

Rehan Hamza: Okay, good morning, good afternoon, everyone. This is Rehan Hamza from the Al Ahly Pharos Research.

Rehan Hamza: I'd like to thank everyone for joining us today in Valmore's Fourth Quarter 2025 results call. It's our pleasure to be having Valmore's management with us today, Mr. Jon Rokk, the Group Chief Executive Officer, and Mr. Omar Nashaat, Investor Relations Director.

Rehan Hamza: And now I'd like to hand over the call to Omar for opening remarks. Omar, the floor is yours.

Omar Nashaat: Thank you, Rehan. Good afternoon, everyone, Ramadan Karim, and thank you for joining us today for Valmore Holding's full year and fourth quarter 2025 Results Conference Call.

Omar Nashaat: I'm Omar Nashaat, Valmore's Director of Investor Relations, and before we begin, I would like to, of course, thank Rehan and the entire team at Al Ahly Pharos for hosting us today.

Omar Nashaat: Joining us today would be our CEO, Jon Rokk, who will walk you through, in a minute, will walk you through our full year performance and fourth quarter highlights, and outline the key strategic milestones we achieved during the year.

Omar Nashaat: And share our priorities and outlook as we move into 2026. Following Jon's remarks, we will open the floor for Q&A, which Rehan will thankfully moderate.

Omar Nashaat: Our earnings material are all available on our newly launched Investor Relations website, which went live as part of our transition to Valmore Holding earlier in 2025, and represents an important milestone in our rebranding journey and how we communicate with the capital markets.

Omar Nashaat: We invite you to visit the platform and review the full set of materials related to today's results. And as always, if you have any follow-up questions after the call, please feel free to reach out to Maryam or to myself.

Omar Nashaat: With that, I'll hand over to Jon to get us started.

Jon Rokk: That's right, thank you, Omar, and good afternoon, everyone. I'm delighted to be here today to talk to you about our results, and especially as this is the very first earnings call as Valmore Holding, so I'm very happy to say that.

Jon Rokk: Right, let's start. Look, 2025, we believe, was a remarkable year for us. It was defined by strategic progress and robust operational execution across the whole platform.

Jon Rokk: We delivered strong revenue growth in 2025, supported by improved operating conditions, we had resilient export pricing, and continued execution of our portfolio optimisation program.

Jon Rokk: This momentum carried us through to the fourth quarter, where we delivered top-line growth alongside resilient net profitability, reflecting the strength of our operating platforms.

Jon Rokk: 2025 also marked an important milestone in our Group's evolution, as we formally transitioned from Egypt Kuwait Holding to Valmore Holding. And this rebrand represents a step change in how we position the Group.

Jon Rokk: We'll be bringing greater clarity to our strategic direction, shifting our focus towards broader geographic exposure, building a stronger hard currency earnings mix, and prioritising disciplined capital allocation.

Jon Rokk: Throughout last year, we pursued strategic portfolio optimisation initiatives, we successfully redeployed capital in line with our long-term value creation framework, and as a result, we enter 2026 with a much more streamlined portfolio, enhanced earnings visibility, and multiple embedded growth engines across our core sectors.

Jon Rokk: So before I move into the consolidated results for our businesses, let me start with some of the key developments across the strategic initiatives and investments that we did last year.

Jon Rokk: So, to begin with, we finally had a landmark year for our MDF plant, Nilewood. Following the successful completion of commissioning earlier in the year, the plant has now transitioned into early-stage commercial operations, with ramp-up progressing steadily.

Jon Rokk: We have already begun commercial board sales and secured repeat customers, which gives us confidence in both the product and the market demand. The production lines are performing in line with expectations, and our team remains focused on gradually scaling output and optimising processes ahead of the full commercial production.

Jon Rokk: 2025 was primarily a stabilisation year, focused on bringing the plant fully online. As we enter 2026, we're targeting to ramp up to reach a utilisation of around 70%, which is in line with industry benchmarks for a newly commissioned facility.

Jon Rokk: Over the next 12 to 15 months, we expect to continue ramping up, heading towards 75% and 80% utilisation, with the plant operating at a steady state level throughout 2027, following the full completion of our ramp-up phase.

Jon Rokk: This project represents a key pillar in our strategy to build export-oriented US dollar-generating industrial platforms based in Egypt, while also benefiting from import-substitution dynamics in the local market.

Jon Rokk: As the plant ramps up and progresses, we expect Nilewood to contribute meaningfully to consolidated revenue growth and to start generating positive operating cash flows in 2026.

Jon Rokk: Turning now to our...

Jon Rokk: To our gas distribution platform in Saudi Arabia, EKACOM, we continue to see steady operational momentum following the commencement of commercial supply earlier in the year.

Jon Rokk: Gas consumption volumes are increasing in line with tenant demand, and additional industrial customers are being connected as activity with Dammam Industrial City 3 continues to scale.

Jon Rokk: We are currently supplying a growing number of factories with throughput ramping up progressively. As more tenants become operational, we expect volumes to increase meaningfully throughout this year.

Jon Rokk: The 22km gas network that was developed by EKACOM has an initial capacity of 25 million standard cubic feet per day, with the ability to scale significantly as demand grows. This will position us very well to capitalise on the long-term expansion of the industrial city as its developed area increases over time.

Jon Rokk: Strategically speaking.

Jon Rokk: This 35-year concession strengthens our regional footprint and enhances our exposure to stable, recurring, infrastructure-based cash flows with long-term visibility.

Jon Rokk: The embedded growth potential within the industrial zone provides an organic volume ramp as industrial activities accelerate.

Jon Rokk: EKACOM reflects our refreshed investment strategy of deploying capital into essential infrastructure platforms that serve clear industrial demand and benefit from structural growth dynamics within high-growing economies.

Jon Rokk: With our operational track record in gas distribution and energy infrastructure, we remain confident in our ability to scale this platform efficiently and pursue further opportunities across the Kingdom over time.

Jon Rokk: I'll now move on to our new UK investment, Endolys, which had its financial close in August 2025. Commencement of capital deployment and execution has continued to progress to plan as expected.

Jon Rokk: The site works in Darlington, which is in the northeast of England, are advancing as scheduled, with detail engineering progressing and key equipment procurement underway. Construction activities remain aligned with our targeted timeline, and we're on track to commence commercial operations during the fourth quarter of this year.

Jon Rokk: As a reminder, our Phase 1 comprises of 6 reactors, with a total annual processing capacity of approximately 60,000 tonnes of plastic.

Jon Rokk: The UK's regulatory framework provides strong visibility on the feedstock availability, while previously secured off-take arrangements support commercial predictability as we move towards early-stage production.

Jon Rokk: We will be deploying in total 60 million sterling to develop the first phase of this state-of-the-art plastics pyrolysis facility, which will chemically recycle post-consumer plastic waste to produce circular ethylene cracker feedstock designed to be blended into virgin naphtha streams and steam crackers.

Jon Rokk: This feedstock displaces virgin fossil feedstock in the manufacturing of new plastics, supporting chemical recycling, and contributing directly to circular polymer production.

Jon Rokk: Strategically, this project enhances our hard currency earnings mix and establishes a scalable industrial platform along with global circular economy trends.

Jon Rokk: Funding remains disciplined and supported by capital recycling initiatives completed during the year, reflecting our continued focus on redeploying capital into high-return, hard currency-generating assets.

Jon Rokk: But more importantly, this investment reflects our refreshed strategic priorities.

Jon Rokk: Focusing on opportunities that address clear structural demand and solve tangible industrial challenges.

Jon Rokk: Global demand for recycled plastics continues to grow, while regulatory direction and environmental pressures are accelerating the shift away from alternatives such as landfill and incineration.

Jon Rokk: Together, these developments will well position Endolys within a demand-driven, sustainability-linked value chain with long-term growth potential.

Jon Rokk: So, moving on, I'll now cover our portfolio optimisation program, which started in 2024, but continued momentum in 2025. It was very active as we actively recycle capital and redeploy the proceeds into scalable, higher-return platforms.

Jon Rokk: So during the year, we executed several strategic transactions, which included the divestment of our 63.3% stake in Delta Insurance to Al Wafa Insurance, and this move generated around 67 million US dollars, which we then primarily channeled towards the funding of the capital for the UK Endolys project.

Jon Rokk: We also completed additional optimisation initiatives, including the sale of our UAE-based subsidiary, Shield Gas, and the monetisation of sovereign government bonds that had previously been impaired on our balance sheet.

Jon Rokk: So these actions, they come... they're part of our ongoing efforts to streamline the portfolio, reduce our exposure to EGP-denominated earnings, while channeling capital towards higher return opportunities that enhance long-term value creation.

Jon Rokk: Finally, 2025 marked an important milestone for the Group. As I mentioned earlier, we completed our corporate rebrand and transition from Egypt Kuwait Holding to Valmore Holding.

Jon Rokk: The rebrand was accompanied by a launch of a refreshed strategic framework and business plan, providing clearer direction on how we expand geographically, optimise the portfolio, strengthen our core platforms, as well as enhancing operational performance, financial resilience, and capital market presence.

Jon Rokk: The new identity is now fully rolled out, ensuring a consistent and forward-looking profile that aligns with our evolving investment approach and long-term strategic objectives.

Jon Rokk: It reflects our heightened ambitions to accelerate sustainable growth, extend our footprint beyond our traditional markets, and unlock long-term value by investing in new platforms that can drive differentiated returns over the coming decade. We have a new vision, mission, and purpose which sets out these ambitions.

Jon Rokk: Okay, so let's move on to our consolidated performance, and I'll talk through our results for 2025, before moving into the individual businesses' performances.

Jon Rokk: In terms of the Group, revenues reached 685 million US dollars in 2025, which was up 24% year-on-year, driven by strong growth across our portfolio, and further supported by improved operating conditions, and the continued execution of our portfolio optimisation agenda.

Jon Rokk: In the fourth quarter alone, revenues increased 15% year-on-year to reach 166 million US dollars.

Jon Rokk: Our gross profit margin remained really solid at 35% in both 2025 and the fourth quarter. EBITDA margin expanded to 47% for the full year, and remained strong at 48% in the fourth quarter, reflecting improved operating conditions and enhanced efficiency across the portfolio.

Jon Rokk: Stronger contributions from higher margin platforms help offset ramp-up costs associated with newly commissioned assets, and the early-stage operational phases of certain projects.

Jon Rokk: At the bottom line level, net profit was broadly stable, year-on-year, at 186 million dollars in 2025, which delivered a healthy net profit margin of 27% for last year, noting that in 2024, the net profit was boosted by a one-off FX gain, which amounted to about 54.5 million dollars versus an actual FX loss for us last year of 5 million dollars. Adjusting for the one-off FX gains, underlying net profit for 2025 would have increased by more than 40% year-on-year.

Jon Rokk: Attributable net profit for 2025 amounted to 161 million dollars, in line with our revised consolidated guidance range that we gave of between 156 and 166 million dollars.

Jon Rokk: This compares to 163 million dollars in 2024, which again was significantly boosted by those FX gains.

Jon Rokk: In the fourth quarter of last year, net profit increased 7% year-on-year to 49.4 million dollars, translating into a net profit margin of 30%, while attributable net profit rose 12% year-on-year to 43.5 million dollars.

Jon Rokk: In line with our capital allocation framework and our commitment to delivering sustainable shareholder returns, I'm pleased to confirm that the board has proposed a cash dividend of 4.5 US dollar cents per share for 2025, subject to the final General Assembly approval.

Jon Rokk: This reflects both the resilience of our earnings base and our confidence in the Group's ability to generate strong cash flows going forward.

Jon Rokk: On behalf of the board, I'd very much like to thank our management teams, our employees, our partners and shareholders for their continued trust and support as we move forward as Valmore Holding.

Jon Rokk: Looking ahead, we're expecting this year's net profit to be largely in line with 2025 levels, supported by sustained growth momentum and improving operating conditions across our core platforms. And we'll discuss company-level guidance for each one separately as we go through this call.

Jon Rokk: But for now, important to highlight that on the consolidated level, we are working on a number of initiatives which should bridge the gap from the non-recurring part of our 2025 net profit.

Jon Rokk: Okay, moving on now, with the companies, and, we'll start with, AlexFert.

Jon Rokk: AlexFert delivered a strong fourth quarter, with natural gas supply remaining stable, and utilisation maintained at full run rate throughout the quarter, alongside sustained strength in export urea pricing.

Jon Rokk: Revenues rose 23% year-on-year, and 22% quarter-on-quarter to 72.6 million dollars, which is supported by a recovery in export fertiliser volumes as gas availability improved over the quarter.

Jon Rokk: Our export volumes increased 33% sequentially, and 11% year-on-year, while pricing remained favorable, averaging 447 dollars per ton in the fourth quarter, compared to the previous quarter in 2024 of 364 dollars.

Jon Rokk: On a full-year basis, revenues increased 18% year-on-year to 251 million dollars, driven by a 24% rise in average export urea prices to that average of 423 dollars per ton during 2025.

Jon Rokk: So our gross profit grew 21% year-on-year, and 50% quarter-on-quarter to 30.1 million dollars in quarter four of 25, with gross profit margin broadly remaining stable year-on-year at 42%, and improving sequentially by 8 percentage points.

Jon Rokk: For the full year, gross profit rose 26% to 97.6 million dollars, with gross profit margin expanding by 3 percentage points to 39%.

Jon Rokk: EBITDA increased 3% year-on-year and climbed 29% quarter-on-quarter to 35.5 million dollars in the fourth quarter, translating into a margin of 49%, which in turn expanded by 3 percentage points sequentially. Yet it did contract by 9 percentage points year-on-year on account of the provision reversals of 4.79 million dollars, which were recorded in quarter 4 of 24.

Jon Rokk: But for 2025, our EBITDA increased 12% year-on-year, 219 million dollars, maintaining a really robust EBITDA margin of 47%.

Jon Rokk: In terms of bottom line, net profit rose 32% sequentially to 26.1 million dollars in quarter four of 25, falling 9% year-on-year, primarily due to another provision of 1.16 million dollars, which was booked during the quarter compared to that 4.79 million dollars reversal in the comparable quarter.

Jon Rokk: But for our full year, the net profit increased 6% year-on-year to reach 86.2 million dollars, with a net profit margin of 34%.

Jon Rokk: Net profit, then, that's attributable to Valmore, amounted to 65 million dollars in 2025, exceeding our revised guidance range of approximately 56 to 59 million dollars, and consistent with our earlier communication that AlexFert was positioned to meet and potentially slightly exceed the upper end of the guidance.

Jon Rokk: Looking ahead, the operating environment remains supportive. Natural gas continues to stabilise, supported by proactive government measures, including increased LNG shipments, export urea pricing also remains strong, underpinned by favorable global supply chain dynamics.

Jon Rokk: Recent regular developments included the expectable favorable treatment of Egyptian fertilizers under the European Union's CBAM framework, which should further enhance earnings availability for the platform.

Jon Rokk: Accordingly, we will set our 2026 attributable net profit guidance range between 61 to 65 million dollars, reflecting continued operational stability and supportive sector-wide fundamentals. Overall, we enter 2026 with confidence in AlexFert's ability to continue delivering strong cash generation and resilient profitability.

Jon Rokk: So, we'll move now on to, our Sprea business, which is in the petrochemical sector.

Jon Rokk: Sprea delivered really strong top-line growth in the fourth quarter, with revenues reaching 48.8 million dollars, up 58% year-on-year, and 27% quarter-on-quarter in dollar terms, driven by higher sales volumes and continued execution of management's market share expansion strategy.

Jon Rokk: For the full year, revenues grew 33% year-on-year to 177 million dollars, reflecting the sustained volume momentum and market share growth throughout the year.

Jon Rokk: On the profitability side, the quarter was impacted by cost pressures across raw materials and production inputs. As a result, the gross profit declined 32% year-on-year in dollar terms, as raw material costs increased materially, particularly locally sourced methanol due to gas supply interruptions, as well as a higher import on raw material costs owing to shipping disruptions within the Red Sea route.

Jon Rokk: As a result, gross profit margin narrowed by 18 percentage points year-on-year for the quarter.

Jon Rokk: Similar trends were observed at the EBITDA level, with full-year EBITDA declining 28% year-on-year in dollar terms, reflecting the temporary cost pressures.

Jon Rokk: Net profit, amounted to 7.4 million dollars in quarter four of 25, primarily impacted by lower net interest income following cash up-streams to the holding level, in addition to foreign exchange losses booked through the quarter compared to gains in the comparable quarter of last year.

Jon Rokk: For the full year, though, the net profit reached 33.7 million dollars compared to our revised guidance range of 36 to 38 million dollars, and the variance was primarily driven by these elevated raw material costs and the FX impact during the year.

Jon Rokk: Looking ahead, our medium-term outlook remains positive. Management continues to execute on its market share expansion strategy, supported by improving operating conditions. The extension of anti-dumping measures on SNF imports from Russia and China are going to further strengthen pricing discipline across the industry.

Jon Rokk: The business is also set to benefit from growing demand in line with the resumption of building activities, and as gas supply conditions normalise, the raw material input costs revert towards sustainable historical levels. We also expect a progressive recovery in margins.

Jon Rokk: Accordingly, we are setting 2026 net profit guidance range between 35 and 37 million dollars, supported by sales, which will grow on the back of the normalisation of raw materials costs and a gradual strengthening of the Egyptian pound.

Jon Rokk: In terms of, NatEnergy, which we'll move on to now, which is our gas distribution operations in Egypt.

Jon Rokk: Again, we had revenue growth of 18% year-on-year, and 8% quarter-on-quarter in dollar terms, to 21.6 million dollars in the fourth quarter of 25, which was supported by higher installations and increased connections to margin accretive households.

Jon Rokk: For the full year, revenues increased 20% year-on-year to 75.4 million dollars.

Jon Rokk: Profitability improved meaningfully during the quarter, as gross profit grew 58% year-on-year and 23% sequentially to 6.7 million dollars, with a gross profit margin expanding by 8 percentage points year-on-year and 4 percentage points quarter-on-quarter.

Jon Rokk: EBITDA increased 75% year-on-year to 6.6 million dollars in fourth quarter of 25, with EBITDA margin expanding 10 percentage points year-on-year to 30%. On a full-year basis, EBITDA grew 32% to 22.9 million dollars, with EBITDA margin expanding by 3 percentage points year-on-year to 30%.

Jon Rokk: Net profit rose 28% year-on-year to 7.5 million dollars in the fourth quarter, driven by strong top-line performance, higher net interest income, and further supported by provisioning reversals booked over the quarter.

Jon Rokk: In 2025, our net profit reached 25.2 million dollars. The year-on-year comparison reflects foreign exchange losses of about 695,000 dollars during the year, compared with significant gains that we reported in 2024.

Jon Rokk: The net profit attributable to Valmore amounted to 21.1 million dollars, exceeding our revised full-year guidance range, which was approximately 19 to 20 million dollars.

Jon Rokk: Looking ahead, NatEnergy is expected to continue delivering growth, supported by management focus on expanding residential connections, while prioritising high-value, margin-accretive household and industrial connections to sustain blended margins.

Jon Rokk: Accordingly, we are setting 2026 net profit guidance range between 24 and 26 million dollar, reflecting a year-on-year growth of 14% driven by increased connections to households, as well as commercial and industrial users.

Jon Rokk: Moving on now to Kahraba, our power generation distribution business. So...

Jon Rokk: Kahraba's revenues rose 23% year-on-year and 4% quarter-on-quarter in dollar terms, to 18.2 million dollars in the fourth quarter, driven by higher electricity distribution volumes, which surged 128% year-on-year and 75% on a sequential basis during the quarter. On a full-year basis, revenues grew 18% year-on-year in dollar terms.

Jon Rokk: In the fourth quarter, profitability was impacted on a year-on-year basis by higher costs of goods sold, with gross profit declining 30% to 3.9 million dollars.

Jon Rokk: Gross profit margin contracted by 60 percentage points year-on-year to 22%.

Jon Rokk: That said, performance improved sequentially, with gross profits of 18% quarter on quarter, and its corresponding margin expanding by 2 percentage points, reflecting improved operating dynamics.

Jon Rokk: EBITDA followed a very similar pattern, declining 17% year-on-year to 4.8 million dollars in quarter four, with EBITDA margin narrowing to 26%.

Jon Rokk: On a sequential basis, EBITDA climbed 46% quarter on quarter, with EBITDA margin expanding to 7 percentage points.

Jon Rokk: In terms of bottom line, net profit reached 3.3 million dollars, which was down 24% year-on-year, reflecting the higher FX gains that were booked in the fourth quarter of 24. On a sequential basis, though, net profit increased 46% quarter on quarter, with net profit margin widening 5% points to 18%.

Jon Rokk: Net profit, for the year amounted to 8.47 million dollars, coming in line with our revised full-year guidance of slightly above 8 million dollars.

Jon Rokk: Looking ahead, Kahraba remains well-positioned to build on the sequential improvement we saw over the second half of the year, supported by continued growth demand within its concession areas. Accordingly, we are setting 2026 net profit guidance range between 9 to 10 million dollars, reflecting continued operational expansion and a more normalised cost base.

Jon Rokk: So, moving on now to upstream facility and subsidiary ONS. ONS delivered stable fourth quarter performance, with revenues increasing 4% sequentially, to reach \$15.3 million, supported by steady production volumes from recently commissioned wells.

Jon Rokk: Revenues declined 18% year-on-year, with the comparison impacted by a high base in the fourth quarter of 24, relative to the company's typical quarterly run rate. For the full year, revenues reached 61.3 million dollars, broadly stable year-on-year.

Jon Rokk: Gross profit came in at 9.8 million dollars in the fourth quarter of 25, broadly unchanged year-on-year, with margins remaining strong at 64%, yet declined 7% quarter on quarter, with a sequential margin contraction reflecting the higher costs of goods sold versus the third quarter of last year.

Jon Rokk: On a full-year basis, gross profit increased 6% year-on-year to 37.2 million dollars, with gross profit margin expanding by 4 percentage points to 61%.

Jon Rokk: EBITDA reached 11.4 million dollars in the fourth quarter, with margins at 75%, impacted by higher G&A expenses during the period.

Jon Rokk: Full-year EBITDA remained resilient at 49.1 million US dollars, with EBITDA margin remaining broadly stable at 80%, underscoring the robustness of ONS' operating model despite near-term cost headwinds.

Jon Rokk: During the fourth quarter, net profit declined 2% year-on-year, in line with trends observed for gross profitability, while net profit margin expanded by 9 percentage points year-on-year to 56%.

Jon Rokk: Net profit for 2025 amounted to 33.3 million dollars, increasing 7% year-on-year, and exceeding our revised full-year guidance range of 28 to 30 million dollars, which is consistent with our prior communications that ONS was positioned to meet and potentially slightly exceed the upper end of our guidance. And it also remains consistent with the company's typical annual earnings run rate of approximately 30 to 31 million dollars, which offers great predictability.

Jon Rokk: Operationally, the business achieved a number of important milestones during the year, in particular the 10-year extension of the concession agreement, which will now provide enhanced regulatory visibility and long-term operational continuity. In addition, the award of the new concession adjacent to the existing infrastructure creates a capital-efficient pathway for incremental production, supported by existing ullage capacity.

Jon Rokk: Furthermore, the approval of a new flat gas price applicable to incremental production from new projects, which will start with our Phase 4, which is expected to commence production in 2027, really will strengthen our long-term economics and support future development planning.

Jon Rokk: Looking ahead, we are setting 2026 net profit guidance to between 29 and 31 million dollars, reflecting the sustained production levels and continued operational discipline.

Jon Rokk: So finally, let's turn to our non-banking financial services, and diversified segment.

Jon Rokk: This segment generated revenues of 57.2 million dollars, more than doubling year-on-year, and that was primarily driven by the gains realised through our portfolio optimisation program.

Jon Rokk: As I said earlier, these included proceeds from the full divestment of Delta Insurance, the partial divestment of Ad Astra, the sale of shield gas, and the monetisation of sovereign debt instruments, as well as a reversal of impairment charges related to our investment in BMIC.

Jon Rokk: Collectively, these actions reflect our disciplined focus on capital recycling, unlocking embedded value, and enhancing balance sheet efficiency.

Jon Rokk: As a result, through these actions, our gross profitability expanded sharply, with gross profit reaching 33.1 million dollars, and gross profit margin widening to 58%, compared to just 4% in 2024.

Jon Rokk: Mohandes Insurance delivered attributable net profit of 95.7 million Egyptian pounds, which is up 38% year-on-year, which was supported by solid underwriting performance, improved investment income, and disciplined claims management.

Jon Rokk: Bedayti also recorded strong growth, with attributable net profit rising 59% year-on-year to 106 million Egyptian pounds, which was driven by continued portfolio expansion and resilient demand for microfinance services.

Jon Rokk: At the segment level, net losses narrowed materially to 316,000 dollars compared to 26.9 million dollars in 2024, reflecting the successful execution of these optimisation initiatives.

Jon Rokk: During 2025, management continued advancing its portfolio optimisation strategy centered on capital recycling, selective asset monetisation, and disciplined capital allocation. These initiatives remained integral to our broader strategic objective of strengthening our hard currency earnings mix and reducing the exposure to EGP-denominated revenues.

Jon Rokk: So, all in all, a very good year, and with that, I am now concluding my presentation, and I'm happy to give the floor back to Rehan for any of your questions.

Rehan Hamza: Thank you, Jon, so much for your presentation. I'd like to remind everyone, if you'd like to ask any question, please use the raise hand function to have your mic unmuted, or type your question in the Q&A box.

Rehan Hamza: Well, now we have some questions.

Rehan Hamza: Thanks for the call. I have a couple of questions. What's the contribution to the top and bottom lines expected for Nilewood? And the CAPEX remaining for Endolys. And Endolys' expected contribution to top and bottom lines for fourth quarter 26 and for 2027. And how AlexFert deals with potential natural gas disruptions, given the current situation?

Jon Rokk: Okay, a lot of... lot of questions there.

Rehan Hamza: Okay, let's take it by one by one.

Jon Rokk: I'll start with Nilewood. As I said, you know, for Nilewood, like any new factory, when you're ramping up production, when you're trying to get to a sustained level of efficiency and productivity, your financial economics are not optimised. So, the focus has been to get the plant operating, which it now is. The focus has been to make really high-quality board that the market has recognised is of high quality.

Jon Rokk: And as we now ramp up the operational side, we're also looking at the commercial side of managing that balance, of making sure that the cost base is as effective and efficient as possible, of making sure that the feedstock is acquired and processed in an efficient way, and looking at the local and global markets. There's a certain commodity element to MDF.

Jon Rokk: So, the management team's working hard on all of that mix, and as we said, we expect a positive contribution, but it's too early to state to give a quantum in terms of what that is at the moment.

Rehan Hamza: Okay, thank you. The second question is the CAPEX remaining for Endolys, and expected contribution to top and bottom line starting the fourth quarter this year and next year?

Jon Rokk: Yeah, sure. So, with Endolys, as I said, the total capex that we're investing for Phase 1 is 60 million sterling, and we expect all of that to be deployed, probably by the quarter three of this year. So the construction phase is relatively fast-track.

Jon Rokk: Money, as I hinted earlier, has already been, allocated for some of the reactors and, and starting the construction activities. But that 60 million dollars will be deployed fully by, by around about quarter three.

Jon Rokk: In terms of the contribution to the top and bottom lines, similar story to Nilewood. We expect to be producing, we expect to be earning. But in terms of giving guidance at this stage, it's too early until we've passed the commissioning stage, and, we can see a roadmap both, not only for the Phase 1, reactors, but the Phase 2 ones coming in.

Rehan Hamza: Okay, thank you. From my side, there is another follow-up question regarding Endolys. As you know, as we know, the waste stock in the UK is typically paid for by the generator rather than purchased, right?

Jon Rokk: So, sorry, just to clarify, maybe it's what you meant. So, there'll be a gate fee. So, basically, we will be paid, by the waste providers for us to take the waste off them. So, the waste will be brought to Endolys, and we will actually be paid to take that waste from them, because in the UK, there's very high costs for incineration, there's very high costs for landfill. And the ability to export waste is coming to an end. So, we're providing a solution to all the material waste facilities, and there will be a gate fee where they will pay us to take the feedstock off them.

Rehan Hamza: Okay, great. So these gate fees, do we have a number for this?

Jon Rokk: Well, typically, gate fees in the UK range between 10 and about 80 sterling at the moment, depending on the type of waste. Again, it's a market that, once we're taking the waste, and we can pick and choose the quality of that waste.

Jon Rokk: It's a dynamic pricing, so, you know, our management team there will be very geared to try and maximise that particular gate fee.

Rehan Hamza: So we can say that the transportation cost mainly is the main cost for this type of project.

Jon Rokk: No, again, the transportation costs will be down to the people that are sending us the waste. So, there is no transport cost for Endolys.

Rehan Hamza: Okay, the maybe energy is the cost? Electricity or whatever?

Jon Rokk: Yeah, so there's energy costs. I mean, you know, everyone knows that energy costs in the UK are higher than the rest of Europe, but this isn't a very high energy intensive process. You know, we only need a demand of about 4 or 5 megawatts. And the process is very efficient. So, whilst that is a cost there, it's not a significantly high cost.

Rehan Hamza: Okay, perfect, thank you.

Rehan Hamza: Another question regarding AlexFert. How it's going to deal with the potential natural gas disruption, given the current situation in the region and the geopolitical tensions.

Jon Rokk: Yeah, it's a very, important question, very topical. Obviously, this is just, you know, happened in the last 72 hours.

Jon Rokk: I think, look, if people... and at the moment, there's been no gas cuts, but I think everyone is expecting some degree of disruption.

Jon Rokk: But I would urge people to look at, the last couple of summers, and particularly last summer, how we dealt with those gas cuts. So our AlexFert has been very, very clever, very mature in dealing with those cuts. So, we are used to cuts, and we are used to trying to optimise that situation as best we can. And the evidence, you know, you look at the recovery of Alex Fert last year following those summer cuts. So it's not a new concept to the business. Ultimately, we're looking at it on a day-by-day basis. We know that the government is doing their best to make sure that gas supplies are not impacted. We're still in the winter cycle, so the country's gas demand is not as high as over the summer months. But, no, we're very actively looking at it, we're looking at risk assessments, we're looking at any mitigation measures. It's too early to say how things will be impacted. But as of this morning, there's been no indication of gas cuts, and we've had no requests to stop production.

Rehan Hamza: Okay, okay, a follow-up from my side. Is there a minimum operating rate required for AlexFert, for example, to remain EBITDA positive?

Jon Rokk: You mean...is there a minimum production it needs to deliver to, to essentially break even? Is that... is that...

Rehan Hamza: Yes, yes, yes, exactly, yes.

Jon Rokk: Yeah, with any plant, it's an interesting question, because there's always an option to stop production. So when you're looking at potentially reduced operating times, or maybe the market price of some of your feedstock, or the off-take price changes dramatically. You can always curb losses by making that, that, that long-term decision to halt. I haven't got at hand a number for you, because it depends on what metric is the one at weakness. You know, would we stop... would we have an issue because of urea prices? Would we have an issue because of gas distribution? Would it be both together? So to give a definitive answer on that, we would have to look at the metrics that are being modeled and analysed.

Rehan Hamza: Yes, understood.

Rehan Hamza: Thank you. Okay. Another question, regarding AlexFert and the urea outlook. How management sees the outlook for global and export urea prices over the next 12 to 18 months? Do you have an assumption for your internal planning for 2026?

Jon Rokk: Yeah, we did. Look, you know, we kind of based our planning on 400 dollars. And again, that's something that needs to be looked at very, very carefully, given the... what's been happening. We've seen a spike in the last 72 hours, so it's north of 500 dollars now. So again, you know, this could be an upside, or downside, we could guess from a theoretical shutdown could be met by the theoretical upside of urea. But in our planning, we were prudent. We don't want to be too excessive in our outlook. So as I said, the planning's based on 400. If urea price has a sustained pricing above 500, as it is today, then obviously that would be some upside to AlexFert.

Rehan Hamza: Okay, okay, thank you so much. Another question regarding CBAM. There were discussions that you may consider suspending or deferring carbon customs duties on fertilisers under the CBAM framework.

Rehan Hamza: Can management clarify whether this is being factored into AlexFert's first planning?

Jon Rokk: So we're following all the CBAM very, very closely. As everyone's aware, there has been a suspension to a certain degree, as the EU tries to get to grips with how to deploy CBAM in this sector. So, we're following things carefully. We ultimately will see it, if it's fully deployed, as a bit of a USP, because we feel that our operations

can mitigate some of these carbon issues in a positive way. So, we're keeping a close eye on it, we're following the guidelines, and as you said, it's been suspended at the moment, but I think that reflects the complexity of what the EU's been trying to do. So it's high on our priority list to make sure we pretty much are ready for when it's implemented in the full time, but at the moment, yeah, things are suspended.

Rehan Hamza: Thanks, thank you so much. I'd like to remind everyone, if you'd like to ask any question, please use the raise hand function, or type your question in the Q&A box.

Rehan Hamza: We have a question, regarding the strategic priority of recycling capital. What is considered non-core and maturing assets within Valmore's portfolio?

Jon Rökk: Yeah, I mean, as you'd expect, we continuously are evolving our portfolio. I've been very clear that I want to redeploy capital, but only redeploy it if I feel that I can increase value, increase equity, and bring that value back to the shareholders. And ultimately, we have demonstrated that model. It's not theory. We sold Delta last year and we redeployed that capital into that UK operation. And we expect, you know, when Phase 1 is fully operational, that will deliver up to four times the earnings that Delta, but obviously in hard currency in sterling, and give us a huge growth platform, because as I've said before, the plan is to increase capacity not only in the UK, but look at that blueprint for similar projects that we could find in both the MENA region and Europe. It would be wrong for me to use this platform to share our ideas in terms of which of the businesses we're planning to divest, but I've been very committed that, as an investment company, that wants to be very proactive and active, we will always be looking at both investments and divestments. And when I have a bit more tangible news, when we're making one of those decisions, I'll be happy to share it to the market.

Rehan Hamza: thank you so much. Regarding Spre's profitability, that, as you said in your presentation, that came under pressure in 2025. Could you give us, any, when, an expected timeline for normalisation of this, margin?

Jon Rökk: Yeah, sure. So, look, there were cost pressures, as I talked about, but another part of the equation was that, the management tactically and strategically decided to increase market share significantly, and as the number showed, we increased our revenues 58%. Which, was remarkable when you consider the extra volumes of chemicals that must have been manufactured to increase revenues that much. Part of the reason for gaining market share is to protect our position.

Jon Rökk: As part of that process, in some product lines, pricing was a bit more aggressive, which did eat into margins. But the management's very focused on growing that market share, and then once it's got that market share, building back the gap in gross profit. And as ever, also looking at cost-saving initiatives to bridge some of those, cost increases on feedstock that, that we witnessed last year.

Jon Rökk: So it's part of a plan, it's part of a process. It's certainly something that in the next few years, we feel will have grown our market share, and we'll be getting the margins back to the levels that the company previously traded at.

Rehan Hamza: Okay, thank you. Could you give us a color on the increased cash upstreaming to the Holding level that was mentioned in the earning release?

Jon Rökk: Yeah, I think I've been clear on this in the past, that, better capital deployment, better management of our cash, we feel, is, is done more in the center. So, rather than our businesses holding on to pockets of cash, we feel we have better visibility, at the Holding level. So, we've changed that, that strategy, spare cash, is recycled upwards to the Holding, and then we utilise that cash as we feel in the most strategic and best way that we feel

for the company. And that's multiple cash uses across the patch, and we've seen some good initiatives and some good change in the last year.

Rehan Hamza: Okay, can we say that the subsidiaries, evidence to the Holding company, we can see increase in the amount of distributed to the holding company?

Jon Rökk: Yeah, in day-to-day operations, and as you manage any company, spare cash, and, you know, you look at... What else do you need to invest in that company? What's the CAPEX requirements? And then the balance can kind of exit as dividends up to the Holding company. So that's a work in progress with all our companies.

Rehan Hamza: Okay, we have a question. Assuming no major disruptions to gas and stable economy, would Valmore increase dividends going forward, given increased cash flows from new ventures? What's the policy?

Jon Rökk: Yeah, so, you know, I've been very clear that, you know, policy on dividends is all about balance, you know. We need to show a growth trajectory of giving cash back to our shareholders. That's what shareholders expect and demand.

Jon Rökk: We need to also make sure that we have cash available for our growth story, so that's cash available for our current investments, but also cash available for these investments and growth areas that we want to get into which, when you combine together, will bring bigger shareholder returns. And I've always said, you know, it's all about sustainable growth, both in terms of cash, in terms of revenues, but also in terms of dividend distributions.

Rehan Hamza: Okay, thank you. Another question, is AlexFert preparing itself for alternative scenarios if the current political situation continues?

Jon Rökk: As I said earlier, you know, the real impact to AlexFert at the moment would be gas supply, okay? The markets there, the urea price is, in fact, I've just seen it's gone up above 600 now, while we've been on the call. So, managing gas shortages, you know, we're quite mature in understanding how much that means. Jon Rökk: But this situation, no one knows, how long it's going to go on for, so I haven't got a crystal ball. What we do... what we are doing is making sure the business is robust and ready for any potential change.

Rehan Hamza: Maybe the question is, for example, if we're going to plan the maintenance, the regular maintenance in the, the summer months to exclude the risk?

Jon Rökk: No, sure. Look, like we did last summer, and that's why I pointed to real-life examples rather than theoretical, the business did a really good job in making use of the shutdown time, and any production plant in whatever sector, any good operations teams will always want more shutdown time. And if we're presented with a period of shutdown, I have total faith and confidence that, the AlexFer management team will look to use that time wisely.

Omar Nashaat: Rehan, as a reminder, last year we did not have significant shutdowns planned for AlexFert, but we did bring forward part of the planned shutdown for overhaul that was planned for 2026 that we executed part of during the suspension that we saw during the summer of 2025. This is part of what Jon was referring to in terms of how the teams make use of the downtime efficiently.

Rehan Hamza: Yes, clearly, thank you. we have another question. Could you please recap on 2026 bottom line guidance?

Jon Rökk: Yeah, as I said on the call. We're guiding that, you know, we expect continued growth on our operating performance within our companies. We've obviously had significant one-offs in the last couple of years, foreign

exchange in 2024, and the housekeeping initiatives that we did last year. So there's a number of other initiatives that we're looking at to bridge that gap, and we expect the year-end guidance to not differ significantly from this year, from 2025.

Rehan Hamza: Okay, thank you.

Rehan Hamza: Someone is asking about the Endolys project again, the expected EBITDA margin range, and the IRR range, should we assume north of 20%, maybe?

Jon Rokk: Yeah, I mean, again, the EBITDA and IRR is also linked to the number of reactors and the economies of scale, but we certainly expect EBITDA to be north of 50%, and we certainly expect the IIR to be north of 30%.

Rehan Hamza: When the plant is fully operational. Okay, perfect. Another question, what's your total CAPEX, other than the 60 million pounds for UK operations?

Jon Rokk: Within the Group this year, again, we're identifying some healthy investments within our businesses, for them to grow, and I would expect that collectively to be around the sort of 50 to 100 million dollars, depending on timing for some contracts, but feel free to talk to our investor team if you want some specifics on CAPEX guidance.

Rehan Hamza: Okay, thank you. A final reminder, if you have any questions, please write it in the Q&A box, or use the raise hand function.

Rehan Hamza: So, I think we have no further questions at the moment. I guess we can conclude the call. So, with that, if the management have any closing remarks, please.

Jon Rokk: No, just, I'd like to thank everyone, for being on the call. Hopefully you all found it, very interesting, and, thank you for, hosting the call, Rehan, and, directing the Q&As.

Rehan Hamza: Thank you so much for the whole management team, and for an insightful call. Thank you, everyone, for dialing in, and a recording will be made available shortly for the call.

Rehan Hamza: Thank you so much.

Jon Rokk: Thank you. All the best.