



EGYTRANS studies potential acquisition of NOSCO

Cairo, 5 October 2022- Egytrans, a leading provider of transport and logistics solutions, announced that the board of directors, in an extraordinary meeting held yesterday, unanimously voted to proceed with studying a possible deal to acquire the National Transport and Overseas Services Company (NOSCO), one of the leading companies in the transport field, particularly land transport and specialized transport for mega-projects, activities that integrate with the existing operations and business of Egytrans. Commenting on the potential transaction, Abir Leheta, Chief Executive Officer of EGYTRANS, stated that "The EGYTRANS Board of Directors discussed the transaction in principle and unanimously decided to proceed with studying it further". Accordingly, EGYTRANS will proceed with the due diligence and valuation process through independent advisors prior to presenting the matter to the Board of Directors again.

"We are operating in an industry where economies of scale are becoming increasingly critical," said Leheta, speaking on the reasoning behind this decision, "a factor which is likely to allow the future joint entity to achieve a significant improvement in profit margins in addition to the synergies in the operational and marketing processes of the two companies as a result of the complementary nature of their activities, particularly in the field of project logistics and land transport. This transaction may provide additional value to our shareholders by leveraging NOSCO's capabilities and expertise and strong presence in the projects and road transport markets as well as its fleet of more than 130 regular trucks in addition to its specialized heavy lift fleet designed to transport packages of exceptional weight and dimensions. In addition to the existing capabilities and competencies of the Egytrans group of companies, this transaction may help Egytrans to capitalize on important business opportunities in the field of logistics services in the Egyptian market in line with the company's ambitious growth and expansion strategy. On the other hand, in the event that the transaction is executed through a share swap, NOSCO will benefit from this synergy by becoming part of the Egytrans group of companies, which listed and traded on the Egyptian Stock Exchange and enjoys wide geographical presence in the Egyptian market in addition to a wide and diverse service mix within the field of transport and logistics services. The transport and logistics industry is set to grow exponentially within the next decade, driven by the increasing demand on logistics and transport. "In fact, our region will play a key role in global logistics and Egypt specifically is in a prime position to capture these opportunities going forward," said Leheta, adding that "Egytrans already leads the market in Egypt in project logistics and depot solutions and has been gaining significant traction in its other core lines of business".

Eng. Mohamed Nadim, Managing Director of NOSCO also commented that: "We have been looking for a strong company with equal values to join forces with in order to achieve our long-term goals. This merger when completed will create an ideal platform for our next phase of organizational expansion and development. The unique and complementary strengths of the two companies will allow our customers to achieve sustainable competitive advantage and our people to attain their full potential. We look forward to a seamless transition experience for both our colleagues and customers."



Transaction Overview

This transaction would see EGYTRANS acquiring the majority of NOSCO's share capital, noting that the parties are still in the initial negotiation stage to determine the optimal structure for the execution of the transaction, which may be performed through a share swap by issuing shares to the shareholders of NOSCO (the sellers) in the capital of Egytrans by increasing the issued capital at the fair value determined by an Independent Financial Advisor. Other options may also be considered based on the results of the study.

Egytrans has appointed Dr. Zaki Hashem & Partners as legal counsel for the transaction, while NOSCO appointed Catalyst Partners as financial consultant and transaction manager.

Important Additional Information

The transaction is conditional on the outcome of the due diligence process and the valuation by the appointed independent financial advisory firm and obtaining the approval of the shareholders of Egytrans and NOSCO. The transaction is also conditional on receipt of the relevant regulatory approvals and other customary closing conditions.

Further details on the impact of the acquisition will be communicated subject to the outcome of the above.

The content of this announcement will have no impact on the previously announced outlook for the financial year 2022 as reported in the Earnings Release of H1 2022 dated September 15th, 2022.

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About Egyptian Transport and Commercial Services Company (Egytrans):

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

About NOSCO:

The National Transport and Overseas Services Co. (NOSCO) is a leading transport and logistics provider, with a fleet of more than 130 trucks, significant storage capabilities and a large fleet specializing in heavy lifts and oversized cargo. NOSCO was established in 1976 to provide world-class heavy transport services to the Egyptian market, transporting some of the biggest projects in petrochemicals, power and energy, roads and railways, and antiquities. These projects include Borollos Power Station, Midor Refinery, Mostorod Refinery, Zohr Natural Gas Field and the Monorail project, in addition to transporting the statue of Ramses II from Downtown Cairo to Giza in 2008 and again from Giza to the Grand Egyptian Museum in 2018. NOSCO's services are not limited to transportation, as they extend from port handling and route planning in the early stages of the project to providing engineering solutions to removing road obstacles, reinforcing bridges and providing stevedoring services for heavy lift cargos. For more information, please visit: www.noscoegypt.com



Forward Looking Statements:

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