

SC^oZONE'

Suez Canal Economic Zone

CAI 30°02'32"N 31°13'57"E

SUZ 29°42'49"N 32°18'17"E

PSD 31°15'33"N 32°18'10"E

المنطقة الاقتصادية
لقناة السويس
SUEZ CANAL ECONOMIC ZONE

01

—
STRATEGIC FACTS

About SCZONE

SCZONE Facts

455
TOTAL AREA

100_K
DIRECT &
INDIRECT JOBS

6
SEA MAIN
PORTS

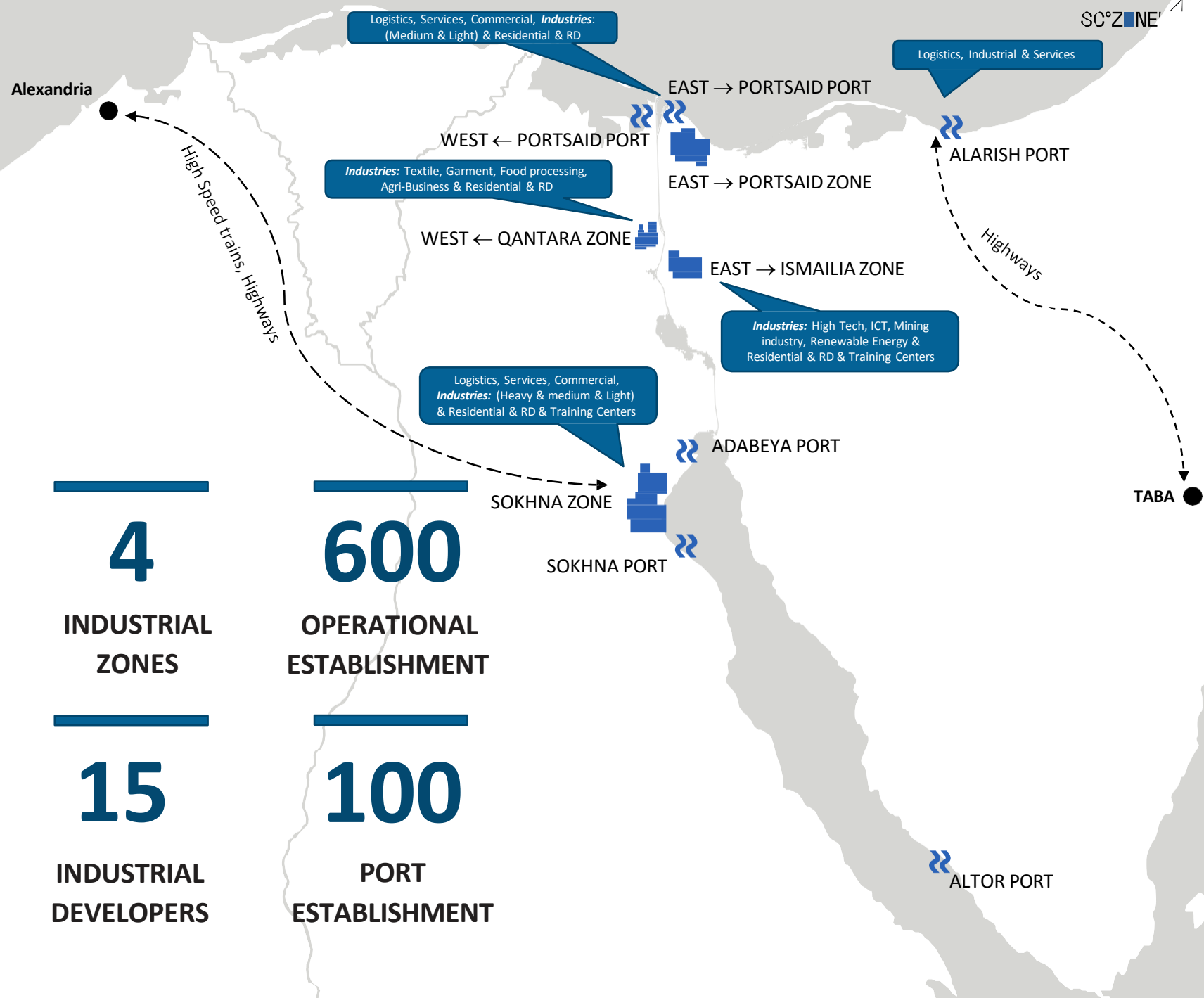
5
MAIN PORTS
OPERATORS

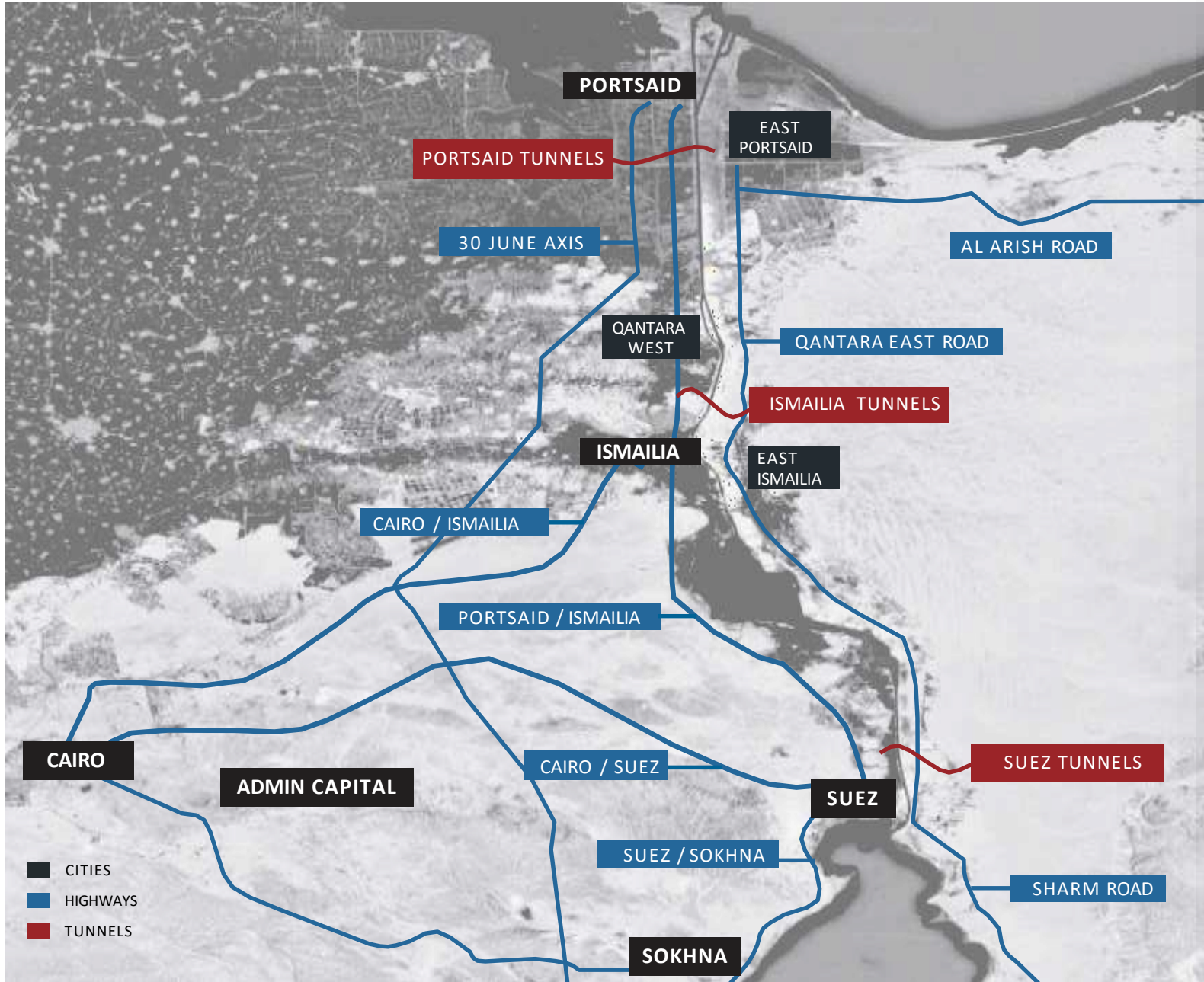
4
INDUSTRIAL
ZONES

15
INDUSTRIAL
DEVELOPERS

600
OPERATIONAL
ESTABLISHMENT

100
PORT
ESTABLISHMENT





Connectivity

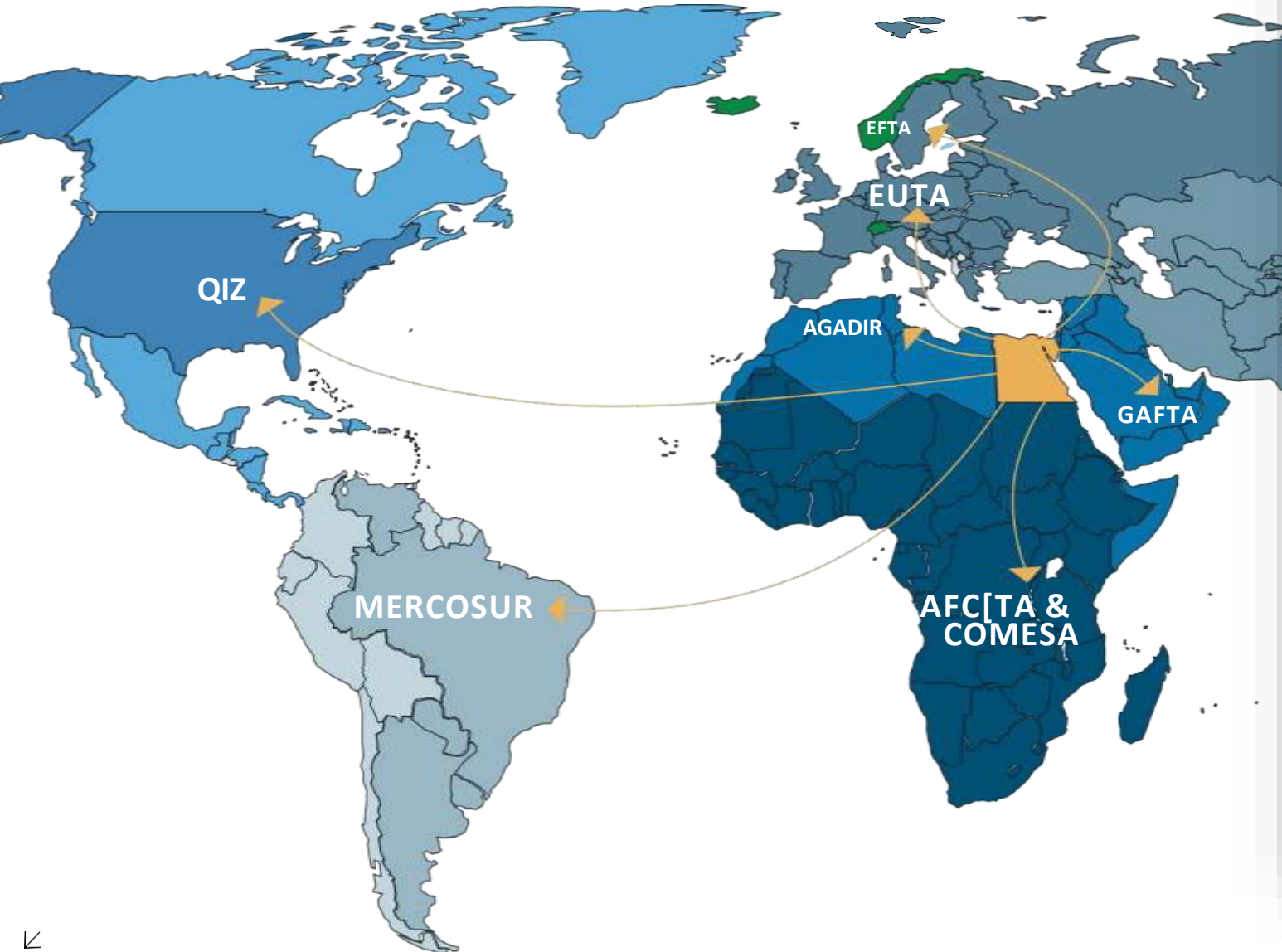
The first line of the high-speed train network (Sokhna - Matrouh)



- The track extends fast electric train line (passengers & goods) linking the city of **Sokhna** on the Red Sea coast to the city of **El-Alamein/Dabaa** to **Matrouh** on the Mediterranean coast, with a length of about 660 km and 21 stations (13 high-speed train stations and 8 regional stations).
- It will be connected to the second line at October Gardens station.
- The design speed of the project is 250 km/h, the operating speed of high-speed electric trains is 230 km/h, regional electric trains are 160 km/h and electric freight locomotives are 120 km/h.



Markets Accessibility



100%

CUSTOMS EXEMPTION

With Free Trade Agreements

100Mn

CONSUMERS

Accessing a promising domestic market in Egypt

2Bn

CONSUMERS ACCESSIBILITY

In the international market benefiting from multiple free trade agreements

05



WATER, POWER & ROADS

Infrastructure & Utilities

Utilities and Infrastructure

\$2.8Bn



NATURAL GAS

1 PRESSURE REDUCTION UNIT
& PIPELINE NETWORK



COMMUNICATION

3 COMM. CENTRAL
& FIBER OPTICS CABLES



POWER SUPPLY

7 POWER
SUB-STATION

13 POWER
DISTRIBUTOR



SEWAGE TREATMENT

2 TREATMENT PLANT
& PIPELINES

6 SEWAGE TREAT.
COMPACT UNITS



WATER SUPPLY

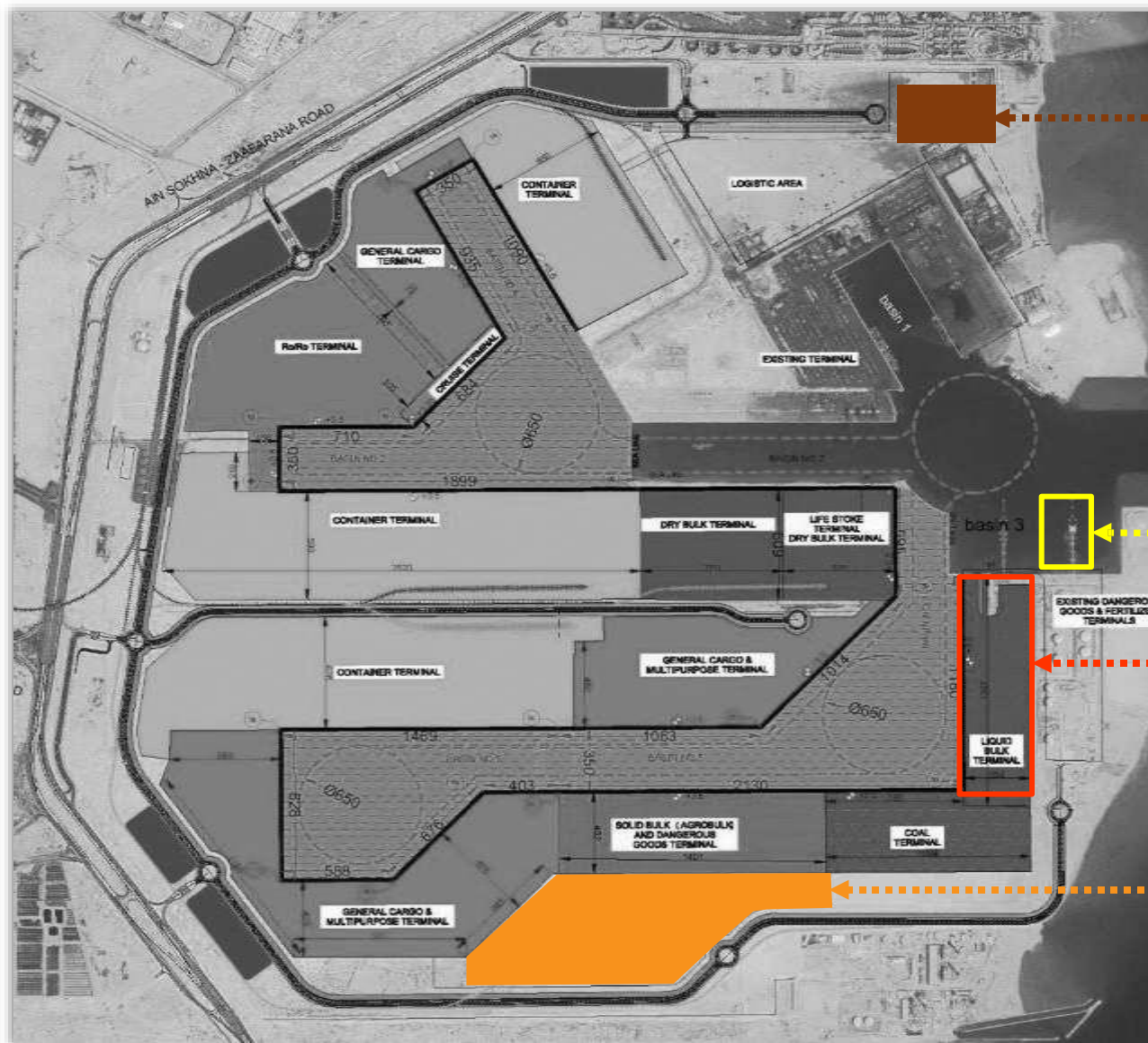
2 SEA WATER
DESALINATION PLANT

3 WATER LIFT PLANT
& STORAGE

Utilities and Infrastructure



SOKHNA Green H₂ Cluster



DESAL. WATER PLANT

JETTY

LIQUID BULK TERMINAL

TANKS FARM

EAST PORTSAID Green H₂ Cluster



Summary of Law no. 2 of 2024

1

Value Chain Components

- Production Facilities of **Green Hydrogen & its derivatives** ¹.
- **Water desalination** plants that dedicate a minimum of **95%** of their output for the production of Green Hydrogen & its derivatives.
- **Renewable energy facilities** that dedicate no less than **95%** of their output for the production of Green hydrogen, its derivatives and to its dedicated water desalination plant(s).
- Project companies solely **distributing, storing, or transporting Green Hydrogen & its derivatives** within the Arab Republic of Egypt.
- Project companies whose activities are solely focused on the **manufacture of equipment and production inputs for green hydrogen facilities** ².
- **Future expansions of any of the aforementioned** which would result in the addition of new assets that ultimately lead to a higher production capacity.

2

Eligibility Period

- GH2 Projects with Project Agreements executed with the Government stakeholders during **Five years** from the issuance date of the incentives law will continue to enjoy the incentives under the law **for the validity of project agreements** subject to **achieving COD within 5 years** from the date of Project Agreements execution.
- Future expansions of GH2 Projects will also benefit from the incentives under the law subject to entry into an annexure to the project agreements with the Government stakeholders **within seven years** from the initial Commercial Operation Date.

3

Fiscal Incentives

- A **33% to 55% cash incentive** to be recouped from the Ministry of Finance within 45 days following the submission of the annual Income Tax Form. This rebate income will not be subject to any taxes.
 - **VAT exemption on equipment, tools, machines, raw materials, supplies, and all sorts of transportation assets** necessary for the transportation of Green Hydrogen & its derivatives with the exception of passenger vehicles.
 - **VAT exemption on Exports** of all Green hydrogen and its derivatives.
- Exemption of the below taxes** ³:
- Exemption of **property tax, stamp duty, documentation fees**, as well as coverage of costs related to **credit facilitation, mortgages, land registration, and customs duties** on essential imports for the projects, excluding passenger vehicles.

1. Including Green Ammonia & E-Methanol amongst others.

2. To be determined by virtue of **Cabinet of Ministers** decree based on the recommendation of both the Minister of Electricity and Renewable Energy, and the Minister of Finance to allow the company to benefit from incentives under the law.

3. Post obtaining Cabinet and Prime Minister's approval.

Summary of Law no. 2 of 2024

4

Non- Fiscal Incentives

- **Exemption from registration as an importer or an exporter** with regards to project assets and final products.
- Allowing the project company to **hire foreign employees up to 30% of its total project staff** during the first ten years from the date of signature of the project agreements.
- A 25% reduction on the **Industrial Land Usufruct Fees** dedicated for the establishment of the Green Hydrogen production facilities ¹.
- A 20% reduction in fees for **the right to use storage warehouse land at ports**¹
- A 30% reduction of **marine services fees**².
- Establishment of **Special Customs Departments**: Authorization to create special customs departments for the exports of the projects³.
- **Grace period for the payment of applicable Industrial/ Port Storage Tanks Usufruct Fees till the Commercial Operation Date** of the project, without incurring interest or delay penalty fees.
- **Licensing validity period** to match the Usufruct Agreement tenor of the Project(s)

5

Eligibility Criteria

The following prerequisites must be fulfilled in order for the GH2 Projects, related facilities, and their expansions, to benefit from the incentives outlined in this law:

- Commercial Operation to take place **within five years** from the date of concluding project agreements.
- At least 70% of the Project (or its expansions) Investment Cost to be financed by **foreign funds**.
- Ensuring the presence of at least **20% Local Component** in the project and its expansions.
- Ensuring the **transfer of know-how and technology** to Egypt while also ensuring the implementation of **training programs** for the benefit of Egyptian labor.
- Committing to the implementation of the **development of the local communities** in which the project operates in line with the provisions of Article (15) of Investment Law No. 72 of 2017.

- An **Incentives Certificate** will be issued by the Prime Minister in the name of the project SPV, granting it the aforementioned incentives and waiving further governmental approvals.
- Project SPVs are **ineligible to concurrently avail benefits under multiple laws** (i.e. Economic Zones Law, Green Hydrogen Incentive Law and Investment Law).
- The Cabinet of Ministers is set to issue **executive regulations** for the law

1. This is without prejudice to respecting applicable annual escalation fees pursuant to relevant Usufruct Agreements.

2. Marine services fees include the use of seaports and/or maritime transport, and for the services provided for ships in Egyptian seaports including bunkering activities and the use of installations made available by Ports Authorities and the Egyptian Authority For Maritime Safety.

3. Post approval of the Minister of Finance

SC°ZONE'

INTEGRATED ROUTE » ONE DESTINATION

THANK YOU

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H₂ Production at SCZONE

H.E. President Abdel Fattah El-Sisi President of the Arab Republic of Egypt and H.E. Jonas Gahr Støre the Norwegian Prime Minister, inaugurated the first integrated green hydrogen plant in Africa during the Leaders Summit at COP27, located at SCZONE's Sokhna Industrial Area.



 **100 MW**
Green Hydrogen

1ST OPERATIONAL
PROJECT IN AFRICA

 **70 KTPA**
Green Ammonia

  **Fertiglobe** 

الصندوق السيادي
الاستراتيجي

 **70 MW**
Solar Energy

 **200 MW**
Wind Energy

 **\$500 M**
Investment

H2Global and the Egypt-Green Hydrogen Project

2024 milestone: Egypt's Green Hydrogen Consortium won major offtake under Germany's H2Global initiative.



EGYPT GREEN
HYDROGEN

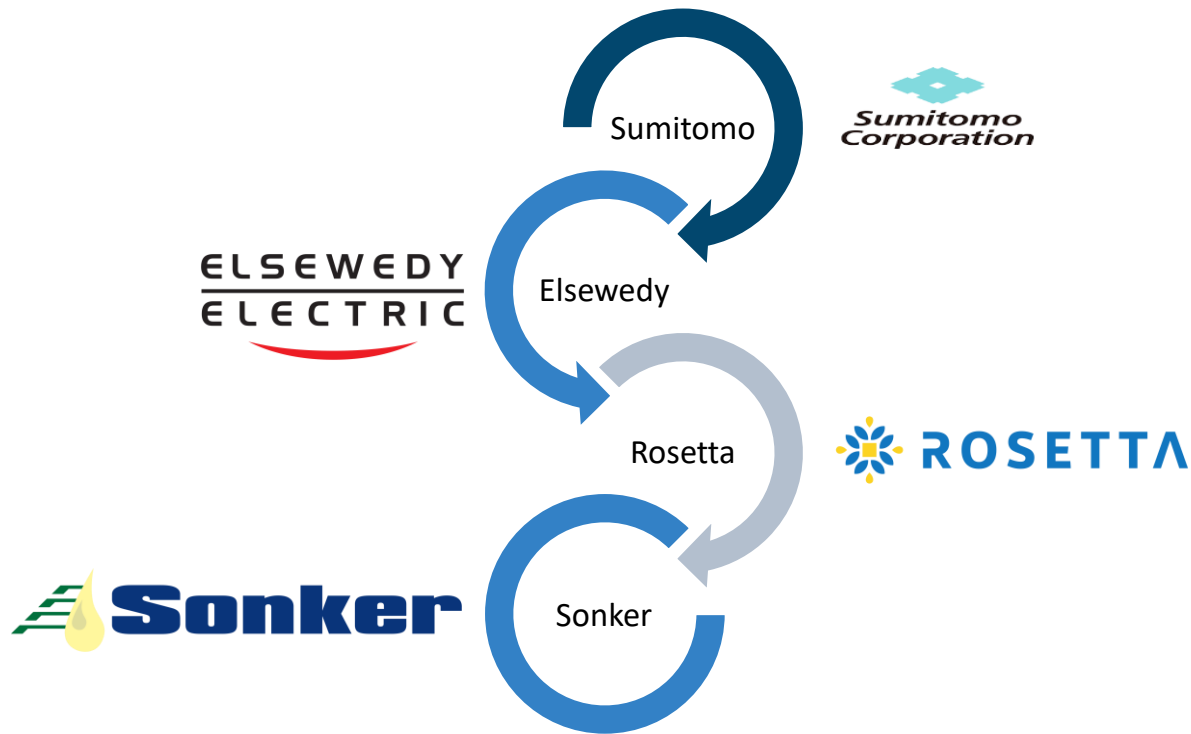
€397 million
contract Value

397 K Tons
Green Ammonia

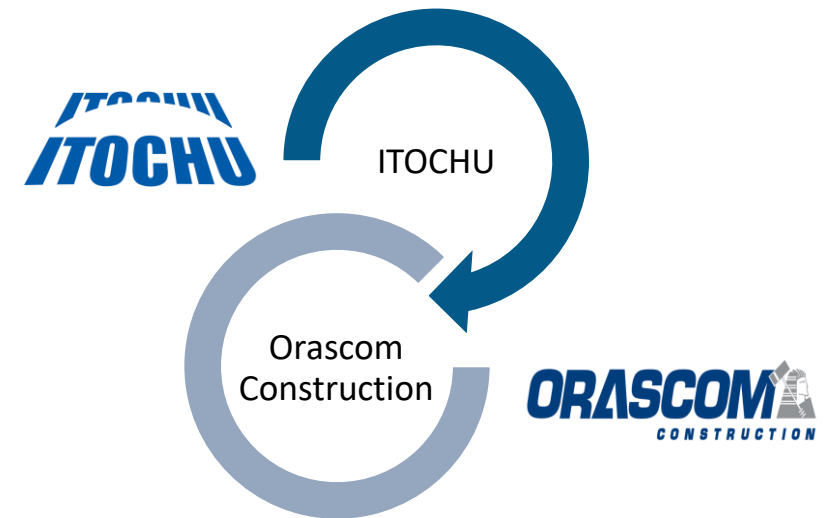
20 Years purchase
agreement start 2027

Cooperation Between SCZONE and Japanese Companies

SCZONE Signed 2 MOUs with 2 Japanese Consortiums make feasibility study for the creation of an end-to-end supply chain for Green and low-carbon maritime fuel in Egypt



Fuel Type:
low-carbon maritime fuel



Fuel Type:
Green Ammonia

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