

National Automotive Company (NATCO) appoints Beltone Financial as financial advisor to issue EGP1bn bond offering to finance its expansions and penetrate the electric vehicles sector

NATCO studying a partial listing of its shares on the Egyptian Exchange

The National Automotive Company (NATCO) signed an agreement with Beltone Investment Banking, an affiliate of Beltone Financial, to act as its financial advisor for a EGP1bn bond offering on the Egyptian Exchange (EGX), a portion of which will be allocated for the issuance of green bonds. The bonds will be used to finance expansion in the electric vehicle (EV) sector, manufacturing car chargers, establishing charging stations, distribution, and after sales spots. The agreement also aims to study the listing of a portion of the company's shares on the EGX.

Yasser Saleh Ibrahim, the CEO of NATCO, said that the group will issue EGP1bn in bonds during the coming period to finance expansions in distribution centers and after sales services for its distribution network of Mercedes-Benz in several places across Egypt after signing a new distribution deal with Mercedes-Benz. This is in addition to penetrating the field of electric vehicles sales, distribution, maintenance, and charging by establishing a network of charging stations, either standard, fast, or ultra-fast stations, to support all types of EV charging, whether European, Chinese, or American protocols, across all of Egypt's governorates to cope with global and domestic trend shifts toward sustainable electric transportation solutions. NATCO also plans to provide an unprecedented package of technical solutions locally and regionally to facilitate and encourage consumers to buy and use various EV categories.

The company is also considering the manufacture of EV chargers in collaboration with local and international partners, for private and public use, via the industrial arm of the group, Egyptian German Automotive Company (EGA), which currently manufactures Mercedes-Benz 4X4 passenger cars in Egypt. "The strategic plans of the group are based on catching up with the rapid changes in car manufacturing and distribution, in addition to providing advanced technological solutions to enable

Egyptian consumers to enjoy advanced EV technologies and establishing a massive network of charging stations across all of Egypt's governorates," Yasser Salih added.

He also pointed out that the company is studying the possibility of a partial listing of its shares in an initial public offering (IPO) to increase investors' shares in the company and maximize the value and benefit of current and future shareholders. The company also aims to unlock the prospects of financing its current and future operations.

Yasser Salih concludes that the company has always been leading the vision of future transformations and has the ability to turn visions into reality, strengthening the future value of the group. He added that his company is proud to be a reliable partner in providing infrastructure for the coming years in service of Egyptian consumers during the next era of vehicle ownership and operation.

"We are glad to announce the signing of this agreement with NATCO to act as the financial advisor for the EGP1bn bond issuance since it is a leading company in this sector in Egypt, which makes it promising investment opportunity. We expect the company to be able to attract many investors domestically and globally." Mohamed ElAkhdar, said Head of Investment Banking at Beltone Financial.

Beltone is studying all of the strategic plans of NATCO, aiming at providing the required financing through the best possible practices to enhance the company's solvency and obtain the highest return on equity, as well as deciding on the most strategic time for its IPO.

About NATCO

National Automotive Company's (NATCO) story began in 1988 with deep roots in Egypt's vibrant local fabric and a vision to become an industry recognized Star.

As our journey we accelerated forward towards being Egypt's first Mercedes-Benz Authorized Dealer, NATCO established the largest network of 3S facilities (Sales, Service and Spare Parts) across the nation. This has enabled us to grow and maintain our leadership position in the Egyptian premium automotive sector.

With a strong foundation and robust pillars built to last, our story came to life through key milestones that have demonstrated our commitment to the industry and consumers.

In 1991, we inaugurated the Dokki Dealership and Service Center, which was home to the first 3S facility. Soon after, Semouha Alexandria and Fom El Khalig Dealership were opened in 1993 and 1995 respectively.

Moreover, in 2001, the company continued its growth by launching authorized subsidiaries that include Giza National Automotive in Dokki, Alexandria National Automotive in Semouha and Cairo's Fom El Khalig branch.

Our network further expanded with the addition of Cairo's Kattameya branch, as well as Pyramid Heights in Giza during 2010 and 2013.

NATCO is synonymous with industry excellence and has truly established a reliable network that is focused on driving the automotive sector to greater avenues.

In 2014, the Hurghada National Automotive, Al Alamein branches were opened, adding to a network that includes over six existing 3S facilities, seven sales outlets and over 146 work bays.

NATCO's vision was further brought to life when its manufacturing arm, Egyptian German Automotive (EGA) was founded in 1996 through a joint venture with Daimler AG. Since then, our advanced and high-tech plant has been a cornerstone in assembling models that include the E, C, and S-Class, as well as the GLK.

Additionally, EGA has been operating and managing Egyptian Kuwaiti Foundries

(EKF), a local greenfield grey cast iron foundry, to increase our competitive edge, product quality and power sustainable growth. We proudly machine and supply solid and ventilated brake discs for Daimler AG worldwide.

Now, after 33 years, our legacy continues under a new name – Star National Automotive. We are unifying Cairo National Automotive, Giza National Automotive, Hurghada National as one to give our customers the ultimate ‘Star’ experience across the country.

Together, Star National Automotive and Alexandria National Automotive, reflect our vision for the future.

Star National Automotive.

ALWAYS A STAR.

About Beltone Financial:

Beltone Financial Holding (listed on the Egyptian Exchange, trading under BTFH.CA) is a leading regional investment bank, offering a full range of financial services to companies, institutions, and high-net-worth individuals in the Middle East, Europe, North America, and Asia. Beltone is the largest non-bank affiliated asset manager in Egypt with around EGP26bn in AUMs and is a leading provider of independent equity research in the region. The firm’s track record includes the execution of over EGP110bn in M&A and capital markets transactions.

Beltone Financial setup three new subsidiaries last year to establish its non-bank financial services (NBFS) platform, comprising Beltone Consumer Finance (Belcash), Beltone Leasing, and Beltone Venture Capital.