

Investing
Today,
Shaping
Tomorrow

FACTSHEET
2023



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EKH AT A GLANCE

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 EKHK.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, 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 2023, 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.

801 USD
MN

Total Revenue FY23

45%

EBITDA Margin FY23

179 USD
MN

Attributable Net Income
FY23

c.2 USD
BN

Total Assets FY23

38%

Average Return on Equity
FY23

+263 USD
MN

Capital Deployed during
2023



OVER THE PAST
TWO DECADES, EKH
HAS CONTINUOUSLY
EXPANDED ITS
PORTFOLIO, REACHING
OVER 22 COMPANIES.

1.1 USD
BN

Market Cap (Dec 2023)

22+

Investments

5

Sectors

6,700+

Employees

Diversified and Integrated Investments

Fertilizers and Petrochemicals

EKH's Fertilizers and Petrochemicals segment includes its two subsidiaries, AlexFert and Sprea Misr. Leveraging over a decade of expert know-how and industry expertise, these entities enjoy a strong position in the local market as a provider of import substitutes, as well as a growing export business to key markets, including Europe and the United States.



Energy and Energy-Related

EKH's Energy and Energy-Related segment consists of NatEnergy and Offshore North Sinai (ONS). These companies have demonstrated a commendable track record in ensuring robust operations in gas production and distribution to meet growing demand, highlighting EKH's commitment to providing reliable energy solutions in the region.



Insurance & Diversified

Within EKH's Insurance and Diversified segment lie the strategic investments in insurance companies Delta Insurance and Mohandes Insurance. Additionally, the segment includes Bedayti, a microfinance company established in 2021, aimed at empowering small businesses and fostering financial inclusion. Moreover, this segment encompasses a diverse portfolio of investments; most notably, it includes the ambitious 150,000 m² MDF factory, slated to commence production in 2024. Through this multifaceted approach, EKH continues to expand its footprint across sectors, driving growth and fostering innovation within its diversified portfolio.



CHAIRMAN'S MESSAGE



Dear Shareholders,

I am pleased to present to you the 2023 EKH annual report. I am proud of the sustained operational expansion and significant progress on our growth and diversification strategy this year. Despite navigating a challenging macroeconomic landscape, including a weakening Egyptian pound and high inflation rates, we have demonstrated resilience and achieved noteworthy results in 2023.

Over the last 12 months, we leveraged our proven expertise, multi-pronged growth and investment strategies, and leading market position to deliver sustainable growth. We closed the year with an impressive top line of USD 801 million, complemented by solid profitability with a gross profit margin of 45% and an EBITDA of 45%. Additionally, our net profit margin stood at 27%, resulting in an attributable net income of USD 179 million.

Supported by our solid performance and strong cashflows, we paid out a generous dividend of USD 6 cents per share to our valued shareholders in April 2024, affirming EKH's unwavering commitment to delivering sustainable value to shareholders. EKH has paid out over USD 67 million in dividends in FY23 and approximately USD 800 million since inception.

INVESTING TODAY, SHAPING TOMORROW

Throughout 2023, we remained committed to our long-term growth strategy, as evidenced by our strategic allocation of some USD 250 million in investments during the year. We continued to pursue opportunities both locally and in new regional markets and to build a pipeline of investment opportunities in different sectors and geographies. Across our diversified businesses, we delivered a number of growth initiatives to add scale and increase capacity, all the while enabling increased vertical integration. These efforts are what drive our continued outperformance and value creation despite the challenges.



**EKH DEMONSTRATED
RESILIENCE AND ACHIEVED
SIGNIFICANT GROWTH IN
2023. OUR COMMITMENT TO
STRATEGIC INVESTMENTS AND
DIVERSIFICATION CONTINUES TO
DRIVE ROBUST PERFORMANCE
AND SUSTAINABLE VALUE FOR OUR
SHAREHOLDERS.**

At the Fertilizers and Petrochemicals segment, Sprea Misr successfully executed its expansion plans highlighted by the inauguration of new formica sheets capacities, effectively doubling production capacity to six million sheets annually, as well as the launch of our fourth SNF factory. We have also recently inaugurated a state-of-the-art sulfuric acid production facility, tapping a lucrative new market and contributing to feedstock for various products within the Group's portfolio, thereby furthering our integration drive. Meanwhile at AlexFert, we further strengthened our position by acquiring additional shares in the business, with EKH increasing its ownership to 75.33% to grow the Group's export sales and secure USD-denominated revenues and cashflows.

At the Energy and Energy-Related segment, NatEnergy's subsidiaries drove our expansionary drive through consistent growth in natural gas installations, playing a pivotal role in growing the nation's natural gas distribution grid, all the while sustaining profitability. To date, NATGAS and Fayum Gas have successfully connected over two million households, and our plans include adding an estimated 150,000 households annually over the

next five years. Meanwhile at Kahraba, NatEnergy's power distribution and generation subsidiary, successive investments over the years have increased our power generation capacity to 135 MW, while on the distribution front, we have already passed 350 MW as of 2024, with plans for further expansion to 645 MW by 2030. The growth in the distribution business was propelled by the new concession awarded in 2022 for the 10th of Ramadan South Industrial Developers Zone, with further growth expected as we continue to expand our customer base in the newly awarded area. During 2023, we also announced that Kahraba won the tender issued by Centamin, the operator of the Sukari Gold Mine — one of the world's largest producing gold mines — to build a 50-MW 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 further cements Kahraba's position as a key player in the energy distribution sector.

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 km², reaching a total of over 443 km² 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.

LOOKING AHEAD

As we embark on a new chapter in 2024, we look forward to Jon Rokk's contribution as our new CEO. His distinguished leadership roles in various multinational companies across Europe, the Middle East, and North Africa, along with his expertise in multiple sectors, including oil and gas, petrochemicals, infrastructure, and utilities, align seamlessly with EKH's diverse business areas and our ambitions for expansion and growth. We are confident that under his leadership, Jon will foster the company and expand our business, thereby increasing our revenues and helping EKH reach new heights in the years ahead.

Looking forward, we will continue investing in integration and diversification to boost resilience. Specifically, our focus is on expanding exports, enhancing foreign currency streams, and growing our regional presence to drive growth and add resilience to our business, aligning with our long-term strategy for sustainability and enhanced shareholder returns.

I extend my heartfelt gratitude to our esteemed Board of Directors and the dedicated EKH team for their ongoing efforts and unwavering support. I am confident that our people will remain the cornerstone of our success, and I trust in their ability to continue executing the Group's strategies in 2024. As we move forward, EKH remains steadfast in its commitment to generating sustainable value and excellence across all aspects of our business, fostering growth throughout the MENA region.

LOAY JASSIM AL-KHARAFI

Chairman of the Board

2023 HIGHLIGHTS

In 2023, EKH achieved notable milestones driven by a focused commitment to its strategic objectives. With a strategic investment allocation of USD 250 million, EKH reinforced its long-term growth and diversification agenda, enhancing its product and service offerings.

Throughout the year, EKH rigorously pursued strategic 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.

These initiatives delivered tangible outcomes, consolidating EKH's position as a significant market player. From enhancing shareholder value to strengthening market presence, 2023 marked substantial progress and achievement for EKH.



1Q

120^{USD}_{MN}

Dividend Distribution for FY22

EKH paid a dividend of USD 0.11 per share for the year ended 31 December 2022, reflecting a robust dividend payout ratio of 51% and underscoring the company's commitment to delivering value to its shareholders across all share classes.

69.42%

Stake: Increased Ownership of AlexFert

EKH increased its stake in Bawabet Al Kuwait Holding Co. (BKH) from 69.67% to 84.79%. As a result, EKH's direct and indirect stake in AlexFert reached 69.42% up from 60.37%.

25^{Yr}

Power Distribution Concession Awarded to Kahraba

Kahraba reaps the rewards of securing a 25-year power distribution concession in the expansive 10th of Ramadan South Industrial Developers Zone, starting in 1Q 2023. The agreement encompasses a 120 MVA capacity substation, with provisions for extension up to 160 MVA, which Kahraba has acquired alongside the distribution network servicing the area.

20_{MW}

Kahraba's Power Generation Capacity Expansion

Kahraba has bolstered its power generation capabilities with the installation of new capacities, adding 20 MW to reach a total generation capacity of 135 MW as of 1Q 2023.

3_{MN}

Sprea Formica Factory Capacity Expansion

Sprea's new formica sheet factory commenced operations, effectively doubling Sprea's production capacity from three million sheets to six million sheets per annum.

2Q

15_{ktpa}

Dry SNF Production Line Expansion

Sprea successfully commissioned a new 15,000 ton per annum dry SNF production line in 2Q 2023.



97%

Utilization Rate: Sulfuric Acid Plant

Sprea's new sulfuric acid plant, which has a capacity of 165 ktpa, ramped up its operations at a utilization rate of 97% as of 2Q 2023.

10_{ktpa}

Resins Production Lines Expansion

An additional 10,000 tons per annum of production capacity was incorporated into Sprea's novolac and formica resins production lines.

180_{ktpa}

SNF Production Total Capacity

Sprea's fourth SNF factory line commenced operations in April 2023, joining the third production line activated in 2Q 2022, which has effectively doubled SNF production capacity to 180,000 tons per annum.

66_{ktpa}

Liquid & Powder Glue Expansion

Sprea finalized expansions of its liquid and powder glue production lines, adding 66,000 tons per annum to the facility's production capacity.

443_{km²}

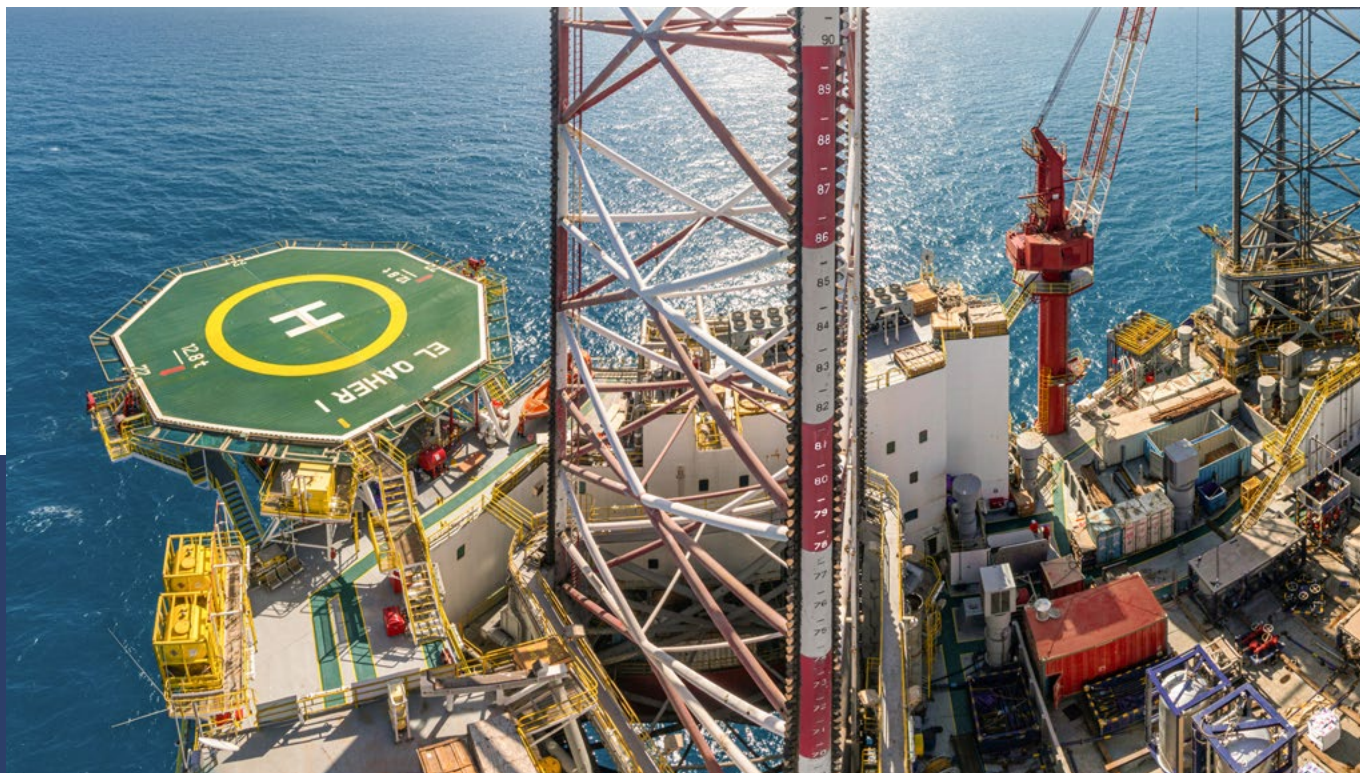
ONS Concession Expansion

ONS expanded its concession area from 303 km² to 443 km² in 2Q 2023.

24_{EGP MN}

Bedayti Net Profit in 1H 2023

Bedayti, EKH's microfinance subsidiary, achieved a milestone with a net profit of EGP 24 million during the first half of 2023. This achievement, within just 12 months of reaching break-even status in 1Q, reflects its strong growth trajectory.



3Q

2

Offshore platforms: ONS

ONS successfully installed two new WH platforms and a 21-km flowline to be ready for the two new wells, ATON-1 and KSE-2.

10_{Yr}

ONS Concession Extension

ONS is in process to secure a substantial 10-year extension of its offshore concession, ensuring the continued sustainability of ONS's operations.

50_{MW}

Substation Project: Kahraba's Awarded Power Distribution Agreement with Centamin

Kahraba, EKH's downstream energy player, won the tender issued by Centamin to construct a 50-MW onsite substation and high-voltage power distribution lines for the Sukari Gold Mine. This landmark agreement, coupled with a long-term operation and maintenance contract, solidifies Kahraba's pivotal role in Egypt's energy sector.

4Q

75.33%

Stake: Increased Ownership of AlexFert

EKH has increased its ownership stake in BKH to 94.34%, subsequent to acquiring an extra 9.45% stake for USD 47.5 million. This transaction has led to EKH's consolidated direct and indirect stake in AlexFert reaching 75.33%, contributing to the growth of USD-denominated revenues.

135_{MW}

Kahraba Expansion

Kahraba witnessed substantial growth in power infrastructure, expanding its generation capacity to 135 MW, driven by the concession for the 10th of Ramadan South Industrial Developers Zone and the tender issued by Centamin.

2

Wells: ONS Phase-3B Development

ONS started the project to commence drilling operations of two new wells, ATON-1 and KSE-2, in the newly acquired extension area following the installation of the platforms that took place in August.

6^{USD}
cents/share

Dividend Recommendation

At EKH's annual general assembly meeting on 31 March 2024, the Board of Directors proposed a dividend of USD 6 cents per share. This proposal, endorsed during the 25 February board meeting to review FY23 financials, is applicable to all shareholders, including those holding USD-denominated EKHO.CA shares, EGP-denominated EKHOA.CA shares, and Kuwaiti Dinar-denominated shares of EKHK.HW listed on Boursa Kuwait.

BOARD OF DIRECTORS

Mr. Loay Jassim Al-Kharafi

Chairman of the Board

Mr. Adel Moataz Al-Alfi

Vice Chairman of the Board

Mr. Jon Rokk

Chief Executive Officer

Eng. Sherif El-Zayat

Former Chief Executive Officer



Mr. Moataz Al Alfi

Member of the Board

Mr. Saad Al-Saad

Member of the Board

Sheikh Mubarak Abdullah 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

Ms. Heba Nasser Al-Kharafi

Member of the Board

Eng. Ibrahim Mahlab

Member of the Board

Mr. Hussam Mohamed El-Sayed

Member of the Board

Eng. Osama Kamal

Member of the Board

Eng. Hesham Mekawi

Member of the Board

Mrs. Sahar El Damaty

Member of the Board

Mr. Mohamed Kamel

Member of the Board

Eng. Amin Abaza

Member of the Board

Dr. Walid Hegazy

Member of the Board

Mr. Waleed El Zorba

Member of the Board

EXECUTIVE MANAGEMENT

Mr. Jon Rokk

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

Mr. Hany Ezzat

Group Treasurer

Mr. Hany Azzam

Head of Corporate Governance

Mr. Mohamed Wafaei

Head of Internal Audit

Mr. Omar Nashaat

Investor Relations Director

Mr. Elhamy El Sheikh

Senior Sector Head – Gas
Distribution & Electricity

Dr. Ahmed Boghdady

Sector Head – Insurance

Mr. Ahmed El Chourbagy

Senior Sector Head –
Non-Banking Financial Services





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