



Egypt Kuwait Holding

Integrated Investments Generating
Superior Returns

Investor Presentation | H1 2023

August 2023



EKH OVERVIEW



EGYPT KUWAIT HOLDING “EKH”



Hands-on investor and operator



Create synergies between different group companies



Secure strategic partnerships with leading international value added industry players



Long-term investor with opportunistic exit strategy











Develop greenfield operations to leverage operational expertise



Expand industry expertise to new markets

EKH'S MAIN PORTFOLIO COMPANIES

Fertilizers and Petrochemicals	Energy and Energy-Related	Insurance & Non-Banking Financial Services
 <p>Sprea Misr Petrochemicals Plant</p> <p>Effective EKH Ownership 100.00%</p>	 <p>NatEnergy Gas Distribution and Electricity Generation & Distribution Holding Company</p> <p>Effective EKH Ownership 100.00%</p>	 <p>Delta Insurance Life, Property & Casualty Insurance</p> <p>Effective EKH Ownership 63.22%</p>
 <p>AlexFert Ammonia, Urea Fertilizer and Ammonium Sulfate Plant</p> <p>Effective EKH Ownership 69.42%*</p>	 <p>Offshore North Sinai Upstream Gas</p> <p>Effective EKH Ownership 100.00%</p>	 <p>El Mohandes Insurance Life, Property & Casualty Insurance</p> <p>Effective EKH Ownership 24.99%</p>
 <p>Nilewood (under construction) MDF, Forestry and Waste Management</p> <p>Effective EKH Ownership 73.00%</p>		 <p>Bedayti Microfinance and Consumer Finance</p> <p>Effective EKH Ownership 100.00%</p>

* In 1Q 2023 EKH acquired a 15% stake in Bawabet Al Kuwait resulting in increasing its direct and indirect stake in AlexFert to 69.42%

EKH AT A GLANCE

6 strategic sectors

Petrochemicals, fertilizers, gas distribution, electricity generation & distribution, upstream oil & gas and non-banking financial services

USD 1.9 bln

Total assets

> 6,500

Professionals employed by the holding company and its subsidiaries

USD 406 mln

Total equity book value

23 %

Revenue growth rate in the past 5 years (FY18 – FY22)

>20%

Average ROE in the past 5 years

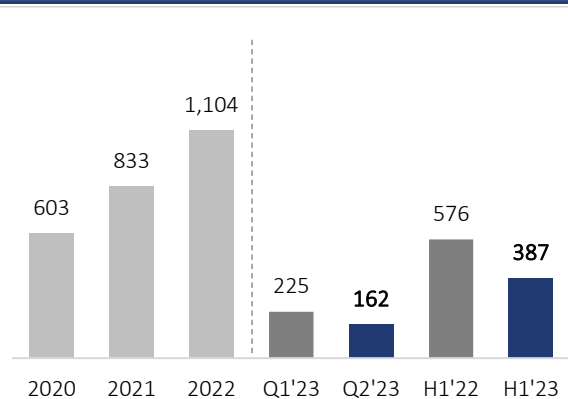
41 %

Average EBITDA margin in the past 5 years (FY18 - FY22)

EGP 38 bln

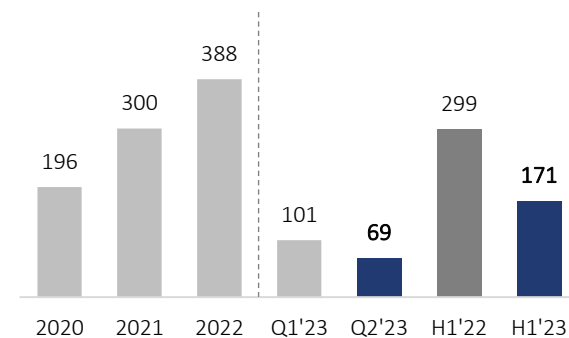
Market Cap 30th Jun 2023

Recurring Revenues in US\$ mln

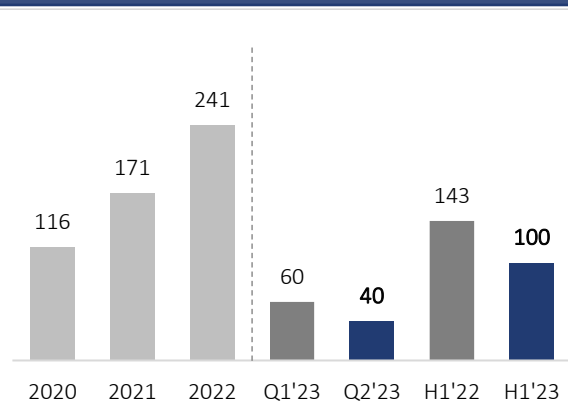


Recurring Attributable EBITDA in US\$ mln

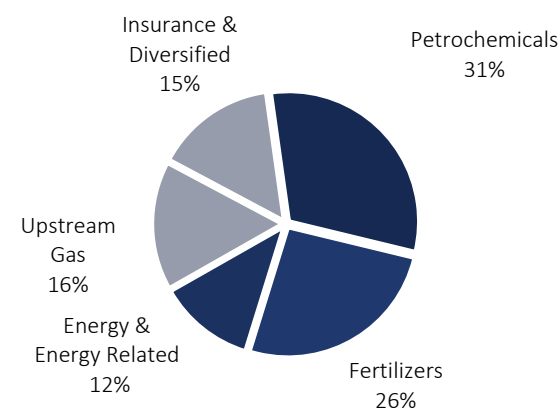
EBITDA margin H1 2023: 44%



Recurring Attributable Net Profit in US\$ mln



Attributable EBITDA by Sector H1 2023



* According to EAS

RECENT DEVELOPMENTS

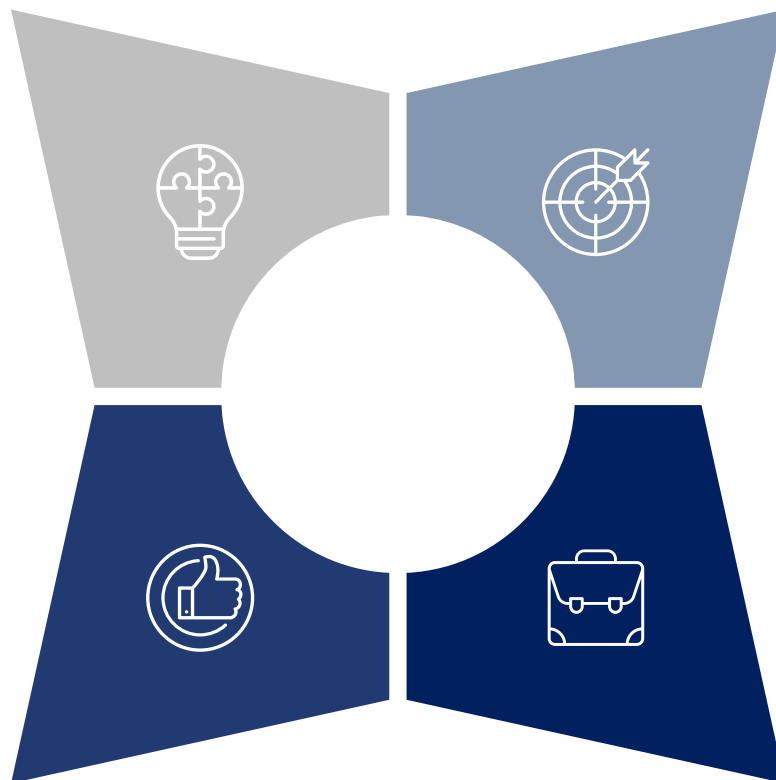
EKH Deployed US\$ 100 mln in Investments During H1, on Track to Reach US\$ 170 mln in 2023

At the beginning of 2023, EKH announced a plan to invest US\$ 170 mln over the course of the year, an amount which was earmarked to finance expansions at Sprea's production facilities, as well as the drilling of two new wells at ONS, the addition of 20 MW in power generation capacity at Kahraba, finalizing the capex of Nile Wood's MDF production line, and the acquisition of minority stakes in portfolio companies.

EKH is currently on track to deploy the remaining US\$ 70 mln throughout the second half of 2023.

Bedayti Reports Positive Bottom-Line

Bedayti - EKH's microfinance subsidiary which started operations in March 2022 – closed the first half of 2023 with a net profit of EGP 24 mln, achieving breakeven just 12 months after the start of operations.



Improvement in Urea Price Outlook

Urea prices rebounded following the recent drop observed during Q2 which saw prices fall to US\$ 287/ton, with prices currently hovering near the US\$ 450/ton mark.

Additional Capacities Coming Online at Sprea

Sprea's new liquid and powder glue lines are expected to come online in Q3 2023, increasing capacities to 121 KTPA and 34 KTPA, respectively. Sprea's fourth SNF factory line has also come online, doubling production capacity to 180 ktpa, with additional expansion plans in place for the powder SNF facility.

Furthermore, the company's Formaldehyde factory line is expected to come online during Q3 2023 and will bring production capacity up to 194 KTPA.

GROWTH DRIVERS



SPREA MISR



Founded in 1989 and acquired by EKH in 2007
A state of the art petrochemicals production facility located in 10th of Ramadan over 103k m².

100%

Effective EKH ownership

+50 countries

Export destinations

144 ktpa

Formaldehyde & form-urea capacity

> 90 ktpa

Liquid & powder glue capacity

6 mln sheets p.a.

Formica sheet capacity

> 132 ktpa

SNF: sulfonated naphthalene formaldehyde capacity

> 25 ktpa

Melamine, Urea Molding Compound capacity

165 ktpa

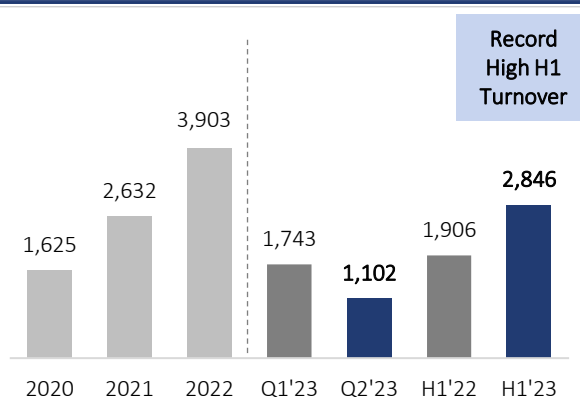
Sulfuric Acid capacity

1,111

employees

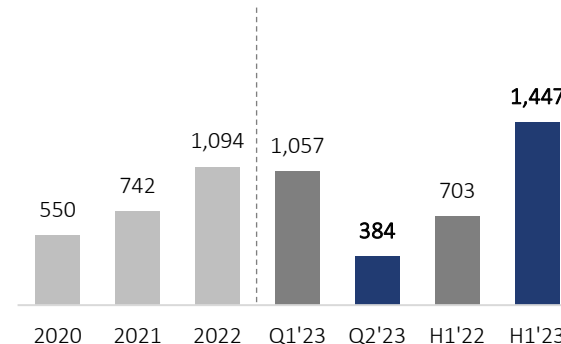
* According to EAS

Revenues in EGP mln

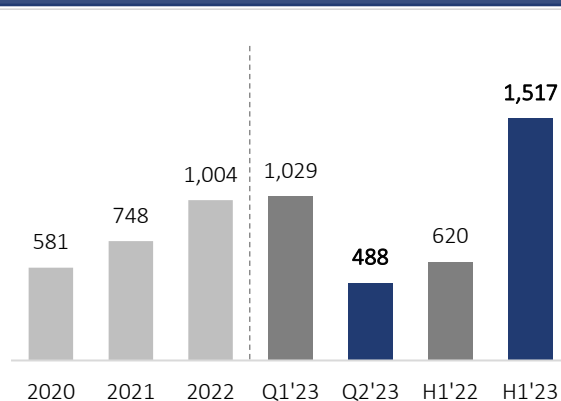


EBITDA in EGP mln

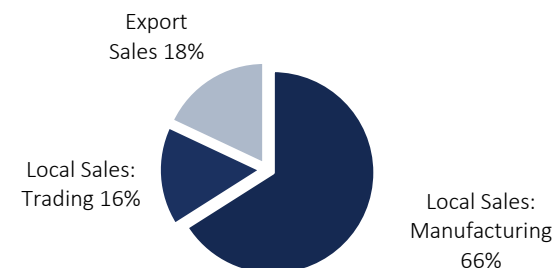
EBITDA margin H1 2023: 51%



Net Profit in EGP mln



Sales Mix H1 2023



Recent Developments

Dry SNF

Capacity	Additional 15 KTPA to reach 37.6 KTPA
Production Start Date	Q3 2023
Status	Operational – Additional 15 KTPA



Powder & Liquid Glue

Capacity	Powder Glue: Additional 10 KTPA to reach 34 KTPA Liquid Glue: Additional 56 KTPA to reach 121 KTPA
Production Start Date	Q2 2023
Status	Operational – Additional Powder Glue: 34 KTPA Liquid Glue: 121 KTPA



Formaldehyde Line

Capacity	Additional 50 KTPA
Production Start Date	Q3 2023
Status	Operational – Additional 50 KTPA



NatEnergy is a holding company with ownership stakes in 5 subsidiaries in Egypt: NATGAS, Fayum Gas, Nubaria, Kahraba and Gas Chill and Shield Gas in UAE

c. 2 mln

Households served by NATGAS & Fayum Gas

c. 869 clients

Industrial Clients served by NATGAS & Fayum Gas

>13,200 km

Length of natural gas pipeline networks

489 MMSCFd

Natural gas distributed and transmitted in 2022

29

Cities connected with natural gas

28

Pressure reduction stations

115 MW

Kahraba installed power generation capacity

325 MW

Kahraba power distribution capacity

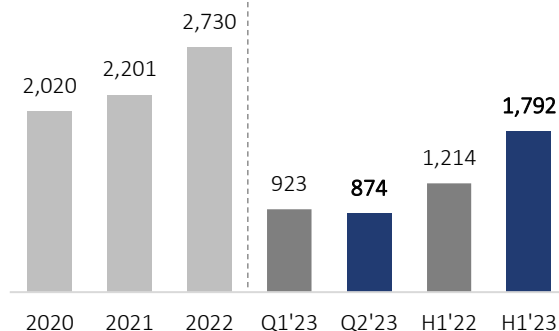
3,000 +

employees

100%

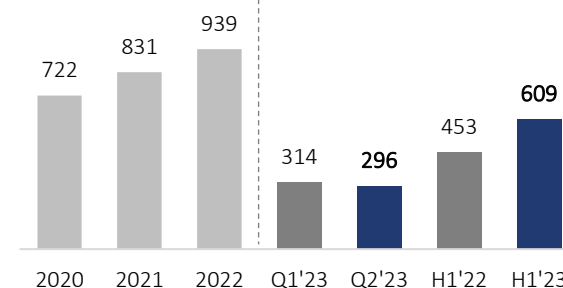
Effective EKH ownership

Revenues in EGP mln

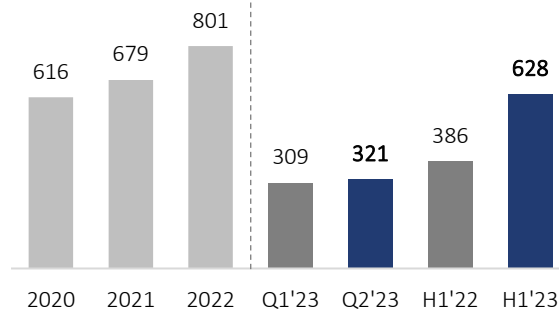


EBITDA in EGP mln

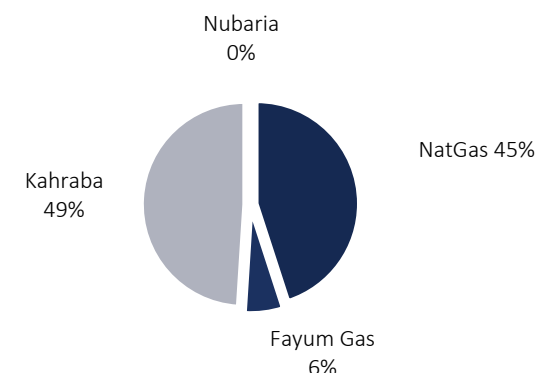
EBITDA margin H1 2023: 34%



Attributable Net Profit in EGP mln



Profitability by Subsidiary H1 2023



NATENERGY: NATGAS & FAYUM GAS



Existing Concessions



- NatEnergy's subsidiaries engaged in natural gas distribution: NATGAS & Fayum Gas operate 5 concessions. In 2020, the tenor of these concession agreements was renewed for 15 years.
- Current concessions include a catchment of 5 million households. To date, NATGAS & Fayum Gas connected over 2.0 mln households.
- NATGAS & Fayum Gas plan to add 150,000 to 200,000 households p.a. over the next 5 years (excluding Haya Karima).

Haya Karima

On 2nd January 2021, HE President Abdel Fattah El-Sisi launched the initiative Haya Karima (Decent Life), with the aim of improving the living conditions of millions of Egyptians. The initiative seeks to provide everything from education and housing, to infrastructure and healthcare.

The initiative will be rolled out in 3 phases:

- Phase I: 1,330 villages
- Phase II & III: 3,524 villages

Haya Karima involves installing waste water treatment plants, improving roads, building schools and among many other infrastructure works **installing natural gas networks to less privileged areas.**



- As a result of the implementation of **Phase I of Haya Karima**, NATGAS & Fayum Gas will extend natural gas networks and connections to **450,000 additional households over the next 3 years.**
- **This will effectively increase the number of household additions by c.200,000 in 2023 and c.250,000 in 2024.**
- The implementation of Phase II and III of Haya Karima are still under study.

NATENERGY: KAHRABA



- Kahraba owns and operates two central power generation plants with an installed capacity of 115 MW in Borg Al-Arab Industrial Zone in Alexandria and 2 smaller Independent power generation Plants.
- In 2021, NatEnergy succeeded in increasing the power generation capacity under its license to 115 MW.
- Accordingly, Kahraba invested US\$ 10 mln to install an additional 20 MW which was commissioned in November 2021, increasing the installed capacity to 115 MW.
- During 2022, Kahraba invested an additional US\$ 10 mln to acquire 20 MW power generation capacity. The equipment was received in January 2023. Once commissioned in Q3 2023, the total installed capacity will reach 135 MW.
- Kahraba's distribution capacity was 325 MW as of June 2023, and is anticipated to reach 345 MW by Q1 2024, and 645 MW by 2030 following the new concession in the 10th of Ramadan South Industrial Developers Zone awarded in December 2022



ALEXFERT



Established by EKH in 2003. It operates a fertilizer production facility in Alexandria over an area of 110,000 m².

640 ktpa

Urea Production
Capacity

180 ktpa

ammonium sulphate
capacity

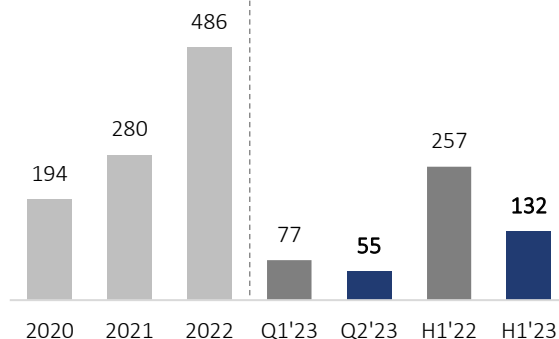
488

employees

69.42%

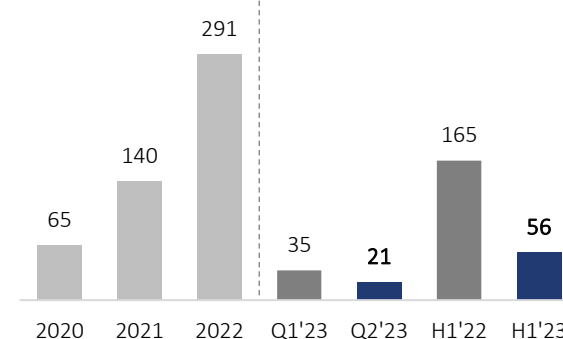
Effective EKH ownership.

Revenues in US\$ mln

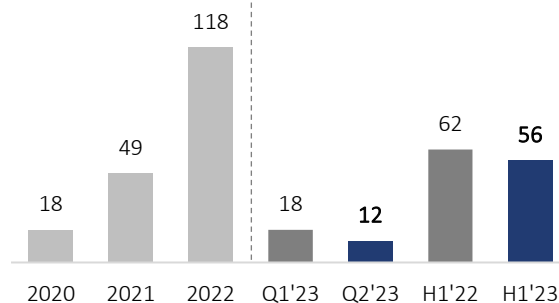


EBITDA in US\$ mln

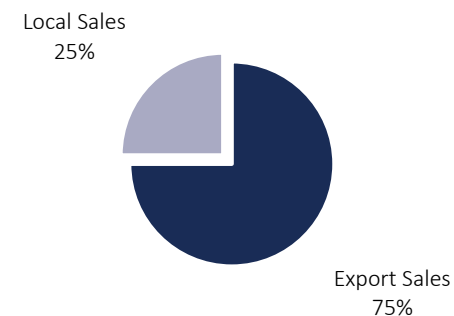
EBITDA margin H1 2023: 43%



Attributable Net Profit in US\$ mln



Sales Mix H1 2023



OFFSHORE NORTH SINAI CONCESSION (ONS)

440 km² concession located 56 Km offshore of Port Said. Facilities include pipeline to shore + processing facilities (Romana)

5

Operative wells

50 MMSCFd

daily production 2023

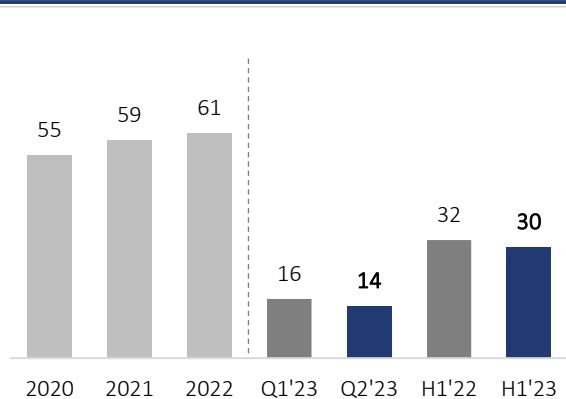
+140 km²

A presidential decree has approved the expansion of ONS' concession area by 140 km² to reach 443 km².

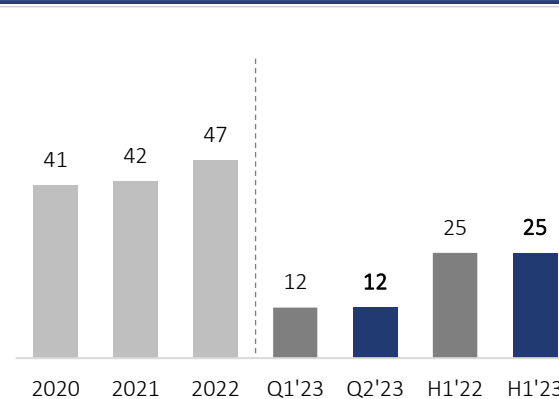
100%

Effective EKH ownership of ONS.

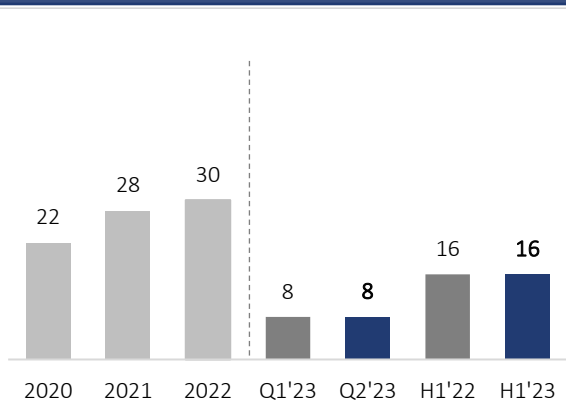
Revenues in US\$ mln



EBITDA in US\$ mln



Net Profit in US\$ mln



Net Entitlement



* According to EAS

OFFSHORE NORTH SINAI CONCESSION (ONS)

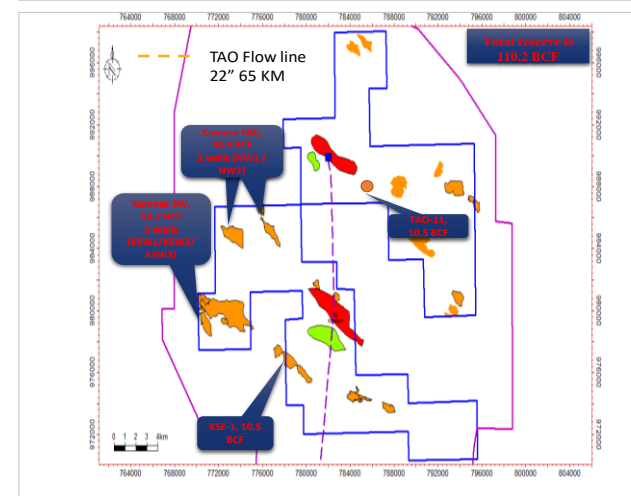
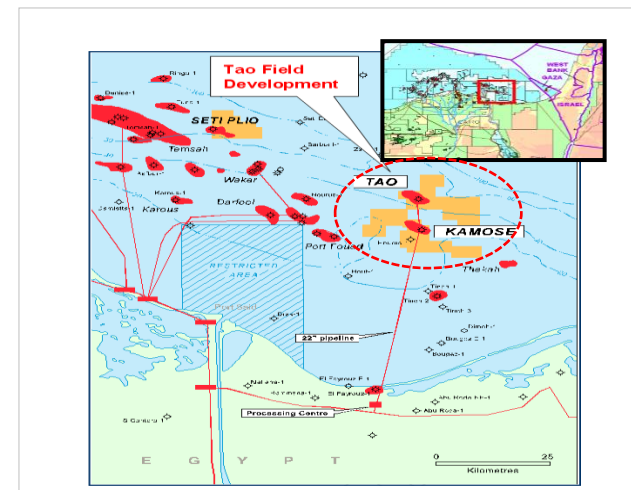
Overview of Concession and CAPEX Plan

Concession Terms

- Offshore, located 63 Km North East of Port Said.
- Operated through NOSPCO JV after take over from Perenco mid 2014. 30 year concession started in 1998, ending at 2028 (Currently working for 10 years extension)
- Two Development Leases awarded in 1992: Tao & Kamose over a total area of 303 km². Shallow water : WD 30 – 90m
- After EGPC & EGAS approvals, secured the approval of Counsel of State, Cabinet & Parliament to amend price of natural gas. Amended Concession Agreement signed on July 2018 at **new adjustable gas price with a floor of US\$ 5.18/MMBTU @ Brent 40 US\$ /bbl and a cap of US\$ 5.88/MMBTU @ Brent 100 US\$/bbl**. The new gas price retroactively starting January 1st 2017 on all new gas.
- In January 2023, succeeded in expanding the concession area to by 140 km² from km² to 440 km².

CAPEX Plan Phase 3

- During 2021, ONS completed drilling three wells (Phase 3a) being NW1/KSW1/KSW3 with a total investment cost of US\$ 70 mln during broken down as follows:
 - US\$ 29 mln for drilling three wells
 - US\$ 41 mln to fund the following:
 - 3 Platforms
 - 20 Km pipelines material
 - 3 PLTFs Installation and pipeline laying
 - Topside Facilities
- The first well KNW1 was put on production in Jan-2022 with initial rate of 10 MMSCFD while the remaining two wells was put on production by May 2022 with initial rate for both 15 MMSCFD.
- Phase-3A target is to maintain the production plateau at +/- 50 MMSCFD
- During 2023 and up to Q1 2024, EKH plans to mobilize US\$ 70 mln in capex for Phase-3B which consist of drilling two wells (ATON1 + KSE2) in the new extension area through two WH platform and connect to existing facility by 21 km flowline.



OFFSHORE NORTH SINAI CONCESSION (ONS)

ONS Production Facilities



Onshore CPF Site



Rumana CPF



Office Camp in Rumana
CPF

Phase3A Platform fabrication and installation



Platform Fabrication



Platform Sail Away



Platform Installation

Insurance: Delta & Mohandes



Significant increase in attributable net profit to EKH from its insurance subsidiaries over the last 4 years.

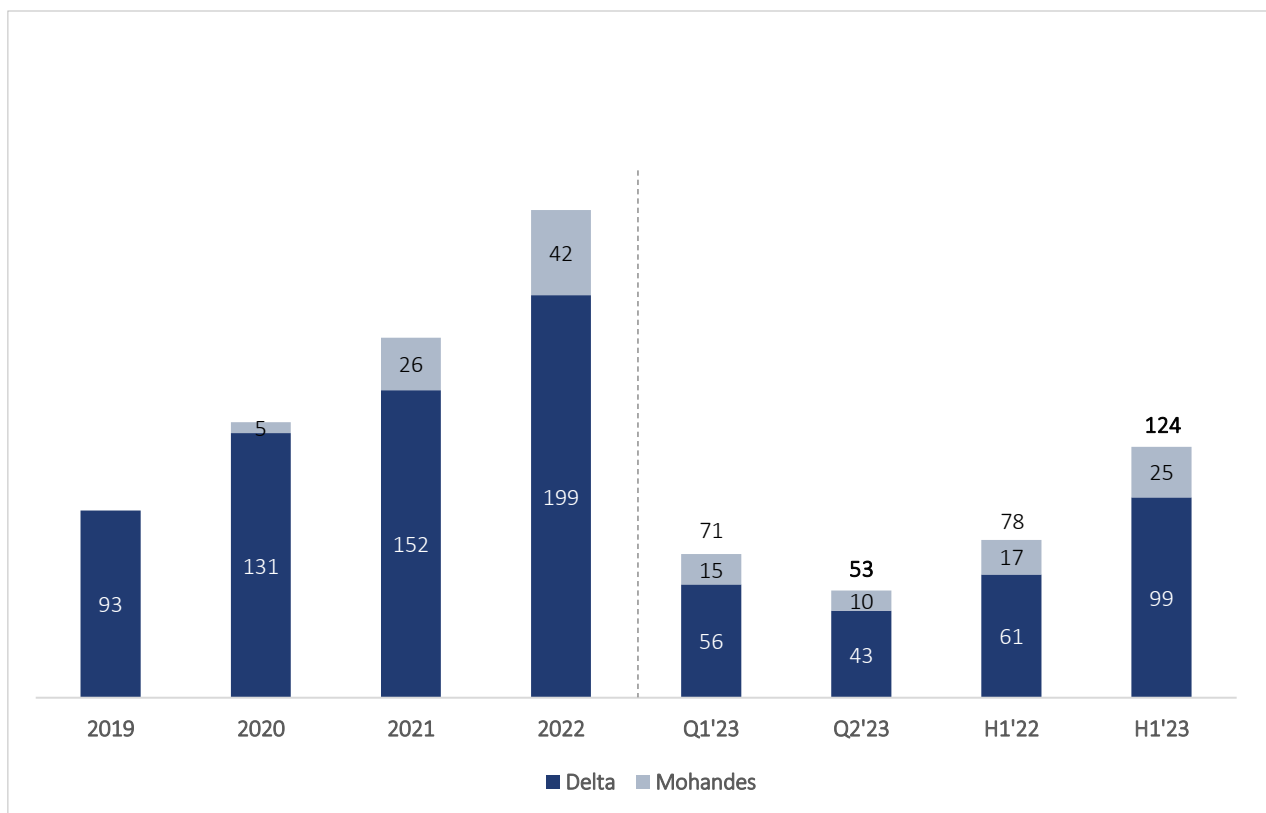
Delta Insurance

- Leading life, property & casualty insurance company
- Delta Insurance is currently among the top 5 largest private sector insurance companies in Egypt.
- In 2019, EKH increased its stake in Delta Insurance from 33% to 55%. In 2020 and 2021, EKH acquired additional shares increasing its effective stake in Delta to 63.2% by the end of Q3 2021.
- Delta Insurance extraordinary general meeting approved capital increase from EGP126mn to EGP350mn.

El Mohandes Insurance

- Leading life, property & casualty insurance company
- In Q4 2020, EKH acquired a 24.9% stake in Mohandes Insurance.

Recurring Attributable Net Profit in EGP mln



Adjusted for calendar year
Variations due to rounding

* According to EAS

Non Banking Financial Services: Bedayti



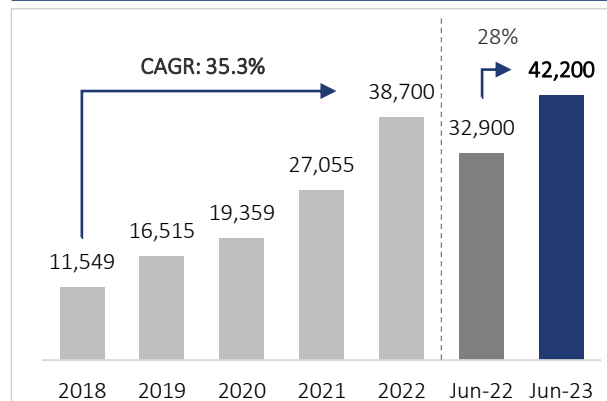
Bedayti Microfinance

- EKH's fully owned microfinance subsidiary Bedayti started operations in Q1 2022.

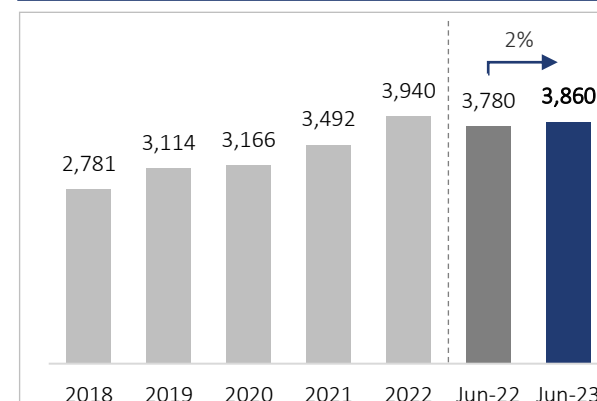
Bedayti Q2 2023 Performance

- As of Q2 2023, Bedayti opened 50 branches in 11 governates throughout Egypt.
- Key Performance Indicators up to end of Jun 2023:
 - Total disbursed loans: EGP 1,212 mln
 - Outstanding loans: EGP 757 mln
 - No. of Customers: >46,650
 - Average Ticket Size: EGP 20,000

Egypt's Total Microfinance Loans EGP mln



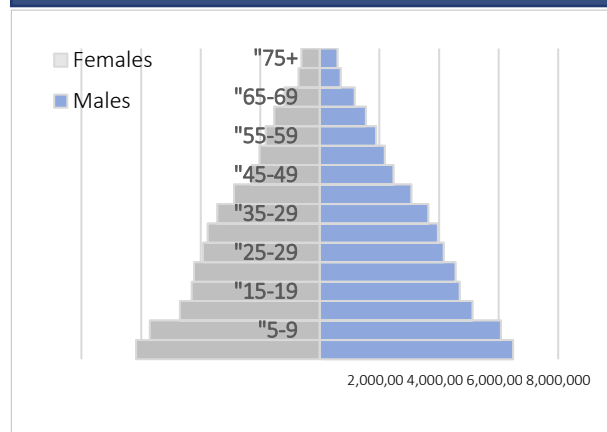
No. of Microfinance Loan Beneficiaries in Egypt '000



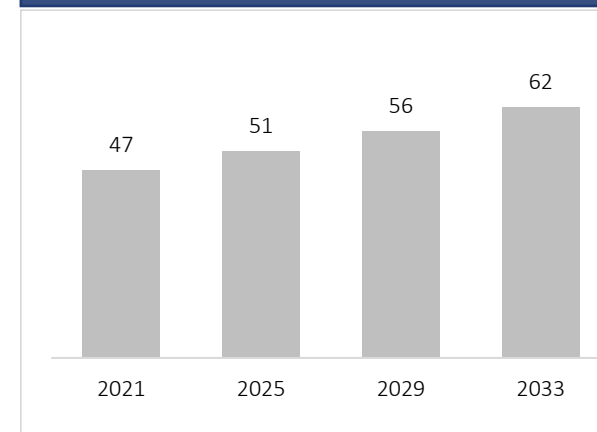
Microfinance sector in Egypt is promising:

- Demonstrated Growth of Microfinance Loan Market:
 - From 2018 to 2022 total outstanding microfinance loans showed a CAGR of 35.3%.
- c.65% of Egypt's population addressable age cohort (between 20-54 year olds) of c.47 mln remain unbanked.

Egypt's Population in 2021 by Age Group



Egypt's Population by Age Group 20-54 in mln



Non Banking Financial Services: Bedayti



Nile Wood



Forest

- Raw materials are sourced from our forest located in Sadat City, just 5 km away from the factory.

Production Facility

- The factory over an area of 150,000 m² is under construction in Sadat City, 140 km away from Alexandria Port.
- Total investment cost stands at c. EGP 2 bln. Factory is set to have a capacity of 200,000 m³/year up 43% from the initial plan.
- The production line has been supplied from Dieffenbacher, Heat Plant supplied from Vynke and Refiner from Andritz. All the equipment has been delivered at site..
- Production anticipated H1 2024.

Strategy

- To concentrate on supplying raw MDF boards with a production capacity of 655 m³/day.
- Capacity to be doubled to reach a production of 1,300 m³/day through adding one new production line
- Upon the success of Phase I, additional lines will be added to produce value added products to be used in flooring, lamination, doors, etc.

Recent Developments

- EKH entered into a joint venture agreement with leading MDF German Producer Homann Holzwerkstoffe GmbH. selling a 27% stake in it's subsidiary **Global MDF Industries BV**.

MDF Factory



Forest



Nile Wood – MDF PRODUCTION PROCESS



Chipping Line



Refining



Glueing



Nile Wood – MDF PRODUCTION PROCESS



Forming Line



Press System



Sanding Line



Cutting Line



SHAREHOLDER RETURNS & FINANCIAL HIGHLIGHTS



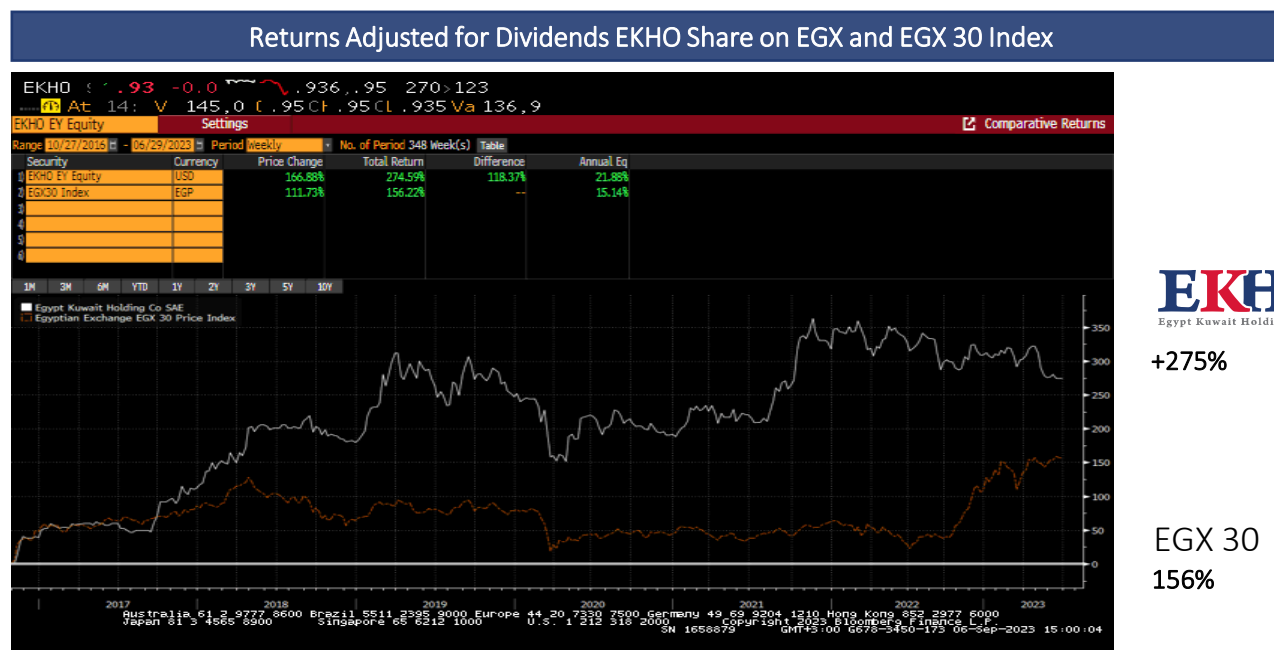
Share Performance & Shareholder Returns (EGX)

Share Information

- Number of shares listed on both EGX & Boursa Kuwait : 1.126. bln
- Market Cap as of 30th Jun 2023: US\$ 1.2 bln (EGP 38 bln)

Returns

- 2016 – H1 2023: EKHO up 275% vs 156% for EGX30



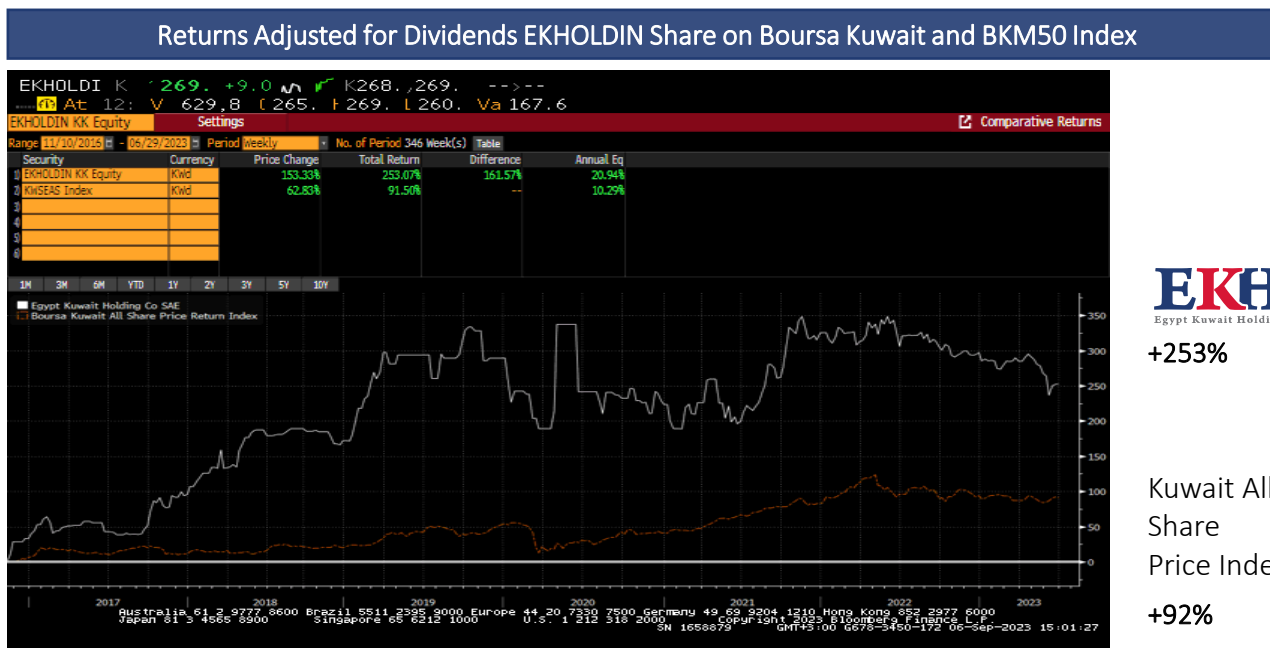
Share Performance & Shareholder Returns (Boursa Kuwait)

Share Information

- Number of Shares Listed on Kuwait Bourse in Dinars: 572 mln

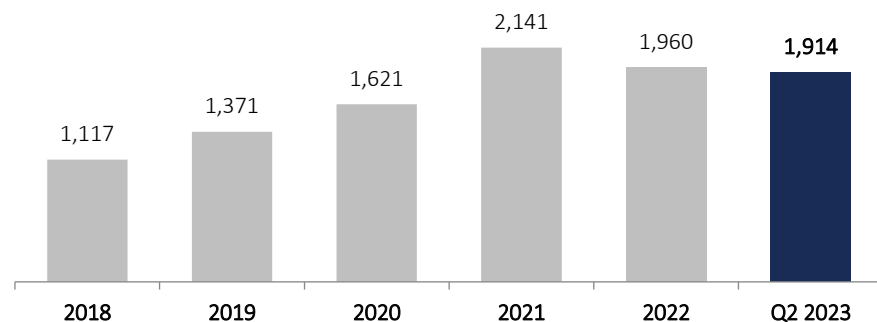
Returns

- 2016 – H1 2023: EKHOLDIN up 253% vs 92% for Boursa Kuwait All Share Price Return Index

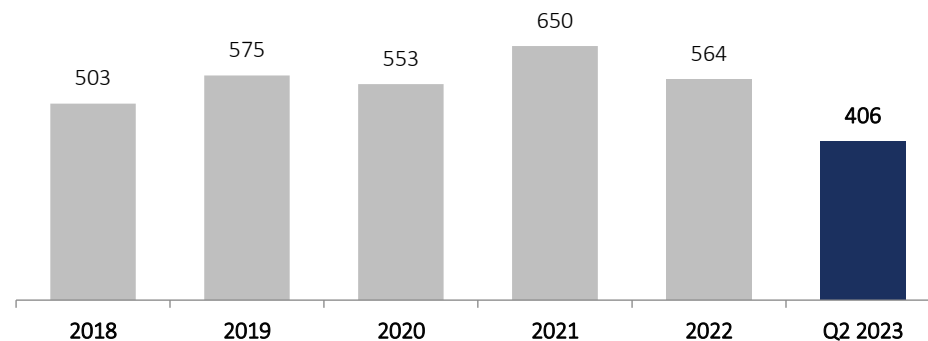


Financial Highlights

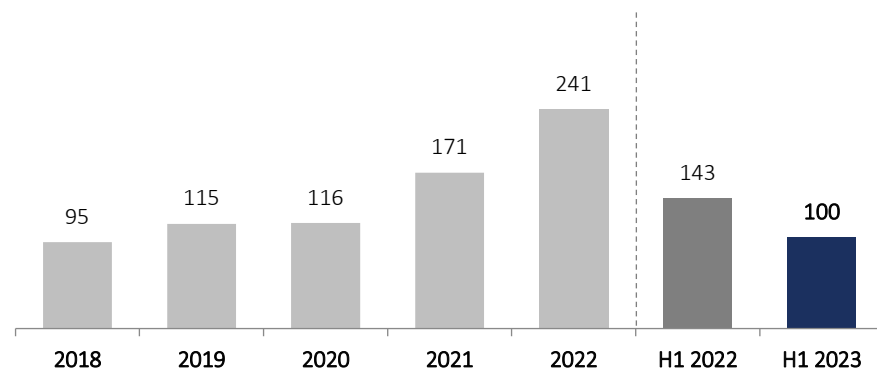
Total Assets (USD Mn)



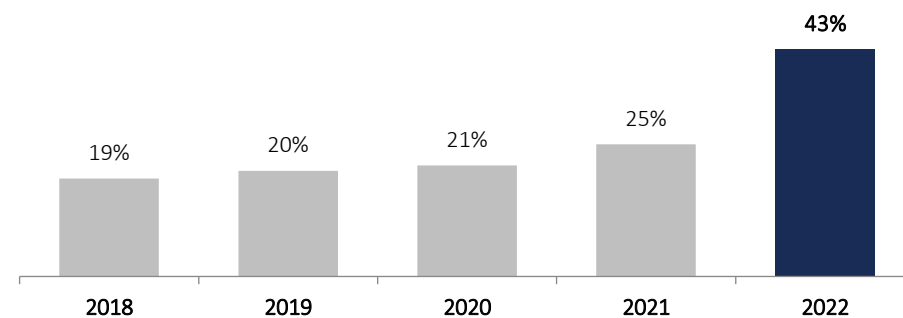
Total Equity of the owners of the Parent Company (USD Mn)



Attributable Net Profit (USD Mn)



Return on Equity (ROE)



EBITDA & Debt Overview

Attributable EBITDA

(In '000 USD)	Q1 2023	Q2 2023
Fertilizers and Petrochemicals	59,808	26,927
Energy & Energy Related	21,725	20,849
Diversified	7,643	14,409
Attributable EBITDA	89,175	62,186

Net Debt (Cash)

(In '000 USD)	Q1 2023
Long-term interest-bearing debt	605,866
Short-term interest-bearing debt	231,008
Gross interest-bearing debt	836,874
Cash & Cash Equivalents	(906,599)
Consolidated Net debt (cash)	(69,725)
Attributable Net debt (cash)	70,096

* According to EAS

APPENDIX 1:
MANAGEMENT
TEAM, BOARD
MEMBERS, TIMELINE
& CORPORATE
CITIZENSHIP



Board of Directors



Mr. Loay Jassim Al-Kharafi
Chairman of the Board
(Non-Executive)



Mr. Adel Al-Alfi
Vice Chairman of the Board
(Non-Executive)



Eng. Sherif El Zayat
CEO
(Executive)



Mr. Moataz Al-Alfi
Member of the Board
(Non-Executive)



Eng. Ibrahim Mahlab
Member of the Board
(Non-Executive)



Mr. Saad Al-Saad
Member of the Board
(Non-Executive)



Ms. Heba Nasser Al Kharafi
Member of the Board
(Non-Executive)



Sheikh Mubarak Abdulla Al-Mubarak Al-Sabah
Member of the Board
(Non-Executive)



Mr. Hussein Al-Kharafi
Member of the Board
(Non-Executive)



Mr. Talal Jassim Al-Kharafi
Member of the Board
(Non-Executive)



Eng. Amin Abaza
Member of the Board
(Non-Executive)
Independent



Eng. Osama Kamal
Member of the Board
(Non-Executive)



Eng. Hesham Mekawi
Member of the Board
(Non-Executive)



Mr. Sherif Samy
Member of the Board
(Non-Executive)



Mr. Hussam Mohamed El-Sayed
Member of the Board
(Non-Executive)



Mr. Waleed El Zorba
Member of the Board
(Non-Executive)
Independent



Dr. Abeer El Kholi
Member of the Board
(Non-Executive)



Dr. Walid Hegazy
Member of the Board
(Non-Executive)



Mr. Mohamed Kamel
Member of the Board
(Non-Executive)

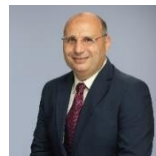
Management Team



Eng. Sherif El Zayat
Chief Executive Officer



Mr. Medhat Bonna
Group Chief Financial
Officer



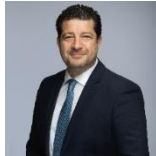
**Mr. Khaled El-
Demerdash**
Group Legal Counsel



Mr. Tamer Badrawi
Chief Human Resources
& Communication
Officer



Mrs Angie Helmi
Chief Investment Officer



Mr. Hany Ezzat
Group Treasurer



Mr. Alaa El Banna
Senior Sector Head -
Fertilizers



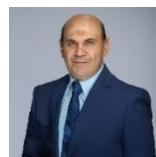
Mr. Elhamy El Sheikh
Senior Sector Head - Gas
Distribution & Electricity



Mr. Ahmed El -Chourbagy
Senior Sector Head – Non-
Banking Financial Services



Mr. Ahmed Boghdady
Sector Head —
Insurance

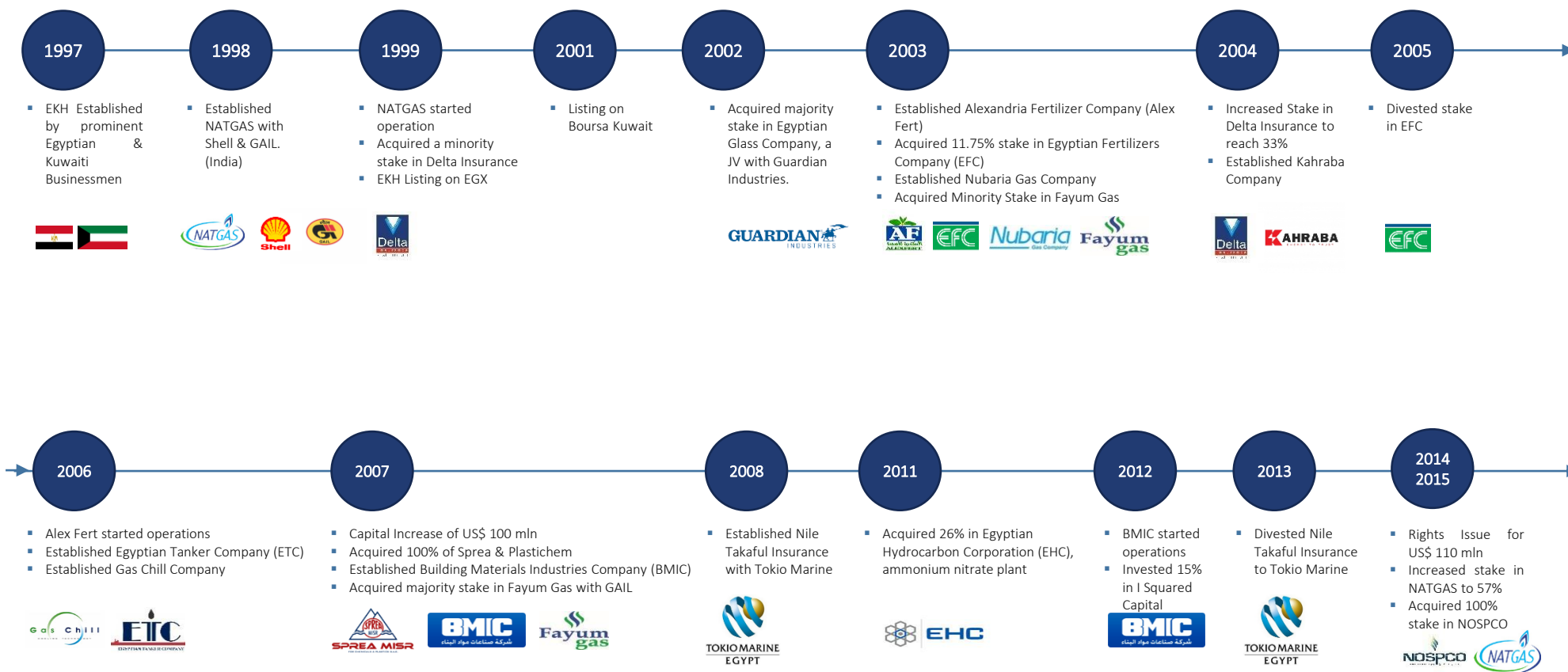


Mr. Hany Azzam
Head of Corporate
Governance

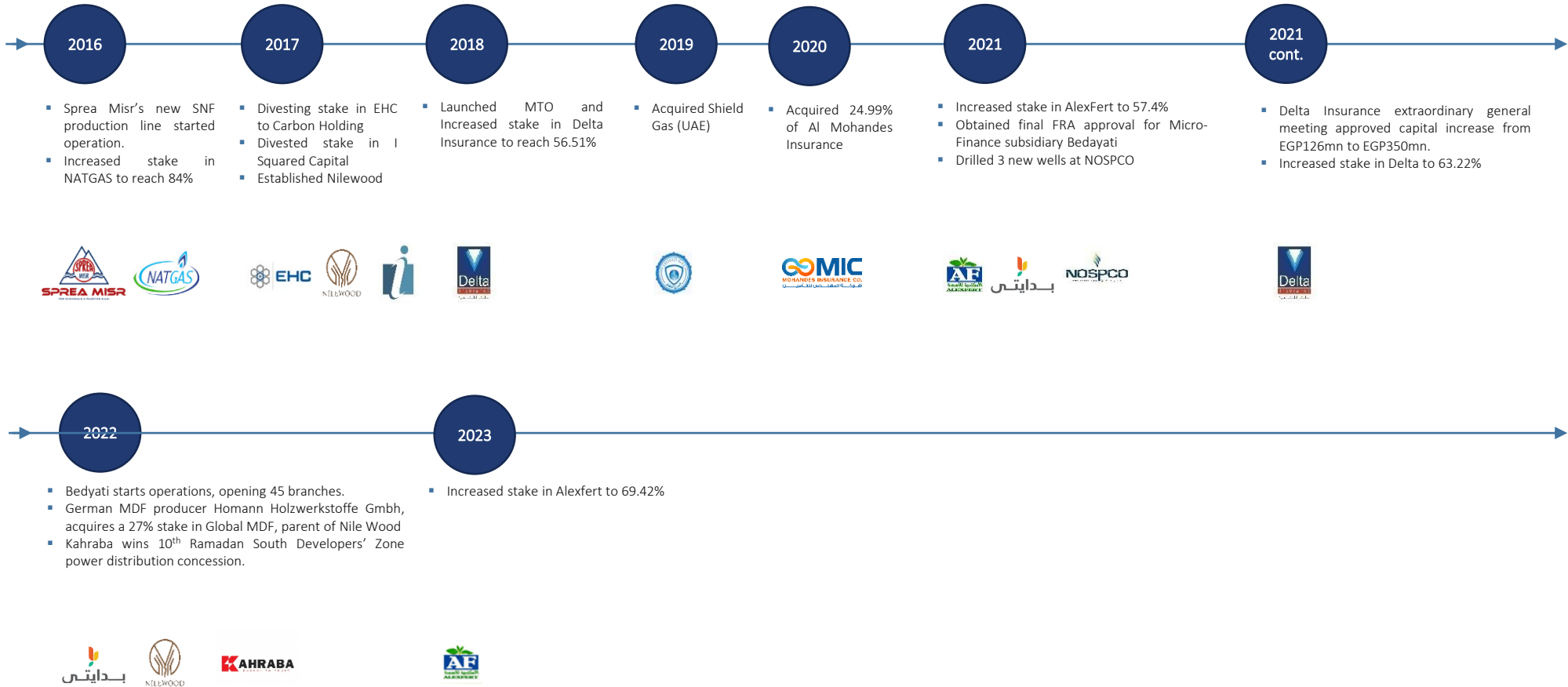


Mr. Mohamed Wafaei
Head of Internal Audit

Key Milestones



Key Milestones



Corporate Citizenship

Egypt Kuwait Holding (EKH) prides itself on actively participating in sustainable development, focusing on improving communities in the emerging economies in which it does business and working diligently to create a better future for coming generations. From educational initiatives and contributions to NGOs and charities, to stringent measures aimed at minimizing its environmental footprint, EKH remains deeply committed to ensuring a sustainable future.

Corporate Governance

Egypt Kuwait Holding (EKH) is committed to promoting a responsible, ethical business culture which safeguards the interests of our shareholders, stakeholders, and the environment in which we operate. EKH assesses its policies and performance with respect to its Business Principles; Code of Conduct; Health, Safety, Security and Environment (HSSE) policies; and major issues of public concern on behalf of the Board. Our corporate governance policies and practices are guided by internationally recognized standards such as the OECD Principles of Corporate Governance.

Corporate Social Responsibility (CSR) Projects

From its support of NGOs through applications and donations, to its involvement in spreading software knowledge to Egyptian universities, Egypt Kuwait Holding is proud to have participated in numerous educational initiatives since 2014. EKH offers assistance to surrounding schools, supplying them with computers to further develop students' cognitive and technical skills and providing support for renovating the infrastructure of the educational institutions.

EKH is an active supporter of Injaz Egypt, an organization working to bridge the gap between the education system and the private sector. In partnership with the Ministry of Education and multinational and national companies, the program has positively impacted 500,000 Egyptian students in more than 451 public schools and 21 universities in 26 governorates since its establishment in 2003. Injaz Egypt is a member nation of Junior Achievement, a global economic education organization with a presence in over 100 countries, impacting over 8 million youth worldwide.

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