

RECOMMENDED CASH OFFER FOR JOHN MENZIES BY AGILITY

The board of a wholly owned subsidiary of Agility Public Warehousing Company K.S.C.P. (Agility) and the board of John Menzies PLC (Menzies) have today announced that they have reached agreement on the terms of a recommended cash offer to acquire 100% of the ordinary shares in Menzies at a price of 608 pence a share. The deal values Menzies at approximately £571 million on a fully diluted basis and at approximately £763 million on an enterprise value basis.

The board of Menzies intends unanimously to recommend the cash offer to their shareholders.

Largest airport services company by number of countries

If approved by Menzies' shareholders and regulatory authorities, the deal will create an industry powerhouse in aviation services.

The Combined Group is expected to be the largest airport services company in the world by the number of countries it operates in, second largest in terms of airports served, and third largest in terms of revenue¹.

The combined revenues of Menzies and NAS were in excess of \$1.5 billion in 2021. The Combined Group is expected to have approximately 35,000 employees with a presence at more than 250 airports in 57 countries, handling more than 600,000 aircraft turns per year.

The Combined Group will be wholly owned by Agility, a global supply chain services, infrastructure and innovation company with a successful track record of investing in and scaling businesses sustainably and responsibly.

Hassan El-Houry, Chief Executive of National Aviation Services said:

"This deal creates a world leader in airport services and unlocks value for all stakeholders. The NAS-Menzies combination brings together highly complementary operations and ensures that the combined business has the scale and resources to grow. Menzies shareholders will realize a premium in return for supporting the transaction. Customers will benefit from Menzies' operational excellence at more airports around the world and will be able to choose from a broader product offering. Employees of both companies will benefit from being part of a larger, stronger group that offers more career development and advancement opportunities. The combined business will have the capital to invest in the talent, technology, innovation, infrastructure, equipment, and sustainability leadership required to accelerate growth."

Philipp Joeinig, Chairman and Chief Executive of John Menzies said:

"The Menzies Directors believe that the offer represents a fair and recommendable price for shareholders which recognises Menzies' future prospects.

"Menzies is an outstanding business with a long and rich history. The Board of Menzies applauds the work that the Menzies management team have done to steer the business through the challenging impacts of the pandemic and position the business for continued future growth and the next evolution in its journey.

“The Menzies all-cash offer from Bidco represents an opportunity for current shareholders to realise value for their investment at an attractive premium and valuation multiple.”

Tarek Sultan, Vice-Chairman and CEO of Agility said:

“Agility’s focus is on growth and shareholder value creation. We are a long-term, multi-business operator and investor aiming to create value with a disciplined investment strategy that focuses on companies in high-growth sectors with strong fundamentals, reinforced by management teams with established records, best-practices governance, and alignment with Agility’s vision and values.

“Menzies is a good fit. The aviation sector has strong growth potential, and Menzies is one of the most-established providers in the industry, with a sustainability focus we share. A NAS-Menzies combination will create a strong and resilient industry player, well positioned to grow and drive future earnings. We expect this acquisition to further diversify Agility’s revenue base and strengthen cash flow generation.”

About Menzies, NAS and Agility

Menzies is a critical partner to the global aviation industry, delivering time-critical logistics services at more than 200 locations in more than 37 countries, across six continents, through a global team of more than 25,000 highly trained people. Menzies Aviation is firmly established as a global player in cargo, fuelling and ground handling with strong competitive positioning within each of its core focus areas and an excellent reputation in the market.

NAS is an established and trusted aviation services provider in the emerging markets, with customers including many of the world’s leading airlines such as British Airways, Air France, KLM, Emirates and Qatar Airways. It is also one of the industry’s fastest growing regional aviation services providers, with a presence in more than 55 airports across the Middle East, Africa and South Asia.

NAS is part of the Agility group, a global supply chain services, infrastructure and innovation company listed on the Kuwait Stock Exchange and the Dubai Financial Market. Agility has a proven track record of investing in and successfully scaling businesses sustainably and responsibly, both organically and through acquisitions.

A stronger company with the scale and resources to grow

The combination of NAS and Menzies represents a compelling opportunity to:

- **Create a global aviation services leader with greater scale and resources to deploy on growth opportunities:** The Combined Group will be equipped with the scale and resources necessary to serve a broader customer base globally, and capitalise on growth opportunities as the aviation industry continues to recover from the effects of the COVID-19 pandemic. The Combined Group will have the capital to be able to invest in the talent development, technology, infrastructure, sustainability, and innovation required to accelerate growth.
- **Leverage complementary footprints and product portfolios to create a truly global aviation services and air cargo platform:** The Combined Group is expected to unite NAS’ leadership in fast-growing emerging markets across the Middle East and Africa, with Menzies’ strong footprint in large global markets in Europe, North America and Oceania. Customers will benefit from a more diversified product portfolio, and will be able to access Menzies’ operational excellence and greater scale in more airports around the world.
- **Establish a stronger and more resilient entity that is better positioned to support the needs of the market:** The Combined Group will expand the breadth and depth of service offerings

to customers, as well as meet growing customer expectations to invest in areas including technology, new equipment, warehousing infrastructure and training. Together, the companies will be able to respond more effectively in an increasingly competitive market.

Combining Menzies and NAS; uniting under the global Menzies brand

It is intended that the Combined Group will use the globally-recognized “Menzies” and “Menzies Aviation” brands following completion of the acquisition.

Following completion of the Acquisition, it is intended that Menzies and NAS will be combined and managed by a team with representatives drawn from both Menzies and NAS with the current Chief Executive Officer, Chief Financial Officer and Chief Operating Officer of Menzies in these roles in the Combined Group. The current NAS CEO is expected to assume the role of Chairperson of the Combined Group. The Combined Group will be governed by a professional board of directors through an appropriate governance structure.

NAS/Agility intend to support Menzies’ heritage and presence in the UK, including retaining a corporate hub and significant head office functions in Edinburgh. In addition, the intention is to open a new head office for the Combined Group in London, where certain senior management and some head office functions will be located. These arrangements will reflect the global footprint of the Combined Group’s operations and enable the Combined Group to have a new centre in London, where many of its clients have a presence.

Expected Closing in Q3

Now that a recommended offer has been announced, the next steps are to seek approval from Menzies shareholders as well as the relevant regulatory authorities. Both companies will work alongside counsel to ensure that the requisite competition and regulatory filings are made in the appropriate jurisdictions. It is currently expected that the transaction will complete in the third quarter of 2022.

-ENDS-

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ⁱ By 2019 reported revenue.