

Egypt Kuwait Holding Expands to UAE with the Acquisition of Shield Gas Group

EKH aims to leverage Shield Gas's existing operational platform to capitalize on the growth potential of the UAE's gas network & distribution market; plans to replicate NatGas' successful business model in Egypt

08 January 2019 | Cairo Egypt Kuwait Holding Company (EKHO.CA on the Egyptian Exchange and EKHOLDING on the Kuwaiti Exchange), one of the MENA region's leading investment companies, is pleased to announce that it has completed the acquisition of 100% of Shield Gas Group, a natural gas distribution player in the United Arab Emirates' central gas systems market with operations in UAE since 1984.

The acquisition marks EKH's expansion into the UAE's and the GCC underpenetrated gas distribution market and provides the company with a platform to replicate the success it has achieved with its Egyptian operation NatGas. The UAE market boasts significant growth potential as the government pushes to substitute gas cylinders consumption – currently constituting over 52% of the country's 1.4 million households with more economic natural gas network connections and LPG central gas systems. The drive comes as the Abu Dhabi National Oil Company (ADNOC) has recently announced plans to develop the USD 20 billion North-West Area sour gas project, holding c. 5 trillion cubic feet of gas and production estimates that could supply gas to over 400 thousand homes.

“The UAE's natural gas distribution market today enjoys the same dynamics of its Egyptian counterpart where EKH has had incredible success in capitalizing on sound economic policy and market trends,” said EKH's CEO Sherif El Zayat. “Among a handful of regional markets with liberalized energy prices, the UAE government stands to drive significant savings by phasing out gas cylinders with centralized gas systems that come at a fraction of the cost. Companies like Shield Gas are thus prime candidates to capture this growth potential and at EKH we have the know-how, systems and the track record in a larger more advanced market to be able to steer this growth and deliver value to our shareholders. Our business plan targets a fivefold expansion in Shield Gas' operations over the coming five years.”

—Ends—

About EK Holding

Egypt Kuwait Holding Company (EKHO.CA on the Egyptian Exchange and EKHOLDING on the Kuwaiti Exchange) is one of the MENA region's leading investment companies with a diversified portfolio of investments that spans the region in sectors that include fertilizers and petrochemicals, energy, cement production, insurance, information technology, transport and infrastructure. Established in 1997 by a consortium of prominent Kuwaiti and Egyptian businessmen including our former Chairman, the late Nasser Al-Kharafi, the company has flourished during the past decade as the countries of the Arab world began to liberalize their economies and open doors for private sector investments in strategic sectors that had once been off limits.

INVESTOR RELATIONS CONTACT

For further information, please contact:

Haitham M. Abdel Moneim
Egypt Kuwait Holding Co.
Investor Relations Director
hmoneim@ekhholding.com

14 Hassan Mohamed El-Razzaz St.
(Previously Nawal St.)
Dokki, Giza

Tel (Direct) : +20 2 333-633-00

Forward-Looking Statements

Statements contained in this document that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of Egypt Kuwait Holding Company (EKH). Such statements involve known and unknown risks, uncertainties and other factors; undue reliance should not be placed thereon. Certain information contained herein constitutes "targets" or "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "seek," "should," "expect," "anticipate," "project," "estimate," "intend," "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Actual events or results or the actual performance of EKH may differ materially from those reflected or contemplated in such targets or forward-looking statements. The performance of EKH is subject to risks and uncertainties.