

## Camel Flour Mills (member of AlMoatabar Group) assumes market leadership with acquisition of Five Stars milling group.

The landmark mega transaction brings Camel Flour Mills to the forefront of the market, with expanded production capacity, advanced technology, and integrated storage solutions.

**Cairo, 1<sup>st</sup> of November 2022.** Camel Flour Mills (“CFM”) announced it has completed the acquisition of a majority stake in Five Stars group of companies (“**Five Stars**”) - comprising *Five Stars Flour Mills* & *Five Stars Feed & Animal Produce*. Five Stars has been a market leader in Egypt, specializing in the production of high-end flour brands. The acquisition of Five Stars complements CFM’s platform and cements its position at the helm of the Flour milling segment in Egypt.

CFM’s combined milling platform shall be propelled to a total capacity of over 4,500 mt/ day. Five Stars brings integrated and fully automated storage, milling, mixing, and packaging operations in its state-of-the-art facility in Suez, in addition to its automated port-integrated grain loading and unloading facilities. The unique location also serves as a primary hub for receiving and handling high quality Australian Wheat, as well as exporting hub to the African continent.

“We are very excited about the prospects of our new platform. We are committed to building one of Egypt’s largest industrial groups serving a critical and vital sector for Egypt’s national food security,” said Mohamed Al Moatabar, Executive Chairman of CFM. “As Egyptian investors, we take great pride in advancing local industrial capabilities, contributing to the nation’s economic prosperity and stability. We are strongly supporting the government’s economic aspirations and contributing the creation of employment opportunities for our youth and young professionals. Furthermore, we are working towards establishing the region’s first milling institute – aiming to train and graduate top calibers and cementing Egypt’s leadership in the sector, supported by our expansive network of global leaders and partners in the milling sector.”

FSG, setup by a group of international and local investors, was one of the most successful milling operators in Egypt until its journey was hurdled by financial challenges, particularly due to significant FX exposures. The complex acquisition involved, in addition to the challenges of concluding agreements with the sellers, significant debt restructuring and settlement with major banks – a successful closure and all-party-win for all the stakeholders. The transaction’s advisory team included Zulficar & Partners law firm, Ripples Impact, EFG-Hermes Brokerage, Moore Egypt & others.

“This is a landmark transaction by all measures”, commented Mona Zulficar, Founding Partner of Zulficar & Partners law firm – the transaction advisor. “This was not just a complex M & A transaction to acquire the shares of the two distressed companies and restructure banks debt, but a mission to salvage a major industrial asset, supporting our national economy, and protecting the livelihoods of thousands of workers and their families.”. Walid Bakr, Founding Partner of Ripples Impact - the investment and financial advisor for the transaction, also commented “We’re excited to see this journey coming to successful completion – as this was one of the most important and complex acquisition transactions in the past period. This was a mission that meant a lot to all

stakeholders, and we offer our sincere gratitude to all who contributed to its success – the investor, advisors, banks, and the devoted and committed government agencies”.

Following the closing of the transaction, work is already underway to bring FSG to optimal operating efficiency and its full integration withing CFM’s group.

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