

## Elsewedy Electric S.A.E

Board of Directors report for the period from 1<sup>st</sup> of January 2024 and ending on 31/12/2024

Attached with the standalone financial statements

(prepared in accordance with article 40 of the listing rules)

|                     |   |                                     |               |
|---------------------|---|-------------------------------------|---------------|
| Company Name        | Elsewedy Electric S.A.E   |                                     |               |
| Company Purpose     | The company's purpose is to establish and operate a factory for the production of electrical cables, electrical poles, towers, transformers, electrical circuit breakers, and all accessories for connections or terminations for insulated and non-insulated copper and aluminum conductors at low, medium, and high voltage, and to produce plastic granules (PVC) in its various forms and derivatives, and to design, construct, manage, operate, and maintain generating stations. Electricity from various sources and distribution networks. |                                     |               |
| Company's term      | 25 years  | EGX listing date                    | 18/5/2006     |
| Company's law       | No. 72 for year 2017  | Par value                           | EGP 1         |
| Authorized Capital  | 5,000,000,000   | Issued Capital                      | 2,140,777,876 |
| Paid up Capital     | 2,140,777,876   | No. and date of commercial register |               |
| IR                  | Noha Agaiby   |                                     |               |
| Head office address | Plot 13C03 - Cairo Festival City- Fifth settlement- New Cairo - Cairo   |                                     |               |
| Telephone No        | 27599700/701  | Fax                                 | 27599731      |
| Website             | <a href="http://www.elsewedyelectric.com">www.elsewedyelectric.com</a>  |                                     |               |
| E-Mail              | <a href="mailto:Noha.Agaiby@elsewedy.com">Noha.Agaiby@elsewedy.com</a>  |                                     |               |

**Auditor:**

|                               |  |   |        |
|-------------------------------|--|---|--------|
| Auditor's Name                | Mohamed Tarek Mostafa Nagy (Partner in KPMG Hazem Hassan and partners) |   |        |
| Hiring Date                   | 28/12/2021   |   |        |
| Authority registration number | 392/2005   | Date of registration with the Authority | 5/2005 |

**Shareholders General Assembly**
**Shareholders Structure**

| Holders of 5% or more of the company's shares | Number of shares     | %             |
|---|----------------------|---------------|
| Sadek Ahmed Sadek Elsewedy                    | 534,980,391          | %24.99        |
| Ahmed Ahmed Sadek Elsewedy                    | 534,980,391          | %24.99        |
| Mohamed Ahmed Sadek Elsewedy                  | 385,602,690          | %18.01        |
| Electra Investment Holding RSC Ltd            | 436,109,503          | 20.37%        |
| <b>Total</b>                                  | <b>1,891,672,975</b> | <b>88.36%</b> |

| Board Member ownership                               | No. of Shares        | Percentage %  |
|--|----------------------|---------------|
| Sadek Ahmed Sadek Elsewedy                           | 534,980,391          | 24.99%        |
| Ahmed Ahmed Sadek Elsewedy                           | 534,980,391          | 24.99%        |
| Mohamed Ahmed Sadek Elsewedy                         | 385,602,690          | 18.01%        |
| Amr Mohamed Ahmed Labib                              | None                 | -             |
| Azza Ahmed Sadek Elsewedy                            | 64,916,280           | 3.03%         |
| Abdelrahman Ahmed Ahmed Sadek Elsewedy               | 11,876,729           | 0.55%         |
| Ahmed Sadek Ahmed Sadek Elsewedy                     | 5,761,215            | 0.27%         |
| Ahmed Saad Eldein Abdou Abou Hendia                  | None                 | -             |
| Shahinaz Nabil Amin Foda                             | None                 | -             |
| representative of Electra Investment Holding RSC Ltd | 436,109,503          | 20.37%        |
| <b>Total BoD ownership</b>                           | <b>1,974,227,199</b> | <b>92.21%</b> |

| Treasury shares       | No. of treasury shares as per a previous disclosure | Percentage % |
|-----------------------|---|--------------|
| Total Treasury shares | None  | -            |

#### Board of Directors

| Name                                   | Title        | Representation Entity              | Excutive/ non/ independent |
|--|--------------|------------------------------------|----------------------------|
| Sadek Ahmed Sadek Elsewedy             | Chairman     | None                               | Non-Executive              |
| Ahmed Ahmed Sadek Elsewedy             | CEO          | None                               | Executive                  |
| Mohamed Ahmed Sadek Elsewedy           | Board member | None                               | Executive                  |
| Amr Mohamed Ahmed Labib                | Board member | None                               | Executive                  |
| Azza Ahmed Sadek Elsewedy              | Board member | None                               | Non-Executive              |
| Abdelrahman Ahmed Ahmed Sadek Elsewedy | Board member | None                               | Executive                  |
| Ahmed Sadek Ahmed Sadek Elsewedy       | Board member | None                               | Non-Executive              |
| Ahmed Saad Eldein Abdou Abou Hendia    | Board member | None                               | Independent                |
| Shahinaz Nabil Amin Foda               | Board member | None                               | Independent                |
| Her Excellency/ Mariam Almheiri        | Board Member | Electra Investment Holding RSC Ltd | Non Executive              |

#### **Changes for the board of directors throughout the year:**

Mr. Sherif Samy Ebada submitted his resignation in his capacity as Elsewedy Independent Board Member on 19/12/2024 and the Board approved the appointment of Her Excellency/ Mariam Almheiri as a representative to Electra Investment Holding RSC Ltd.

#### **Board of directors' meetings:**

**Number of the board of directors' meetings in the period of 1 January 2024 to 31 December 2024: 8**

#### **Audit, Compliance and Risk Committee**

#### **The latest Structure of the Audit, Risk and compliance Committee:**

| <b>Name</b>                         | <b>Representation Entity</b> |
|-------------------------------------|------------------------------|
| Ahmed Saad Eldein Abdou Abou Hendia | Committee Chairman           |
| Sadek Ahmed Sadek Elsewedy          | Member                       |
| Shahinaz Nabil Amin Foda            | Member                       |

#### **Audit, Compliance and Risk Committee Responsibilities:**

##### **1. Financial Reports**

Review significant accounting and reporting issues and understand their impact on the financial statements. These issues include:

- Complex or unusual transactions and highly judgmental areas.
- Major issues regarding accounting principles and financial statement presentations, including any significant changes in the group's selection or application of accounting principles.
- Review analyses prepared by management and/or the external auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative IFRS methods on the financial statements.
- Review with management and the external auditor the results of the audit, including any difficulties encountered. This review will include any restrictions on the scope of the external auditor's activities or on access to requested information, and any significant disagreements with management.
- Discuss the annual audited financial statements and quarterly financial statements with management and the external auditor, in addition to related announcements to the group's financial performance.
- Discuss earnings press releases. This review may be general (i.e., the types of information to be disclosed and the type of presentations to be made). The Committee does not need to discuss each release in advance.

## 2. Internal control

Review the adequacy, and effectiveness of the group's internal controls, with the group's Chief Internal Auditor (CIA), the group's Chief Financial Officer (CFO), and any other relevant parties. Including whether the group's management is communicating the importance of internal controls, evaluating the security of the computers' systems and applications, and any contingency plans for recovering the financial and other information in the event of a breakdown in the company's information systems.

## 3. Internal audit

- Review and approve the internal audit charter.
- Review with the group's CIA the preparation, execution, and results of the group's annual internal audit plan, as well as any activities conducted outside the annual plan.
- Review with the CIA and then report to the Board about the adequacy of the charter, plans, activities, staffing, and organizational structure of the internal audit department.
- Ensure that the Internal Audit Department maintains its independence and there are no unjustified restrictions or limitations on the Internal Audit scope of work.
- Review the effectiveness of the Internal Audit department, including compliance with The IIA's International Standards for the Professional Practice of Internal Auditing.
- Review and approve the appointment and change of the Chief Internal Auditor and annually review the performance of the Internal Audit Department.

## 4. External audit

- Review the external auditors' proposed audit scope and methodology, including coordination of the audit works with the internal audit.
- Review the external auditor's terms of service and notify the board of directors and the General Assembly with the committee's recommendations regarding the fees and the terms of service that will be provided by the External Auditor.
- An annual evaluation of the company's external auditor's qualifications, independence, and performance, and to submit a report to the Board of Directors and the General Assembly of the company's shareholders with the opinion of the committee regarding the independence and performance of the external auditor. The report shall include the committee's recommendations regarding the reappointment or dismissal of the company's external auditor. In case the Board of Directors does not agree on the evaluation and recommendations of the committee, the committee must submit its report to the general assembly of shareholders and to include it in its meeting agenda.
- Review the issues and obstacles that the company's external auditor encountered while performing his duties in the group, including any restrictions on the scope of work or the accessibility to the information or the people, or any disputes with the company's management or members of the internal audit department or the financial control department.

- Review and confirm the independence of the external auditors by obtaining statements from the auditors that clarify the relationships between the auditors and the company, its management, its shareholders, or any of its affiliates including providing non-audit services, and to discuss the relationships with the company's External Auditors.
- Regularly, meet separately with the External Auditors to discuss any matters that the Committee or Auditors believe should be discussed clandestinely.
- Review in advance the terms of all non-audit services proposed by the company's management to be performed by the External Auditor, assess such services in accordance with the company's policy regarding the independence of the External Auditor, and to report to the Board the Committee's opinion as to whether or not the company should engage the External Auditor to perform such services.

## 5. Compliance

Review the compliance control system's effectiveness with internal and external laws and regulations and the results of management's investigation and follow-up (including disciplinary actions) of any cases resulting from non-compliance or fraud.

Ensure that procedures are in place to:

- Receive, retain, and process the received complaints/cases related to accounting matters, internal control procedures, or audit-related matters.
- Confidential or anonymous reporting by employees regarding suspicious cases related to accounting or auditing.
- Review the results of any audits conducted by regulatory bodies and any observations by auditors.
- Reviewing the process of spreading the rules of the ethical code of conduct to the company's employees, and monitoring compliance with it.
- Obtaining periodic updates from management and the company's legal advisor regarding compliance issues.

## 6. Reports preparation responsibility

- Regularly report to the Board of Directors about Committee activities and issues that arise concerning the quality or integrity of the company's financial statements, the company's compliance with laws or regulatory requirements, the performance and independence of the company's External Auditors, and the performance of the Internal Audit Department.
- Provide an open channel of communication between the Internal Audit, the External Auditor, and the Board of Directors.
- Submitting an annual report to the company's shareholders, specifying the composition and responsibilities of the committee and how it is implemented, and any other information required.

- Review any other reports that the company issues that are related to the committee's responsibilities.

#### 7. Other responsibilities

- Perform other activities related to committee's charter based on a request from the company's Board of Directors.
- Review and evaluate the adequacy of the committee's charter annually, requesting board approval for proposed changes, and ensure disclosure in an appropriate manner in accordance with the requirements of rules and laws.
- Annual confirmation that all responsibilities outlined in the committee's charter have been carried out.
- Reviewing with the company's management and any other parties, according to the committee's vision, the details of any investigations, audits, or inquiries made by a public regulatory authority regarding the implementation of the company's activities or preparing the company's financial statements and submitting a report to the board of directors with the evaluation results.
- Review the programs established by the company's management to monitor compliance with the code of business ethics and conduct for the top management, and the employees.
- Review any management decision to seek a second opinion from Independent External Auditors other than Elsewedy Electric Group and its subsidiaries' External Auditors regarding any significant accounting matters.
- The committee shall conduct an annual performance evaluation itself based on the committee chairman's recommendation.

The committee submits at least quarterly reports directly to the company's Board of Directors. The company's Board of Directors and the relevant parties should respond to the committee's recommendations within fifteen days from the date of notification. The Committee Chairman should notify the stock exchange and the Financial Supervision Authority in case of failure to respond within sixty days to the fundamental observations that are submitted to the board.

**Committee duties throughout the period of January 1 2024 to December 31 2024:**

|  |      |
|--|------|
| Number of times the audit committee meets  | 4    |
| Have the committee's reports been presented to the company's board of directors?   | yes  |
| Did the committee's reports include essential observations that must be addressed? | None |
| Has the Board of Directors addressed the essential observations?                   | None |

**Company's employee's data:**

|  |            |
|--|------------|
| The average number of employees in the group during the financial period from January 1, 2024 to December 31, 2024 | 20,841     |
| Average worker income during the financial period from January 1, 2024 to December 31, 2024                        | 38,268 EGP |

**The reward and motivation system for the company's employees and managers (if any):**

Nothing

**Violations and procedures related to the capital market law and listing rules:**

| Violations and fines imposed on the company during the year                         | Disclosures           |
|---|-----------------------|
| Financial regulatory Authority:<br>Fine for late submission of financial statements | Settlement took place |



A statement of details of transactions carried out with related parties

Nothing

A statement of the commitment of internal personnel (including members of the Board of Directors, major shareholders, and managers) and groups associated with them to disclose to the Board of Directors all information related to any case of conflict of interest and any material interests or transactions that affect the company's activity or interests.

There are no reported cases

The company's contribution during the year to community development and environmental preservation

The company's policy of supporting social and environmental responsibility is explained in the sustainability report published on the official website of the United Nations 2030 Program.

<https://www.unglobalcompact.org/what-is-gc/participants/128851-Elsewedy-Electric->

## **Community development**

### **Social Responsibility**

#### **United Nations Global Compact Initiative**

##### **Contributing to improving the quality of education**

El Sewedy Technical Academy – Egypt

Elsewedy Technical Academy was established with the aim of contributing to finding practical solutions to overcome the following challenges:

- Weak education and vocational training programs in the Egyptian market
- Following traditional methods in technical education and training
- The current shortage of skilled workers in the field of electrical industries
- High prices for vocational training programs for students
- The spread of globalization and the attraction of workers from abroad
- Increased reliance on information and communications technology and the Internet in carrying out all work

**Elsewedy Electric's business portfolio includes 5 main business sectors:**

1. Wires and cables: wires, cables, wire coils, special cables, cable supplies, high voltage lines, fiber optic cables and insulators.
2. Electrical products: transformers and fiberglass.
3. Construction (electrical and civil): for power generation, transmission and distribution projects, civil construction, public works and water treatment plants.
4. Smart infrastructure: energy management solutions, communications networks, data center solutions, and government solutions.
5. Investment in infrastructure: development of industrial and logistics projects and investment in energy, water and facilities management projects.

Elsewedy Electric's long list of regional and international clients and its distinguished history of work with regional government entities and industrial giants in the world represent a global testimony to the company's exceptional quality, speed in performance and accuracy in providing services.

On the other hand, Elsewedy Electric owns various factories in 31 countries, employing more than 19,000 employees, and the group exports its products to more than 110 countries around the world. Therefore, Elsewedy Electric is one of the leading companies in the world of electricity and energy around the world, through the advanced and environmentally friendly technological solutions it provides that are characterized by superior quality and cost efficiency. The company also operates in a wide geographical scope and enjoys a strong presence in the Middle East and Africa region.

Elsewedy Electric focuses on energy sector services based on its strong capabilities and capabilities in providing integrated energy solutions, in addition to the superior production capabilities of the company's wires and cables sector, whose annual capacity reaches 280 thousand tons.

The energy transmission and distribution sector at Elsewedy Electric represents one of the most important leaders in the Egyptian market, as it has a long record of achievements and quickly implemented projects, in addition to its clear footprint in 17 countries in the Middle East and Africa, such as Angola, Egypt, Ethiopia, Ghana, Kuwait, the United Arab Emirates and Zambia.

## Standalone income statement for the period ending December 31, 2024:

| EGP   | 2024                   | 2023                  |
|---|------------------------|-----------------------|
| Revenue   | 5 996 963 066          | 9 115 332 058         |
| Cost of revenue   | (5 085 222 119)        | (8 115 004 540)       |
| <b>Gross profit</b>   | <b>911 740 947</b>     | <b>1 000 327 518</b>  |
| Other income  | 565 997 713            | 618 270 737           |
| Net reversal of impairment on receivables and other receivables | ( 742 267 951)         | 13 364 260            |
| Selling and distribution expenses                               | ( 42 106 858)          | ( 40 492 602)         |
| General and administrative expenses                             | (1 106 890 803)        | ( 807 639 321)        |
| Other expenses  | ( 713 321 701)         | (1 022 509 152)       |
| <b>Operating (loss)Profit</b>                                   | <b>(1 126 848 653)</b> | <b>( 238 678 560)</b> |
| Finance income  | 619 315 965            | 1 902 692 586         |
| Finance costs   | ( 684 636 164)         | ( 389 624 402)        |
| <b>Net finance income</b>                                       | <b>( 65 320 199)</b>   | <b>1 513 068 184</b>  |
| dividends income from subsidiaries                              | 3 109 468 151          | 1 712 301 711         |
| <b>Profit for the year before tax</b>                           | <b>1 917 299 299</b>   | <b>2 986 691 335</b>  |
| Income tax expense  | ( 481 766 974)         | ( 636 393 771)        |
| <b>Profit for the year</b>                                      | <b>1 435 532 325</b>   | <b>2 350 297 564</b>  |
| <b>Basic earning per share from profit</b>                      | <b>0.570</b>           | <b>0.054</b>          |
| <b>Diluted earning per share from profit</b>                    | <b>0.570</b>           | <b>0.054</b>          |

**Proposed dividends distribution for the period ends in December 31, 2024:**

| <b>2024 Dividend distribution statement</b>                                    | <b>31/12/2024 EGP</b>   |
|--|-------------------------|
| Net profit for the year  | 1 435 532 325           |
| Legal reserve  | (71 776 618)            |
| Retained profits from previous year  | 6 329 674 036           |
| Treasury shares redemption   | (224 137 884)           |
| <b>Total Earnings available to distribution</b>                                | <b>7 469 291 859</b>    |
| <b>Distributed as following: -</b>   |                         |
| Employees distributions  | 204 901 929             |
| Shareholders' share ( 1EGP/share after deducting employees shares ( 1 422 160) | 2 139 355 716           |
| <b>Retained profits for next year</b>  | <b>5 125 034 214</b>    |
| <b>Shares eligible for distribution 2024</b>                                   | <b>Number of shares</b> |
| Total number of issued shares  | 2 140 777 876           |
| Deduct employees shares  | (1 422 160)             |
| Total number of eligible shares  | 2 139 355 716           |

**Key financial indicators for the year ends in December 31, 2024 (consolidated financials):**

1. Revenues recorded EGP 232 Bn in 2024 compared to EGP 152.2 bn in 2023.
2. Net income recorded EGP 17.4 Bn in 2024 compared to EGP 10.2 bn in 2023.

**Revenues summary in 2024 from the different sectors compared to 2023:**

| Sector                   | Year ends in December<br>31, 2024<br>EGP MN | Year ends in December<br>31, 2023<br>EGP MN | Percentage change<br>(+ / -) |
|--------------------------|---|---|------------------------------|
| Cables and raw materials | 137,190                                     | 82,421                                      | 66.4%                        |
| Electrical products      | 23,871                                      | 16,282                                      | 47%                          |
| Turnkey                  | 70,921                                      | 53,483                                      | 33%                          |
| Total revenues           | 231,982                                     | 152,186                                     | 52.4%                        |

**Donations statement:**

Donations throughout the period of January 1, 2024 to December 31, 2024 recorded **46,541,733** EGP compared to EGP 39,007,548 in the period of January 1, 2023 to December 31, 2023.

**Stocks and bonds issued during the year:**

None

**Legal representative of the company**

Name: Mr. Sadek Ahmed Sadek Elsewedy

Date: 12/3/ 2025

Signature:



**Company's stamp**

