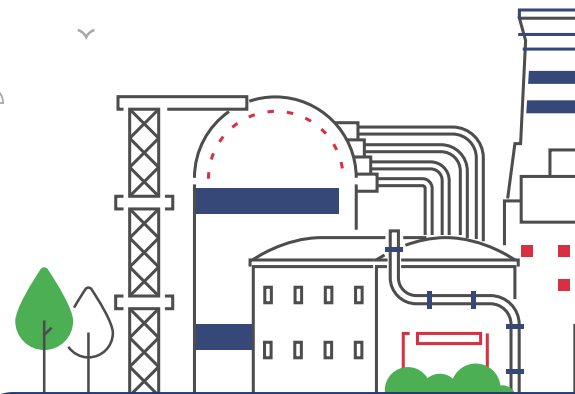
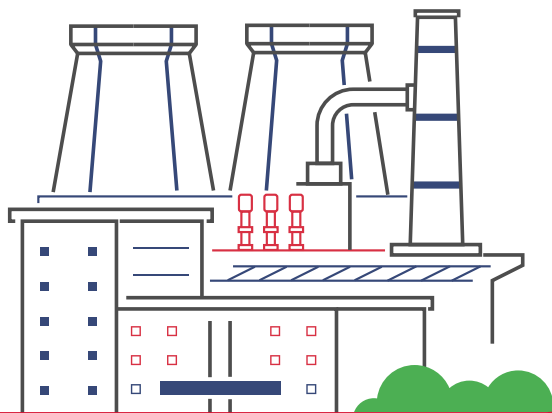


# Outperforming Expectations

Factsheet  
**2022**





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# Chairman's Foreword

*I look forward to another prosperous year counting on the support of our distinguished board and the dedication of our management teams and employees.*



## Dear Shareholders,

With great pleasure, I look back on EKH's record-breaking achievements in 2022, during which revenues surpassed USD 1 billion for the first time in our company's history. Following our strong top-line growth, our bottom-line increased by an impressive 41% y-o-y to close out the year at USD 241.1 million. Our operations have demonstrated a tremendous level of resilience, delivering record results despite the prevailing global and domestic challenges.

We are also pleased to announce that EKH will be publishing its inaugural ESG report this year. This report represents our commitment to acting as a responsible corporate citizen, contributing positively to the communities we serve, as well as to all stakeholders, while continuing to drive profits in a sustainable manner and unlock the potential of future opportunities.

I am proud of our team's achievements for the year and would like to extend my sincere gratitude to the EKH family, which has now grown to encompass over 6,000 employees, all of whom have worked tirelessly throughout 2022 to continue delivering exceptional

results. I look forward to another prosperous year counting on the support of our distinguished board and the dedication of our management teams and employees.

At ONS, we maintain efficient reserve management through a strategic development plan that optimizes production and extends well life. Notably, we successfully expanded the concession area by 140 km<sup>2</sup>, reaching a total of over 443 km<sup>2</sup> earlier in the year. During 2023, CAPEX of USD 35 million was deployed for Phase-3B for installing two WH platforms in addition to installing a 21-km flowline to connect the wells to the existing platform (MOPU).

Our Diversified segment also demonstrated outstanding performance, with robust results at Delta Insurance and Mohandes Insurance despite the challenging operating environment. Additionally, I want to emphasize the commendable performance of Bedayti, our microfinance subsidiary, which has consistently achieved a strong bottom line since its establishment last year and delivered solid returns on our investment.

Finally, I am pleased to add that we are working to ensure that our Nilewood production facility, a joint venture with renowned German MDF producer Holzwerkstoffe GmbH, is on track to commence operations. This JV will deliver on our growth and diversification strategy and positively impact our bottom line, further contributing to the Group's scale and resilience.

**Mr. Loay Jassim Al-Kharafi**  
Chairman of the Board

# A Message from the CEO



*I am proud to announce a number of exciting new developments that will pave the way for our company's future growth.*

I am very pleased with the results achieved in 2022. Our revenues exceeded USD 1.1 billion, representing a 33% increase over the previous year. Similarly, profitability levels showed healthy expansion, with EBITDA reaching USD 516.4 million and attributable EBITDA at USD 388.1 million. Attributable Net Income climbed 41%, closing the year at USD 241.1 million.

I am proud to announce a number of exciting new developments that will pave the way for our company's future growth. Our power generation and distribution subsidiary, Kahraba, was awarded a 25-year power distribution concession in the 10th of Ramadan's South Developers' Zone. This significant concession, covering approximately 10 million m<sup>2</sup> and serving 1,300 industrial tenants, includes a substation with a capacity of 120 MVA expandable to 160 MVA, which Kahraba has acquired along with the distribution network serving the area. Demand for electric power in the concession area is anticipated to increase, which we expect will in turn require the development of an additional 250 MVA (extendable to 500 MVA) substation by 2025. The company had already received requests for around 80 MW of power and anticipates closing the year with a distribution capacity of 80 MW, reaching 175 MW by 2025, and distributing approximately 4 billion kWh in the new area by 2028.

Another notable achievement is the expansion of ONS's concession area. In February 2023, ONS received Presidential approval to increase its area from 330 km<sup>2</sup> to 445 km<sup>2</sup> which is anticipated to contribute positively to ONS' reserves. ONS was awarded the

concession on account of its continued efforts in developing the country's oil and gas sector contributing to cementing Egypt's position as a premier energy hub in the Eastern Mediterranean.

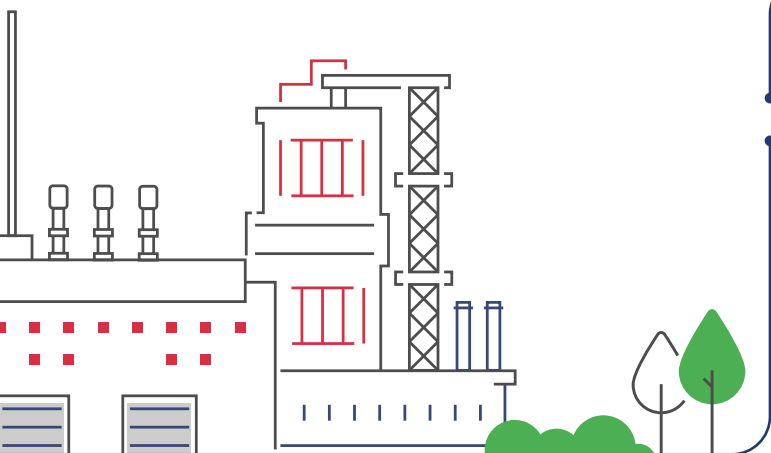
Additionally, Sprea has made significant strides with the commissioning of two new production lines in the fourth quarter of 2022, both of which are anticipated to reach full capacity during 1H 2023. These include a sulfuric acid plant with a capacity of 165 ktpa, primarily for AlexFert, and a Formica sheet manufacturing facility with a capacity of 3 million sheets per annum, targeting the export market. Sprea's growth plans for 2023 include a 45 ktpa expansion in SNF production capacity, coming online in April, and increased production of dry and liquid glue, with some directed to Nile Wood. These initiatives are expected to significantly enhance Sprea's profitability in the coming years.

Our team at Nile Wood continues to work closely alongside our German joint venture partner, leading European MDF manufacturer Homann Holzwerkstoffe GmbH, to finalize the construction works. We anticipate that the products of Nile Wood's MDF production line will hit the market by 3Q 2023.

Reflecting on 2022, it is clear that our achievements have been driven by both resilience and exceptional growth. As we move forward, we will continue to benefit from our USD hedge, with over 80% of our revenues and EBITDA either USD denominated or USD linked, and to work diligently on initiatives to pave the way for sustainable growth in the future.

**Sherif El Zayat**  
CEO

# EKH at a Glance



distinctive, and competitively sustainable companies with promising future growth prospects. The portfolio companies are considered industry leaders in their respective markets, which is a testament to the success of EKH's approach to managing its portfolio companies as a hands-on investor and operator. As of year-end 2022, the Group has investments in over 22 companies and total assets valued at nearly USD 2 billion.

EKH prides itself on its agility, strategically aligning its portfolio companies to meet changing demands in both local and international markets. By leveraging synergies across its diverse portfolio, EKH demonstrates exceptional proficiency in unlocking value and instilling resilience across various investment sectors while identifying new growth opportunities.

EKH's capacity to drive revenue growth and margin expansion across its portfolio companies despite the challenging macroeconomic environment underscores the resilience of its strategy and the dedication of its management teams. With a commitment to ongoing growth and strategic diversification of investments, the company aims to strengthen its integrated platform, seizing opportunities within Egypt's industrialization and privatization landscapes. Furthermore, EKH intends to explore avenues for regional expansion by capitalizing on its established track record and 26 years of success in Egypt.

Established in 1997 by a consortium of prominent Kuwaiti and Egyptian businessmen, Egypt Kuwait Holding Company (EKHO.CA and EKHOA.CA on the Egyptian Exchange and EKH.KW on Boursa Kuwait) stands as one of the MENA region's fastest growing and prominent investment companies, managing a portfolio of investments in five main sectors, including fertilizers and petrochemicals, gas distribution, power generation and distribution, upstream gas production, as well as insurance and non-banking financial services.

Over the years, EKH has consistently grown and diversified its portfolio through a well-defined investment strategy centered around acquiring or establishing high-quality,

**241.1** USD MN

Attributable Net Income  
FY22

**1.4** USD MN

Market Capitalization (EGP 44bn)  
(as of 29<sup>th</sup> March 2023)

**3<sup>rd</sup>**

Largest company on EGX  
(as of 29<sup>th</sup> March 2023)

**2.0** USD BN

Total Assets FY22

**43%**

Average Return on Equity FY22

**47%**

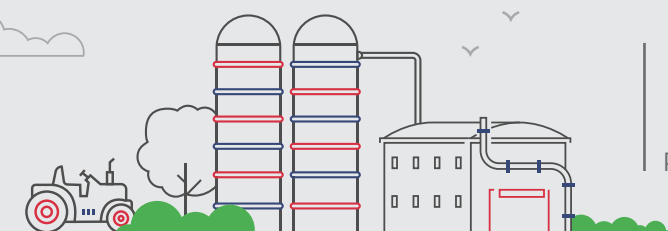
EBITDA Margin FY22

**6,000+**

Professionals Employed

**1,104.4** USD MN

Total Equity



# 2022 Highlights

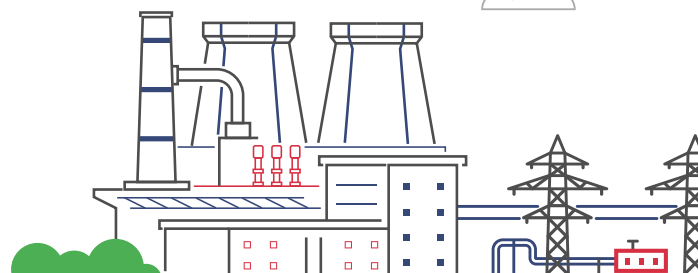
In 2022, EKH surpassed expectations despite prevailing global and domestic challenges, marking a year of record-breaking results and significant achievements. Throughout the year, EKH rigorously pursued growth targets, expanding its presence in both local and regional markets. Across its diversified businesses, EKH executed numerous initiatives aimed at increasing scale, bolstering capacities, and fostering vertical integration.

Turning to the subsidiaries' developments, the energy and energy related segment continued its growth trajectory. Kahraba, our generation and distribution subsidiary, was awarded a 25-year power distribution concession in the 10th of Ramadan's South Developers' Zone. The concession area, approximately 10 million square meters, hosts 1,300 industrial tenants. Kahraba has acquired a substation with a capacity of 120 MVA (extendable to 160 MVA) along with the distribution network serving the area.

On the natural gas front, ONS saw major development with the expansion of its concession area. In February 2023, ONS obtained Presidential Approval to expand its concession area from 330 km<sup>2</sup> to 445 km<sup>2</sup>, which is anticipated to boost ONS's reserves. This concession was awarded due to ONS's continued efforts in developing Egypt's oil and gas sector, enhancing Egypt's status as a premier energy hub in the Eastern Mediterranean.

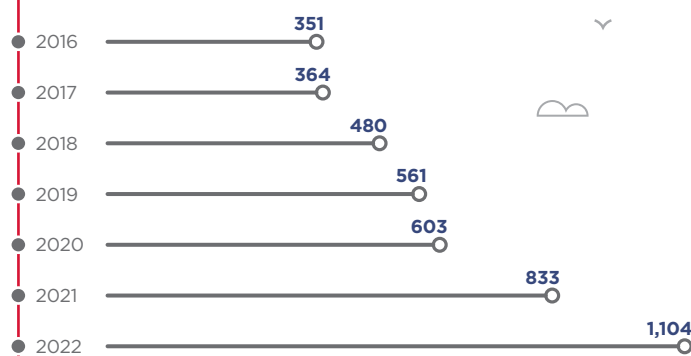
In parallel, the fertilizers and petrochemicals segment continued its expansion. Sprea commissioned two new production lines in the fourth quarter of 2022. These include a sulfuric acid plant with a capacity of 165 ktpa, primarily for AlexFert, and a Formica sheet manufacturing facility with a capacity of 3 million sheets per annum for export. Plans for further expansion in 2023 are anticipated to significantly enhance Sprea's profitability in 2023 and beyond.

The insurance and diversified segments also experienced notable growth. The Diversified segment grew by 14% year-over-year, largely due to strong performances by Delta Insurance and Mohandes Insurance. Additionally, the newly established microfinance subsidiary, Bedayti, represents a proud achievement for the year.

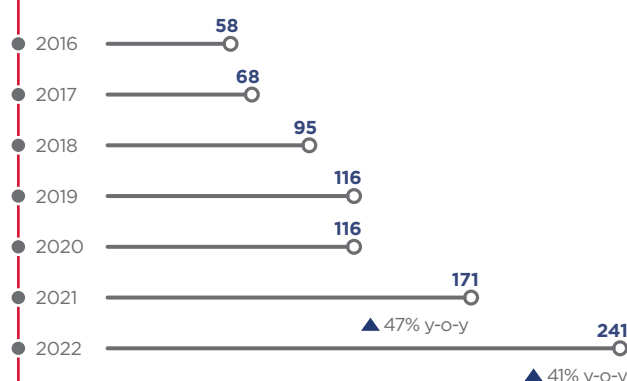


In terms of financial performance, EKH's revenues for FY 2022 reached USD 1,104.4 million, reflecting a robust 33% year-over-year growth. This achievement was primarily driven by the Fertilizers and Petrochemicals segment, which saw its revenues surge to USD 688.4 million, a 54% increase compared to the previous year, thanks to favorable commodity pricing at AlexFert and Sprea. EKH's gross profit margin expanded by four percentage points to 48%, while the EBITDA margin improved by three percentage points to 47%. The bottom line also experienced significant growth, rising by 41% year-over-year to close at USD 241.1 million.

## Total Revenues (USD mn)



## Recurring Net Profit After Minority (USD mn)

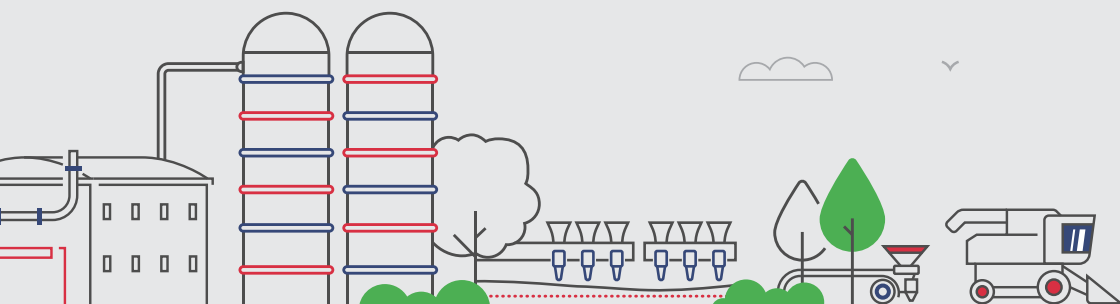


# Investment Portfolio Segments



## Fertilizers & Petrochemicals

EKH has investments in two operational companies in the Fertilizer & Petrochemical Segment: Alexandria Fertilizers Company (AlexFert) and Sprea Misr for Production of Chemicals & Plastics Company (Sprea). AlexFert is an established player in the fertilizer production space producing ammonia, urea, ammonium sulphate, with exports to key markets in Europe and to the United States. Meanwhile, Sprea is engaged in the production of 15 different products, including formica sheets, melamine, formaldehyde, sulfonated naphthalene formaldehyde (SNF) and liquid and powder glue, sulfuric acid among others. Sprea sells its products in more than 50 export markets. EKH's targeted investments in the fertilizers and petrochemicals sector are characterized by strong cash-flow generation, leading market shares and established links to key export markets.




### Operational Highlights



AlexFert achieved FY 2022 revenues of USD 485.7 million, up 73% year-over-year, driven by higher urea prices. Net profit surged 139% to USD 203.6 million, with EKH's share increasing by 141% to USD 117.9 million.



EKH finalized the acquisition of 10 million shares in AlexFert, increasing EKH's direct and indirect stake in AlexFert from 60.37% to 61.57%.



Sprea Misr commissioned two new production lines in Q4 2022: a sulfuric acid plant with a 165,000-ton capacity, primarily for AlexFert, and a formica sheet manufacturing facility with a capacity of 3 million sheets per year for the export market.

Sprea Misr is poised for expanded profitability in 2023, with its production lines expected to reach full capacity in the first half of the year.



## Energy & Energy Related

EKH's Energy and Energy-Related segment includes NatEnergy and Offshore North Sinai (ONS). EKH fully owns NatEnergy, which operates five subsidiaries: Natgas, Fayum Gas, and Nubaria Gas Company, focusing on natural gas transmission and distribution in Egypt. NatEnergy's Kahraba generates and distributes power using natural gas in areas like Anshas and 10th of Ramadan South Developers' Zone. Additionally, NatEnergy owns Gas Chill, involved in district cooling, and Shield Gas, which distributes LPG in Dubai and Abu Dhabi.

### Operational Highlights

Kahraba was awarded a 25-year electricity distribution concession covering 10 million m<sup>2</sup> in the 10th of Ramadan Industrial Zone. This concession involves the operation of a 120 MVA substation, with over 1,300 industrial clients operating within the concession area.

NatEnergy received 20 MW of power generation equipment, expected to be commissioned by 3Q 2023.

ONS recently obtained approval to add 140 km<sup>2</sup> to its concession, increasing its total concessions to 442 km<sup>2</sup>. This new concession is expected to enhance the company's reserves.



## Insurance and Diversified

EKH's diversified segment consists of a broad range of investments including non-banking financial services, insurance and telecommunication with companies such as Delta Insurance, Mohandes Insurance, Al-Shorouk for Melamine and Resins, Globe Telecommunications, Nile Wood as well as the most recent addition Bedayti, EKH's recently established microfinance subsidiary.

### Operational Highlights

EKH's diversified segment recorded revenues of USD 213.4 million during FY 2022, up by a solid 14% y-o-y. Revenue growth was largely driven by strong performances at both Delta Insurance and Mohandes Insurance.

Bedayti, the newly established microfinance subsidiary which began operations in early 2022, has opened 45 branches and disbursed over EGP 600 million in loans to more than 30,000 borrowers within its first 10 months.



# Board of Directors

**Mr. Loay Jassim Al-Kharafi**  
Chairman of the Board

**Mr. Adel Al-Alfi**  
Vice Chairman of the Board

**Eng. Sherif El Zayat**  
CEO



**Mr. Moataz Al-Alfi**  
Member of the Board

**Eng. Ibrahim Mahlab**  
Member of the Board

**Mr. Saad Al-Saad**  
Member of the Board

**Ms. Heba Nasser Al Kharafi**  
Member of the Board

**Sheikh Mubarak Abdulla Al-Mubarak Al-Sabah**  
Member of the Board

**Mr. Hussein Al-Kharafi**  
Member of the Board

**Mr. Talal Jassim Al-Kharafi**  
Member of the Board

**Eng. Amin Abaza**  
Member of the Board

**Mr. Husam Mohamed El-Sayed**  
Member of the Board

**Mr. Mohamed Kamel**  
Member of the Board

**Mr. Waleed El Zorba**  
Member of the Board

**Ms. Maha Abaas**  
Member of the Board

# Management Team



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

**Mr. Ayman Laz**  
Advisor to the Chairman & CEO

**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. Hany Azzam**  
Head of Corporate Governance

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

**Mr. Alaa El Banna**  
Senior Sector Head - Fertilizers &  
Upstream Oil & Gas

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

**Mr. Ahmed Boghdady**  
Sector Head — Insurance

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



Tel.: +202 3336 3300 | Fax: +202 3335 8989  
14 Hassan Mohamed El Razzaz Street, Agouza, Giza, Egypt

E-mail: [ir@ekholding.com](mailto:ir@ekholding.com)  
[ir.ekholding.com](http://ir.ekholding.com)