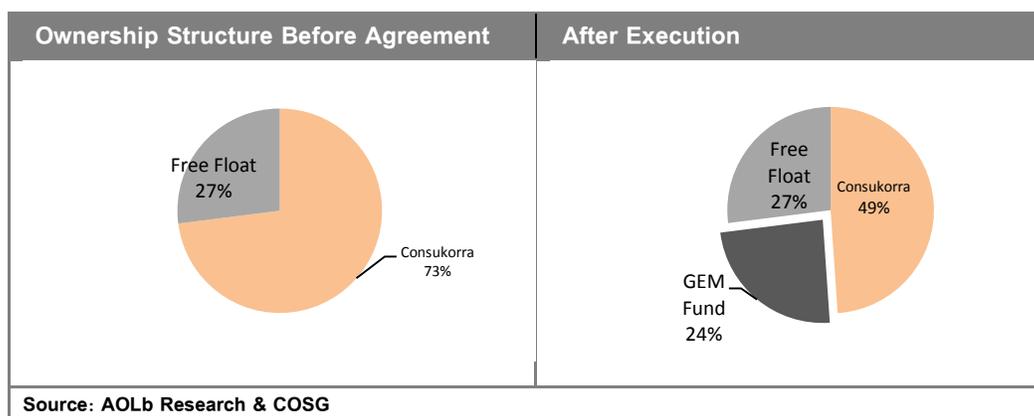


✓ **Consukorra Signs an Agreement to Sell 33% of Its Shares in Cairo for Oils and Soap (Positive)**

Cairo Oil & Soap Company (COSG.CA) announced that Consukorra for Trade Agencies and Technical Consultations signed a contract for the sale of 33% of its shares in the company representing less than 25% of the total shares of COSG at a sale price of 90% at the average closing prices of the preceding 15 days of the execution. The agreement also granted CIM Investment Fund the right to buy the same number of shares at a price of EGP10.05 /share (a call option for GEM Investment Fund). The agreement has been set for three years from the date of signing. (Company Disclosure)

**Comment:**

- Consukorra is partially disinvests from Cairo Oil and Soap by selling 33% of the shares it holds in COSG through a put option agreement to sell 90% of the average price during the last 15 trading days before the execution while the GEM Investment Fund represents the buying party at a price of EGP10.05 / share
- AOLb Research views that this agreement is positive for the share providing an upside potential of 28% at a price of EGP 10.05 / share compared to the closing price of 31<sup>st</sup> of January 2019 (EGP 7.12 / share). While GEM Investment Fund will get the share at a discount of 10% from Consukorra.
- Consukorra owns approximately 73% of Cairo Oils and Soap (COSG.CA) while the rest is free float. AOLb Research expects that the ownership structure will be distributed between Consuqra and Gem Investment Fund by 49% and 24% respectively as shown in the pie charts



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- **Cairo Oils & Soap (COSG.CA) reported a 9M2018 revenue of EGP74.5mn, a decrease of 61% compared to EGP 191.1mn in the comparative period, which assisted in almost doubling the company's losses to EGP 53.9mn in 9M2018 compared to a loss of EGP 33mn In 9M2017.**

**This report is based on publicly available information. It is not intended as an offer to buy or sell, nor is it a solicitation of an offer to buy or sell the securities mentioned. The information and opinions in this report were prepared by the AOLB Research Department from sources it believed to be reliable at the time of publication. AOLB accepts no liability or legal responsibility for losses or damages incurred from the use of this publication or its contents. AOLB has the right to change opinions expressed in this report without prior notice.**

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