

## **Egytrans announces strategic framework of NOSCO acquisition**

- **Egytrans to commence transformational acquisition of NOSCO after shareholders' approval**
- **NOSCO acquisition to proceed in Q4**
- **Leheta and Nadim remain as Co-CEOs of new structure**

**August 8th, 2023 - Cairo, Egypt:** Egytrans, a leading provider of logistics and transportation solutions, announced during a press conference today that, in an extraordinary general assembly meeting held on July 9<sup>th</sup>, its shareholders unanimously approved the acquisition of 99.9% of the National Transport and Overseas Services Company (NOSCO) through a share swap. The capital of the combined company, to be named "Egytrans NOSCO", will reach EGP 224.9 million. This acquisition marks a significant milestone for Egytrans as it fortifies its market position and expands its operational platform to tap into the growing logistics market.

### **Transaction Overview**

- The acquisition will take place through a share swap exchanging one share of Egytrans' capital for 0.0447 shares of NOSCO's capital, while increasing overall capital to around 224.9 million pounds.
- Existing Egytrans shareholders will own 70.17% of the combined company, while NOSCO shareholders will own the remaining 29.83%.
- The deal was earlier approved at the fair value per share in accordance with an independent valuation by Archer Financial Advisors of EGP 58.033 EGP per share for NOSCO, and EGP 2.594 per share for Egytrans.
- The transaction is expected to close in Q4 2023.

Mr. Gamal Moharam will continue as Chairman of the combined company, while Eng. Abir Leheta takes on the role of CEO Shared Services, and Eng. Mohamed Nadim assumes the position of CEO Commercial & Operations. This seamless leadership transition ensures continuity and a cohesive approach in steering the company towards growth and success.

### **Transaction Rationale**

Speaking on the rationale behind the transaction, Abir Leheta explained that "The acquisition of NOSCO is a transformative opportunity for Egytrans," adding that "NOSCO is a leading player in the project logistics and land transport sectors, and their expertise and capabilities will complement our own. Together, we will be able to offer our customers a wider range of services and solutions, and we will be well-positioned to capitalize on growth opportunities in the Egyptian market and beyond."

She adds that "the acquisition of NOSCO is based strategically on several key factors, including a complementary joint customer footprint that minimizes cross-cannibalization, establishing leadership positions in well-diversified end markets to expand our customer base, increase penetration and spread risk while building leadership scale to gain a competitive edge."

Measures aimed at preparing the combined company for future expansion into new markets are planned, including full integration of digital and operational processes and platforms.”

### **Realizing Synergies and Benefits**

Egytrans NOSCO is poised to reap exceptional strategic value from the acquisition, driving operational and financial growth. According to Mohamed Nadim, CEO of NOSCO, "The combination of Egytrans and NOSCO brings together two strong entities with complementary strengths. As a unit, we are well-equipped to meet the evolving needs of the market and deliver unparalleled logistics solutions to our clients. The combination of Egytrans' existing capabilities and NOSCO's highly scalable operational platform creates an asset-right operating model, ensuring consistency in service levels, exceptional technical capabilities, and a higher-margin business. Additionally, the merger aligns with evolving market demands in transport and project logistics, enabling the combined entity to cater to changing customer needs and industry trends, resulting in strong commercial cross-selling synergies and allowing us to serve a larger customer base simultaneously, enhancing overall performance. Our balanced multi-sector offering, will improve our competitiveness and reduce the impact of cyclicity on our business volumes.”

Looking ahead, the combined synergistic effect of this strategic union assumes a steady growth trajectory above market “We believe that this acquisition marks a pivotal moment in our company's journey, fortifying our position in the market and driving sustained value creation for our shareholders and stakeholders alike,” remarks Leheta.

### **Looking Ahead**

The acquisition represents a turning point for Egytrans NOSCO, enabling the company to expand its presence in the projects and land transport markets, bolster warehousing and fleet capacities, and tap into a large joint customer base. The consolidation of resources and capabilities paves the way for accelerated growth and continued success in the dynamic Egyptian logistics landscape.

The transaction comes at a time of robust growth in Egypt's logistics and transportation market, with a projected compound annual growth rate (CAGR) of 9% from 2022 to 2027. The acquisition positions Egytrans NOSCO to leverage market drivers, capitalize on Egypt's role as a major trading hub, and seize opportunities arising from regional infrastructure growth and the African Continental Free Trade Agreement.

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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 1973 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 Ports Service Egypt and Scan Arabia. Working across 8 branches in Egypt, the mission of Egytrans is to make integrated transport easy, safe, timely 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. The Egytrans group 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: <http://ir.egytrans.com/>

**About NOSCO:**

Established in 1976, NOSCO is a leading transport and logistics expert providing world-class heavy transport services to the Egyptian market. With 45+ years of experience, a large fleet of over 130 trucks, and a solid track record, NOSCO has become one of the most reliable and customer-centric leaders in international and domestic logistics. The company has garnered an extensive portfolio of mega-projects in diverse industries, including oil and gas, petrochemicals, power and energy, roads and railways, and antiquities. Projects include Burillos Power Station, Zohr Natural Gas Field, and transporting Ramses II's statue. For more information, visit [www.noscoegypt.com](http://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.