



EGYPTIAN PETROCHEMICALS HOLDING COMPANY



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MESSAGE FROM THE CHAIRMAN

In Egypt, petrochemical plants and oil refineries have grown in close collaboration for so many years, with a growing emphasis on optimizing synergies here between two activities with the purpose of maximizing value.

While there is unlikely to be a reduction in the rate of new technology development, the fact that particular feedstocks may influence the structure of the petrochemical sector in certain regions means that there will be some disruption in industry.

The concept of embracing new worldwide tactics and using it not just in new greenfield projects but also in existing facilities to optimize economic returns was revisited at Echem during its second decade.

The 2019/2020 financial year saw the project pipeline Echem transfer 7 projects into execution.

With total investments estimated at \$9.5 billion, these initiatives used pre-existing assets and feedstock to enable the desired integration. Our plan involves a few initiatives that interact with current facilities

while a larger project has the goal of introducing new goods that are required to assist local value-added businesses and further enhance the national economy.

We have rigorous expectations and demonstrate Echem at both excellent performance and ethical conduct. The way we live up to our values is a key part of maintaining our reputation. addition, our long-term success and overall financial well-being depend on our adherence to our principles of social responsibility, environmental preservation, competitiveness, market technological advancement, and open competition.



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METHANOL DERIVATIVES PROJECT SMD COMPANY

87 KTA UREA FORMALDEHYDE(UFC-85 / UFRESINS-65)

53 KTASULPHONATED NAPHTHALENE FORMALDEHYDE (SNF)

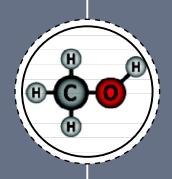
Using Methanol & Urea as feed stock.

Availability to produce specialized

Urea Formaldehyde Resins

with a capacity of 42 KTA









PROJECT STATUS

- **9** Basic Engineering Completed.
- Detailed Engineering ongoing by EPC contractor leaded by EMC.
- Early Works for construction activities ongoing by EMC.
- **₹** Loan Agreement signed with lenders.

Estimated Investment Cost:

119 MILLION USD

Planned Startup Date:

Q2, 2023

Location:

ECHEM LAND - DAMIETTA PORT

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MEDIUM DENSITY FIBERBOARD PROJECT WOTECH COMPANY

205,000 M³/**Y** MDF

Using Rice Straw as feed stock.





PROJECT STATUS

- Detailed Engineering & Procurement of production lines ongoing by EP contractor (Siempelkamp).
- **₹** Construction works ongoing by (Petrojet).
- Ontaker agreement signed.



Estimated Investment Cost: **282 MILLION EURO**

Planned Startup Date:

END OF 2022



Location:

IDKU LAND - EL BEHEIRA

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PETRO-REFINERY COMPLEX RED SEA COMPANY

2.7 MM T/Y
Petrochemical Products
930 KTA
Petroleum Products
USING 4 MM T/Y
imported Crude Oil as feed stock.

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PROJECT STATUS

- **Q** Detailed feasibility Study completed
- **Q** Early works completed by BECHTEL.
- **Process Licensors signed**
- Project Land allocated
- **?** Project company established
- **!** Crude supply term sheet signed

Estimated Investment Cost:

7.5 BILLION USD

Planned Startup Date:

END OF 2024

Location:

SC ZONE - SUZE CANAL CORRIDOR

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BIO-ETHANOL PROJECT

100 KTA of Bio-ethanol produced from Beet Molasses as well as producing **130 KTA** of Vinasse & **60 KTA** of Co2 as byproducts.







PROJECT STATUS

- **■** Pre-feasibility study completed
- Shareholder agreement signed
- **₹** Establishment of project company ongoing
- Project Land allocated
- **License Selection.**



Estimated Investment Cost: **112 MILLION USD**

Planned Startup Date: **Q4:2024**



Location: **ECHEM LAND - DAMIETTA PORT**

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ALAMEIN PETRO-REFINERYCOMPLEX

2 MMT/Y
Petrochemical Products
550 KT/Y
Petroleum Products, using
3 MM T/Y
imported Crude Oil as feed stock.







PROJECT STATUS

- Pre-Feasibility study completed
- Detailed Feasibility study on going
- Project Land allocated



Estimated Investment Cost: **UNDER STUDY**

Planned Startup Date: **2028**

Location:

ECHEM FREE ZONE LAND
NEW ALAMEIN CITY - MATROUH

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POLY ACETAL PROJECT

50 KTA/Y Poly Acetal







- **●** Prefeasibility study has been prepared.
- **■** Detailed feasibility study prepared.
- Methanol feedstock is secured (by Echem).



Estimated Investment Cost: **500 MILLION USD**

Planned Startup Date:

Q4:2026

Location:



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METALLURGICAL SILICON

45 KTA/YMetallurgical Silicon







PROJECT STATUS

- In house study has been prepared
- Memorandum of understanding has been signed with local feedstock supplier.
- Many Egyptian petroleum sector companies and Private sector companies have expressed their interest in being shareholders in the project.
- **Q** Detailed feasibility study has been done.



Estimated Investment Cost: **200 MILLION USD**

Planned Startup Date:

Q4:2024

Location:



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POLYLACTIC ACID PLA (BIODEGRADABLE PLASTIC)

75 KTAOf PLA Feed stock
Raw sugar or glucose





PROJECT STATUS

- A Business case was prepared by the technology provider, including technical and marketing information, in addition to the initial economic indicators of the project.
- **Q** Market study is on going.



Estimated Investment Cost: **600 MILLION USD**

Planned Startup Date:

Q4:2026

Location:



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FORTHCOMING OPPORTUNITIES



MELAMINE

40 KTAMelamine





PROJECT STATUS

- **!** In house Prefeasibility study has been prepared.
- **!** feasibility study is on going.
- Local and international companies have also expressed their interest in being shareholders in the project



Estimated Investment Cost: **260 MILLION USD**

Planned Startup Date:

Q4:2026

Location:



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SODA ASH

570 KTA
Sodium carbonate
20KTA
SodiumBicarbonate
50 KTA
Sodium Silicate









PROJECT STATUS

- Scope of work was prepared in order to be sent to specialized companies to prepare the detailed feasibility study
- Number of local banks has been contacted in order to get initial offers to finance the project.

Estimated Investment Cost:

420 MILLION USD

Planned Startup Date:

Q4:2023

Location:

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EXTRACTION OF ALGAL OIL FOR THE PRODUCTION OF BIOFUELS

140 KTA
Algae oil (phase 1)
140KTA
Algae cake (Spent mass)







- Regaia Energy is the licensor for the production of algal oil
- ♠ A sample of algae oil was tested and has shown promising results.
- Licensors for the production of green diesel and green naphtha has been contacted (phase 2).



Estimated Investment Cost: **600 MILLION USD** (for the 2 phases)



Planned Startup Date:

Q4:2024

Location:

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MONITORING, DEVELOPMENT & INTEGRATION

OPERATIONS ACTIVITY

The continued support of existing petrochemical complexes through technical and administrative supervision to increase the production rate and marketing share of products which had positive impact for the financial position of these companies.

Our best practices to enhance operational excellence have yielded record breaking performance for the operating projects while forecasting a prolific vision for the upcoming ones depending on two essential axes:

1- FOLLOW-UP & DEVELOPMENT:

Echem offers non-stop support for the affiliated companies to secure their need for raw materials and utilities.

The company as well follows-up execution of revamps, scheduled and preventive maintenance to enhance the continuity of operation and minimize shutdowns.

Typically, Echem shows interest in the development projects of affiliated companies to increase their income and profits along with enhancing their capability of competition in the local and global markets.







2- DEVELOPMENT& INTEGRATION:

Moving to an advanced level of revamping, the fiscal year 2019/2020 has witnessed renovation projects that embraced:

- Replacing the mono-polar electrolysis cells by Bi-polar cells in Chlorine plant (EPC)
- Upgrading the Automation system to Distributed Control Systems (DCS) in PVC plant (EPC)
- Establishing new EDC cracking unit in VCM Plant using TLX technology (EPC)
- Supply and installation of a fifth polymerization reactor for the production of PVC (EPC)
- Establishing two chlorides removal units, (ELAB)
- Revamp study in (PACOL) unit (ELAB)
- Conversion of Heavy alkyl benzene (HAB) to Linear alkyl benzene (LAB) through Trans alkylation process (ELAB)

These promising projects are expected to achieve even bigger accomplishments than the last year by lowering production costs & energy consumptions hence affecting production, sales & revenues consequently.

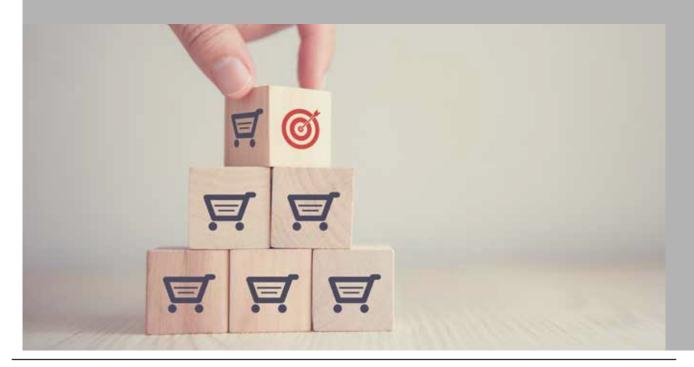
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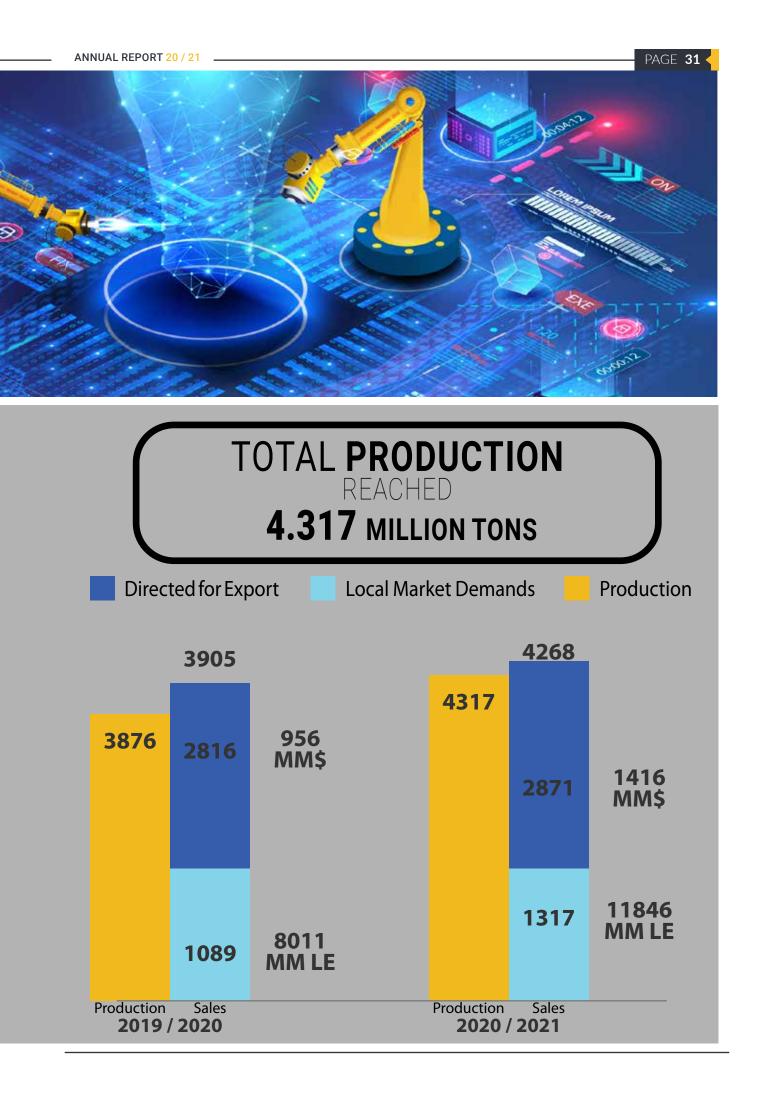
PRODUCTION & SALES

At ECHEM, we operate a portfolio of businesses; well positioned to take advantage of **integration synergies** with our affiliates and operating units, as well as **maintaining focus** on operational **excellence**.

Production and maintenance plans are key elements in enhancing productivity and reducing shutdown periods.

An ambitious plan was set for sales, as the total reached **4.526 Million Tons** where **1.104 Million Tons** of the production was dedicated to meet local market demands while **3.422 Million Tons** was directed for export.





HUMAN RESOURCES DEVELOPMENT

INVESTING IN EMPLOYEES LEADS TO BETTER TALENT AND BUSINESS OUTCOMES

During 2020/2021, Echem HR Continued its key goal to foster a competent Workforce and create an organizational culture to maintain its relevance as a place of opportunity and excellence.

This year Echem HR main objective was to provide a climate for employees to discover, develop, and use their knowledge for the betterment of organization. Every employee is given full freedom to exhibit his skills, talents and knowledge for the benefit of organization. Innovative ideas and schemes would be encouraged and appreciated in Echem.

As Echem mission is "To develop a competitive petrochemicals industry based on local human and natural resources", so the aim was to provide a comprehensive platform for the development of Human Resources in the organization & its affiliates to fully stretch their capacities and the talented people would get motivated when their intelligence and knowledge get recognized and acknowledged by the organization.



Echem HR has also set a key goal to integrate with its affiliates through:

- Identifying and analyzing HR issues, defining optimized systems to recruit and train the right people.
- Promoting a business culture that encourages innovation and rewards individual initiative.
- Ensures that the emerging petrochemical workforce has the right experience and skills needed to tackle the challenges that lie ahead and deliver business strategy.

We believe that the cumulative growth of all employees serves as the foundation for our success. Hence, we provide a supportive environment for employees to grow, discover their strengths and play leading roles in the organization.

We are committed to creating an environment where harmonious personal relationships can be fostered. We respect and build on our differences, and we care for each other. We see value in sharing what we know while employees endeavor to fulfill their work responsibilities for the company.

Our "Competency Based Management system" is currently working. And our endeavor will:

- Develop an effective succession planning model
- Facilitate the selection and promotional processes
- Build career formation programs in alignment with shared competencies







Participating in Orphan's Danie distributing toys.



Ramadan food box distribution to blind women.







ay and



LIST	COMPANY	CONTRACTOR	OVERALL
Total Number of Working Hours	13708388 hr	7105502 hr	20813890 hr
Fatality/Serious Injuries	-	-	-
Lost Time Injuries (LTI)	-	-	-
Injuries (Outside Workplace)	-	-	-
Fatalities (Outside Workplace)	-	-	-

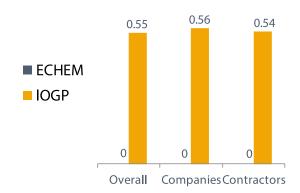
(ECHEM) COMPANIES LOST TIME INJURY FREQUENCY (LTIF) COMPARING WITH (*IOGP)



LTIF	ECHEM	IOGP
OVERALL	0	0.22
COMPANIES	0	0.20
CONTRACTORS	0	0.22



(ECHEM) COMPANIES FATAL ACCIDENT RATE (FAR) COMPARING WITH (*IOGP)

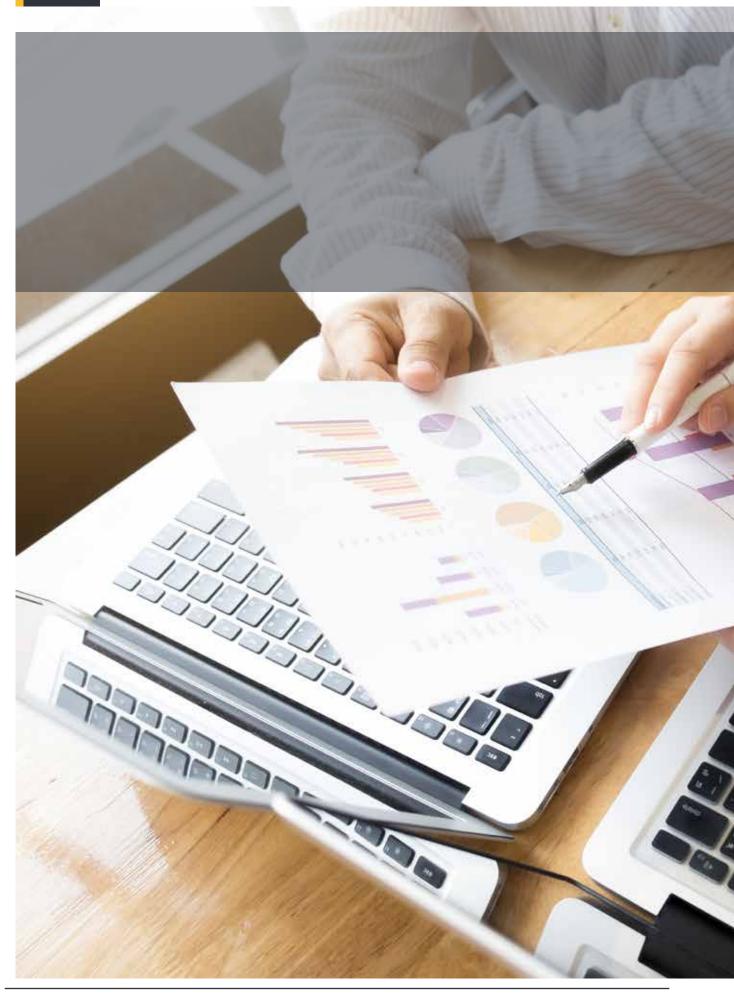


FAR	ECHEM	IOGP
OVERALL	0	0.55
COMPANIES	0	0.56
CONTRACTORS	0	0.54

^{*} **IOGP** (International Association of Oil & Gas Producers)

^{*} Ref. -**IOGP** Safety Performance Indicators – May 2021.

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FINANCIAL HIGHLIGHTS

05 (HIGHLIGHTS) **2021**

04 Income Statement 2021

03 A Growth Strategy **2021**

02 Revenue Analysis **30 June 2021**

01 Balance Sheet

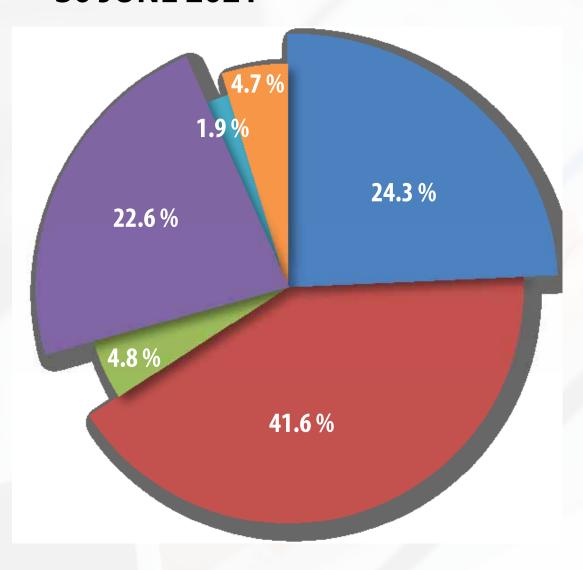


A	S	S	E	T	S
	_	_		_	_

IN MILLION EGP	30/06/2020	30/06/2021
Non Current Assets	3852	5121
Cash & Cash Equivalent	361	465
Accounts Receivable	180	210
Inventory	5	5
Other Current Assets	451	582
TOTAL ASSETS	4849	6383
LIABILITIES		
Accounts Payable	254	1057
Accrued Expenses	43	38
Dividends	0	99
Current Portion Long Term Debt	97	0
Over Drafts	238	0
Other Current Liabilities	178	951
Total Non-Current Liabilities	121	9
TOTAL LIABILITIES	931	2154
TOTAL SHAREHOLDER'S EQUITY	4849	6383

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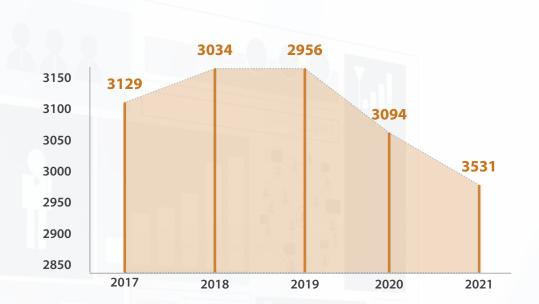
REVENUE ANALYSIS 30 JUNE 2021



- Investment Revenue 436
- Sales of Purchased Goods 748
- Supervision & Development Revenue 87
- Marketing Revenue 407
- Land Rental 35
- Other Revenue 85



A GROWTH STRATEGY 2021/MILLION EGP 3094



INCOME STATEMENT (HIGHLIGHTS)

IN MILLION EGP	30/06/2020	30/06/2021
Revenue	1,253	1,798
Expenses	(894)	(1286)
Total Earnings Before Tax	359	512
Corporate Income Tax	(37)	(66)
Net Income	322	446