

ANNUAL REPORT



2021 2022

VALUE & FUTURE INDUSTRIES & GENERATIONS



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MESSAGE FROM THE CHAIRMAN

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 2021/2022 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 at Echem and demonstrate both excellent performance and ethical conduct. The way we live up to our values is a key part of maintaining our reputation. In addition, our long-term success and overall financial well-being depend on our adherence to our principles of social responsibility, environmental preservation, market competitiveness, technological advancement, and open competition.





METHANOL DERIVATIVES PROJECT SMD COMPANY



- 87 KTA Urea Formaldehyde (UFC 85% & UF RESINS 65%).
- 53 KTA Sulphonated Naphthalene Formaldehyde (SNF)
- Using Methanol & Urea as feed stock (available locally).
- Possibility of producing specialized Urea Formaldehyde Resins with a capacity of 42 KTA.



PROJECT STATUS

- EPC contract awarded.
- Basic Engineering completed.
- Detailed Engineering ongoing.
- Early Works for construction activities completed.
- · Loan Agreement signed with lenders.



120 MILLION USD



PLANNED STARTUP DATE October 2024



LOCATIONECHEM LAND – **DAMIETTA PORT**





MEDIUM DENSITY FIBERBOARD PROJECT WOTECH COMPANY



PROJECT PURPOSE

- 205,000 M3/Y MDF
- Using 250 KTA of Rice Straw as feed stock (available locally).



PROJECT STATUS

- Detailed Engineering & Procurement of production lines completed by EP contractor (Siempelkamp).
- Procurement and Construction works ongoing by Petrojet.
- Off take MOU's signed.



284 MILLION EURO



PLANNED STARTUP DATE Q2, **2023**



LOCATION

IDKU Industrial Zone - EL BEHEIRA

PETRO-REFINERY COMPLEX RED SEA NATIONAL PETROCHEMICALS COMPANY



- 3 MM T/Y Petrochemical Products
- 535 KTA Petroleum Products
- **USING 4 MM T/Y** imported Crude Oil as feed stock.



PROJECT STATUS

- Detailed feasibility Study completed
- Project company established
- Early works completed by BECHTEL.
- Process Licenses signed and basic engineering design on going
- Project Land allocated
- Crude supply term sheet signed



11.5 BILLION USD



PLANNED STARTUP DATE Partially END OF 2025



LOCATIONSC ZONE - **SUEZ**





BIO-ETHANOL PROJECT EGYPTIAN BIOETHANOL COMPANY



PROJECT PURPOSE

- 100 KTA of Bio-ethanol produced based on Beet Molasses
- **110 KTA** of Vinasse powder & **60 KTA o**f CO2 (food grade) as byproducts.



PROJECT STATUS

- Project Company established
- Project Land allocated
- Process licensor selected
- Basic Engineering Design for production units completed



112 MILLION USD



PLANNED STARTUP DATE Q1, 2024



LOCATIONECHEM LAND - **DAMIETTA PORT**





ALAMEIN PETRO-REFINERY COMPLEX

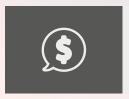


- **3.9 MMT/Y** Petrochemical Products
- 1000 KT/Y Petroleum Products
- Using **4 MM T/Y** of Crude Oil as feed stock.



PROJECT STATUS

- Detailed Feasibility Study completed
- Project Land allocated



ESTIMATED INVESTMENT COST

13.9 Billion USD



PLANNED STARTUP DATE

YEAR 2028



LOCATION

ECHEM LAND - Industrial Zone
NEW ALAMEIN CITY





EGYPTIAN SILICON COMPLEX



DESIGN CAPACITY

- Phase one: **45 KTA/Y** Metallurgical Silicon
- Phase two: 60-100 KTA/Y Siloxane
- Phase three: 10 KTA/Y poly silicon
- Phase four: Silicones Downstream Complex



PROJECT STATUS

- Detailed feasibility study for phase one completed.
- raw material (quartz) is locally available.
- Project Land allocated
- Shareholder agreement was signed
- Establishment of project company ongoing
- Selection of international consultant to implement detailed feasibility study for phase two ongoing



700 MILLION USD



PLANNED STARTUP DATE

Q4, **2024 -** (phase one)



LOCATION

ECHEM LAND - ALAMEIN CITY - MATROUH

SODA ASH



- Soda Ash
 - Light:210 KTA
 - Dense: 320 KTA
- Sodium Bicarbonate: 50 KTA
- Sodium Per Carbonate 10 KTA
- Precipitated silica



PROJECT STATUS

- Detailed feasibility study ongoing
- Project Land allocated
- Negotiations with local banks to provide initial offers for financing the project ongoing.
- Negotiation of Shareholder agreement ongoing



500 Million USD



PLANNED STARTUP DATE Q4, 2025



LOCATION

ECHEM LAND - MATROUH
NEW ALAMEIN CITY





EXTRACTION OF **ALGAE OIL** FOR THE PRODUCTION OF **BIO JET & GREEN NAPHTHA**



DESIGN CAPACITY

- Algae Oil (Phase1): 350 KTA
- Biofuels (Phase2): 350 KTA



PROJECT STATUS

- Algae Oil (Phase 1):
 - MOU has been signed with Rega energy (technology provider)
 - A nursery plant (52 tanks) will be built in Hurghada to prove the concept.
 - The data from nursery plant will be used to prepare the detailed feasibility study.
- Biofuels (Phase 2):
 - A prefeasibility study has been prepared by an international company specialized in the field of biofuel technology.



ESTIMATED INVESTMENT COST

Algae Oil (Phase1): 200 MMUSD Biofuels (Phase2): 400 MMUSD



PLANNED STARTUP DATE

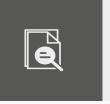
Algae Oil (Phase1): Q4-2024 Biofuels (Phase2): Q4-2026



LOCATION

Algae Oil (Phase1): Hurghada Biofuels (Phase2): Under Study

MELAMINE



DESIGN CAPACITY 40 KTA



PROJECT STATUS

Detailed feasibility study ongoing



ESTIMATED INVESTMENT COST

260 Million USD



PLANNED STARTUP DATE

Q4, **2026**



LOCATION

The project will be located in available area in **MOPCO** in Damietta





POLYLACTIC ACID PLA BIODEGRADABLE PLASTIC



DESIGN CAPACITY

PLA 75 KTA

FEED STOCK

Non Edible 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.
- Detailed Market study is ongoing.



ESTIMATED INVESTMENT COST

600 Million USD



PLANNED STARTUP DATE

Q4-2026



LOCATION

SIDPEC – El – Amerya – Alexandria

POLY-ACETAL PROJECT



DESIGN CAPACITY

50 KTA/Y Poly -acetal



PROJECT STATUS

- Detailed feasibility study completed.
- Methanol feedstock will be secured locally



ESTIMATED INVESTMENT COST

400 Million USD



PLANNED STARTUP DATE

Q1, **2027**



ECHEM LAND - Damietta



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:



MONITORING, DEVELOPMENT & INTEGRATION

1- FOLLOW-UP & DEVELOPMENT:

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

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

Echem Support include availing the required permits to import operation materials and equipment for the affiliated companies.

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.

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 4.436 Million Tons where 1.997 Million Tons of the production was dedicated to meet local market demands while 2.439 Million Tons was directed for export.



2- DEVELOPMENT& INTEGRATION:

Moving to an advanced level of revamping, the fiscal year 2021/2022 has witnessed renovation projects that embraced:

Egyptian petrochemicals company (EPC):

- Startup the new EDC cracking unit with a new HCL removal tower in the VCM Plant to increase the production of the VCM plant to 125 KTA.
- Sign EPC turnkey contract to install New caustic soda concentration unit plant as turnkey project with 150 % upgrade capacity than the old unit.
- Upgrading all Distributed Control Systems (DCS) in All plants.
- Supply and installation of a fifth polymerization reactor for the production of the PVC to increase the production to 100 KTA.
- Upgrading and Rehabilitation of the VCM plant Steel Structure.

EGYPTIAN LINEAR ALKYL BENZENE (ELAB):

- Scoping study was prepared in (PACOL) unit to expand the production capacity to reach 140 % of the existing capacity
- Start the execution of converting HAB to LAB project to expand the production capacity by 5600 Ton annual.

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.

HUMAN RESOURCES DEVELOPMENT

During 2021/2022, Echem human resources department kept working toward its major objectives, which include developing a skilled workforce and establishing an organizational culture to keep the company positioning as a place of fruitful opportunities for all our employees.

The primary goal of Echem's human resources department this year was to create a competent environment where employees could learn, grow, and apply their knowledge in their various departments.

Our employees are empowered to use their abilities, talents, and expertise to enhance both the organizational and individual performances.

Applying Echem's mission "to develop a competitive petrochemicals industry based on local human and natural resources" we redesigned our training programs to reach our organizational goals by providing our employees the latest technical, non-technical and managerial training programs that address all the petrochemicals practices in general and human resources practices







in particular relying on our effective competency based training model that integrate all the holding company and its affiliates main activities.

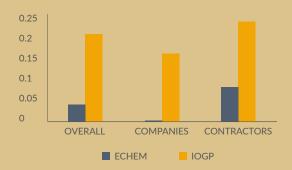
Also we understand that building a dynamic work place requires more than traditional training programs so this year, in collaboration with Nasser Military academy we provided all the employees in the holding company and its affiliates a whole new training program that focus on increasing their awareness regarding both local and international matters related to national security strategies, crisis management and digitalization that will help them in having a broad understanding of these matters which are influencing either directly and indirectly any work environment.

Ultimately, as the training & development is one of the most important functions of our organization, we will keep working on providing our employees all modern types of training that will help them in effectively performing their jobs to optimize their performance moreover creating a better work environment that promotes our organizational culture and fosters sustainability, creativity on both individual and organizational level.

ENVIRONMENT, HEALTH & SAFETY

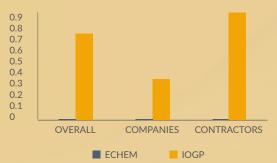
LIST	COMPANIES	CONTRACTORS	OVERALL
Total Number of Working Hours	13445167 hr	11006965 hr	24452132 hr
Fatality/Serious Injuries	-	-	
Lost Time Injuries (LTI)	-	1	1
Injuries (Outside Workplace)	-	-	
Fatalities (Outside Workplace)	1	-	1

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



LTIF	ECHEM	IOGP
OVERALL	0.04	0.22
COMPANIES	0	0.19
CONTRACTORS	0.09	0.24

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



LTIF	ECHEM	IOGP
OVERALL	0	0.75
COMPANIES	0	0.29
CONTRACTORS	0	0.90

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

^{*} Ref. - **IOGP** Safety Performance Indicators – May 2022.

The Egyptian Petrochemical Holding Company obtained certificates of quality and energy management systems. ISO 9001:2015 & ISO 50001:2018





CSR

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In line with Egypt's Vision 2030 and the state's strategy to provide a decent life for citizens and in implementation of the directives of the Ministry of Petroleum and Mineral Resources, the holding company supervised the implementation of subsidiaries of some projects aimed at sustainable development in the various governorates of the Republic in the fields of education, raising the efficiency of schools, the field of health, raising the efficiency and equipment of hospitals, and the social and humanitarian field service and community outreach.

Education Field:

Ethedco has upgraded the efficiency of Al-Khalidin School in Al-Huwais village. The school serves about 1,150 middle and high school students from the villages surrounding the company.







(M)

Health Field:

Ethedco has implemented the infrastructure for a full floor in Ras El Teen General Hospital for the department for premature babies. The hospital serves a large number of patients, especially those who are unable.







Egyptian petrochemicals equipped a medical convoy in coordination with the Faculty of Medicine, University of Alexandria, to sign a medical examination in the specialties of: pediatrics - internal diseases - ophthalmology - dermatology - general surgery - gynecology and obstetrics - orthopedics - ear, nose and throat - chest - teeth - diagnostic x-rays For 800 residents of the villages surrounding the company.







The field of health and hospital equipment:

Sidpic has purchased the following devices for public service hospitals:-

- Linear accelerator device for the treatment of brain tumors
- Kidney dialysis machine
- Electrophysiological device







The field of social and humanitarian:

SIDPEC and ETHIDCO celebrated the birthday of the children of the Cancer Hospital in Borg El Arab and all our companies participated.







Mopco is currently rehabilitating Damietta Metal Bridge located in front of Misr Public Library.







All of our companies support orphan associations and distribute blankets and food aid.



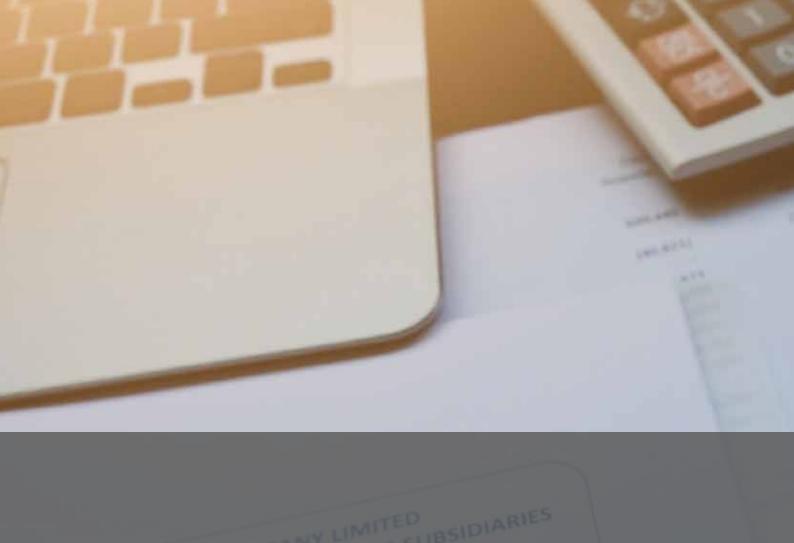




Social and human communication:

Regular meetings are held with opinion leaders in the surrounding villages.





FINANCIAL HIGHLIGHTS

"REVIEWED"



01 Balance Sheet

02 Revenue Analysis **30 June 2021**

03 A Growth Strategy **2021**

04 Income Statement 2021

05 (HIGHLIGHTS) **2021**

BALANCE SHEETS

		solidated	Sé	eparate
ASSETS CURRENT ASSENTS: Cash	2015	2014	2015	2014
Temporary investment Accounts Receivable Note received Inventory TOTAL CURRENT ASSENTS NON-CURRENT ASSENTS: Long - Term Investment Property Plant Equipment - net Intangible Assets Other assets TOTAL NON-CURRENT ASSENTS TAL ASSETS	45,104 359,200 31,958 50,859 585,090 1,072,211 200,100 1,452,600 25,305 20,620 1,698,625 2,770,836	54,681 258,462 15,985 45,987 326,900 702,015 180,650 1,355,900 30,500 20,350 1,587,400 2,289,415	354,800 28,590 48,521 535,084 1,002,155 195,025 1,452,600 20,658 18,067	24,658 254,800 14,985 32,405 320,535 647,383 152,000 1,350,652 25,000 15,600 1,543,252 2,190,635



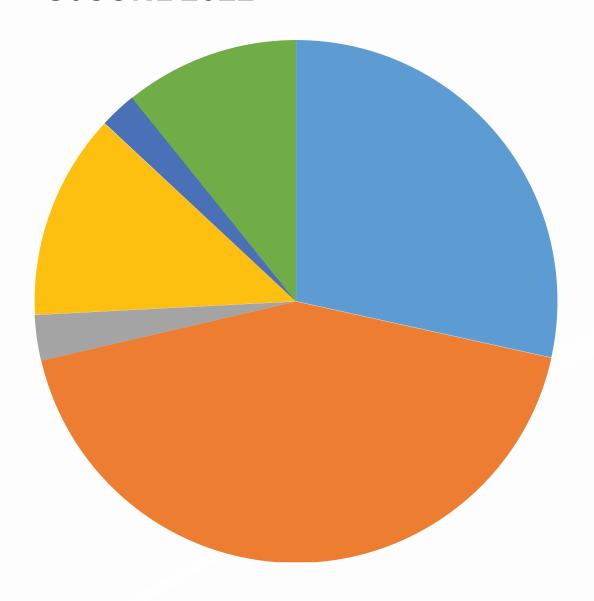
ASSETS

IN MILLION EGP	30/06/2021	30/06/2022
Non Current Assets	5146	6393
Cash & Cash Equivalent	465	485
Accounts Receivable	207	212
Inventory	5	5
Other Current Assets	583	372
TOTAL ASSETS	6406	7467

LIABILITIES

Accounts Payable	530	419
Accrued Expenses	38	22
Dividends	99	573
Current Portion Long Term Debt	0	0
Over Drafts	0	0
Other Current Liabilities	902	1435
Total Non-Current Liabilities	612	36
TOTAL LIABILITIES	2181	2485
TOTAL SHAREHOLDER'S EQUITY	4225	4982

REVENUE ANALYSIS 30 JUNE 2022

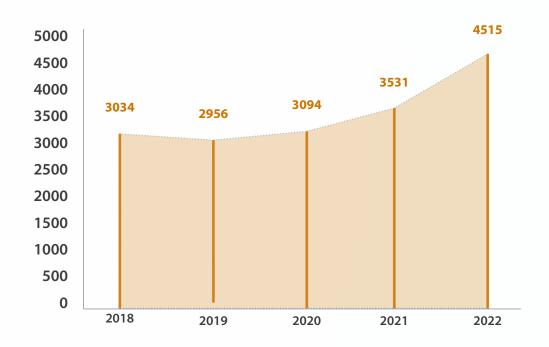


- Investment Revenue 1249
- Sales of Purchased Goods 1253
- Supervision & Development Revenue 89
- Marketing Revenue 444
- Land Rental 34
- Other Revenue 259





A GROWTH STRATEGY 2022/MILLION EGP 4515



INCOME STATEMENT (HIGHLIGHTS)

IN MILLION EGP	30/06/2021	30/06/2022
Revenue	1,798	3328
Expenses	(1290)	(1907)
Total Earnings Before Tax	508	1421
Corporate Income Tax	(68)	(136)
Net Income	440	1285