



Egypt Kuwait Holding

Integrated Investments Generating  
Superior Returns

Investor Presentation  
9M 2023

November 2023



# EKH OVERVIEW



# EGYPT KUWAIT HOLDING “EKH”

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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><b>Sprea Misr</b> Petrochemicals Plant</p> <p>Effective EKH Ownership <b>100.00%</b></p>	 <p><b>NatEnergy</b> Gas Distribution and Electricity Generation &amp; Distribution Holding Company</p> <p>Effective EKH Ownership <b>100.00%</b></p>	 <p><b>Delta Insurance</b> Life, Property &amp; Casualty Insurance</p> <p>Effective EKH Ownership <b>63.22%</b></p>
 <p><b>AlexFert</b> Ammonia, Urea Fertilizer and Ammonium Sulfate Plant</p> <p>Effective EKH Ownership <b>75.13%*</b></p>	 <p><b>Offshore North Sinai</b> Upstream Gas</p> <p>Effective EKH Ownership <b>100.00%</b></p>	 <p><b>El Mohandes Insurance</b> Life, Property &amp; Casualty Insurance</p> <p>Effective EKH Ownership <b>24.99%</b></p>
 <p><b>Nilewood (under construction)</b> MDF, Forestry and Waste Management</p> <p>Effective EKH Ownership <b>73.00%</b></p>		 <p><b>Bedayti</b> Microfinance and Consumer Finance</p> <p>Effective EKH Ownership <b>100.00%</b></p>

\* In Q4 2023 EKH acquired an additional 9.45% stake in Bawabet Al Kuwait resulting in increasing its direct and indirect stake in AlexFert to 75.13%

# 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

**c. 6,500**

Professionals employed by the holding company and its subsidiaries

**USD 431 mln**

Total equity book value

**23 %**

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

**>20%**

Average ROE in the past 5 years

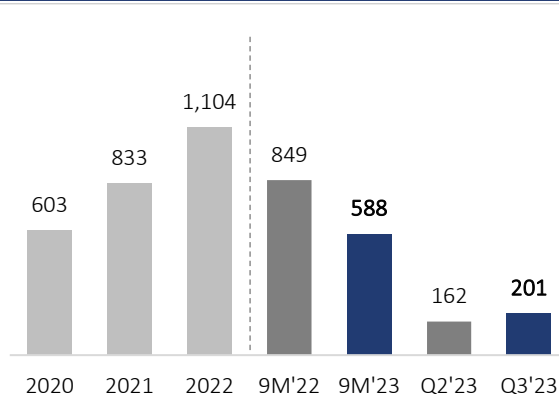
**41 %**

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

**EGP 41 bln**

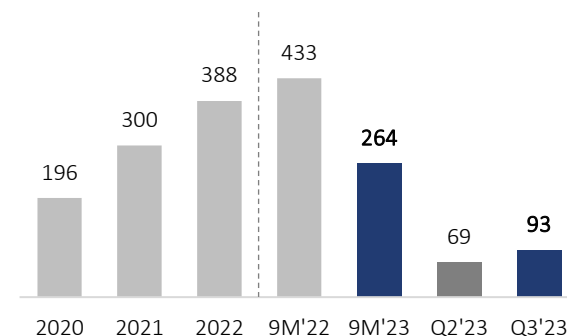
Market Cap 25<sup>th</sup> Oct 2023

Recurring Revenues in US\$ mln

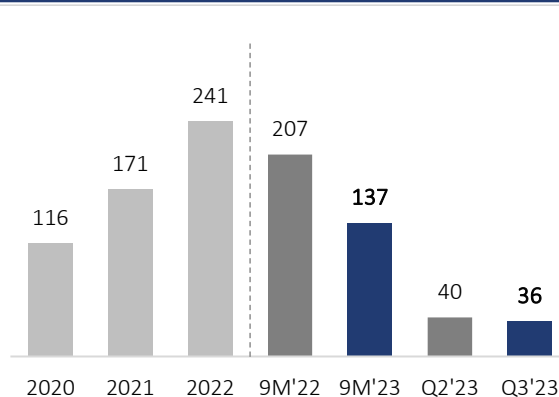


Recurring Attributable EBITDA in US\$ mln

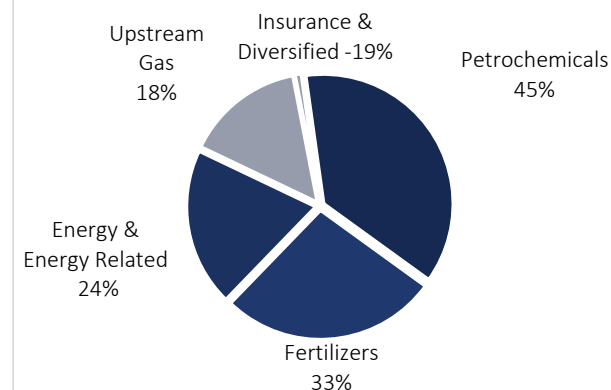
EBITDA margin 9M 2023: 45%



Recurring Attributable Net Profit in US\$ mln



Attributable Net Income by Sector | 9M 2023



\* According to EAS

# RECENT DEVELOPMENTS

## Increased Direct and Indirect Ownership Stake in Alexfert to 75.13%

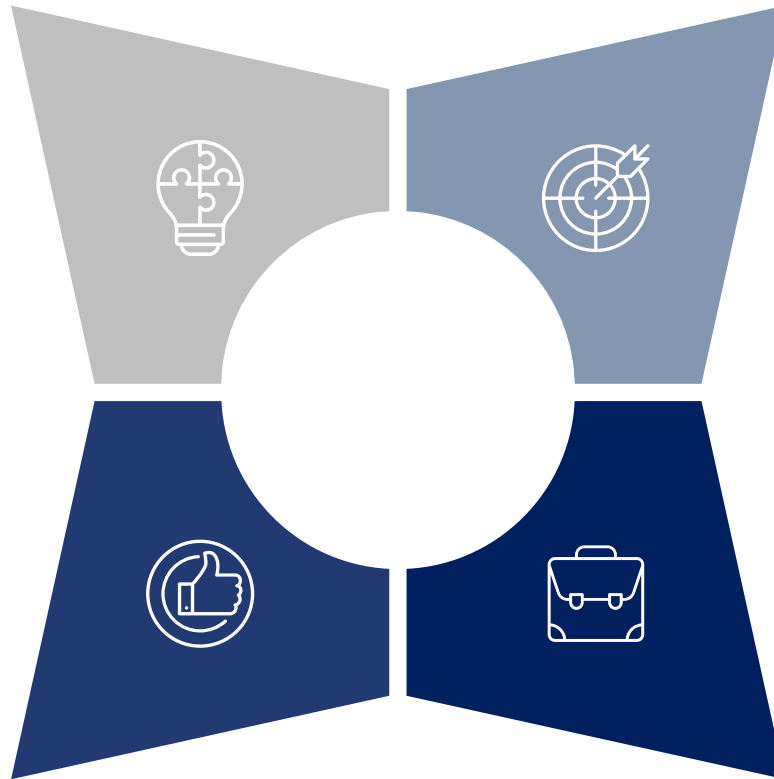
EKH recently announced increasing its stake in Bawabet Al Kuwait Holding Co. to 94.34%, following the purchase of an additional 9.45% stake for USD 47.5 million.

As a result of the transaction, EKH's combined direct and indirect stake in Alexfert now stands at 75.13%. .

## NOSPCO Awarded Preliminary Approval to Extend Concession by a Further 10 Years

EKH recently received preliminary approval to extend its offshore concession by 10 years from the date of final approval.

The extension is anticipated to allow NOSPCO to continue operating its Offshore North Sinai concession until 2034. NOSPCO is currently finalizing the required regulatory approvals to effectuate the extension.



## Kahraba Awarded EPC and O&M Power Distribution Agreement with Centamin

EKH's downstream energy player 'Kahraba' won the tender issued by Centamin, the operator the Sukari Gold Mine – one of the world's largest producing gold mines – to build a 50MW onsite substation and high-voltage power distribution lines as well as a long-term contract for the operation and maintenance of the facilities. This is a landmark deal that cements Kahraba's position as a key player in the energy distribution sector in Egypt.

## FD6 production line commissioned at Sprea

EKH has recently commissioned a new FD6 production line with an annual capacity of 50 KTPA, bringing total annual production capacity to over 190 KTPA

## Bedayti to open 10 new branches

Bedayti plans to open an additional 10 branches throughout 2024, in an effort to capitalize on the impressive performance seen since it first commenced operations in Q1 2022

# GROWTH DRIVERS



# SPREA MISR



Founded in 1989 and acquired by EKH in 2007  
A state of the art petrochemicals production facility located in 10<sup>th</sup> of Ramadan over 103k m<sup>2</sup>.

**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**

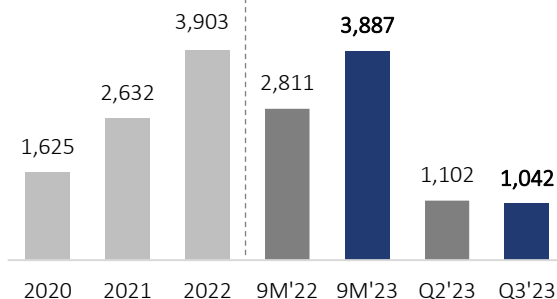
Sulfuric Acid capacity

**1,111**

employees

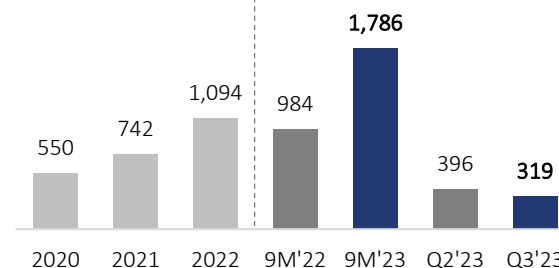
\* According to EAS

## Revenues in EGP mln

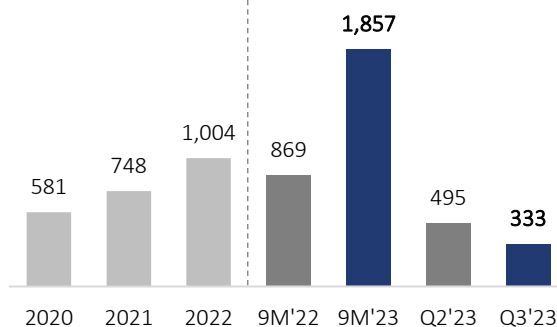


## EBITDA in EGP mln

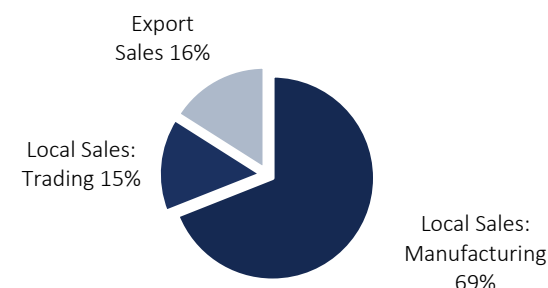
EBITDA margin 9M 2023: 45%



## Net Profit in EGP mln



## Sales Mix 9M 2023



## Recent Developments

### Dry SNF

<b>Capacity</b>	Additional 15 KTPA to reach 37.6 KTPA
<b>Production Start Date</b>	Q3 2023
<b>Status</b>	Operational – Additional 15 KTPA



### Powder & Liquid Glue

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



### Formaldehyde Line

<b>Capacity</b>	Additional 50 KTPA
<b>Production Start Date</b>	Q3 2023
<b>Status</b>	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. 882 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

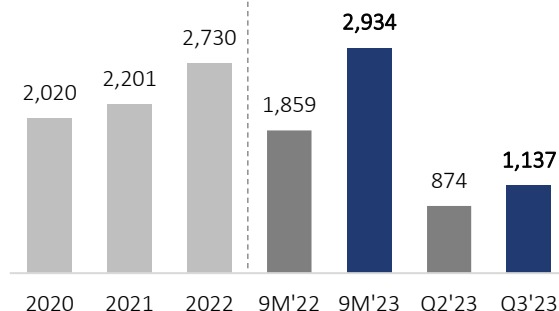
**3,000 +**

employees

**100%**

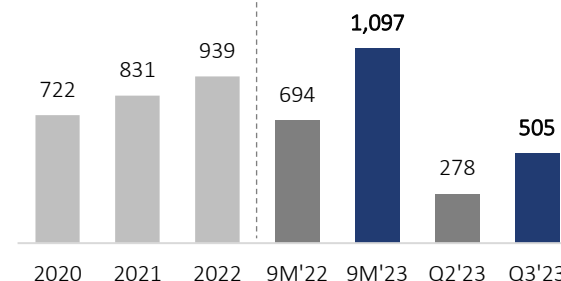
Effective EKH ownership

Revenues in EGP mln

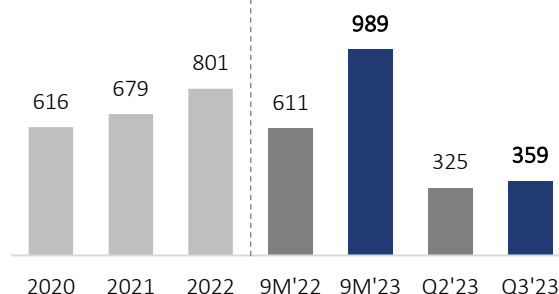


EBITDA in EGP mln

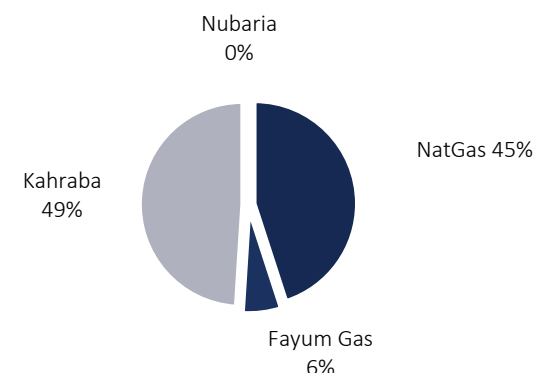
EBITDA margin 9M 2023: 37%



Attributable Net Profit in EGP mln



Profitability by Subsidiary 9M 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.
- During 2022, Kahraba invested an additional US\$ 10 mln to acquire 20 MW power generation capacity. The additional capacity is anticipated to be commissioned in Q4 2023 increasing total installed power generation capacity to 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
- In Oct 2023, Kahraba won a tender issued by Centamin, the operator of the Sukari Gold Mine – one of the world's largest producing gold mines – to build a 50MW onsite substation and high-voltage power distribution lines as well as a long-term contract for the operation and maintenance of the facilities.



# ALEXFERT



Established by EKH in 2003. It operates a fertilizer production facility in Alexandria over an area of 110,000 m<sup>2</sup>.

**640 ktpa**

Urea Production  
Capacity

**180 ktpa**

ammonium sulphate  
capacity

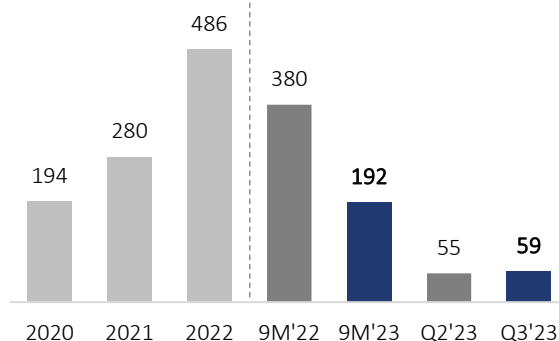
**488**

employees

**75.13%**

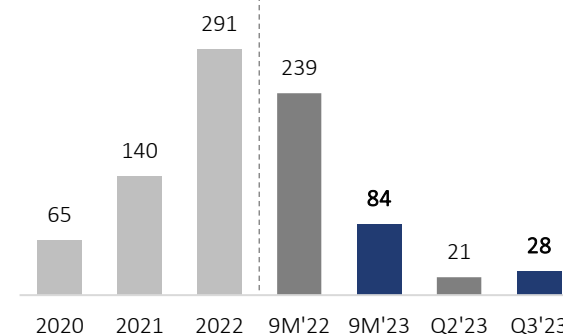
Effective EKH ownership.

Revenues in US\$ mln

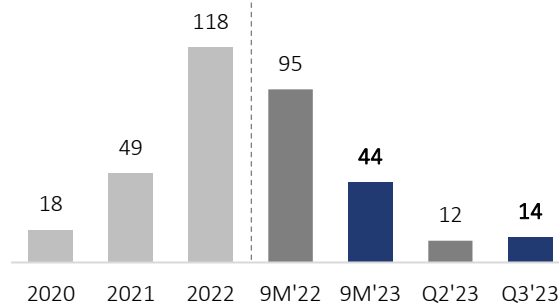


EBITDA in US\$ mln

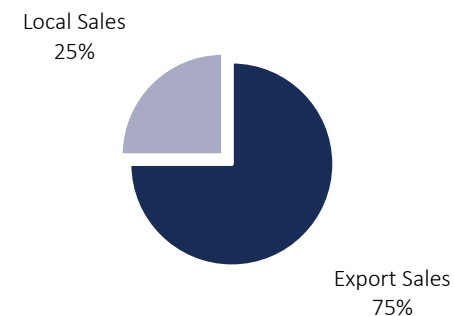
EBITDA margin 9M 2023: 44%



Attributable Net Profit in US\$ mln



Sales Mix



# OFFSHORE NORTH SINAI CONCESSION (ONS)



440 km<sup>2</sup> concession located 56 Km offshore of Port Said. Facilities include pipeline to shore + processing facilities (Romana)

**5**

Operative wells

**50** MMSCFd

Daily production 2023

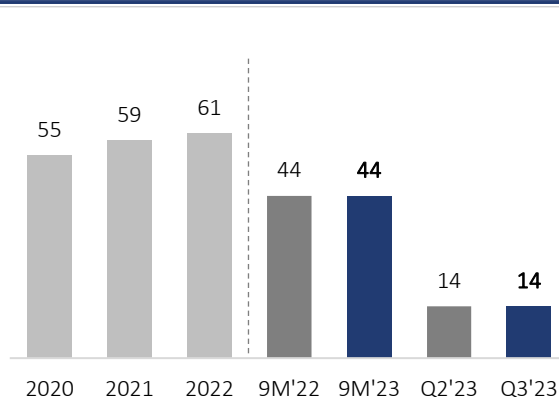
**443** km<sup>2</sup>

A presidential decree has approved the expansion of ONS' concession area by 140 km<sup>2</sup> to reach 443 km<sup>2</sup>.

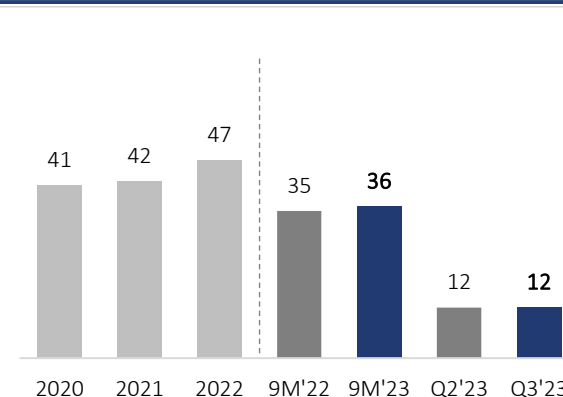
**100%**

Effective EKH ownership of ONS.

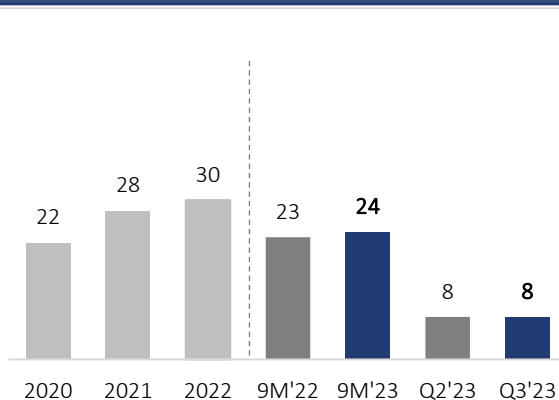
Revenues in US\$ mln



EBITDA in US\$ mln



Net Profit in US\$ mln



Net Entitlement



\* According to EAS

# OFFSHORE NORTH SINAI CONCESSION (ONS)

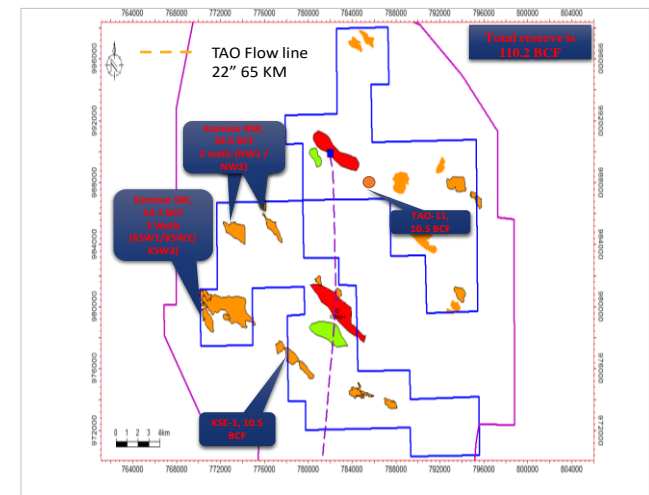
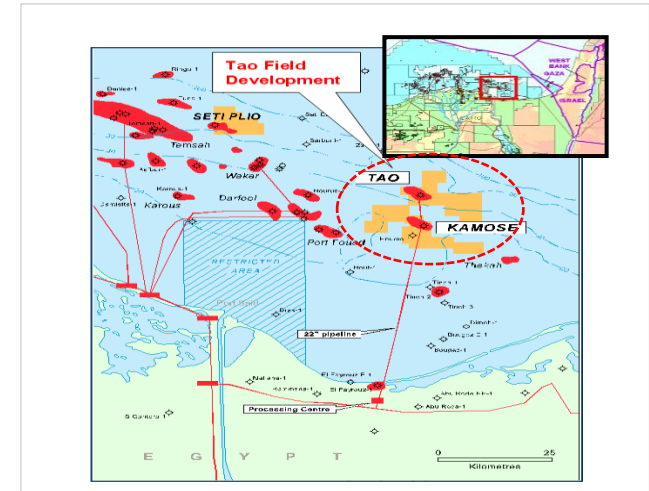
## Overview of Concession and CAPEX Plan

### 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 km<sup>2</sup>. 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 1<sup>st</sup> 2017 on all new gas.
- In January 2023, succeeded in expanding the concession area to by 140 km<sup>2</sup> from km<sup>2</sup> to 440 km<sup>2</sup>.

### 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

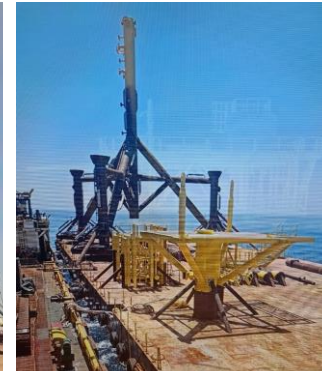


Office Camp in Rumana  
CPF

## 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.

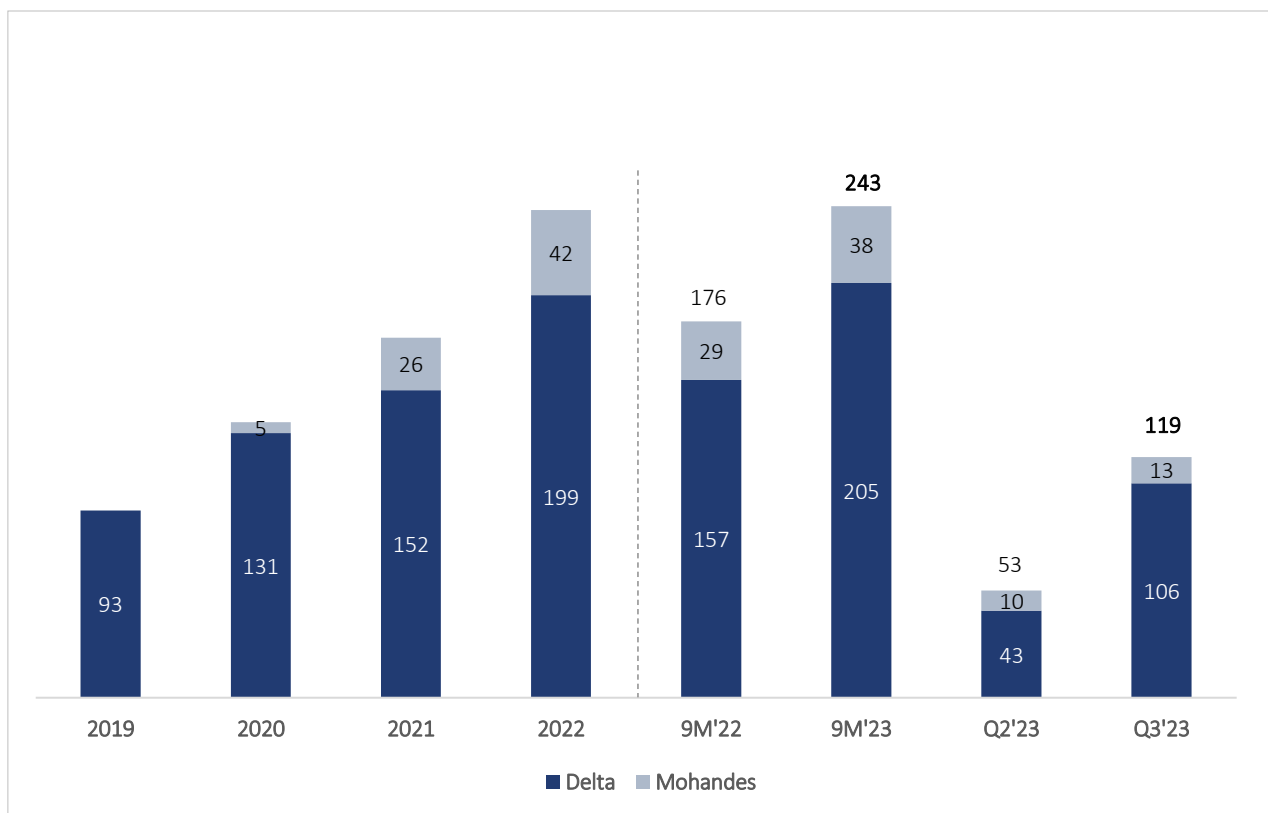
## Delta Insurance

- 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.

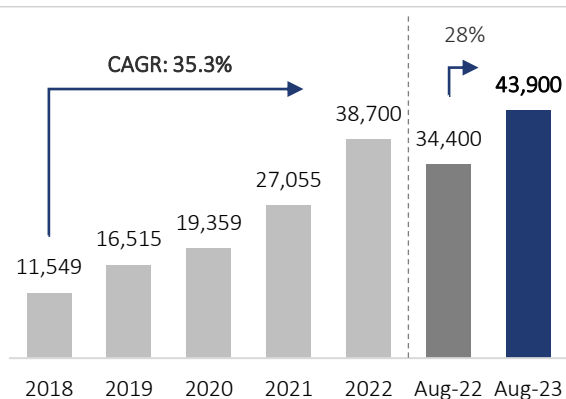
## Bedayti Q2 2023 Performance

- As of Q3 2023, Bedayti opened 50 branches in 11 governorates throughout Egypt.
- Key Performance Indicators up to Nov 2023:
  - Total disbursed loans: EGP 1.6 bln
  - Outstanding loans: EGP 910 mln
  - No. of Customers: >52,000
  - Average Ticket Size: EGP 20,000

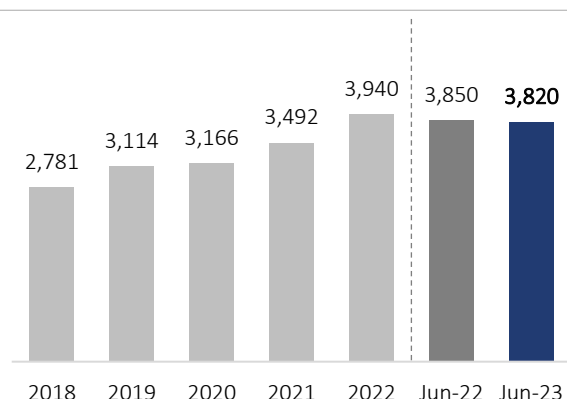
## Microfinance sector in Egypt is promising:

- 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.

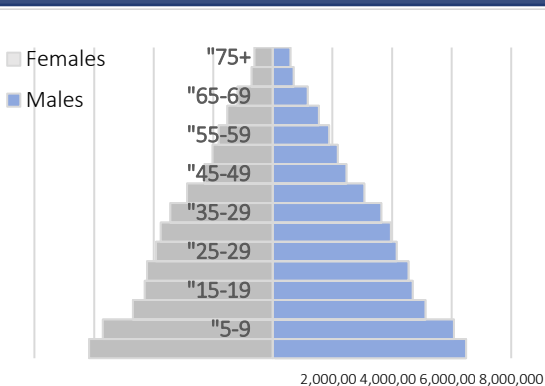
Egypt's Total Microfinance Loans EGP mln



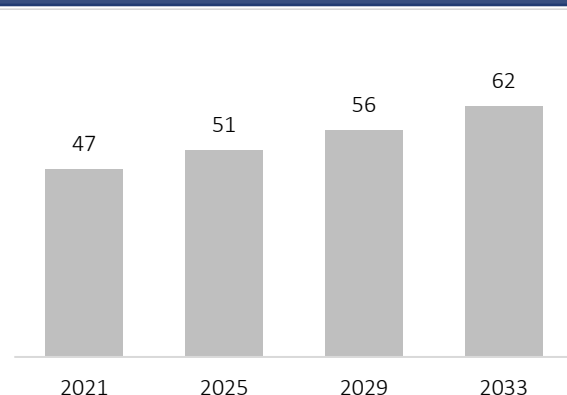
No. of Microfinance Loan Beneficiaries in Egypt '000



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 m<sup>2</sup> 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 m<sup>3</sup>/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 m<sup>3</sup>/day.
- Capacity to be doubled to reach a production of 1,300 m<sup>3</sup>/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.

## Strategic Partner

- 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 25<sup>th</sup> Oct 2023: US\$ 1.3 bln (EGP 41 bln)

## Returns

- 2016 – Q3 2023: EKHO up 217% vs 3% for EGX30

## Returns Adjusted for Dividends EKHO Share on EGX and EGX 30 Index



**EKH**  
Egypt Kuwait Holding

+217%

EGX 30  
3%

# Share Performance & Shareholder Returns (Boursa Kuwait)

## Share Information

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

## Returns Adjusted for Dividends EKHOLDIN Share on Boursa Kuwait and BKM50 Index



**EKH**  
Egypt Kuwait Holding

+208%

Kuwait All  
Share  
Price Index

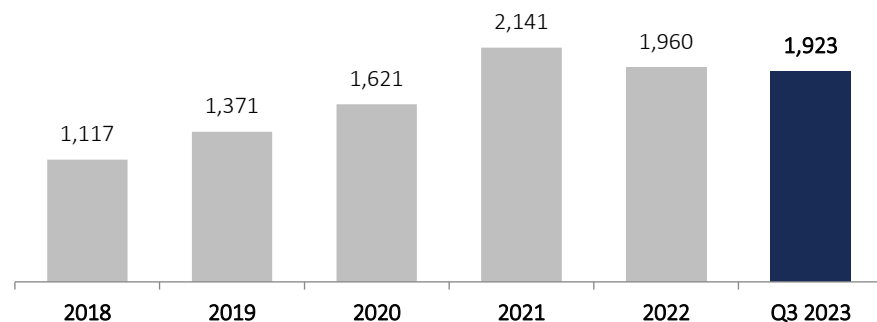
+81%

## Returns

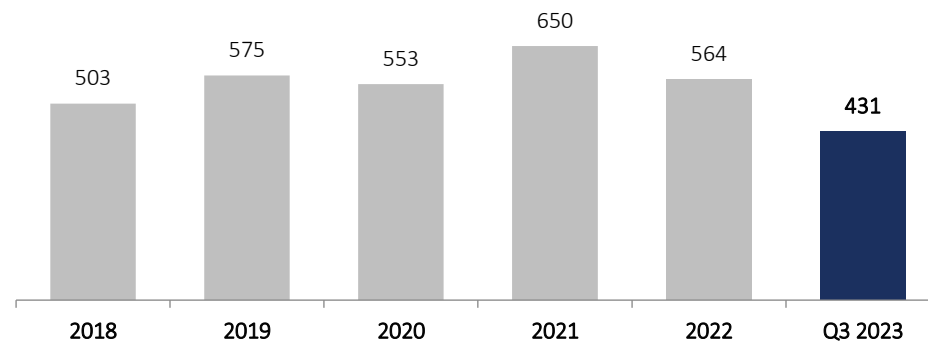
- 2016 – Q3 2023: EKHOLDIN up 208% vs 81% for Boursa Kuwait All Share Price Return Index

# Financial Highlights

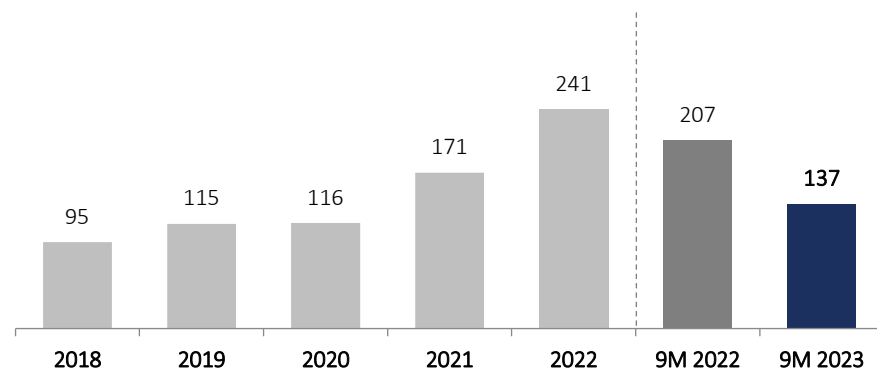
Total Assets (USD Mn)



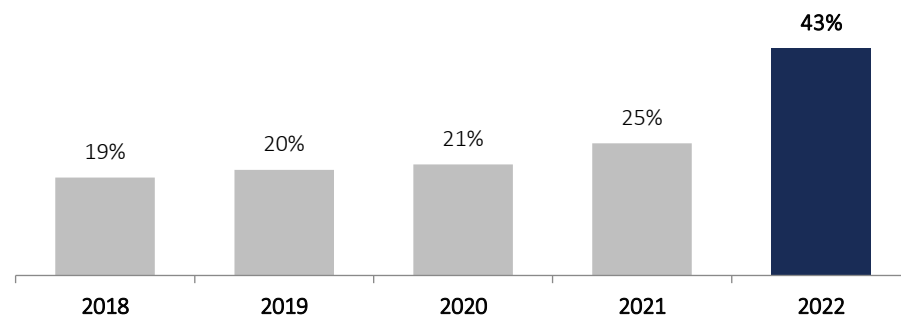
Total Equity of the owners of the Parent Company (USD Mn)



Attributable Net Profit (USD Mn)



Return on Equity (ROE)



# EBITDA & Debt Overview

## Attributable EBITDA

(In '000 USD)	Q2 2023	Q3 2023
Fertilizers and Petrochemicals	26,927	29,257
Energy & Energy Related	20,334	37,474
Diversified	14,944	15,245
<b>Attributable EBITDA</b>	<b>62,206</b>	<b>81,976</b>

## Net Debt (Cash)

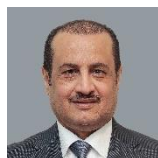
(In '000 USD)	Q1 2023
Long-term interest-bearing debt	557,124
Short-term interest-bearing debt	242,705
<b>Gross interest-bearing debt</b>	<b>799,829</b>
Cash & Cash Equivalents	(904,712)
<b>Consolidated Net debt (cash)</b>	<b>(104,883)</b>
<b>Attributable Net debt (cash)</b>	<b>47,218</b>

\* 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)



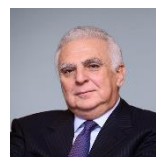
**Sheikh Mubarak Abdulla Al-Mubarak Al-Sabah**  
Member of the Board  
(Non-Executive)



**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)



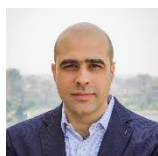
**Mr. Hussam Mohamed El-Sayed**  
Member of the Board  
(Non-Executive)



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



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



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

# Management Team

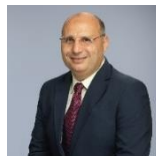
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**Eng. Sherif El Zayat**  
Chief Executive Officer



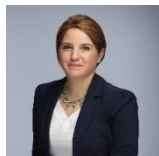
**Mr. Medhat Bonna**  
Group Chief Financial Officer



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



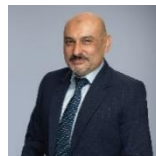
**Mr. Tamer Badrawi**  
Chief Human Resources & Communication Officer



**Mrs Angie Helmi**  
Chief Investment Officer



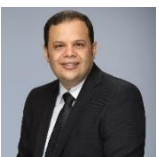
**Mr. Hany Ezzat**  
Group Treasurer



**Mr. 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

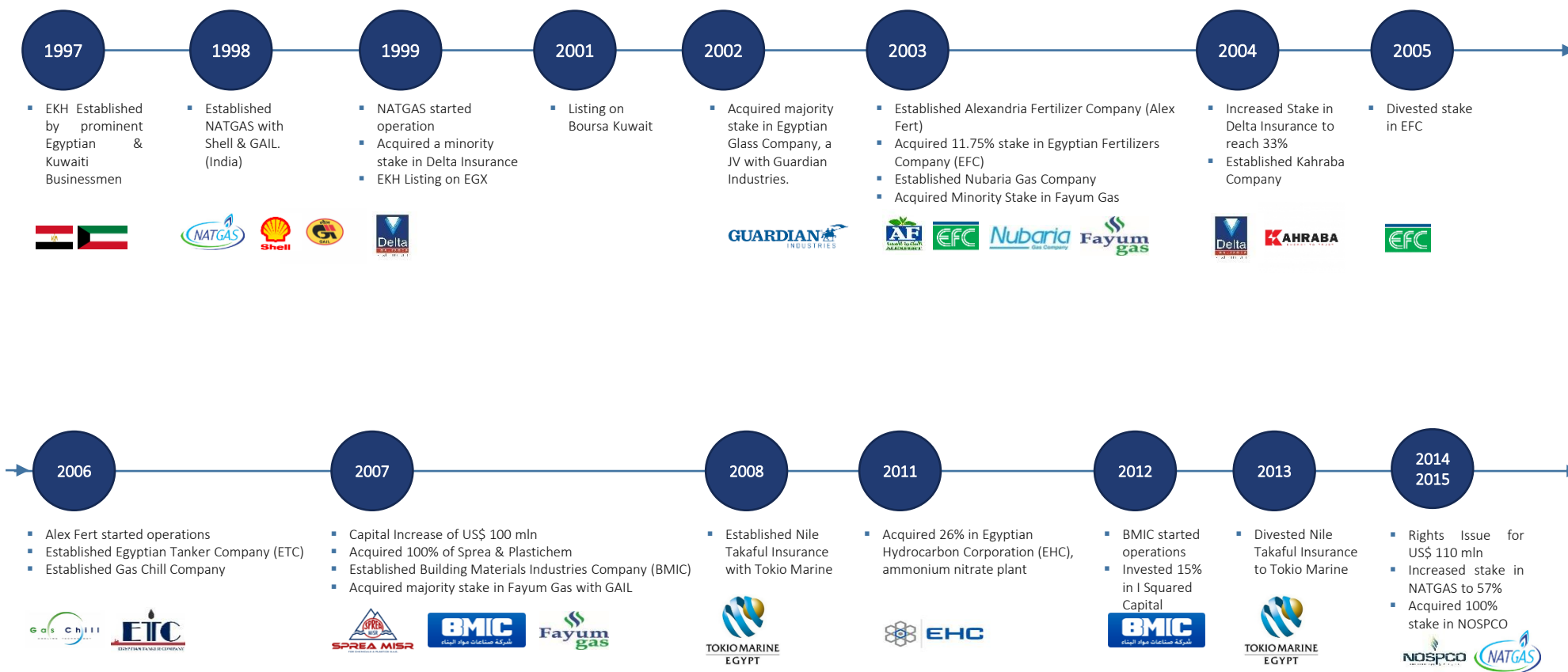


**Mr. Hany Azzam**  
Head of Corporate Governance



**Mr. Mohamed Wafaei**  
Head of Internal Audit

# Key Milestones



# Key Milestones



# Corporate Citizenship

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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.

# Disclaimer

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