

Board of Directors Annual Report
Egypt Kuwait Holding Company
For the financial year ended 31/12/2023

(Prepared in accordance with the provisions of Article 40 of the EGX Listing Rules)

Company Name	: Egypt Kuwait Holding Company
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▪ **Basic Information:**

Company purpose	: Investment in all areas mentioned in Article One of Law No. 230 of 1989, provided that none of its purposes is to accept deposits or carry out banking business, and includes the following activities: A- Promotion and coverage of subscription to securities. B- Participate in the establishment of companies that issue securities or increase their capital. C- Venture capital. The company may conduct other projects or modify its activity within the framework of the provisions of the law. It may also contribute or participate in any way in sub-activities, taking into consideration the provisions of the law, No. 95 of 92 and the approval of the Egyptian financial regulatory Authority.
Company Duration	: 25 years starting from 12/7/1997 Expires on 11/7/2022 According to the resolution of the extraordinary general assembly of the company, held on 31/3/2022, it was approved to extend the company's term of work for the next 25 years ending on 11/7/2047.
The law to which the company is subject	: Investment Law.
Authorized Capital	: USD 500,000,000
Issued capital	: USD 281,721,321.75
Paid-up capital	: USD 281,721,321.75
Nominal value per share	: 25 US cents per share
Date of listing on the EGX	: 27/1/1999
Number and date of registration in the commercial register	: 114648 (Investment) on 20/7/1997

▪ **Investor Relations**

Contact Person Name	: Mr. Khaled Mohammed El-Demerdash Mr. Hany Yousef Azzam Mr. Omar Yasser Yehia Mohamed Nashaat
Head Office Address	: 14, Hassan Mohamed El Razzaz Street – (EX-Nawal) – Dokki – Giza
Phone Number	: 02/33363300
Fax Number	: 02/33358989
Website	: www.ekholding.com
E-mail Address	: info@ekholding.com

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▪ **The External Auditor**

Auditor Name	:	Mr. Walid Abdel Halim Gad Abdel Wahed – Partner at KPMG Hazem Hassan
Date of appointment	:	30/3/2023 - According to the resolution of the ordinary general assembly of the company held on the same date.
Authority Registration Number	:	396
Date of registration in the Authority	:	14/9/2021

▪ **Shareholder structure and ownership percentage of board members**

Holders of 5% of the company's shares or more	Number of shares at 31/12/2023	Contribution %
*Kuwait Clearing Company	569,516,523	50.539 %
Total Contributions of Moon Capital Fund Entities	61,856,016	5.489 %
Total	631,372,539	56.028 %

* The contribution represents the company's shares deposited with the sub-register kept with the Kuwait Clearing Company in Kuwait for approximately (315) shareholders.

The following is a list of the names of the main shareholders who own 5% or more of the company's share capital. (directly or indirectly through groups and related parties), who are registered in the sub-registry for shareholders kept by Kuwait Clearing Company, as follows:

Shareholder Name	Number of shares at 31/12/2023	Contribution %
Mrs. Heba Nasser Mohamed Al-Kharafi and her related parties	126,846,346	11.256%
Mr. Jassim Loay Jassim Al-Kharafi	134,021,651	11.893%
Total	260,867,997	23.149%

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Hazem Eid

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Ownership of the Board of Directors in the company's shares	Number of shares at 31/12/2023	Contribution Percentage
Mr. Loay Jassem Mohamed Al-Kharafi	202,764	0.0180 %
Mrs. Heba Naser Mohamed Al Kharafi	49,821,346	4.4212%
Gulf National Holding Co.	78,112,000	6.6317%
Mr. Moataz Adel Mahmoud Al-Alfi	24,000,000	2.1298%
*Eng. Sherif Alaa Ahmed Hassan Al-Zayat	22,942,503	2.0359%
Action Group Holding Company	26,115,607	2.3175%
National Industries Group Holding Co.	10,110,988	0.8973%
Mr. Hussain Ali Hussain Al-Kharafi	4,858,619	0.4312%
Eastern Economic Development Company	287,684	0.0255%
Al-Kharafi Infra for Building General Contracting Co	204,620	0.0182%
Mask International for General Trading Co.	203,760	0.0181%
Hoor Al Marazeeq for General Trading & Contracting	207,190	0.0184%
Golden Arrow for Real Estate and Stocks Co.	208,820	0.0185%
Shadows for Logistics Services Co.	211,490	0.0188%
Total shares owned by the members of the Board of Directors	217,487,391	19.30%

*On February 5, 2024, Eng. Sherif Alaa Al-Zayat sold 22,700,000 of the company shares, the number of shares he currently owns after completing the sale process is: 242,503 shares, representing 0.022% of the company's capital.

▪ Statement of treasury shares until 31 December 2023:

First: The movement of treasury shares in EGX

<u>Date of purchase</u> <u>(Sale)</u>	<u>Position according to the</u> <u>current statement</u> <u>31/12/2023</u>		<u>Date of purchase</u> <u>(Sale)</u>	<u>Position according to the</u> <u>previous statement</u> <u>31/12/2022</u>	
	<u>Number of</u> <u>shares</u>	<u>Percentage</u> <u>%</u>		<u>Number of</u> <u>shares</u>	<u>Percentage</u> <u>%</u>
<u>(Sale) date</u> 5/4/2023	(211 600)	0.0188	<u>Purchase date</u> 27/10/2022	400 000	0.0355
<u>(Sale) date</u> 6/4/2023	(304 355)	0.0270	<u>Purchase date</u> 30/10/2022	100 000	0.0089
<u>(Sale) date</u> 9/4/2023	(49 045)	0.0044	<u>Purchase date</u> 3/11/2022	65 000	0.0058
Total	(565,000)	0.0502	Total	565,000	0.0502

➤ The balance of treasury shares on the EGX as of 31 December 2023 is: zero.

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Second: Treasury Shares Movement in Boursa Kuwait.

<u>Date of purchase or Sale</u>	<u>Position according to the current statement</u> 31/12/2023		<u>Date of purchase or Sale</u>	<u>Position according to the previous statement</u> 31/12/2022	
	Number of shares	Percentage %		Number of shares	Percentage %
Buy from 14-6-2023 to 31-12-2023	3,997,880	0.2204	---	---	---

➤ The balance of treasury shares on the Boursa Kuwait as of 31 December 2023 is: 3,997,880 shares.

▪ **Formation of the Board of Directors until 31 December 2023**

S	Member Name	Position	Representation	Executive Non-Executive Independent
1-	Mr. Loay Jassem Mohamed Al-Kharafi	Chairman	Himself	(Non-Executive)
2-	Mr. Adel Al-Moataz Adel Mahmoud Al-Alfi	Vice Chairman	Eastern Economic Development Company	(Non-Executive)
3-	Eng. Sherif Alaa Ahmed Hassan Al-Zayat	Managing Director	Himself	(Executive)
4-	Mr. Moataz Adel Mahmoud Al-Alfi	Board Member	Himself	(Non-Executive)
5-	Mrs. Heba Naser Mohamed Al Kharafi	Board Member	Herself	(Non-Executive)
6-	Mr. Saad Mohamed Abdullah Al Saad	Board Member	National Industries Group Holding Co.	(Non-Executive)
7-	Sheikh / Mubarak Abdullah Al-Mubarak Al-Sabah	Board Member	Action Group Holding Company	(Non-Executive)
8-	Mr. Hussain Ali Hussain Al-Kharafi	Board Member	Himself	(Non-Executive)
9-	Mr. Talal Jassem Mohamed Al-Kharafi	Board Member	Al-Kharafi Infra for Building General Contracting Co.	(Non-Executive)
10-	Eng. Ibrahim Rushdi Mohamed Ibrahim Mahlab	Board Member	Mask International for General Trading Co.	(Non-Executive)
11-	Mr. Sherif Samir Mahmoud Samy	Board Member	Gulf National Holding Co.	(Non-Executive)
12-	Mr. Hossam Mohamed El-Sayed Mohamed Hussien	Board Member	Experienced	(Non-Executive)
13-	Dr. Walid Shaker Mohamed Hegazy	Board Member	Hoor Al Marazeeq for General Trading & Contracting	(Non-Executive)

S	Member Name	Position	Representation	Executive Non-Executive Independent
14-	Eng. Osama Mohamed Kamal	Board Member	Golden Arrow for Real Estate and Stocks Co.	(Non-Executive)
15-	Mrs. Sahar Mohamed Kamel Al-Damaty	Board Member	Shadows for Logistics Services Co.	(Non-Executive)
16-	Mr. Mohamed Ibrahim Kamel	Board Member	Hinoses for Construction and Real Estate Development company	(Non-Executive)
17-	Eng. Hisham Saad Makkawi	Board Member	Nubaria Natural Gas Company	(Non-Executive)
18-	Mr. Amin Ahmed Mohamed Osman Abaza	Board Member	---	(Independent)
19-	Mr. Walid Jalal Al-Zorba	Board Member	---	(Independent)

Changes in the structure of the Board of Directors during 2023 until 31 December 2023:

According to EKH General Assembly resolution dated 30/3/2023, new board members have been elected for the next three years, and accordingly the following changes in the structure of the board of directors have been made:

- Electing Mr. Loay Jassem Mohamed Al-Kharafi as Chairman of the Board of Directors representing himself.
- Electing Mrs. Heba Nasser Mohamed Al-Kharafi as a member of the Board of Directors - representing herself.
- Electing Al-Kharafi Infra General Contracting Company for Buildings as a member of the Board of Directors and appointing Mr. Talal Jassem Mohamed Al-Kharafi as its representative.
- Electing of Mr. Hossam Mohamed El-Sayed Mohamed Hussein as an experienced board member.
- Electing MASK International General Trading Company as a member of the Board of Directors and appointing Eng. Ibrahim Rushdi Mohamed Ibrahim Mahlab as its representative.
- Electing Golden Arrow Company for the Sale and Purchase of Real Estate and Shares as a member of the Board of Directors - and appointing Engineer / Osama Mohamed Kamal as its representative.

- Electing of Gulf National Holding Company as a member of the Board of Directors and appointing Mr. Sherif Samir Mahmoud Sami as its representative.
- Electing Hoor Al-Maraziq General Trading and Contracting Company as a member of the Board of Directors and appointing Ms. Maha Ahmed Abbas Jumaa as its representative.
- Electing Shadows Logistics Company as a member of the Board of Directors - and appointing Mrs. Abeer Ahmed Mahmoud Abd Rabbo as its representative.
- Appointment of Mr. Hisham Saad Makkawi as a representative of Nubaria Natural Gas Company instead of its previous representative.
- Appointing Mr. Mohamed Ibrahim Kamel as a representative of Hinoses for Construction and Real Estate Development instead of its previous representative.
- Discontinued the membership of Mohammed Abdul Mohsen Al-Kharafi & Sons General Trading and Contracting Company on the Board of Directors.
- Discontinued the membership of International Financial Investments Company on the Board of Directors.
- Discontinued the membership of the Egyptian Petrochemical Company on the Board of Directors.
- Discontinued the membership of Globe Telecom on the Board of Directors.
- Discontinued the membership of International Petrochemical Co. on the Board of Directors.
- Discontinued the membership of Nat Energy on the Board of Directors.

During the year 2023, the following amendments were made on the Board of Directors:

- Appointing Dr. Walid Shaker Mohamed Mohamed Ali Hegazy representing Hoor Al-Maraziq General Trading and Contracting Company instead of its previous representative, Miss. Maha Ahmed Abbas.
- Appointing Mrs. Sahar Mohamed Kamel Al-Damaty representing Shadows for Logistics Services Co. Instead of its previous representative, Mrs. Abeer Ahmed Mahmoud Abd Rabbo.

▪ Subsequent events.

➤ In accordance with the resolutions of the company's Board of Directors held on February 1, 2024, it was resolved:

- To approve Eng. Sherif Alaa El-Zayat's request to be relieved from his position as Managing Director of Egypt Kuwait Holding Company for personal reasons, effective as of his last working day on 31/3/2024.
- To appoint Mr. Michael Jon Rokk as a member of the Board of Directors, representing Gulf National Holding Company.
- To appoint Mr. Michael Jon Rokk as the second managing director.

According to the above, the Formation of the current Board of Directors and the number of shares owned by members of the Board of Directors are as follows:

S	Member Name	Position	Representation	Executive Non-Executive Independent
1-	Mr. Loay Jassem Mohamed Al-Kharafi	Chairman	Himself	(Non-Executive)
2-	Mr. Adel Al-Moataz Adel Mahmoud Al-Alfi	Vice Chairman	Eastern Economic Development Company	(Non-Executive)
3-	Eng. Sherif Alaa Ahmed Hassan Al-Zayat	Managing Director	Himself	(Executive)
4-	Mr. Michael Jon Rokk	Second managing director	Gulf National Holding Co.	(Executive)
5-	Mr. Moataz Adel Mahmoud Al-Alfi	Board Member	Himself	(Non-Executive)
6-	Mrs. Heba Naser Mohamed Al Kharafi	Board Member	Herself	(Non-Executive)
7-	Mr. Saad Mohamed Abdullah Al Saad	Board Member	National Industries Group Holding Co.	(Non-Executive)
8-	Sheikh / Mubarak Abdullah Al-Mubarak Al-Sabah	Board Member	Action Group Holding Company	(Non-Executive)
9-	Mr. Hussain Ali Hussain Al-Kharafi	Board Member	Himself	(Non-Executive)
10-	Mr. Talal Jassem Mohamed Al-Kharafi	Board Member	Al-Kharafi Infra for Building General Contracting Co.	(Non-Executive)

S	Member Name	Position	Representation	Executive Non-Executive Independent
11-	Eng. Ibrahim Rushdi Mohamed Ibrahim Mahlab	Board Member	Mask International for General Trading Co.	(Non-Executive)
12-	Mr. Hossam Mohamed El-Sayed Mohamed Hussien	Board Member	Experienced	(Non-Executive)
13-	Dr. Walid Shaker Mohamed Hegazy	Board Member	Hoor Al Marazeeq for General Trading & Contracting	(Non-Executive)
14-	Eng. Osama Mohamed Kamal	Board Member	Golden Arrow for Real Estate and Stocks Co.	(Non-Executive)
15-	Mrs. Sahar Mohamed Kamel Al-Damaty	Board Member	Shadows for Logistics Services Co.	(Non-Executive)
16-	Mr. Mohamed Ibrahim Kamel	Board Member	Hinoses for Construction and Real Estate Development company	(Non-Executive)
17-	Eng. Hisham Saad Makkawi	Board Member	Nubaria Natural Gas Company	(Non-Executive)
18-	Mr. Amin Ahmed Mohamed Osman Abaza	Board Member	---	(Independent)
19-	Mr. Walid Jalal Al-Zorba	Board Member	---	(Independent)

▪ **Board of Directors meetings: (In accordance with paragraph (a) of Article (40) of the EGX Listing Rules).**

- During year 2023, the Board of directors held **Six** meetings as follows:

- **The first meeting was held on 22/2/2023:** this meeting was attended by Board members according to the formation of the board before the election of the new Board of Directors by GAM held on 30/3/2023.
- **The second meeting was held on 30/3/2023:** this meeting was attended by Board members According to the formation of the board after the election of the new Board of Directors by GAM held on 30/3/2023.
- **The third meeting was held on: 14/5/2023.**
- **The fourth meeting was held on: 13/8/2023.**
- **The fifth meeting was held on: 12/11/2023.**
- **The sixth meeting was held on: 11/12/2023.**

▪ **Audit Committee:**

Member Name	Position & Representation
Mr. Amin Ahmed Mohamed Osman Abaza	Chairman of the Committee - Independent
Mr. Hussain Ali Hussain Al-Kharafi	Member of Committee
Mr. Walid Jalal Al-Zorba	Member of Committee - Independent

➤ **Statement of the terms of reference of the Committee and the tasks entrusted to it:**

- 1- Examining and reviewing the company's internal control procedures and the extent of compliance with their application.
- 2-Studying the accounting policies followed and the changes resulting from the application of new accounting standards.
- 3-Examining and reviewing internal audit mechanisms and tools, procedures, plans and results, studying internal audit reports and following up on the implementation of their recommendations.
- 4-Examine the procedures followed in the preparation and review of periodic and annual financial statements and estimated budgets.
- 5-Examine the draft pro forma financial statements before presenting them to the Board of Directors in preparation for sending it to the auditor.
- 6-Proposing the appointment of auditors, determining their fees, and considering matters related to their resignation or dismissal, in a manner that does not violate the provisions of the law.
- 7-Express an opinion on authorizing the auditor to perform services for the benefit of the company other than reviewing the financial statements.
- 8-Study the auditor's report on the financial statements, discuss the observations and reservations contained therein, follow up on what has been done in this regard, and work to resolve differences in views between the company's management and the auditor.
- 9- Ensure the application of the necessary control methods to preserve the company's assets.

➤ **The Committee's work during the year: (In accordance with the provisions of paragraph (b) of Article (40) of the EGX Listing Rules).**

Number of times the Audit Committee meets	Four Audit Committee meetings were held during 2023.
Presentation of the Committee's reports to the Board of Directors of the company	The Audit Committee's reports were presented to the Board and did not contain any material observations that the Board should address.

- **Employee Details: (According to paragraph (c) of Article (40) of the EGX Listing Rules)**

Average number of employees of EKH and its subsidiaries and sister companies during the year	6,500 employees
Average income of a worker during the year	Within the range of one hundred and fifteen thousand Egyptian pounds, including grants and rewards

- **Reward and incentive system for employees and managers of the company: (in accordance with the provisions of paragraph (d) of Article (40) of the EGX Listing Rules).**

There is currently no reward and motivation system for the company's employees and managers.

- **Violations and procedures related to the Capital Market Law and Listing Rules: (According to the provisions of paragraph (e) of Article (40) of the EGX Listing Rules).**
There were no violations against the company related to the Capital Market Law and the EGX Listing rules during 2023.

- **A statement of the details of all netting contracts concluded by the company with one of its founders or main shareholders and the transactions that took place with related parties (in accordance with paragraph (f) of Article (40) of the EGX Listing Rules).**

The company's financial statements for the financial year ended 31 December 2023 include a detailed explanation of all transactions with related parties, and the company leases part of its current headquarters from Delta Insurance Company. Under lease contracts expiring on January 31, 2027 and June 30, 2028, in addition, the company has conducted group insurance with Delta Insurance Company.

- **Evidence of the company's commitment to the provisions of Article (66) of Law No. (159) of 1981 and Article (220) of its Executive Bylaws, by preparing a detailed statement that includes, in particular, all the amounts received by the Chairman of the Board of Directors and each member of the Board of Directors (in accordance with the provisions of paragraph (g) of Article (40) of the EGX Listing Rules).**

The company annually prepares a detailed statement that is available and at the disposal of shareholders, including in particular all the amounts obtained by the chairman of the company and each member of the board of directors, including salaries, remuneration and all other material and in-kind benefits, whatever their form in detail, and other obligations specified in Article (220) of the executive regulations of Law No. (159) of 1981, and this statement is available to shareholders for viewing at the company's headquarters, at least three days before the date of the assembly and at the seat of the General Assembly meeting.

▪ **Disclosure of cases of conflict of interest (in accordance with the provisions of paragraph (h) of Article (40) of the EGX Listing Rules).**

There are no cases of conflict of interest specified in detail in Clause (H) of Article (40) of the EGX Listing Rules between the Company and the insiders, including the members of the Board of Directors, the main shareholders, the Company's directors and their associated groups.

▪ **The company's contribution during the year to the development of society and the preservation of the environment:**

Starting from 2023, the company submits an annual report on disclosures related to environmental, societal and governance practices related to sustainability and the financial impacts of climate change, at the same time as the disclosure of the company's annual financial statements, in accordance with the resolution of the Board of Directors of the Financial Regulatory Authority No. (108) of 2021 regarding this matter. The report on the disclosure of environmental, community and governance practices related to sustainability, Environmental Social and Governance (ESG) standards, reflects the ability of the company's management to apply the principles of sustainable development, and integrate sustainability practices into the company's activities and operations, which generates confidence among investors that enables them to make informed investment decisions by identifying risks and opportunities that may not be monitored by traditional financial reports, especially in light of the increasing demand by investors for mechanisms and applications to integrate sustainability practices into the business of companies. In order to achieve the company's ability to face the risks associated with the various dimensions of sustainability, and thus enhance its financial position.

The report includes the following indicators:

- Performance indicators for environmental disclosures.
- Performance indicators for community disclosures.
- Performance indicators for governance disclosures related to sustainability.

The Task Force on Climate Financial Disclosure (TCFD) reflects the company's ability to manage risks and opportunities related to climate change, which generates the confidence of investors to make investment decisions that take into account the range of financial risks and opportunities associated with climate change, and the company's management mechanisms for transitional risks and tangible risks of climate change impacts on the company's financial performance, providing more transparency regarding risks Climate-related opportunities for investors.

The report includes the following indicators:

- Performance indicator for the governance category (governance related to climate change).
- Performance indicator for the strategy category (environmental operations, control and risk reduction).
- Performance indicator for the risk management category (risks related to climate change).
- Performance indicator for the category of metrics and targets (carbon emissions).

In this context, the company has contracted with a specialized company to issue a sustainability report, and the report includes the company's achievements in the economic, environmental and social fields. It explains the values and principles of the company and clarifies the relationship between its strategy and its commitments towards the community in which it operates in a way that supports the company's reputation, continuous improvement in its performance, compliance with legislation and regulatory instructions in the environmental and social fields, as well as how to manage the company's risks, as well as ways to motivate its employees and attract capital.

▪ **The company's consolidated results for the financial year ending on December 31, 2023:**

The company achieved consolidated net profits for the financial year ending on December 31, 2023 amounting to USD 179.18 million with a return on capital 63.6%, and a growth rate of 19% over the budget, compared to profits for the previous year amounting to USD 241.06 million, with a decrease of (26 %).

The following are the most important activities that contributed to achieving the consolidated net profit for the financial year ending December 31, 2023:

- 1- Sprea Misr Co. achieved consolidated net profits for the financial year ended on December 31, 2023, amounting to 2.142 billion Egyptian pounds, equivalent to USD 70.31 million, compared to profits of 1.004 billion Egyptian pounds, equivalent to USD 52.14 million for the previous year, with a growth of 113%.
- 2- Alexandria Fertilizer Company (AlexFert) achieved consolidated net profits for the financial year ended on December 31, 2023 amounting to USD 95.1 million, compared to profits amounting to USD 203.62 million for the previous year, with a decrease of (53%), and the group's share (direct and indirect) is USD 67.8 million compared to profits of USD 117.9 million for the previous year, with a decrease of (42%).

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- 3- National Energy Group (Nat Energy) achieved consolidated net profits for the financial year ended on December 31, 2023 amounting to 1.5 billion Egyptian pounds, equivalent to USD 48.42 million, compared to profits amounting to 941 million Egyptian pounds, equivalent to USD 48.88 million for the previous year, with a growth of 59%, and the group's share (Direct and indirect) 1.3 billion Egyptian pounds, equivalent to USD 42.42 million, compared to profits of 814 million Egyptian pounds, equivalent to USD 42.26 million for the previous year, with a growth of 60%. that results of the National Energy Company are represented by the results of its subsidiaries. They are: National Gas Company "NATGAS", National Electricity Technology Company "Kahraba", Fayoum Gas Company and the Nubaria Natural Gas Company.
- 4- North Sinai Natural Gas Company, which owns the North Sinai offshore field concession, achieved net profits for the financial year ended on December 31, 2023 amounting to USD 30.23 million, compared to profits of USD 30.21 million for the previous year, with a growth of 0.07%.
- 5- The insurance sector, represented by Delta Insurance Company and Al-Mohandes Insurance Company, achieved net profits for the financial year ended on December 31, 2023 amounting to 691 million Egyptian pounds, equivalent to USD 22.5 million, compared to profits of 490 million Egyptian pounds, equivalent to USD 25.4 million for the previous year, With a growth rate of 41%, the group's share amounts to 353 million Egyptian pounds, equivalent to USD 11.5 million, compared to profits of 241 Egyptian pounds, equivalent to USD 12.5 million for the previous year, with a growth of 46%.
- 6- Bedayaty Microfinance Company achieved net profits for the financial year ended on December 31, 2023 amounting to 65.3 million Egyptian pounds, equivalent to USD 2.1 million, compared to losses amounting to (55.3) million Egyptian pounds, equivalent to USD (2.9) million, for the previous year, a growth of 218%.

The Main consolidated financial ratios.

Financial indicator – In '000 US dollars	2023 In '000 US dollars	2022 In '000 US dollars	Change %
Total current assets	1,030,384	1,056,206	(2.4%)
Total liabilities	1,105,680	1,117,217	(1%)
Total Revenue	747,704	1,053,267	(29%)
Gross Profit	304,146	479,127	(37%)
Net profit of the activity	304,329	465,524	(35%)
Net profit for the year attributable to shareholders of the parent company	179,177	241,062	(26%)



▪ **The company's future plans.**

Because of the current economic conditions which the global economy is going through, the company has placed within its strategy an attempt to overcome all the challenges and difficulties that the company faced during 2023, by focusing on increasing the volume of business of existing companies to the maximum possible degree, especially in the field of natural gas production, electricity, petrochemicals, fertilizers, and insurance. Or increasing the percentage of contribution to it, as well as the completion of all work related to the MDF factory and the beginning of commercial production during the year 2024, and the creation of new investment opportunities, whether inside or outside the Arab Republic of Egypt, in the fields of electricity distribution, wood manufacturing, and petrochemicals.

▪ **Profits proposed to be distributed to shareholders.**

A proposal to distribute cash dividends to shareholders of 24% of the company's issued and paid-up capital, amounting to 67.61 million US dollars, at 6 US cents per share.

▪ **Proposals for transferring to reserves.**

According to Article (57) of the company's articles of association, the company's legal reserve is supported by 5% of the net profit for the year, and the support stops when the legal reserve reaches 50% of the company's issued capital. Therefore, the company's legal reserve for the year 2023 will be supported by an amount of 4,063,967 US dollars, in exchange for a support amounting to 4,309,304 US dollars for the year 2022.

Loay Jassem Al-Kharafi
Chairman



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Thank you.. The annual report on the Environmental, Social And Governance Disclosures has been successfully registered and your registration code number is 34980. You are kindly requested to print the report and attach it to the annual report of the Board of Directors attached to the annual financial statements for the year 2023/2024.



الهيئة العامة للرقابة المالية
FINANCIAL REGULATORY AUTHORITY



Annual report for FY 2023/2024

on Environmental, Social and Governance Disclosures Related to Sustainability (ESG)

In implementation of the authority's Decrees no. (107) and (108) for the year 2021

First: Introduction

This report on the disclosure of Environmental, Social and Governance (ESG) reflects the strength of the company's management to implement the principles of sustainable development and integrate sustainability practices into the company's activities and operations, which generates confidence among investors that enables them to make informed investment decision, By identifying risks and opportunities that may not be monitored by traditional financial reports, especially in light of the increasing demand by investors for **ESG** Data and how companies integrate sustainability practices into the daily operations and activates in order manage the risks and opportunities associated with the various dimensions of sustainability, and thus enhance its financial position. Based on the **FRA** responsibility towards **NBFI** including listed Companies on the Egyptian Stock Exchange, and within the framework of assisting these companies to submit annual reports to disclose ESG sustainability standards in accordance with the **FRA** decisions No. 107 and 108 of 2021, and to facilitate them, the **FRA** has prepared this electronic form to companies to fulfill the **KPIs** for the disclosure of sustainability standards **ESG**.

EGYPT KUWAIT HOLDING CO.

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Therefore, please be careful, accurate and transparent when filling out this form, and please attach the report form within the annual report prepared by the Board of Directors attached to the annual financial statements for the year 2023/2024 In case of any inquiries related to this matter, you can contact sustainable development department via email

sustainable.development@fra.gov.eg

Secand: Basic Data on The Status of Company

1. Select the company's name: Egyptian Kuwaiti Holding
2. Select the company's sector: Non-bank financial services

Third: Basic Data of The Person Responsible for Completing The Report

1. Name : Hazem Mahmoud Mostafa Eid
2. Job Title: Deputy Corporate Governance Director
3. Email: heid@ekholding.com

Fourth: Environmental KPIs

1. Environmental Operations & Oversight (E1)

1. Has the company developed any official Environmental and Social (E&S) or Sustainability policies?

Yes



Yes, the company has a clear policy and sustainability strategy 2030 related to the company's social and environmental responsibilities and objectives and its ongoing commitment to contribute to economic and social development. It includes the company's responsibility towards society and the environment, as well as initiatives in which the company participates in the social field and environmental responsibility, Egypt Kuwait Holding Company (EKH) is currently preparing the first comprehensive sustainability report and the report is being prepared in accordance with several standards for disclosures related to sustainability, such as the Global Reporting Standards (GRI) and the Accounting Standards Board & INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS), UN GLOBAL COMPACT, AND CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) INCLUDE THE COMPANY'S GOALS AND VISION FOR SUSTAINABLE DEVELOPMENT.

2. Is this policy originating from within the company or derived from global or national policies?

Yes

Yes, this policy comes from within the company, and includes the company's responsibility towards society and the environment. THE COMPANY HAS ALSO PREPARED THE SUSTAINABILITY STRATEGY 2030, WHICH CONTAINS THE COMPANY'S OBJECTIVES, WHICH WERE PREPARED BASED ON A COMPREHENSIVE ASSESSMENT OF THE RELATIVE IMPORTANCE OF MATERIAL TOPICS IN ACCORDANCE WITH SEVERAL STANDARDS FOR SUSTAINABILITY DISCLOSURES SUCH AS GLOBAL REPORTING STANDARDS (GRI), SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB), INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS), UNITED NATIONS GLOBAL COMPACT (UN GLOBAL COMPACT) AND CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD).

3. Does the company identify and assess the environmental and social risks arising from its economic activity?

Yes

Yes, Egypt Kuwait Holding Company (EKH) adopts a balanced risk management approach to improve business returns while considering its overall impact on the company's sustainability. Risk management is an integral part of the way we develop and implement our business strategies. This applies to all aspects of our business, in particular, our commitment to

environmental, social and governance issues and the company is currently preparing its first comprehensive sustainability report. THE RISK IS BEING IDENTIFIED AND ASSESSED AND THE REPORT IS PREPARED IN ACCORDANCE WITH SEVERAL CRITERIA FOR SUSTAINABILITY DISCLOSURES SUCH AS GLOBAL REPORTING STANDARDS (GRIS), SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB), INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS), UNITED NATIONS GLOBAL COMPACT (UN GLOBAL COMPACT) AND CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD).

4. Does the company follow specific policies concerned with waste recycling, water consumption, or energy consumption?

Yes

Yes, most of the subsidiaries of Egypt Kuwait Holding Company are National Gas Company (NATGAS), Sprea Misr Company for Chemicals and Plastics Production, Alexandria Fertilizer Company, National Electricity Technology Company (Kahraba), MOG Energy Company, Delta Insurance Company, Delta Life Insurance Company, Fayoum Gas Company, Shorouk Melamine and Resins Company, Nubaria Gas Company, Natural Gas Cooling Technology Company (Gas Shell) are ISO 14001 certified & adopt best environmental practices and waste management policies as appropriate to different business sectors. We are currently working to include sustainable water consumption practices in all our business sites, we strive to follow sustainable water consumption models appropriate to our subsidiarys' operations and our subsidiaries are currently working to adopt and implement ISO 50001 requirements that include their respective water management systems.

5. Does the company set any goals related to reducing greenhouse gas (GHG) emissions?

No

No, but the amount of emissions for the company's business is being calculated, and a separate report is being prepared for our carbon footprint, which will contain the amount of emissions generated by the company's work in the administrative building as well as emissions related to the new investments that the company intends to make as a first step to determine the baseline. Based on this assessment, emission reduction targets will be

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set as well as a plan to achieve the targets in line with the 2030 Sustainability Strategy.

6. Does the management have any system/certification regarding the company's environmental practices (ISO 14001 certification)?

Yes

Yes, most of the subsidiaries of Egypt Kuwait Holding Company (EKH), namely National Gas Company (NATGAS), Sprea Misr Company for Chemicals and Plastics Production, Alexandria Fertilizer Company, National Electricity Technology Company (Kahraba), MOG Energy Company, Delta Insurance Company, Delta Life Insurance Company, Fayoum Gas Company, Shorouk Melamine and Resins Company, Nubaria Gas Company, Natural Gas Cooling Technology Company (Gas Shell) are ISO 14001 certified.

2. Carbon Emissions / Greenhouse gases (GHG) (E2)

1. Does the company calculate the total amount of carbon emissions (Carbon Footprint) in metric tons?

Yes

Yes, the amount of emissions of the holding company and its subsidiaries is being calculated.

3. Energy sources usage and diversification (E3)

1. Does the company calculate the total amount of energy directly consumed?

Yes

Yes, the total energy consumption is calculated according to the type of fuel used.

2. Does the company calculate the percentage of energy consumption according to the type of generation source?

Yes

Yes, the company and its subsidiaries calculate the percentage of energy consumption annually according to the source of energy, whether it is purchased electricity, diesel used to power generators and other equipment, or natural gas.

3. Does the company calculate the percentage of annual saved energy?

No

No, but this will be considered in the future and the quantity will be disclosed in the upcoming annual reports (Annual Sustainability Report and Annual Carbon Footprint Report).

4. Water Usage (E4)

1. Does the company calculate the total amount of water annual consumed?

Yes

Yes, and the amount of water consumed for the year 2023 for Egypt Kuwait Holding Company amounted to 3100 cubic meters of water

2. Does the company calculate the total amount of annual water recycled and treated?

No

No, but this will be considered in the future and the quantity will be disclosed in the upcoming annual reports (Annual Sustainability Report and Annual Carbon Footprint Report).

5. Waste Management (E5)

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1. Does the company calculate the total amount of waste generated or recycled and that, which has been treated according to type and weight?

No

No, but this will be considered in the future and the quantity will be disclosed in the upcoming annual reports (Annual Sustainability Report and Annual Carbon Footprint Report).

Fifth: Social KPIs

1. Gender Diversity & Pay Ratio (S1)

1. Does the company disclose the number of male and female employees according to the type of employment (temporary or permanent)?

Yes

Yes, the percentage of permanent employment is 70% and temporary employment is 30% of the total volume of labor in EK holding company and its subsidiaries.

2. Does the company disclose the percentage of total employees who are male and female?

Yes, the percentage of males in the total employment is 95.35% and the percentage of females in employment is 4.65% of the total volume of employment in EK holding company and its subsidiaries.

3. Does the company disclose the percentage of positions held by males and females (specifically for entry-level and mid-level jobs)

Yes, the percentage of males in the employment of entry-level and intermediate jobs is 90%, and the percentage of females in the employment of entry-level jobs and the intermediate level is 10% of the total volume of employment for entry-level and intermediate jobs in the holding company and its subsidiaries.

4. Does the company disclose the percentage of positions held by males and females (specifically for senior-level and executive positions)?

Yes, the percentage of males in the employment of senior and executive positions is 90% and the percentage of females in the employment of senior

and executive positions is 10% of the total volume of employment for senior and executive positions in EK holding company and its subsidiaries.

5. Does the company disclose the average pay ratio for females compared to the males?

No, but this will be considered in the future and disclosed in the next annual sustainability report.

2.Employee Turnover rate (S2)

1. Does the company disclose the annual percentage rate of turnover for full-time employees?

Yes, and will be disclosed in the annual sustainability report

2. Does the company disclose the annual percentage rate of turnover for part-time employees?

No, but this will be considered in the future and the disclosure of the annual sustainability report

3. Does the company disclose the annual percentage rate of turnover for contract employees and consultants?

No, but this will be considered in the future and the disclosure of the annual sustainability report

3.Non-Discrimination (S3)

1. Does the company follow a policy condemning sexual harassment and a non-discrimination policy based on any racial, religious, or gender basis?

Yes, the Code of Ethics and Professional Conduct includes the Internal Code of Ethics and Professional Conduct, and this Charter includes a set of values that work to control and regulate the rules of professional conduct and ethics within the company.

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4.Global Health & Safety Standards (S4)

1. Does the company follow an occupational health and safety (OHS) policy and/or a policy related to global health and safety standards (for example ILO's International Labor Standards on Occupational Safety and Health)?

Yes, most of the subsidiaries are accredited with ISO 45001 certification, namely National Gas Company (NATGAS), Sprea Misr Company for Chemical and Plastic Production, Alexandria Fertilizer Company, National Electricity Technology Company (Kahraba), MOG Energy Company, Delta Insurance Company, Delta Life Insurance Company, Fayoum Gas Company, Shorouk Melamine and Resins Company, Nubaria Gas Company, Natural Gas Cooling Technology Company (Gas Shell)

2. What is the number of occupational accidents if any?

The number of accidents for the year 2023 for EK holding company and its subsidiaries was calculated and there were 10 accidents requiring first aid, 15 accidents requiring a medical visit and one medical condition for working conditions.

3. Does the company offer trainings related to environmental, social AND Occupational Health and safety (OHS) issues for employees. If the answer is yes, please disclose the number of trainings hours?

The company is listing the types of training related to occupational health and safety and will be disclosed in the annual sustainability report, but the number of training hours related to each type of training on environmental, social and occupational health and safety issues has not been calculated yet.

5.Children & Forced Labor (S5)

1. Does the company follow a policy prohibiting child labor and forced labor?

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Egypt Kuwait Holding Company and its subsidiaries comply with all articles of the Egyptian Labor Law, especially those dealing with workers' rights and the prohibition of child or forced labor.

2. Does that policy apply to the suppliers and vendors dealing with the company?

No, but this will be considered in the coming years through the process of evaluating the performance of suppliers and sellers from an environmental and social point of view.

6.Labor Rights (S6)

1. In addition to the requirements of Egyptian Labor Law, does the company follow the laws and standards of the International Labor Organization or any other international framework, standards, or laws related to labor's rights?

No, Egypt Kuwait Holding Company is committed to all articles of the Egyptian Labor Law only.

2. Does that policy include the suppliers and vendors dealing with the company?

No, but this will be considered in the coming years

Sixth: Governance KPIs

1.Board Diversity (G1)

1. Does the company disclose the number and percentage of the board of directors occupied by males and females?

Yes

Yes, the Board of Directors of the company includes 2 female members out of a total of 19 members of the Board of Directors with a percentage of 10.50%.



2. Does the company disclose the number and percentage of committee chairs occupied by males and females?

Yes

Yes, disclosure is made, and the percentage of work of the company's male committee members is 100%.

2.Bribery / Anti-corruption (G2)

1. Does the company issue any decisions related to combating bribery / corruption and follow them?

Yes

Yes, the Governance and Audit Committees, which are the two committees responsible for combating bribery and corruption in the company, were formed in accordance with the decision of the Board of Directors of the Financial Supervisory Authority No. (84) of 2016 and Article (37) of the Listing Rules on the Egyptian Exchange, and the two committees were formed by a resolution of the Board of Directors.

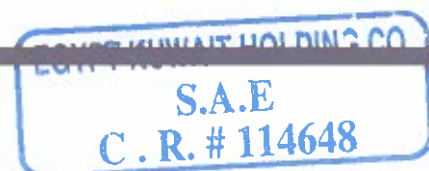
3.Ethics and Code of Conduct (G3)

1. Does the company issue code of conduct / Ethic and follow them?

Yes

Yes, the Code of Ethics and Professional Conduct includes the Internal Code of Ethics and Professional Conduct, and this Charter includes a set of values that work to control and regulate the rules of professional conduct and ethics within the company.

4.Data Privacy (G4)



1. In addition to the requirements of the Egyptian data protection law, does the company follow any other international frameworks, rules, or recommendations regarding data privacy?

No

The company follows the requirements of the Personal Data Protection Law and the Egyptian Consumer Protection Law only.

5.Sustainability Reporting & Disclosure (G5)

1. Does the company issue sustainability report according to GRI, CDP, SASB, IIRC, UNGC, or any other type of sustainability reports frameworks?

Yes

Yes, the company prepares the first comprehensive sustainability report in accordance with several standards for sustainability-related disclosures such as the Global Reporting Standards (GRIS), the Sustainability Accounting Standards Board (SASB), the International Financial Reporting Standards (IFRS), the United Nations Global Compact (UN GLOBAL COMPACT) and climate-related financial disclosures (TCFD) and the report includes the company's goals and vision regarding the sustainable development goals.

2. Is the company striving to achieve specific goals from the United Nations Sustainable Development Goals?

Yes

Yes, the company is preparing the first comprehensive sustainability report and the report includes the company's goals and vision regarding the sustainable development goals

3. Does the company identify these goals and report on the progress made within the framework of the United Nations Sustainable Development Goals (SDGs)?

No

No, but this will be considered in the future in the upcoming annual sustainability reports and as part of the company's disclosure of its progress in relation to its 2030 sustainability strategy.

4. Has the company clearly declared its commitment towards corporate social responsibility standards?

Yes

Yes, the company is dedicated to serving its local communities as an integral part of the company's commitment to corporate citizenship and social responsibility.

5. Does the company follow a clear and explicit policy / principle regarding community investments?

Yes

Yes, we invest in strong and lasting relationships across all the communities in which we operate, contributing to sustainable development in ways that are designed and relevant based on people's real needs and aspirations.

6. Does the company participate in public or private sector initiatives concerned with community development?

Yes

Yes, the company is dedicated to serving its local communities as an integral part of the company's commitment to corporate citizenship and social responsibility.

6.External Assurance (G6)

1. Are the company's ESG disclosures assured by an independent third party?

Yes

Yes, KPMG Hazem Hassan issues proper assurance of the extent to which corporate governance rules are being applied.

Thank you.. The Annual Report on the Environmental, Social and Governance Disclosures has been successfully Registered and your Registration Code Number is 34983. You are kindly Requested to print the report and attach it to the annual report of the Board of Directors attached to the annual financial statements for the year 2023/2024.



الهيئة العامة للرقابة المالية
FINANCIAL REGULATORY AUTHORITY



Annual report for FY 2023/2024

On Financial Disclosures Related To Climate Change (TCFD)

In implementation of The FRA's Decrees no. (107) and (108) for the year 2021

First: Introduction

The report on financial disclosures related to climate change - recommendations of the Task Force on Climate Financial Disclosure TCFD reflects the company's ability to manage the risks and opportunities associated with climate change, which creates confidence among investors that enables them to make investment decisions that take into consideration the range of financial risks and opportunities associated with climate change and the company's management mechanisms for transitional risks and Physical risks of the effects of climate change on the company's financial performance, thus providing more transparency regarding climate-related risks and opportunities for investors.

Based on the FRA responsibility towards NBFIs including listed Companies on the Egyptian Stock Exchange, and within the framework of assisting these companies to submit annual reports to disclose ESG sustainability standards in accordance with the FRA decisions No. 107 and 108 of 2021, and to facilitate them, the FRA has prepared this electronic form to companies to fulfill the KPIs for financial disclosures related to climate change - TCFD recommendations.

Therefore, please be careful, accurate and transparent when filling out this form, and please attach the report form within the annual report prepared by the Board

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of Directors attached to the annual financial statements for the year 2023/2024 In case of any inquiries related to this matter, you can contact sustainable development department via email sustainable.development@fra.gov.eg

Secand: Basic Data on The Status of Company

1. Select the company's name: Egyptian Kuwaiti Holding
2. Select the company's sector: Non-bank financial services

Third: Basic Data of The Person Responsible for Completing The Report

1. Name : Hazem Mahmoud Mostafa Eid
2. Job Title: Deputy Corporate Governance Director
3. Email: heid@ekholding.com

Fourth: TCFD KPIs

1. Governance KPI (Climate Related Governance)

1. Does the board have oversight of climate-related risks and opportunities? Yes

The company is preparing the Group's Sustainability Strategy 2030 and Sustainability Policy and is currently developing its climate environmental management system, where the first carbon footprint report is being prepared and the Board of Directors and relevant departments will monitor climate-related risks and opportunities in the coming period.



2. Does the management have a role in assessing and managing climate related risks and opportunity? Yes

The company is preparing the Group's Sustainability Strategy 2030 and Sustainability Policy and is currently developing its climate environmental management system, where the first carbon footprint report is being prepared and the Board of Directors and relevant departments will monitor climate-related risks and opportunities in the coming period.

2.Strategy KPI (Environmental Operations, Oversight and Mitigation)

1. Does the organization identify any climate related risks and opportunities over the short, medium and long run? Yes

Yes, and it is currently calculating emissions from the company's business and assessing them in a detailed carbon footprint report.

2. Does the company reflect the climate-related risks opportunities on the organization's business, strategy, and financial planning? No

No, but this will be considered in the future

3. Does your company invest, annually, in climate-related infrastructure, resilience, and product development? Yes

Egypt Kuwait Holding Company has developed the Group's 2030 Sustainability Strategy.

- Many subsidiaries of the Egyptian Kuwait Holding Company are working to contribute to reducing emissions, including:
- Kahraba generates electricity that uses natural gas – a source with limited carbon emissions compared to other fuel sources. The company also supplies electricity to a large number of customers who have relied on the electricity supplied to them by the company instead of other energy sources based on diesel.
- The Nile Wood Company cultivates large areas of trees depending on the wastewater, as well as the company uses Sesban wood from its own farms as raw materials. Sesban is a fast-growing plant that ripens for harvest in two years and is environmentally friendly due to its ability to repair nitrogen. Water to be used for farms will also be treated from urban wastewater.

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- Gas Chill provides district cooling services using natural gas as an energy source, a source with limited carbon emissions compared to other fuel sources. District cooling is also a highly efficient service compared to other cooling technologies, which saves energy consumption.
- Natural gas delivery companies affiliated with Egypt Kuwait Holding Company also contribute to reducing emissions, as natural gas is replaced by homes instead of butane cylinders and the subsequent pollution is exported during transportation and less waste – natural gas delivered to factories and power plants replaces other energy sources such as diesel that have higher carbon emissions than natural gas.

3.Risk Management KPI (Climate-Related Risks)

1. Does the company set a defined process for identifying and assessing the climate related risks? Yes

Approaches are being developed to monitor climate performance, risks and opportunities in the coming period

2. Does the company have a solid process for managing the climate related risks?Yes

Approaches are being developed to monitor climate performance, risks and opportunities in the coming period

3. Does the company incorporate climate-related risks in the company's overall risk management? Yes

Yes, EKH strives to integrate climate-related risks into its overall risk management strategy.

4.Metrics & Targets KPI (Carbon/ GHG Emission)

1. Does the company use any metrics to assess climate-related risks and opportunities in line with its strategy and risk management process? Yes



A separate report is being prepared for EKH carbon footprint, which will contain the amount of emissions resulting from the company's work in the administrative building in addition to emissions related to new investments that the company will make.

2. Total amount, in CO2 equivalents, for Scope 1 (if applicable) ? Yes

A separate report is being prepared for our carbon footprint, which will contain the amount of emissions resulting from the company's work in the administrative building in addition to emissions related to new investments that the company will make.

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