hours to overcome challenges and maintain the company's reputation in the market." While other companies faltered, Egytrans stood firm, prioritizing the well-being of its employees above all else.

For Ahmed, Egytrans isn't just a job—it's a legacy he hopes to pass down to future generations. As he looks to the future, Ahmed dreams of seeing his son follow in his footsteps, joining the Egytrans family and experiencing the same sense of pride, stability, and belonging that has defined Ahmed's career journey.



EGYPT – THE MARKET

“THE LOGISTICS AND TRANSPORT SECTOR
IS EGYPT’S BIGGEST CASH COW,”

WORLD BANK

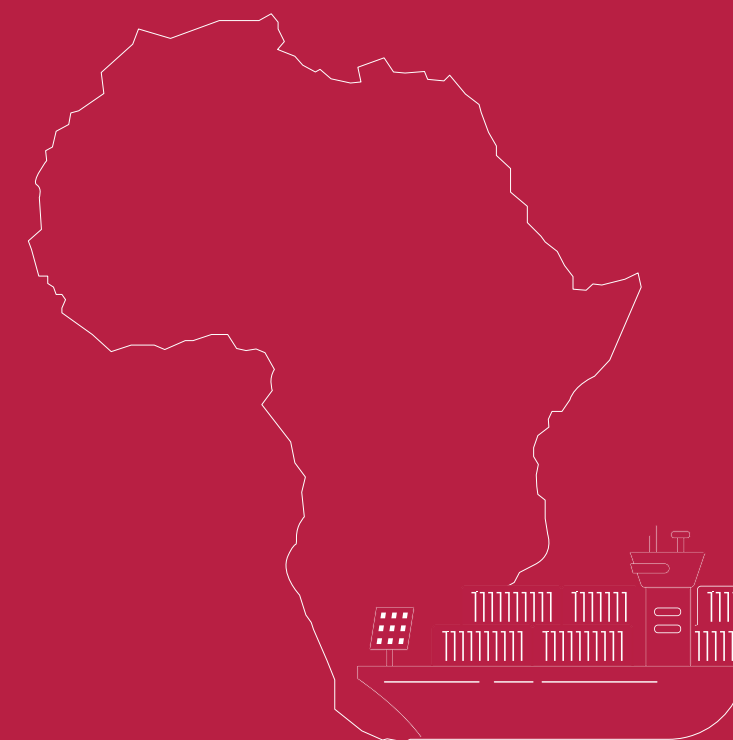


In 2023, Egypt's transport and logistics (T&L) sector emerged resilient amidst global logistical challenges, leveraging its strategic geographic location to foster growth and opportunities within Africa and the Middle East. Recognized by the World Bank as Egypt's “biggest cash cow,” the sector is undergoing significant transformation thanks to substantial infrastructure investments and the country's strategic positioning. Despite facing hurdles such as macroeconomic conditions and geopolitical tensions, Egypt's T&L sector, buoyed by

the African Continental Free Trade Area (AfCFTA), remains a promising logistics hub, anticipated to grow at a rate of 7.1% between 2022 and 2026.

Endorsed by the World Bank for its strategic importance and growth potential, Egypt's T&L sector is a cornerstone of the nation's economic strategy. Despite macroeconomic and geopolitical challenges, the sector's resilience highlights the strategic initiatives and collaborative efforts to navigate these complexities.

With ongoing investments in infrastructure and digital advancements, Egypt is poised to enhance its status as a leading logistics hub, offering ample opportunities for investors and stakeholders in the dynamic global trade and logistics landscape. This analysis underlines the sector's resilience, growth prospects, and strategic responses, paving the way for sustained growth and innovation.





AT 7.8% CAGR EGYPT T&L TO GROW AT 2X THE WORLD GROWTH RATE

Egypt's Transport and Logistics Sector
Forecasts an 7.8% CAGR to surpass USD 52.6
billion by 2027 up from USD 34.2 billion in 2022.

The Transport and Logistics (T&L) sector in Egypt is projected to experience significant growth, predicting a 7.8% CAGR that could see the market swell to \$52.6 billion by 2027. This growth rate is notably double the world growth rate, underlining Egypt's evolving role as a major trading country, especially with opportunities arising from the African Continental Free Trade Agreement (AfCFTA).

Additionally, the sector is anticipated to benefit from overland alternatives to maritime and air transportation, further facilitating intra-Africa trade and opening up a \$450 billion logistics market.

As of 2022, the Egyptian logistics market celebrated a significant achievement, reaching a value of \$34.2 billion. However, 2023 experienced a downturn, leading to expectations of moderate freight growth across all transportation modes in Egypt for 2024. This anticipated moderation is attributed to a decline in real imports growth, exacerbated by high inflation, logistical constraints, and regional conflict risks that could potentially impact Egypt's port traffic flows over the forecast period. Despite these short-term challenges, there is optimism for the medium to long term, driven by increased investments in port and energy infrastructure. These investments, particularly in green energy solutions, are projected to bolster trade activities and sustain business growth, ensuring the sector's resilience and continued contribution to Egypt's economic landscape setting the stage for exponential growth driven by strategic investments in port infrastructure and green energy solutions, notwithstanding the

anticipated moderation in freight growth due to short-term economic pressures and regional conflicts.

This substantial growth is driven by various factors, including Egypt's strategic location, government initiatives to improve infrastructure and streamline logistics operations, and the rise of e-commerce. The Third-Party Logistics (3PL) segment, in particular, is expected to see exponential growth, with a projected CAGR of 8.6% up to 2025, driven by the rising population and significant growth in e-commerce during the forecast period of 2019-2025. This segment stands to gain significantly, with the potential to grow at over 22%.

Moreover, substantial investments towards the development and maintenance of key roads and ports are expected to bring up to tenfold capacity forecasts, indicating a robust framework for the sector's expansion. Despite the market's high fragmentation and inefficiency, with 90% being characterized as such, these growth drivers present a strong potential for consolidation and efficiency improvements in the coming year.





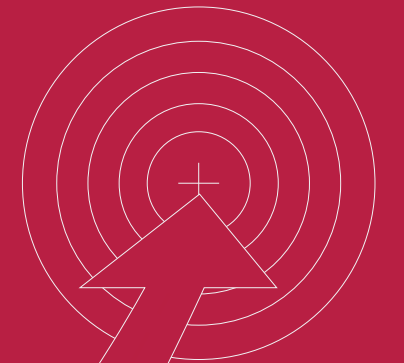
EGYPT'S FREIGHT FORWARDING SECTOR POISED FOR 7.1% CAGR AMIDST EVOLVING DIGITAL & GLOBAL LANDSCAPES

The Egyptian freight forwarding sector, positioned for a remarkable Compound Annual Growth Rate (CAGR) of 7.1% from 2022 to 2026, is navigating through a period of transformative growth fueled by strategic government initiatives and favorable market dynamics. Egypt's advantageous geographic location at the nexus of Africa, Asia, and Europe fortifies its role as a key logistics hub, integral to the flow of international commerce. This sector's capacity to adeptly manage the complexities of global trade, underscored by an imperative for digital transformation, is supported by escalating trade volumes and significant infrastructural developments.

Central to this growth narrative are pivotal government policies which aim to reinforce the sector by enhancing infrastructure and smoothing transport pathways, thus diminishing transit times and operational costs. The Suez Canal's expansion and strategic investments in port infrastructure promise to elevate capacity and operational efficiency, further accommodating the global shipping volume surge. The sector's upward trajectory is also supported by the escalating demand for advanced freight forwarding solutions, driven by the e-commerce sector's exponential growth, to adeptly manage the rising tide of goods moving both within Egypt and across its borders.

Challenges

Despite the optimistic outlook, the freight forwarding sector confronts challenges, primarily the pressing need for digital transformation to align operations with the fast-evolving demands of global commerce. Geopolitical tensions and macroeconomic fluctuations pose additional uncertainties, potentially impacting international shipping routes and costs. Nonetheless, the Egyptian freight forwarding sector's strategic significance, coupled with the government's steadfast commitment to infrastructure development, robustly positions it for anticipated growth. This makes the sector an indispensable pillar of Egypt's extensive logistics and transportation framework, poised to navigate the future landscape of global trade with resilience and adaptability.





LAND TRANSPORT SECTOR IN EGYPT: NAVIGATING THROUGH EXPANSION AND MODERNIZATION

The land transport segment, which forms the backbone of the T&L sector, has seen marked improvements in infrastructure and capacity. This is largely thanks to government-led projects that have expanded and modernized the road network, enabling better connectivity and efficiency. As a result, the road freight volume is poised for steady growth, supported by a strong consumer demand and an improved capacity that promises a 40% enhancement in operational efficiency.

The land transport segment, predominantly comprised of road transport, dominates the logistics sector with a 90% share. Despite challenges such as high fragmentation and underutilization of truck fleets, the segment is poised for growth, supported by governmental efforts to improve the road network and streamline operational efficiencies. This investment is expected to double the historical average growth of the country's trade, favoring transport and logistics providers. The road freight sector, underpinned by strong consumer demand and a 40% improvement in capacity, projects a steady expansion in road freight volumes. The ongoing enhancements in road connectivity and infrastructure not only support current demand but also lay the groundwork for future growth in the land transport segment.

The government's vision to expand urban settlements from 7% to 14% by 2030 will likely increase the demand for efficient land transport services, catering to a rapidly growing population and expanding middle class.

Key growth drivers include extensive government investments in road infrastructure, aiming to modernize and extend the national road network. Such developments not only enhance domestic connectivity but also improve Egypt's position as a crucial trade link between Africa, the Middle East, and Europe. The sector is poised for growth, benefiting from the overall increase in trade activities and the strategic push to make Egypt a logistics hub.



● ● ● EGYPT

Challenges

However, the Land Transport sector grapples with challenges such as market fragmentation, with a considerable portion of the transport industry comprised of small operators resulting in operational inefficiencies. This fragmentation leads to underutilization of fleets, inconsistent service levels, and heightened logistics costs. Additionally, the sector must navigate the evolving demands of the digital economy, requiring upgrades in technology and processes to remain competitive.

Prospects

Despite these challenges, the Land Transport sector in Egypt has robust prospects. The government's continued investment in infrastructure, coupled with initiatives to digitize and streamline transport operations, presents significant opportunities for growth. As the country advances its logistics capabilities, the sector is expected to see improved efficiency, reduced costs, and enhanced competitiveness. Moreover, the expansion of urban areas and the rising demand for logistics services driven by e-commerce growth and the expanding middle class are set to fuel the demand for land transport services, making it a key area for investment and development.





WAREHOUSING UPWARD TRAJECTORY, WITH 7% CAGR THROUGH 2025. CAPITALIZING ON E-COMMERCE GROWTH AND STRATEGIC INVESTMENTS

The warehousing sector in Egypt is currently undergoing a significant transformation, primarily driven by the explosive growth of the e-commerce industry and strategic governmental investments in infrastructure. As the e-commerce market continues to expand, fueled by the rising middle class and increasing digital connectivity, there is a burgeoning demand for sophisticated warehousing and logistics solutions. This demand is characterized by the need for efficient storage, inventory management, and rapid distribution services to cater to the fast-paced online retail environment. The government's commitment to enhancing Egypt's logistics infrastructure, including the development of new ports and logistics centers, further supports the sector's growth, providing a robust framework for the expansion of warehousing facilities.

The logistics and warehousing market in Egypt is also on an upward trajectory, expected to grow at a 7% CAGR through 2025. This growth is spurred by massive infrastructure development and an increase in Foreign Direct Investment (FDI), industrial space, and trade volumes. Notably, the logistics sector, currently valued at \$8.7 billion, is seeing a resurgence to pre-crisis levels of trade capacity and ease of business. The market is highly competitive, with international and domestic players vying for dominance. Strategic initiatives, such as the African Continental Free Trade Agreement (AfCFTA), are set to further catalyze this growth, positioning Egypt as a trans-shipment hub with burgeoning warehousing needs.

Challenges

Despite its promising growth trajectory, the warehousing sector faces several challenges. One of the primary concerns is adapting to the technological advancements necessary for modern warehousing operations, including automation and real-time inventory management systems, which require significant capital investment. Additionally, the sector must navigate the complexities of supply chain integration, ensuring seamless connectivity between warehousing services and other logistics components such as transportation and last-mile delivery. Another challenge lies in the optimization of warehouse locations and layouts to maximize efficiency and minimize delivery times, especially in urban areas where space is at a premium.

Prospects

Looking ahead, the prospects for Egypt's warehousing sector are highly optimistic. With continued growth in e-commerce and supportive government policies aimed at improving the overall logistics framework, the demand for advanced warehousing solutions is expected to rise. Opportunities abound for warehousing providers to innovate and expand their service offerings, particularly in areas such as automated storage and retrieval systems (ASRS), cold storage, and sustainable warehousing practices. Furthermore, the strategic development of dry ports and logistic centers across Egypt is set to enhance the sector's capacity and efficiency, enabling it to support the country's ambition of becoming a leading logistics hub in the region. As the warehousing sector evolves to meet the changing demands of the digital economy, it remains a critical component of Egypt's logistics and supply chain ecosystem, offering ample opportunities for growth and investment.



3PL SECTOR IN EGYPT: EXPANDING AMIDST E-COMMERCE BOOM AND MIDDLE-CLASS GROWTH

Egypt's Third-Party Logistics (3PL) sector is experiencing significant growth, driven by the exponential rise in e-commerce and the rapid expansion of the middle class. With the e-commerce market in Egypt projected to grow at an impressive rate, the demand for 3PL services, offering specialized logistics and supply chain management solutions, is expected to surge. This growth is further fueled by the increasing internet penetration and digital literacy among the Egyptian population, enabling more consumers to participate in online shopping. With the e-commerce industry's boom, the demand for advanced

logistics and warehousing solutions is on the rise. Egypt's e-commerce market, currently standing at a revenue of US\$5.2 billion, is forecasted to grow significantly, bolstered by the rising middle class and increasing internet penetration. The logistics market, including 3PL services, is expected to capitalize on this trend, offering optimized and digitalized warehousing solutions to support the burgeoning e-commerce sector.

Challenges

Despite the promising growth prospects, the 3PL sector faces several challenges. High competition from both local and international logistics providers requires companies to continuously innovate and improve their service offerings to maintain market share. Additionally, adapting to the fast-paced changes in e-commerce, including customer expectations for quick delivery times and return services, poses operational challenges.

There's also the need for advanced IT systems and technology integration to manage complex logistics operations efficiently, which can be a significant investment for many 3PL providers.

Prospects

The future of Egypt's 3PL sector looks promising, with opportunities for companies to differentiate themselves through value-added services, technology integration, and customer-centric solutions. The government's initiatives to improve the country's infrastructure and streamline customs processes are expected to enhance the efficiency of logistics operations, further boosting the sector's growth. As the middle class continues to expand, and with it, disposable income, the demand for e-commerce and, by extension, 3PL services, is set to rise, offering ample opportunities for growth and expansion.

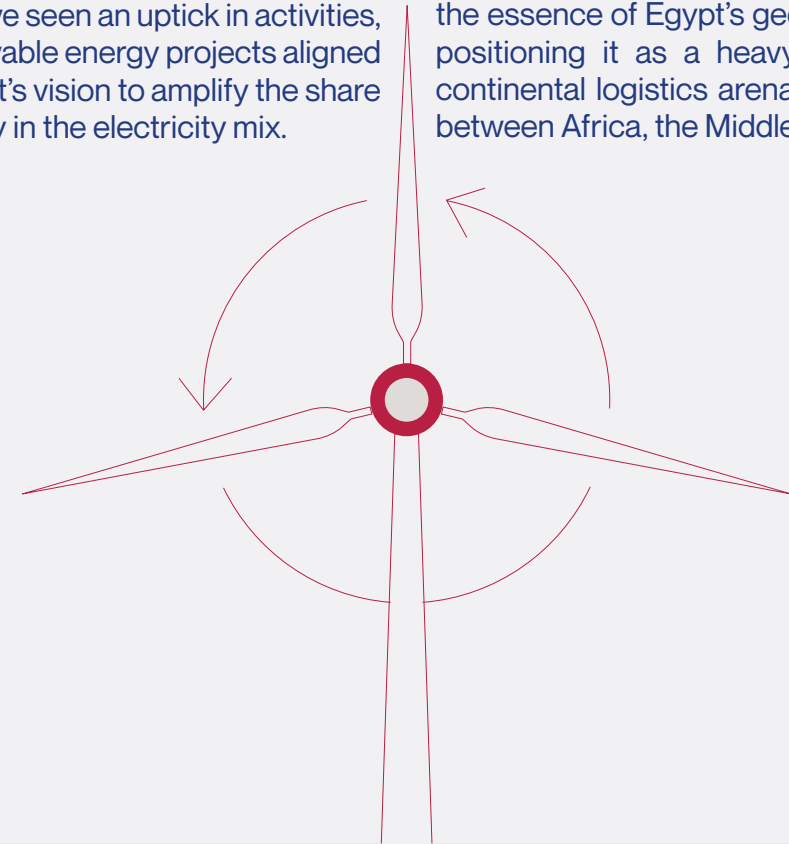




EGYPT'S HEAVY TRANSPORT SECTOR FORECASTS AN 8.3% CAGR SURGE AMIDST EXPANDING PROJECT MARKET CAPACITY

Egypt's heavy and specialized transport sector is poised for substantial growth, underpinned by a surge in infrastructure investments and a bustling project market. With a projected Compound Annual Growth Rate (CAGR) of 8.3%, the sector is a cornerstone in the nation's \$500 billion infrastructure initiative, which encompasses a myriad of underway and planned projects across the construction, power, transport, and the oil and gas industries. This sector not only supports the country's infrastructural evolution but also represents a capital-intensive and cyclical market, where the demand is closely tied to the ebb and flow of these large-scale investments. The year 2020 saw a moderate growth rate of 3.8%, dominated by construction, but recent years have seen an uptick in activities, particularly in renewable energy projects aligned with the government's vision to amplify the share of renewable energy in the electricity mix.

The wind energy sector, a subset of the heavy transport market, is forecasted to grow at a CAGR of around 15% from 2020 to 2025. This growth is fueled by strategic government initiatives aiming to transform Egypt into a pivotal energy hub within the region. The ripple effects of this growth are evident in the escalating number of oil and gas projects, valued at nearly \$82 billion, with a significant percentage in active execution and bidding phases. Moreover, the sector's expansion is further catalyzed by plans for large-scale grid connectivity projects and an ongoing emphasis on enhancing water security through increased water treatment capacities. Notably, the sector's performance is not just tethered to domestic endeavors; it also captures the essence of Egypt's geographical advantage, positioning it as a heavyweight in the trans-continental logistics arena that bridges the gap between Africa, the Middle East, and Europe.



EGYPT'S ISO TANK SECTOR EXPECTED TO REBOOT

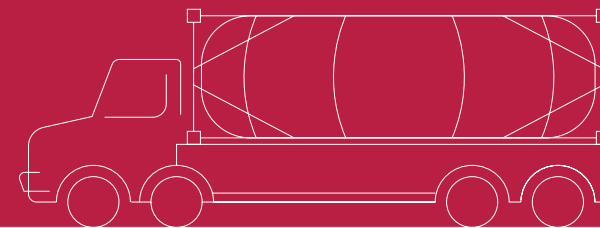


The ISO Tank sector, particularly focusing on cleaning and maintenance, is poised for significant growth globally, with Egypt's market contributing to this upward trajectory. Based on the information provided, the global ISO tank containers market is anticipated to expand from \$0.99 billion in 2021 to \$1.57 billion by 2026, reflecting a Compound Annual Growth Rate (CAGR) of 8.6%. This growth is propelled by the increasing demand for efficient, safe, and cost-effective transportation solutions for liquids, gases, and other materials, which ISO tanks are uniquely positioned to provide.

In Egypt, the growth of the ISO Tank sector is underlined by the nation's strategic initiatives to boost its logistics and transportation infrastructure and its positioning as a critical link in global trade routes, notably through the Suez Canal. The country's burgeoning petrochemical industry, which is expected to see an increase in chemical exports by 43%, further amplifies the demand for ISO tank maintenance services. This is due to ISO tanks' efficiency in transporting chemicals and their reduced environmental impact compared to other transportation methods.

Moreover, the establishment of dry ports and logistics centers in Egypt, aimed at accommodating more than 5 million TEUs annually, alongside the development of 7 land ports on the Egyptian borders, signifies a robust framework for the growth of the ISO tank sector. The government's one-stop-shop system, launched in 2021 to facilitate international trade, underscores the sector's potential by streamlining processes such as customs clearance and payment processing, thereby enhancing the operational efficiency of ISO tank services.

The projected growth in the ISO Tank sector aligns with Egypt's broader economic objectives and its ambition to become a leading logistics hub in Africa and the Middle East. This sector's expansion not only supports the country's trade and industrial activities but also contributes to sustainable growth by promoting environmentally friendly and efficient transportation solutions.





5 DECADES OF INNOVATION: PIONEERING ISO TANK SERVICES IN EGYPT, 2010



Recognizing a critical market gap, Egytrans established Egytrans Depot Solutions (EDS) in 2010, pioneering the specialized services of ISO tank cleaning and repair in Egypt. EDS, a testament to Egytrans' forward-thinking approach, stands as the first facility in the country to offer such services to European standards. This initiative not only filled a vital industry need but also underscored the importance of maintaining high-quality standards for the safe and efficient handling of liquid bulk cargo. With advanced equipment and skilled professionals, EDS embodies Egytrans' commitment to innovation and excellence, significantly enhancing the logistics landscape in Egypt and reinforcing the company's legacy of industry leadership.





NAVIGATING EXCELLENCE: EGYTRANS LEADERSHIP CHRONICLES



ABDEL HALIM EL SHERIF

DIRECTOR OF PROJECT LOGISTICS (1990-2018)

Journey of Transformation: From Packages to Power

Abdel Halim El Sherif, who served at Egytrans from 1990 to 2018 and held various leadership roles including General Manager of Logistics and Projects and later Director of the Project Logistics Department, reflects on the company's transformative journey.

Recalling Egytrans' pioneering initiatives, he remarks, "Eng. Hussam was credited with directing the company for the combined goods projects in 1992 (LCL), where more than one customer shares one container and may reach 10 customers. This achieved good profits, and we were the pioneers in this field."

As Egytrans ventured into mega projects like power stations and factories, Abdel Halim witnessed the company's evolution firsthand. "With the late nineties, Egytrans was unique in owning heavy transport equipment through its purchase of "Etal," he explains. "We also developed the planning department, which specialized in preparing studies on loads, huge parcels, and optimal ways to transport them from ports to project sites."

Abdel Halim emphasizes the invaluable skills he acquired during his tenure, stating, "During my time at Egytrans, and through the project logistics sector, I acquired many skills, including the ability to solve any problem or crisis while working, whatever its size." He underscores the company's transition from handling small parcels to undertaking large-scale projects for electricity and wind farms, remarking, "We started transporting parcels and small businesses all over Cairo and we succeeded before we turned to giant projects."

In closing, Abdel Halim offers guidance to current Egytrans employees, drawing inspiration from divine teachings: "Finally, I would like to address a message to the current Egytrans employees, advising them to constantly move and strive as God commanded us, who says in his dear book, 'So walk in its paths and eat of his livelihood.'"

INFRASTRUCTURE

Road Transport

Current Landscape: The sector has seen transformative developments with at least 7,000 km of roads added since 2014. The quality of infrastructure has significantly improved, climbing global rankings.

Growth Drivers: Strong consumer demand, supported by increased capacity and government efforts to connect major production and consumption centers.

Challenges and Opportunities: High fragmentation and inefficiencies mark the sector, with small-scale operators struggling to connect to the broader market. However, ongoing infrastructure enhancements present significant growth potential.

Sea Freight

Current Landscape: With a total of 15 commercial seaports, Egypt has embarked on ambitious projects to expand port infrastructure, aiming to quintuple its capacity by 2030.

Growth Drivers: The sector is receiving a boost from strong investment, including the development of new berths and logistics centers.

Challenges and Opportunities: Despite improvements, there are opportunities to increase efficiency and capacity further, notably in dry ports and border land ports.

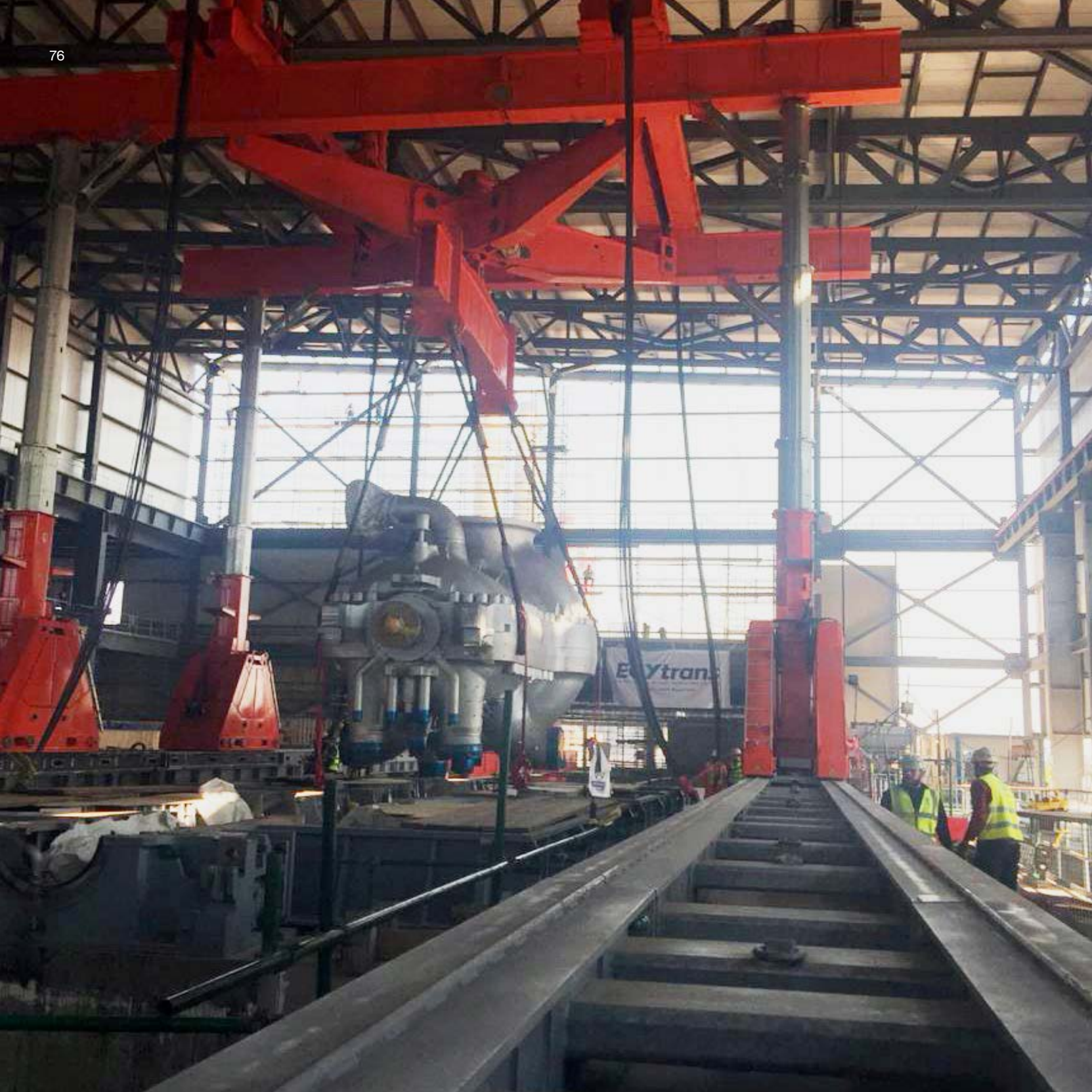
Rail Transport

Current Landscape: The rail sector is witnessing cross-border railway projects with significant investments, enhancing intra-Africa trade options.

Growth Drivers: The African Continental Free Trade Agreement is a key enabler, offering overland alternatives to maritime and air transport.

Challenges and Opportunities: The expansion of the rail network to connect with the rest of Africa and Europe is ongoing, with completion expected by 2024.





5 DECADES OF SERVICE: PIONEERING THE FIRST EGYPTIAN OWNED STRAND JACK GANTRY, 2019



Egytrans set a benchmark in 2019 by becoming the first and only logistics service provider in Egypt to own a movable gantry crane. This strategic acquisition underscores our commitment to enhancing operational capabilities and delivering comprehensive project logistics services. The gantry crane plays a pivotal role in our equipment portfolio, enabling us to undertake significant lifting tasks, such as lifting and installing generators in challenging locations. This milestone is a testament to our ongoing pursuit of excellence and innovation in customer service.



NAVIGATING EXCELLENCE: EGYTRANS LEADERSHIP CHRONICLES



MAHMOUD ABDEL SALAM
SENIOR TRANSPORT DRIVER

17 YEARS
WITH EGYTRANS

Roads Well Traveled: A Crane Driver's Journey

Mohamed Amin Abdel Hafez's journey with Egytrans began in 1997 when he joined as an accountant. Over the years, he has risen through the ranks, culminating in his promotion to the position of Deputy Manager of the Port Said Branch in November 2022.

"For me, the most significant projects at Egytrans are centered around continuous development and modernization of our work systems," Mohamed reflects. "We've implemented methods and systems that benefit our employees, customers, and the company's efficiency. For example, our employees now have the ability to track all stages of operations, including the cost of each operation and the resulting profit, before its commencement. This has saved us considerable time and effort while enabling us to serve our customers more effectively."

Egytrans stands out for its unique approach to customer service, according to Mohamed. "We prioritize providing the best services and treat our customers' shipments as if they were our own," he explains. "Unlike some other companies, we avoid imposing additional costs on our customers, such as delay fines or flooring charges. This fosters a sense of trust and security among our customers, knowing that their business is in safe hands."

Recently, we introduced an electronic payment system directly from the invoice to the bank, saving both time and effort for our customers and the company."

The resilience of Egytrans' management has been evident during times of crisis, including the sudden death of Eng. Hussam Leheta, the 2011 revolution, the COVID-19 pandemic, and the Ukrainian-Russian war. "Throughout these challenges, the management has emphasized the importance of the unique relationship between Egytrans and its employees," Mohamed observes. "Under the leadership of Eng. Abir, the administration maintains open communication with managers and employees to address their needs and concerns, fostering a healthy family environment."

In closing, Mohamed sends a message to the administration to continue their successful endeavors and encourages his colleagues to strive for excellence. "To each colleague, I say: strive and develop, and you will be duly rewarded," he concludes. "The management at Egytrans values both the young and the old, ensuring that everyone receives their rightful recognition."



THREE STRATEGIC PRIORITIES

In the face of evolving market dynamics, Egytrans continues to advance its strategic mission set forth in 2018, aimed at fostering growth, minimizing risk, and enhancing financial performance through three core strategic priorities:

Grow a Diversified Business:

Our focus remains steadfast on diversification, further underscored by the strategic merger with NOSCO and the expansion into the Kingdom of Saudi Arabia through our partnership with Link Investments Co. KSA. These ventures not only expand our service portfolio but also reinforce our commitment to meeting the ever-changing needs of our customers in a dynamic global landscape.

Deliver More Services and Solutions of Value:

Leveraging the strengths gained from our recent partnerships and expansions, we are poised to offer an enriched array of services and solutions.

This strategic expansion enables us to provide unparalleled value to our clients, ensuring Egytrans remains synonymous with quality and innovation in logistics and transport solutions.

Simplify the Operating Model:

The restructuring of Egytrans into five strategic business units epitomizes our commitment to operational excellence and agility. This simplification enhances our ability to rapidly adapt to market changes and customer needs, further solidifying our position as industry leaders.



These strategic pillars are designed to navigate the challenges ahead and maintain our competitive edge, ensuring Egytrans remains at the forefront of the logistics and transport industry, ready to meet the future needs of our customers. These strategic pillars set the stage for Egytrans' continued success and leadership in the logistics and transport industry. In the following sections, we will delve deeper into our strategic responses, outlining the specific actions, initiatives, and investments we are making to realize these priorities.



GROW A DIVERSIFIED BUSINESS

In line with our strategy to diversify our business and align with the volatility of the logistics and transport industry, Egytrans, strengthened by the strategic acquisition of NOSCO, is uniquely positioned to enhance our supply chain framework. This acquisition enriches our industry experience, enabling tailored solutions that elevate customer competitiveness. Our focus includes leveraging expertise, advancing digital interfaces, and enhancing transport capabilities, reinforcing a fully integrated supply chain offering. Committed to building a robust portfolio, we aim to advance our services sustainably, catering to diverse target audiences across industries and regions for a lower-risk profile, ultimately driving shareholder value.

OUR PLANS

Enhanced Focus on Diversification:

We've realigned our organization to bolster efficiency and concentrate on areas with the highest potential for new business growth. This includes exploring potential partnerships that complement our existing services or embarking on new ventures that add substantive value to our operations. Our core business strategy emphasizes diversification into essential service areas like 3PL and warehousing, responding to market needs.

Geographic Expansion and Market Penetration:

Leveraging our newly expanded capability from the acquisition of NOSCO, we are poised to expand our footprint into neighboring markets, with a keen focus on Africa in the long-term. Despite its logistics challenges, Africa presents untapped opportunities thanks to a growing middle class, increased infrastructure investment, and significant trade agreements. Our phased approach to expansion in Africa is backed by thorough evaluations of these emerging opportunities. The strategic partnership with Link Co. KSA marks our ambitious expansion into the Kingdom of Saudi Arabia, positioning us to capitalize on the vast opportunities within one of the most dynamic markets in the Middle East.

Innovation Through Partnerships:

Our proactive expansion of collaborations with external partners aims to harness innovation and strengthen our product offerings. Successes from our startup incubator program have motivated us to continue seeking engagement with promising logistics startups, thus securing a competitive edge through new technologies that align with our business goals.

Disciplined Investment Approach:

Our investments in pilot projects and new ventures are governed by a disciplined approach focused on achieving a high return on investment. This strategy is pivotal for enhancing long-term financial performance and delivering greater value to our shareholders.

Looking Ahead:

With the strategic acquisition of NOSCO and our partnership with Links Investment Co. KSA, we are set to significantly bolster our service capabilities and market reach. These strategic ventures, alongside our business units' restructuring, underline our commitment to a diversified and resilient business model, ready to navigate the future's complexities and seize emerging opportunities.

CROSSING BORDERS, SEIZING OPPORTUNITIES, EXPECTING MORE

I am honored to contribute to Egytrans' annual report, marking my introduction to this esteemed organization. Since joining, I've witnessed Egytrans' unwavering dedication to excellence, innovation, and growth in the logistics and transport industry. It's evident that Egytrans isn't just leading in the field, but, as highlighted throughout this report celebrating the 50th Anniversary, it is redefining it, consistently seizing emerging opportunities to deliver exceptional value to clients and stakeholders. Embarking on this journey with Egytrans, I recognize the vast potential ahead. Being part of a team poised for expansion and leadership in both established and emerging markets is a privilege.



The focus of our business development strategy going forward aligns closely with the company's overarching goals to grow, deliver, and simplify. This strategy emphasizes three strategic directions: first, the expansion beyond our borders, which will be discussed in more detail below, signifies our ambition to establish a presence in new markets.

Secondly, our strategy includes diversification both laterally and vertically, capitalizing on potential opportunities and investing in alternative industries. This approach aims to create alternative revenue streams. Lastly, our strategy is geared towards expanding the business by targeting large new customers, especially those identified as key clients or significant revenue contributors. We plan to achieve this through customized partnership agreements, leveraging our expertise to meet their unique needs. Delving into our strategic vision and market analyses, I'm confident in Egytrans' ability to not only meet but exceed remarkable success in the future.



OUR STRATEGY

A Foothold for Growth, Expecting More

Upon joining Egytrans, my primary focus was to establish a foothold in the Kingdom of Saudi Arabia (KSA), recognizing its immense potential for our company's growth. This strategic endeavor has culminated in a successful partnership with Links Investment, a joint venture aimed at capitalizing on the burgeoning logistics sector within KSA, driven by growth in the e-commerce sector and rapid infrastructure developments. This expansion aligns perfectly with global logistics trends and our ambitious growth objectives, embodying our theme to "Expect More" from our strategic initiatives. Further details regarding this transformative partnership can be found in the section dedicated to our strategic initiatives on pages 90 - 91 of this report.

The kingdom's dynamic market, driven by Vision 2030, presents numerous opportunities in logistics and heavy lift transport - sectors where Egytrans has established expertise and a competitive advantage. By entering a joint venture with Links Investment, Egytrans taps into the kingdom's logistical advancement, contributing to the Vision 2030 goal of a non-oil revenue increase to approximately SAR45 billion. The KSA's logistics industry, poised for a 5.85% CAGR from 2020 to 2026, offers Egytrans immediate entry into a robust and expanding market. This strategic partnership is designed to support the e-commerce wave, projected to reach \$13.3 billion by 2025, ensuring our presence is solidified where growth is most tangible and immediate.

.. with short term potential

The deal with Links Investment signifies a significant milestone in our expansion efforts, leveraging their local expertise and resources to support our operational capabilities and market presence in KSA. In particular, building on the expansive capability of the Links- Egytrans joint venture can capture opportunities in the warehousing sector. This sector has witnessed significant growth in KSA in recent years. This growth is fueled by factors such as the expansion of e-commerce, infrastructure development initiatives under Vision 2030, and rising consumer demand. With the growing e-commerce market, the demand for modern warehousing facilities is expected to continue rising, further driving the growth of the warehousing sector in the country.

.... and promising prospects long-term

Looking beyond the immediate horizon, Egytrans aligns with KSA's ambitious renewable energy targets, aiming to generate 50% of energy from renewables by 2030. The country aims to invest \$50 billion in renewable energy projects, with plans to develop 60 renewable energy projects with a total capacity of 9.5 gigawatts. This strategic alignment not only supports KSA's goal to diversify its economy but also exemplifies Egytrans' commitment to exceeding expectations in supporting sustainable energy sources. Our expertise in heavy haul

transport positions us uniquely to contribute significantly to this shift, expecting to leverage our comprehensive experience to provide specialized solutions within the renewable energy sector. The strategy in KSA also aligns with a phased approach to growth, where we lay the groundwork with logistics, and subsequently build upon our leadership in renewable energy transport. This long-term perspective ensures we are not just participants but leaders in KSA's energy transformation journey.

... with a keen eye to future prospects

Parallel to our expansion into KSA, Egytrans is closely monitoring the African market. Our watchful eye on the African market is strategic. The potential here is underscored by a myriad of drivers: a \$2.6 trillion GDP, a population boom set to reach 2.5 billion by 2050, and a significant portion of working-age individuals driving manufacturing. Africa is a landscape of immense potential. Urbanization trends predict that 45% of the population will reside in cities by 2025, propelling consumer spending higher than national averages.

The digital landscape in Africa is also rapidly changing, with internet users expected to cover 51% of the population over the next decade, stimulating a 2.5% increase in GDP. The middle-class consumer base is estimated to reach 1.7

billion by 2030, with a total business and consumer expenditure of \$6.7 trillion. These indicators form the cornerstone of our medium-term strategy for Africa, as we seek to align our growth with the continent's trajectory. Egytrans is poised to tap into Africa's logistics and transport sector, which benefits from the AfCFTA's promise to boost intra-African exports by over 81% and remove trade barriers, significantly improving logistics services by reducing costs. Investments in manufacturing, driven by supply chain diversification, and the burgeoning e-commerce market present lucrative opportunities for our comprehensive logistics services.

As we navigate through 2024 and beyond, Egytrans is committed to a strategy that capitalizes on immediate opportunities in KSA while laying the groundwork for future expansion into the African market. Our approach to business development is rooted in diversification, value delivery, and operational simplicity, aiming to not just expand — but to build our core capabilities with local market dynamics to deliver innovative solutions. Whether it's supporting the logistics demands of KSA's growing economy or preparing for the anticipated logistical needs of Africa's booming markets, Egytrans is strategically positioned to lead and deliver. Our journey is one of strategic expansion, operational excellence, and pioneering leadership, always under the ambitious banner of "Expect More" in the logistics and transport industry.



OUR STRATEGY

Unlocking Growth: Egytrans' Strategic Expansion into the Kingdom of Saudi Arabia

Egytrans' recent agreement with Links Investment to establish a joint venture in the Kingdom of Saudi Arabia (KSA) signifies a significant move towards expanding our operations into new and lucrative markets. This partnership with Links Investment, an established Saudi firm known for its innovation and diversification, aligns seamlessly with our expansion strategy and diversification goals.

The Saudi Arabian market presents an unprecedented opportunity for growth, driven by economic diversification, substantial infrastructure projects, and initiatives positioning KSA as a regional logistics hub. With the total value of projects under execution estimated at \$240 billion and a significant potential for third-party logistics providers, our joint venture is strategically positioned for success. The venture into the Saudi Arabian market presents compelling opportunities, particularly in alignment with KSA's Vision 2030 plan and its focus on renewable energy projects.

Leveraging our established expertise in project business sectors in renewable energy, and with the recent acquisition of NOSCO, a significant

player in oil and gas, our operational capabilities have expanded significantly. This acquisition has further bolstered our position as market leaders, enabling us to transfer our expertise and capabilities into new territories such as the Kingdom of Saudi Arabia.

Combining Egytrans' logistical proficiency in core transport and logistics operations with Links Investment's diversified operations, the joint venture is positioned to offer comprehensive solutions tailored to the specific needs of the Saudi market. This strategic collaboration underscores Egytrans' commitment to diversification and sustainable growth, leveraging our proven track record and operational scale to capitalize on opportunities in new markets.

This venture is a testament to Egytrans' adaptive strategy and our legacy of market leadership. Combining our logistical proficiency with Links Investment's strategic assets, we are set to capitalize on the growth opportunities in the Saudi logistics sector, enhancing our market capabilities and operational reach. This collaboration marks a significant step towards our goal of diversifying our business and sustaining long-term growth.



DELIVER MORE SERVICES AND SOLUTIONS OF VALUE

In response to today's volatile market demands, Egytrans, bolstered by the strategic acquisition of NOSCO, is uniquely positioned to enhance our robust supply chain framework. This merger enriches our industry-spanning experience, enabling the delivery of tailored solutions that elevate our customers' competitiveness. Our evolving focus includes leveraging divisional expertise, advancing digital interfaces, and significantly enhancing our land transport capabilities and warehousing capacity, ensuring a fully integrated supply chain offering.

OUR PLANS

Core Market Expansion:

Egytrans' enriched portfolio, now augmented with the specialized capabilities acquired through NOSCO, drives growth by targeting key industry sectors and expanding our service offerings, particularly in land transport services. The addition of NOSCO's sizable fleet and warehousing capacities significantly expands our land transport services and integrates seamlessly into our operations, facilitating volume-driven product offerings and elevated market penetration.

Diversifying Customer Base:

Beyond traditional efforts at expanding commercial initiatives to increase customer base, the acquisition has allowed entry into established customer segments that complement Egytrans. This enhances our ability to penetrate new sectors, optimizing business processes and fortifying sales and marketing efforts. Enhanced commercial strategies, including digital revamps and sales team expansion, foster both vertical and horizontal growth.

Ambitious Land Transport Forecast:

Leveraging the substantial fleet acquired through NOSCO, we aim to solidify our land transport services by expanding our customer base and working to expand our fleet further. This area is expected to be a source of future growth for Egytrans, backed by strategic partnerships for outsourced capacity. In particular, the Land Transport business will position Egytrans as a leading contender with the capacity to expand offering capability.

Warehousing Capacity Growth:

Responding to the surge in warehousing demand, our strategic move to the Suez Canal Economic Zone, complemented by NOSCO's integrated storage capacity, not only expands our capabilities but also positions us to capture new business opportunities, supported by governmental investments in infrastructure.





A FUSION OF STRENGTHS.

The strategic acquisition of **NOSCO** by Egytrans is a significant move aimed at enhancing shareholder value and solidifying the company's position as a leader in Egypt's logistics and transportation sector. By integrating **NOSCO's** extensive capabilities and market presence, Egytrans will be poised to unlock new avenues for revenue growth, profitability, and market share expansion. This strategic initiative underscores Egytrans' commitment to delivering sustainable returns to its shareholders by capitalizing on synergies, diversifying its service portfolio, and seizing emerging market opportunities. Through the combined strength of Egytrans and **NOSCO**, shareholders can expect increased operational efficiencies, improved financial performance, and enhanced long-term value creation, cementing Egytrans' position as a leading player in the dynamic logistics landscape while maximizing returns for its investors.



● ● ● OUR STRATEGY

The acquisition of NOSCO by Egytrans brings together two significant players in the logistics and transport industry in Egypt. By capitalizing on the market opportunity, achieving synergistic value, and strengthening their position in the highly competitive market, the combined entity is poised for success and growth. The consolidation of resources and capabilities will enable the company to cater to evolving customer demands, drive operational efficiencies, and create long-term value for shareholders and customers alike. This transaction strategically positions the company to capture market opportunities effectively and deliver comprehensive logistics solutions, ensuring growth and success in the dynamic Egyptian logistics landscape.

IN A NUTSHELL

1. Transaction Details:

Egytrans shareholders approved the acquisition of 99.9% of NOSCO’s shares, solidifying its position as a leader in Egypt’s logistics and transportation industry. The acquisition will be executed through a capital increase and share swap, reflecting the seamless integration of both companies’ operations under the name “Egytrans NOSCO.”

2. Market Drivers:

The Egyptian logistics and transportation market is projected to grow with a projected 22% CAGR from 2022 to 2027. Egytrans’ acquisition of NOSCO strategically aligns with Egypt’s role as a major trading hub and increasing demand for logistics services, particularly from the manufacturing and energy sectors.

3. Transaction Rationale:

The acquisition is driven by several key factors, including a complimentary customer footprint, diversified end markets, leadership scale advantage, asset-right operating model,

integrated supply chain solutions, and strategic positioning in transport & project logistics, catering to evolving market demands.

4. Expected Synergies:

The merger is expected to yield exceptional strategic value for Egytrans, leading to an expanded operational platform, increased cross-selling opportunities, positive impact on financial performance, high organic growth potential, and substantial boost to profitability and overall financial performance.

5. Key Benefits in Project Management and Land Transport:

By leveraging NOSCO’s specialized transport capabilities, the combined company will enhance its project logistics and land transport services, capitalizing on market drivers and capturing emerging opportunities. This results in significant commercial synergies, improved market share, and strengthened market position in Egypt’s dynamic logistics landscape.

THE DEAL

Egytrans shareholders have approved the acquisition of 99.9% of NOSCO’s shares, aligning with the company’s ambitious goal of leading the logistics and transportation industry in Egypt. The acquisition is to be executed through a capital increase via a share swap, reinforcing the partnership between the two entities. Upon completion of the acquisition, expected Q1 2024, the combined company will be renamed Egytrans NOSCO, reflecting the seamless integration of the two companies’ operations.

Transaction Overview:

- Egytrans acquires 99.9% of NOSCO, a private logistics and transport service provider, with the transaction announced in March 2022 and expected to close in Q1 2024.
- After the merger, the combined company will be named Egytrans NOSCO.
- Existing Egytrans shareholders will own approximately 70.17% of the combined company, while NOSCO shareholders will own approximately 29.83%.

Management & Board:

Following the acquisition, Abir Leheta, CEO of Egytrans, will become CEO Shared Services of the combined company and a Chairman will be appointed following the passing of our late chairman Gamal Moharram. Mohamed Nadim, CEO of NOSCO, will join the Board of Directors as CEO Commercial & Operations of the combined company. Other members of the management team will continue to run the business, ensuring continuity and a smooth transition.



KEY BENEFITS

Overall, the acquisition enables the merged company to capitalize on market drivers, expand its project management and land transport capabilities, and capture market opportunities efficiently and effectively. The synergies created by the merger enhance the company's competitiveness and provide a strong foundation for future growth in the evolving Egyptian logistics landscape.



Key Benefits of the Acquisition in Project Management and Land Transport:

Market Drivers:

The merger leverages the projected 9% CAGR growth in the Egyptian transport and logistics market, driven by the country's role as a major trading hub and opportunities arising from the African Continental Free Trade Agreement.

Enhanced Project Logistics:

The acquisition of NOSCO provides Egytrans with access to new end market effectively leveraging its on ground scalable operational platform in project logistics, allowing the company to efficiently serve a broader range of customers across multiple regions.

Synergistic Commercial Opportunities:

The combination of Egytrans' existing capabilities and NOSCO's operational platform creates significant commercial synergies, leading to increased cross-selling opportunities and a larger market share.

Strong Land Transport:

With NOSCO's extensive fleet, the merged company strengthens its land transport capabilities in a market growing at 9%, positioning itself as a dominant player in transport services in Egypt.

Capturing Market Opportunities:

The transaction establishes leadership scale, enabling the combined entity to address new markets, close capability gaps, and tap into emerging opportunities in niche specialized sectors, such as wind energy and project logistics.



THE RATIONALE

The Egyptian logistics and transportation market is experiencing robust growth, with a projected compound annual growth rate (CAGR) of 9% from 2022 to 2027. This growth is driven by Egypt's increasing role as a major trading hub and the rising demand for logistics services, particularly from the manufacturing and energy sectors.

The acquisition of NOSCO by Egytrans is based on several key factors:

1. Complimentary Joint Customer Footprint - No Cross-Cannibalization:

Egytrans and NOSCO have distinct customer bases that do not significantly overlap, enabling them to maintain existing customer relationships while gaining access to new markets and expanding customer reach.

2. Complimentary and Well-Diversified End Markets:

The acquisition enables the new company to enter new and diversified end markets, reducing reliance on a single sector and spreading risk, enhancing overall stability and resilience to market changes.



3. Establishing Leadership Scale:

The acquisition establishes a leadership position in the industry, providing significant advantages over competitors. Combining resources and expertise allows the Egytrans to leverage scale and enhance operational efficiency, flexibility, and profitability.

4. Asset-Right Operating Model:

The newly merged asset-right operating model, with a mix of asset-based and asset-light strategies, ensures consistency in service levels, control over equipment quality and availability, and a higher-margin business.

5. Integrated Supply Chain Solutions Provider:

The acquisition aims to build a leading integrated supply chain solutions provider, offering comprehensive services to customers. Combining capabilities expands service offerings, meets diverse customer demands, and enhances the value proposition.

6. Closing Capability Gaps and Geographic Expansion:

The acquisition helps close capability gaps and expands the companies' geographical footprint, addressing new markets, tapping into growth opportunities, and achieving organic expansion.

7. Positioning for Market Demands:

The transaction focuses on Transport & Project Logistics, aligning with evolving market demands, catering to changing customer needs, and adapting to industry trends.



EXPECTED SYNERGIES

The acquisition of NOSCO represents a transformative opportunity for Egytrans, enabling us to expand our presence in the Oil and Gas Industry, bolstering storage and transportation capacities, and tapping into a large joint customer base. The consolidation of resources and capabilities paves the way for accelerated growth and continued success in the logistics and transportation sector.



The acquisition of NOSCO by Egytrans is based on several key factors:

1. Expand Operational Platform:

Incorporating NOSCO's highly scalable operational platform allows Egytrans to efficiently serve a broader range of customers across multiple regions.

2. Increase Cross-Selling Opportunities:

The combination of Egytrans' existing capabilities and NOSCO's operational platform will create significant commercial synergies, leveraging strengths to capture a larger market share and fostering cross-selling opportunities.

3. Drive Earnings Growth:

The acquisition is projected to be earnings accretive, positively impacting Egytrans' financial performance. Improved logistics capabilities and synergies generate increased revenue and profitability, bolstering market position.

4. Fuel High Organic Growth:

NOSCO's robust capabilities, coupled with Egytrans' resources, ignite high organic growth in the region, laying a strong foundation for future expansion and market leadership.

5. Foster Revenue Growth:

The combined entity's ability to serve a broader customer base and tap into new markets supports substantial revenue growth, driven by synergistic benefits arising from the acquisition.

6. Boost Earnings Level:

In the medium term, the acquisition is anticipated to lead to multiple times increase in earnings before interest, taxes, depreciation, and amortization (EBITDA), signifying a significant boost to profitability and overall financial performance.



SIMPLIFY THE OPERATING MODEL:

In its pursuit of operational excellence, Egytrans recognizes the imperative to streamline its operating model to effectively navigate the new digital realities within the traditionally conservative logistics industry. This strategic endeavor aims to capture operational efficiencies and foster growth and efficiency. The integration of **NOSCO's** operations into our own, alongside the system upgrades planned for completion by 2024 - 2025, forms a crucial part of this initiative. These efforts are geared towards constructing a more resilient, diversified, and profitable business model, in alignment with our long-term strategic objectives and the creation of shareholder value. Our unwavering focus on integration, digitization, and efficiency underscores our commitment to delivering enhanced value and cementing our leadership position in the regional logistics landscape.

OUR PLANS

Operational Process Streamlining:

In 2023, Egytrans embarked on a comprehensive operational efficiency program, aligning supply chains more closely with business strategies and introducing resilience metrics as part of strategic planning. Our restructuring efforts streamline processes, fostering a more agile and efficient organizational framework, with a focus on enhancing responsiveness and efficiency.

Digitization for Competitive Advantage:

Egytrans' digitization efforts have played a pivotal role in achieving operational excellence and building resilience against market volatilities. By integrating IT solutions that foster financial savings, productivity, and collaboration, Egytrans has positioned itself as a leader in logistics innovation. The company's focus on harnessing technology for better decision-making and process efficiency underscores its commitment to maintaining a competitive edge.

Responsive Commercial Capability:

Egytrans' marketing approach in 2023 underwent a strategic shift towards a unified commercial support structure, enhancing the company's ability to respond to market changes and customer needs efficiently. Our streamlined commercial model integrates various IT solutions to foster financial savings, productivity, and enhanced collaboration, ensuring Egytrans remains competitive and responsive in a dynamically evolving logistics landscape.

Business Units Restructuring for Agility:

The reorganization into five strategic business units aims at bolstering operational efficiency and fostering innovation. This restructuring aligns with our goal to be more agile and responsive to rapidly changing market demands, ensuring Egytrans remains at the cutting edge of the logistics and transport industry while reducing working capital.



50 YEAR STORIES



HAMDY BARGHOUT
DIRECTOR OF BUSINESS DEVELOPMENT & MARKETING (1984 - 2015)

Chairman’s Advisor: Insights from the Helm

Hamdy Barghout’s journey with Egytrans spans over three decades, beginning in 1984 as an engineer tasked with establishing a ship port in Damietta Port. Despite challenges, including the impact of currency fluctuations, Hamdy persevered, ultimately transitioning to a role as a marketing consultant after pursuing further education at the American University. By 1989, he had risen to the position of Director of Business Development and Marketing, relocating to Cairo to work closely with Mr. Wael Leheta on the company’s growth and development. Following Mr. Wael’s passing, Eng. Hussam Leheta took the reins, and Hamdy was promoted to Director of Development Works for the Group of Companies, a role he held until May 2015.

Reflecting on his time with Mr. Wael, Hamdy recalls a sense of camaraderie and shared vision that fueled their success. Together, they spearheaded ambitious projects, including the establishment of the first Egyptian container company in 1985 and the expansion into the UAE market. Under their leadership, Egytrans achieved significant milestones, such as owning a shipping agency company and pioneering river transport and railway projects in the region.

Hamdy cherishes the memories of his journey at Egytrans, particularly the support and mentorship he received from Mr. Wael. “I achieved my dream,” Mr. Wael once told him on his birthday, a moment that deeply moved Hamdy and reaffirmed his commitment to the company’s mission. Throughout his tenure, Hamdy experienced firsthand the spirit of teamwork, ownership, and shared responsibility that defined Egytrans’ culture.

In Hamdy’s view, Egytrans’ strength lies in its adaptability and commitment to integrity. The company’s evolution into a joint-stock company in 1991 and its adherence to legal and ethical standards have solidified its position as a key player in the Middle East’s transport sector. As he bids farewell, Hamdy offers words of wisdom to his fellow Egytrans employees, urging them to embrace continuous learning and change, while wishing the company continued success in the years to come.

HOW WE MANAGE RISK

Our principal risks are regularly reviewed by the Corporate Executive Team. Below we list the principal risks managed across the Group in 2023, including our assessment of any change in the risk during the year due to macro events or mitigating Egytrans activities.

Risk Description	Assessment and Mitigating Activities	Strengthen our Management of ABAC Risk In	Egytrans Exposure
Service quality Failure to comply with current Good Practices or inadequate controls and governance of quality in the supply chain covering Egytrans’ ability to meet customer needs as well as regulatory and corporate requirements	The macro risk level remained unchanged, with continuing industry-level regulatory scrutiny and an expectation of timely communication of issues with authorities. Egytrans’ exposure level remained unchanged. The risk has been maintained at an appropriate level through our effective response to inspections and continuous improvement in our quality management system.	➔	➔
Financial controls & reporting Failure to comply with current tax law or incurring significant losses due to treasury activities; failure to report accurate financial information in compliance with accounting standards and applicable legislation.	The macro risk level remained unchanged, due to no material increase in financial reporting requirements. Egytrans’ exposure level reduced due to our strong risk management and governance approach and further embedding of system changes, controls standardization and process simplification.	➔	➔
Anti-bribery & corruption (ABAC) Failure of Egytrans employees, complementary workers and third parties to	The macro risk level remained unchanged due to no material increase in requirements. Egytrans’ exposure level remained unchanged as we enhanced our use of data to better inform business decisions, strengthen our management of ABAC risk in	➔	➔

Risk Description	Assessment and Mitigating Activities	Strengthen our Management of ABAC Risk In	Egytrans Exposure
Comply with our ABAC principles and standards, as well as with all applicable legislation.	our third-party network and introduced an improved ABAC standard further clarifying our stance on expected behaviors.	➔	➔
Third party oversight (TPO) Failure to maintain adequate governance and oversight over third-party relationships and failure of third parties to meet their contractual, regulatory, confidentiality or other obligations.	The macro environment has remained unchanged as the industry continues to be vigilant about third-party risks in sourcing and supply, and consumer and investor expectations mature. Egytrans’ exposure level remained unchanged as we enhanced our use of data to better assess risks of our third parties with whom we directly engage. Our in-place process and procedures enable us to identify and manage risks consistently and proportionately.	➔	➔
Environment, health & safety and sustainability (EHS&S) Failure to manage environment, health and safety and sustainability risks in line with our objectives and policies and with relevant laws and regulations.	The macro risk level remained unchanged due to no material increase in requirements. Egytrans’ exposure level remained unchanged due to continued execution of our strategy and our strengthening of EHS&S controls.	➔	➔
Supply chain & crisis management Failure to deliver a continuous supply of services; inability to respond effectively to a crisis incident in a timely manner to recover and sustain critical operations.	The macro risk level remained unchanged with ongoing stringent regulation and a continued stable working environment. Egytrans’ exposure level reduced due to improved risk management of our supplier portfolio and improvements to our crisis and continuity management framework.	➔	➔

RISK

Risk Description	Assessment and Mitigating Activities	Macro Environment	Egytrans Exposure
Safety Failure to appropriately collect, review, follow up, or report adverse events from all potential sources, and to act on any relevant findings in a timely manner.	The macro environment remained unchanged, with safety regulation and Good Practices remaining consistent. Egytrans’ exposure level remained unchanged. The risk has been maintained at an appropriate level through continued strong oversight. Road risk is inherent in the Transport business and Egytrans has made road safety a priority. Prevention has the highest priority and the safety policy recognizes human awareness as one of the highest risk factors. A great deal of energy is spent on training staff about safety awareness and skills by further developing our capabilities to detect safety issues, and by making key safety processes and standards simpler and more effective.	➔	➔
Interest rate risk Failure to manage potential impact of financial risks on the results and financial position in line with our objectives.	The macro environment is in flux with interest rates currently fluctuating at a high level. Egytrans has limited financing arrangements that could be impacted by interest rate fluctuations. Therefore, Egytrans’ exposure level remained unchanged. The interest rate risk to Egytrans is limited as the policy is to maintain a balance between the share of its fixed rate and variable rate debt limiting the risks from any future rate rise. The potential impact of financial risks on the result and financial position is generally considered to be low debt to asset ratio. Increased cost of financing impairs project financing progress and Egytrans may be forced to take financing at high interest rates	⬆	⬆
Fuel prices Failure to manage potential impact of financial risks on the result and financial	The macro environment is in flux with fuel prices set to increase within the overall geo political environment and macroeconomic conditions in Egypt Fuel costs are a major component of the transport costs. Egytrans’ exposure level remained unchanged with expected increase	⬆	⬆

Risk Description	Assessment and Mitigating Activities	Macro Environment	Egytrans Exposure
position in line with our objectives.	of fuel prices incorporated into our planning. Egytrans also applies fuel clauses in most of its sales agreements that transfer fuel cost fluctuations to customers with a minimum of delay. Nevertheless with a difficult macroeconomic environment some of the cost may be borne by Egytrans.		
Sustainability Failure to achieve sustainability targets or adequately address environmental concerns may result in reputational damage, regulatory non- compliance, loss of competitive advantage, operational disruptions, and increased costs	The macro risk level in sustainability rose, driven by evolving regulatory landscapes and shifting consumer expectations regarding environmental responsibility. Egytrans has mitigated its exposure to sustainability risks through proactive measures, including the establishment of robust sustainability policies and practices. Additionally, ongoing efforts to monitor and address environmental impacts across our operations have enhanced our resilience to sustainability-related challenges.	⬆	➔
Geopolitical The risk associated with geopolitical tensions and changes, including trade disputes, sanctions, and regional conflicts, can significantly impact the ability to maintain seamless operations and navigate global trade routes efficiently.	The macro risk level is subject to fluctuations due to evolving geopolitical landscapes and conflicts, requiring continuous monitoring and agile response strategies. Egytrans has mitigated exposure to geopolitical risks through strategic diversification of markets and routes, focus on market share growth, enhanced relationships with global partners, and robust scenario planning to anticipate and respond to international developments.	⬆	⬆
People and Talent Risk Inability to attract, retain and develop the right people to maintain shared beliefs and common culture that	The macro environment remained unchanged. Egytrans’ exposure level remained unchanged. The risk has been maintained at an appropriate level through continued focus on our human resource capability. Structured performance and	➔	➔

● ● ● RISK

Risk Description	Assessment and Mitigating Activities	Macro Environment	Egytrans Exposure
position in line with our objectives.	of fuel prices incorporated into our planning. Egytrans also applies fuel clauses in most of its sales agreements that transfer fuel cost fluctuations to customers with a minimum of delay. Nevertheless with a difficult macroeconomic environment some of the cost may be borne by Egytrans.		
Sustainability Failure to achieve sustainability targets or adequately address environmental concerns may result in reputational damage, regulatory non-compliance, loss of competitive advantage, operational disruptions, and increased costs	The macro risk level in sustainability rose, driven by evolving regulatory landscapes and shifting consumer expectations regarding environmental responsibility. Egytrans has mitigated its exposure to sustainability risks through proactive measures, including the establishment of robust sustainability policies and practices. Additionally, ongoing efforts to monitor and address environmental impacts across our operations have enhanced our resilience to sustainability-related challenges.	↑	→
Geopolitical The risk associated with geopolitical tensions and changes, including trade disputes, sanctions, and regional conflicts, can significantly impact the ability to maintain seamless operations and navigate global trade routes efficiently.	The macro risk level is subject to fluctuations due to evolving geopolitical landscapes and conflicts, requiring continuous monitoring and agile response strategies. Egytrans has mitigated exposure to geopolitical risks through strategic diversification of markets and routes, focus on market share growth, enhanced relationships with global partners, and robust scenario planning to anticipate and respond to international developments.	↑	↑
People and Talent Risk Inability to attract, retain and develop the right people to maintain shared beliefs and common culture that	The macro environment remained unchanged. Egytrans' exposure level remained unchanged. The risk has been maintained at an appropriate level through continued focus on our human resource capability. Structured performance and	→	→

Risk Description	Assessment and Mitigating Activities	Macro Environment	Egytrans Exposure
supports Egytrans business strategy.	talent management programs for employee development and succession planning along with long-term sustainable compensation packages lead to retaining and attracting the right talent in addition to continued monitoring of turnover statistics.		





RISK

Passing 50 and looking ahead

I am pleased to report on the financial performance of Egytrans amidst a year fraught with challenges, including an inflationary climate, foreign currency shortages, import restrictions, and increasing interest rates. Despite these obstacles, our steadfast commitment to our transformation process, focusing on financial instruments management and the generation of operational efficiencies, has yielded significant progress.

In commemorating 50 years of excellence and 25 years on the EGX, we reflect on Egytrans's remarkable journey of innovation and its entrenched position in the financial markets. These dual anniversaries underscore our legacy and commitment to transparency, growth, and shareholder value, serving as the foundation of the theme for this report: "Expect More."

Strategic Response to a Constrained Business Landscape

The past year has seen Egytrans navigating an intricate web of economic challenges, deeply influenced by Egypt's foreign exchange crisis, historic inflation, and tightening fiscal space. These factors led to increased operational costs and constrained liquidity, significantly affecting our business volume and impacting accounts receivable as clients delayed payments due to financial constraints. Additionally, rising interest rates as part of policy adjustments have further escalated the cost of financing, limiting the

capacity of businesses to expand into new projects or invest in growth initiatives.

In response to these conditions, Egytrans has adopted a multifaceted strategy to ensure financial stability and operational efficiency. Our efforts to optimize costs and explore growth opportunities were crucial in mitigating the impacts of the economic landscape on our operations. This approach has allowed us to maintain resilience in the face of financial volatility, driven by a commitment to operational excellence and strategic agility.

To address rising interest rates, we've strategically reviewed and adjusted our financing structures to minimize exposure, including optimizing cash management. This strategic foresight is reflected in our improved financial discipline, with FX gains and Investment Income contributing significantly to our net profit. Our proactive approach to diversifying revenue streams, by exploring new markets and services, aims to mitigate the economic impacts of inflation and interest rate increases.



Financial Performance

We're pleased to report that despite the challenges and obstacles faced in 2023, Egytrans has shown a commendable level of performance. Our consolidated sales experienced a 3.5% year-over-year growth, while our gross profit surged by 28.2%. This achievement is attributed to enhanced operational efficiencies and marketing strategies. Notably, our consolidated net profit saw a remarkable increase of 34.3% in 2023, mainly due to several key factors:

- Strategic investments in profitable ventures, selective customer engagement, and superior customer services contributed significantly to our gross profit, which rose by EGP 25 million, an increase of 28.2% despite maintaining consistent revenue Y- o-Y. This improvement effectively absorbed the increased general and administrative expenses due to country-wide inflation rates, resulting in a 34.3% growth in net profit.
- Efficient management of working capital allowed for the optimal use of liquidity surplus in Azimut, funds, Time Deposits, and GDRs, positively impacting our net profit with an addition of EGP 15 million in 2023, a significant leap from EGP 1.7 million in 2022.
- EDS encountered notable challenges in 2023, particularly in its efforts to acquire a bonded warehouse license. The process, which took six months and led to a downsizing of operations as per customs directives, resulted in a 53% decline in gross profit. However, net profit still grew by 29% due to credit interest from Azimut and Forex gains.
- ETAL's revenue and net profit remained stable year over year. However, in 2023, the company successfully refurbished most of its trucks and trailers, preparing for a significant wind farm project that began in late November 2023 and is expected to continue for nine months.
- Foreign exchange gains and investment income were significant contributors to our profit in 2023, amounting to EGP 28.3 million and EGP 15.2 million, respectively. These figures underscore a healthy mix of foreign and local currency revenues and improved financial discipline.

Overall, these improvements reflect our dedication to growth, efficiency, and strategic planning, setting a solid foundation for continued success.

Operational Efficiency:
Streamlining for the Future

We continue to work to align with our strategic imperative to Simplify, including continued restructuring of the Finance function to achieve leaner and more efficient operations. Our main goal going forward is to facilitate the company’s strategic vision for vertical and horizontal expansion. As such, we focused on developing the capability that would provide quality analysis to support decision-making for executive management and the board. We also developed our decision support system by establishing a planning department that provides periodic reports allowing for improved and faster decision-making capability.

Digitization

Our journey towards operational excellence has seen significant advancements, particularly with the work in progress to upgrade to the Odoo ERP platform and the imminent creation of a single integrated cross-functional system. The full implementation of these systems is currently underway, with a structured rollout across our entire organization and subsidiaries expected to be completed by the end of 2024. These technological enhancements are poised to not only enhance visibility in our financial operations but also facilitate tighter cost control measures.

It’s worth noting that NextEra, our implementation partner for the project rollout, is a graduate of Egytrans’ Logivators incubation program.

This program holds a special place in our hearts and underscores our commitment to fostering innovation within the logistics sector.

NOSCO integration

From the perspective of the finance function, the integration of NOSCO and Egytrans represents a substantial endeavor. Our finance team plays a central role in ensuring a seamless transition while capitalizing on synergies and operational efficiencies. This entails aligning financial processes, systems, and reporting standards to establish a cohesive financial framework throughout the merged organization. Moreover, the finance function is responsible for integrating accounting practices, tax strategies, and risk management protocols to streamline operations and optimize financial performance.

Through the utilization of our joint expertise and resources, we are dedicated to leveraging the strengths of both entities to drive sustainable growth and enhance shareholder value in the long term. This integration is a testament to our strategic vision and commitment to operational excellence within the logistics sector

Our approach to taxes

We understand our responsibility to pay an appropriate amount of tax and fully support efforts to ensure that companies are transparent about how their tax affairs are managed. Tax is an important

element of the economic contribution we bring to our country. As such we have a zero-tolerance approach to tax evasion and the facilitation of tax evasion. Egytrans has a substantial business and employment presence, and we are fully compliant with tax laws, including corporate and other business taxes, as well as taxes associated with our employees. At the same time, we have a responsibility to our shareholders to be financially efficient and deliver a sustainable tax rate. As part of this approach, we look to align our investment strategies in a way that will reflect positively on our operations. Tax risk is managed through robust internal policies and processes to ensure that we have alignment across our businesses and compliance with tax legislation. Our Audit & Governance Committee and the Board are responsible for approving our tax policies and risk management approach.

Cash Flow

For the second consecutive year, Egytrans has achieved significant positive cash flow from operating activities, with EGP 50 million in 2023 and EGP 58 million in 2022. This success underscores our diligent and professional management of the company’s working capital. Our focus has been on enhancing operational capabilities to seize new opportunities. We’re particularly proud of the improvements in our working capital, spurred by the implementation of new performance indicators that have refined

the receivables process. Despite the liquidity challenges that marked 2023, our stringent controls enabled us to maintain positive cash flow.

Thanks to robust working capital and liquidity management in 2023, we were able to distribute dividends totaling EGP 24 million. Additionally, we made significant investments, allocating EGP 35.6 million towards purchasing fixed assets and EGP 22.9 million into the Azimut fund. These actions have fortified Egytrans’ ability to sustain operations in a challenging environment and to evaluate potential investments for future expansion.

Earnings per share and Dividends

Egytrans’ dividend strategy is designed to facilitate regular dividend payouts, primarily based on the cash flow the business generates after accounting for essential investments. This approach, however, remains adaptable to any significant shifts in the external landscape or changes in performance forecasts. This year, the board has decided to defer the dividend distribution decision to the second quarter of 2024. This postponement is due to the ongoing acquisition deal with NOSCO and the associated legal obligations.

Outlook

As we celebrate our 50th anniversary and 25 years on the Egyptian Stock Exchange, we are inspired by a legacy of progress and achievement and a future filled with opportunity. “Expect



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More” encapsulates our vision for the future—a commitment to exceeding expectations in service quality, innovation, and market leadership. We are poised for growth, ready to leverage our strategic initiatives and navigate the market’s complexities with confidence and foresight.

In 2024, we expect to continue to deliver on our strategic priorities, increase targeted investment in our core business, and adapt to economic shifts with resilience and strategic agility. Our commitment to delivering on our strategic priorities, alongside our optimism for the future, positions Egytrans to continue its trajectory of success, maximizing profitability, and shareholder value.

In closing, the journey of the past year has positioned Egytrans for a promising future. Our significant financial achievements, combined with our strategic investments in technology and operational efficiencies, lay a strong foundation for continued growth and success.

This guidance excludes any impact in 2024 from further potential impact on our business from the possible global recession and geopolitical turbulences impacting the Egyptian economy.

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Digitization

Our journey towards operational excellence has seen significant advancements, particularly with the work in progress to upgrade to the Odoo ERP platform and the imminent creation of a single integrated cross-functional system. The full implementation of these systems is currently underway, with a structured rollout across our entire organization and subsidiaries expected to be completed by the end of 2024. These technological enhancements are poised to not only enhance visibility in our financial operations but also facilitate tighter cost control measures.

It’s worth noting that NextEra, our implementation partner for the project rollout, is a graduate of Egytrans’ Logivators incubation program. This program holds a special place in our hearts and underscores our commitment to fostering innovation within the logistics sector.

NOSCO integration

From the perspective of the finance function, the integration of NOSCO and Egytrans represents a substantial endeavor. Our finance team plays a central role in ensuring a seamless transition while capitalizing on synergies and operational efficiencies. This entails aligning financial processes, systems, and reporting standards to establish a cohesive financial framework throughout the merged organization. Moreover, the finance function is responsible for integrating accounting practices, tax strategies, and risk management

protocols to streamline operations and optimize financial performance.

Through the utilization of our joint expertise and resources, we are dedicated to leveraging the strengths of both entities to drive sustainable growth and enhance shareholder value in the long term. This integration is a testament to our strategic vision and commitment to operational excellence within the logistics sector

Our approach to taxes

We understand our responsibility to pay an appropriate amount of tax and fully support efforts to ensure that companies are transparent about how their tax affairs are managed. Tax is an important element of the economic contribution we bring to our country. As such we have a zero-tolerance approach to tax evasion and the facilitation of tax evasion. Egytrans has a substantial business and employment presence, and we are fully compliant with tax laws, including corporate and other business taxes, as well as taxes associated with our employees. At the same time, we have a responsibility to our shareholders to be financially efficient and deliver a sustainable tax rate. As part of this approach, we look to align our investment strategies in a way that will reflect positively on our operations. Tax risk is managed through robust internal policies

and processes to ensure that we have alignment across our businesses and compliance with tax legislation. Our Audit & Governance Committee and the Board are responsible for approving our tax policies and risk management approach.



DRIVING SUCCESS: EGYTRANS EMPLOYEE SPOTLIGHT



MAHMOUD ABDEL SALAM
SENIOR TRANSPORT DRIVER

17 YEARS
WITH EGYTRANS

Roads Well Traveled: A Crane Driver's Journey

Mahmoud Abdel Salam, a crane driver at Egytrans since 2006, reflects on his journey with the company, highlighting the respect and timely payment of dues as key factors in his satisfaction with his role. "Every working day that passes reaffirms my belief that joining Egytrans was the right decision," Mahmoud asserts. "The management's respectful treatment of employees and punctual payment of dues without delays contribute to my contentment as a member of the Egytrans team."

Mahmoud views each assignment as an opportunity for continuous learning and skill development, leading to his promotion to the position of senior crane driver. "Every assignment serves as daily training, enhancing my expertise over the years," he explains. He recounts his involvement in significant projects such as the administrative capital power station and wind farm projects, which further enriched his experience.

In summarizing his experience at Egytrans, Mahmoud emphasizes the company's commitment to safety and support for its employees. "Egytrans embodies safety and support for its employees," he declares. "Each day reinforces the company's credibility, as it ensures timely payment of dues and treats its employees with respect." He concludes, "Working here has not only provided me with valuable professional experience but also enriched my personal growth, making every day a learning opportunity and enhancing my ability to connect with others."

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Passing 50 and looking ahead

I am pleased to report on the financial performance of Egytrans amidst a year fraught with challenges, including an inflationary climate, foreign currency shortages, import restrictions, and increasing interest rates. Despite these obstacles, our steadfast commitment to our transformation process, focusing on financial instruments management and the generation of operational efficiencies, has yielded significant progress.

In commemorating 50 years of excellence and 25 years on the EGX, we reflect on Egytrans’s remarkable journey of innovation and its entrenched position in the financial markets. These dual anniversaries underscore our legacy and commitment to transparency, growth, and shareholder value, serving as the foundation of the theme for this report: “Expect More.”

Strategic Response to a Constrained Business Landscape

The past year has seen Egytrans navigating an intricate web of economic challenges, deeply influenced by Egypt’s foreign exchange crisis, historic inflation, and tightening fiscal space. These factors led to increased operational costs and constrained liquidity, significantly affecting our business volume and impacting accounts receivable as clients delayed payments due to financial constraints. Additionally, rising interest rates as part of policy adjustments have further escalated the cost of financing, limiting the

capacity of businesses to expand into new projects or invest in growth initiatives.

In response to these conditions, Egytrans has adopted a multifaceted strategy to ensure financial stability and operational efficiency. Our efforts to optimize costs and explore growth opportunities were crucial in mitigating the impacts of the economic landscape on our operations. This approach has allowed us to maintain resilience in the face of financial volatility, driven by a commitment to operational excellence and strategic agility. To address rising interest rates, we’ve strategically reviewed and adjusted our financing structures to minimize exposure, including optimizing cash management. This strategic foresight is reflected in our improved financial discipline, with FX gains and Investment Income contributing significantly to our net profit. Our proactive approach to diversifying revenue streams, by exploring new markets and services, aims to mitigate the economic impacts of inflation and interest rate increases.



Financial Performance

We’re pleased to report that despite the challenges and obstacles faced in 2023, Egytrans has shown a commendable level of performance. Our consolidated sales experienced a 3.5% year-over-year growth, while our gross profit surged by 28.2%. This achievement is attributed to enhanced operational efficiencies and marketing strategies. Notably, our consolidated net profit saw a remarkable increase of 34.3% in 2023, mainly due to several key factors:

- Strategic investments in profitable ventures, selective customer engagement, and superior customer services contributed significantly to our gross profit, which rose by EGP 25 million, an increase of 28.2% despite maintaining consistent revenue Y- o-Y. This improvement effectively absorbed the increased general and administrative expenses due to country-wide inflation rates, resulting in a 34.3% growth in net profit.
- Efficient management of working capital allowed for the optimal use of liquidity surplus in Azimut, funds, Time Deposits, and GDRs, positively impacting our net profit with an addition of EGP 15 million in 2023, a significant leap from EGP 1.7 million in 2022.
- EDS encountered notable challenges in 2023, particularly in its efforts to acquire a bonded warehouse license. The process, which took six months and led to a downsizing of operations as per customs directives, resulted in a 53% decline in gross profit. However, net profit still grew by 29% due to credit interest from Azimut and Forex gains.
- ETAL’s revenue and net profit remained stable year over year. However, in 2023, the company successfully refurbished most of its trucks and trailers, preparing for a significant wind farm project that began in late November 2023 and is expected to continue for nine months.
- Foreign exchange gains and investment income were significant contributors to our profit in 2023, amounting to EGP 28.3 million and EGP 15.2 million, respectively. These figures underscore a healthy mix of foreign and local currency revenues and improved financial discipline.

Overall, these improvements reflect our dedication to growth, efficiency, and strategic planning, setting a solid foundation for continued success.

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Operational Efficiency:
Streamlining for the Future

We continue to work to align with our strategic imperative to Simplify, including continued restructuring of the Finance function to achieve leaner and more efficient operations. Our main goal going forward is to facilitate the company’s strategic vision for vertical and horizontal expansion. As such, we focused on developing the capability that would provide quality analysis to support decision-making for executive management and the board. We also developed our decision support system by establishing a planning department that provides periodic reports allowing for improved and faster decision-making capability.

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ENVIRONMENTAL SUSTAINABILITY

In 2023, Egytrans continued to forge a path towards a sustainable future, building upon the foundational work of previous years. Our commitment to sustainability and environmental responsibility has never been more critical, as we navigate the pressing challenges and opportunities that climate change presents to the logistics and transport industry. This year, we have made significant strides in integrating sustainability into various facets of our operations, demonstrating that our commitment to the environment goes beyond compliance; it is a core part of our identity and strategy.



Within a complex landscape

The transport and logistics sector plays a pivotal role in global commerce but also significantly impacts the climate through land, sea, and air transport operations. Inland transport, particularly through trucks and trains, is responsible for a substantial portion of global carbon emissions, contributing to air pollution and greenhouse gas accumulation. The International Transport Forum (ITF) reports that road transport alone accounted for over 70% of all CO₂ emissions from transport in 2019. Maritime transport, while being one of the most carbon-efficient forms of cargo movement, still contributes around 2.89% of global greenhouse gas emissions, according to the International Maritime Organization (IMO). Air freight, although less used compared to road and sea, is by far the most carbon-intensive, emitting around 500 grams of CO₂ per ton-mile, compared to the much lower rates of road and sea transport.

The industry is actively seeking solutions to mitigate its environmental impact through initiatives like adopting cleaner fuel alternatives, improving fuel efficiency, and investing in electric and hybrid vehicles for land transport. For maritime logistics, there's a push towards slow steaming and the use of liquefied natural gas (LNG) to reduce emissions.

The aviation sector is exploring biofuels and more efficient aircraft designs to lessen its carbon footprint. However, the transition faces significant challenges, including the high costs of green technologies, the need for global regulatory frameworks, and the infrastructural overhaul required to support these changes. Despite these hurdles, the growing commitment from industry leaders and the introduction of international agreements signal a collective move towards more sustainable logistics and transport practices, highlighting the sector's critical role in combating climate change.



PIONEERING SUSTAINABLE TRANSFORMATION

Amidst the escalating challenges posed by climate change, Egytrans has consistently evaluated the impact of these changes on our operations and identified critical areas for action to strengthen our supply chain resilience. By integrating targeted measures, we aim to bolster the long-term sustainability and reliability of our services. Our goal is to fulfill our customers' needs while significantly reducing our environmental impact. Throughout 2023, Egytrans has embarked on strategic initiatives designed to diminish our carbon footprint and enhance our role as environmental stewards. Through comprehensive carbon footprint assessments and active participation in initiatives like the Green Transformation Partners and Chapter Zero Egypt, we have solidified our position in both local and international arenas as proponents of meaningful climate action.

Diversification of Networks:

Recognizing the risks associated with a concentrated supply chain, we are committed to diversifying our logistics network. This strategic initiative involves broadening our supplier base, optimizing the geographical distribution of our fleet, and establishing alternative transportation routes. By doing so, we aim to ensure continuity even under adverse conditions, mitigating the impact of disruptions and bolstering the resilience of our supply chain.

Green Technologies Adoption

In line with global sustainability trends, Egytrans is committed to evolving into a more environmentally friendly operational model. Our strategy includes a phased transition of our fleet to biofuels or electric vehicles (EVs) as the technology matures and the incorporation of renewable energy sources in our facilities in addition to choosing environmentally friendly practices including proper waste management. This shift will not only significantly lessen our environmental impact but also enhance our competitive edge in a market that increasingly values eco-conscious practices, underscoring our dedication to sustainability and innovation.

The land transport industry, a critical component of the economy, is at a crossroads due to its significant role in facilitating commerce and the sharp increase in environmental impact driven by the rise of e-commerce resulting in a concurrent rise in GHG emissions. This is verified by the Intergovernmental Panel on Climate Change (IPCC)'s findings.

Nearly a quarter of global energy-related CO2 emissions originate from the transport sector, with inland transport accounting for over 71% of these emissions. These figures highlight the critical need to address the environmental footprint of transportation to progress towards net-zero emissions.

In anticipation of advancing our sustainability goals, Egytrans is studying implementation of an electric vehicle (EV) truck pilot project by 2025. The year 2024 will be pivotal for evaluating the integration of EV equipment into our operations, focusing on assessing infrastructure readiness and selecting the optimal equipment for our specific needs. This initiative is a testament to our resolve to encourage industry-wide adoption of sustainable practices through thoughtful investment and innovation.

Advanced Analytics for Proactive Management:

Our journey towards leveraging the full potential of advanced analytics is ongoing. Integrating sophisticated monitoring and predictive analytics systems is a complex process that demands time, investment, and a deep understanding of the most effective strategies. We are actively engaged in this integration effort, laying the groundwork for a future where we can proactively manage challenges and adapt our operations with agility. This journey is pivotal for enhancing our service resilience and operational efficiency.

As we move forward, our commitment to sustainability and environmental stewardship remains unwavering. Recognizing the significance



NAVIGATING EXCELLENCE: EGYTRANS LEADERSHIP CHRONICLES



FATIMA HASSAN
HEAD OF PERSONNEL AFFAIRS DEPARTMENT

**36 YEARS
WITH EGYTRANS**

Championing Respect: A Journey of Dedication

Fatima Hassan isn't just the Head of the Personnel Affairs Department at Egytrans—she's a testament to the company's enduring culture of respect, care, and professionalism. With 36 years of dedicated service, Fatima has seen the company evolve and grow, but her commitment to Egytrans has never wavered.

"I found positives in Egytrans that made me stick to working with it since the beginning of my career until now," Fatima reflects. "One of the most prominent things that strengthened my association with Egytrans was humane treatment. The respect shown by the leadership, starting from Eng. Wael through the late Eng. Hussam to Eng. Abir Leheta, has always been exemplary."

Throughout her tenure, Fatima has witnessed the genuine interest and care Egytrans leaders have shown towards employees. "Eng. Wael attended all our social events, from weddings to funerals, and even took the health reports of his employees to present them to doctors during his travels abroad," she recalls. "Eng. Hussam's love and respect for workers and employees were unparalleled. He attended my wedding himself, which meant the world to me."

Under Eng. Abir's leadership, Egytrans has continued its tradition of valuing and caring for its employees. "Eng. Abir has maintained all the long-standing traditions of the company's dealings with employees, even caring for retirees," Fatima notes. As a woman in the workplace, Fatima feels proud to be part of a company that prioritizes respect and equality. "Egytrans is a respected company with a long-standing name, and it provides the best atmosphere for women to work without facing harassment," she says proudly.

For Fatima, Egytrans is more than just a workplace—it's a part of her identity. "Egytrans is part of us and not just a place to work," she emphasizes. "The main reason we are so attached to it and its leaders is because of the respect and care they show us." Despite the challenges of revolutions and the COVID-19 pandemic, Egytrans has remained steadfast in its support for its employees. "During the events of the revolutions and the COVID-19 crisis, Egytrans was keen not to be affected and ensured full salaries without any deductions for workers," Fatima explains.

Looking ahead, Fatima hopes to see Egytrans continue its legacy of leadership in the Egyptian market. "I wish it further progress and maintain its level of leadership in the transport and logistics sector," she expresses. In closing, Fatima shares a message of encouragement to her fellow employees: "Be diligent at work, do not rush, be conscientious, and ensure that you provide the best level of business performance through the continuous development of your capabilities."



TRUST

of a structured approach to reducing our carbon footprint, we are in the midst of implementing strategic initiatives scheduled for rollout in 2025. These initiatives are part of a broader effort to integrate sustainability into every aspect of our operations. Our collaborations with entities like the European Bank for Reconstruction and Development (EBRD), as well as our involvement in the Green Transformation Partners (GTP) alliance and Chapter Zero Egypt, are essential components of this strategy. They reflect our dedication to engaging in meaningful climate action on both a local and global scale.

A testament to our commitment is our effort to calculate our carbon footprint this year, which covered scopes 1, 2, and 3 of our emissions for the year 2022. This endeavor is a crucial step towards achieving transparency and accountability in our sustainability efforts, marking a significant milestone in our journey towards environmental stewardship.

Strategic Collaborations:

At Egytrans, we understand the transformative power of collective action. By establishing strategic alliances with government entities, non-governmental organizations, and industry counterparts, we've been able to participate in shared solutions that are critical to our sustainability strategy. Our active involvement in forums Our participation in ReverseMi, a global logistics network specializing in Reverse Logistics and attendance of the ESG-D workshop for Egyptian SMEs, facilitated by the European

Bank for Reconstruction and Development (EBRD), exemplifies our dedication to this cause. These platforms have not only allowed us to showcase our green initiatives but also to engage in valuable knowledge exchange, learning from the experiences of others. Such interactions are instrumental in cultivating a culture of mutual learning and united efforts towards achieving sustainability goals.

Employee Empowerment through Training:

Central to our resilience strategy is our invaluable workforce. We have significantly enhanced our focus on specialized training programs, designed to arm our employees with essential skills in emergency preparedness, risk management, and sustainable practices. This initiative is pivotal in cultivating a culture of preparedness and resilience across the organization.

Over the past year, Egytrans has been proactively participating in a variety of forums and initiatives aimed at promoting sustainability and environmental responsibility. Our notable engagements include participation in the Science Based Targets initiative (SBTi) webinar, which aims at aligning our emissions reduction targets with the latest climate science, thereby reinforcing our commitment to environmental sustainability. Furthermore, we submitted an Environmental, Social, and Governance (ESG) report to the Egyptian Financial Regulatory Authority, a step that enhances transparency and bolsters investor confidence in our commitment to sustainable

practices. Additionally, our involvement in the United Nations Global Compact's "Climate Ambition Accelerator" program underscores our dedication to advancing our climate action strategies, positioning Egytrans as a forward-thinking leader in environmental stewardship within the logistics sector.

A Careful and Committed Approach

Our path to resilience is marked by a continuous dedication to self-evaluation and adaptability. Through regular sustainability and risk evaluations, we pinpoint areas of vulnerability and potential enhancements, ensuring our supply chain doesn't just endure but excels amidst climatic adversities.

Reflecting on the previous year and looking forward, Egytrans remains committed to forging a supply chain characterized by resilience, sustainability, and innovation. Our strategic efforts are a clear indication of our resolve to not only maneuver through today's complexities but also to pioneer a future where the logistics sector is both resilient and sustainable. The initiatives and pledges highlighted in this report emphasize our conviction that an anticipatory and innovative mindset is crucial for lasting success and environmental guardianship.

The quest for sustainability within the logistics and transportation sector necessitates substantial investments, thorough planning, and

unwavering dedication. Egytrans is proud to lead this transformative journey, acknowledging our critical role in promoting a more sustainable future. Our endeavors in 2023, coupled with our future aspirations, mirror our steadfast commitment to sustainability, innovation, and excellence. Moving forward, we continue to seek and apply solutions that not only advance our operational goals but also make a positive impact on our planet and society.





5 DECADES OF INNOVATION: PIONEERING LCL SERVICES IN EGYPT, 1992

In the early '90s, Egytrans set a precedent in Egypt's logistics sector by introducing the first Less than Container Load (LCL) service. This innovative move, akin to a maritime bus service where a container carries cargoes from multiple shippers, revolutionized how businesses approached shipping, offering a cost-effective solution for transporting smaller cargo loads. Egytrans' advocacy for LCL services led to its exclusive provision in Egypt for a year, marking a significant milestone in the company's history and in the nation's trade landscape. This was yet another testament to Egytrans' commitment to innovation and excellence over its 50-year history.



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more

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