Qalaa Holdings Reports 1Q20 Results

- *ERC began booking sales revenue and a full income statement as of January 2020*
- *ERC's profitability impacted by volatility in oil markets*
- *TAQA Arabia achieves solid performance driven by growth across all its divisions*
- *Nile Logistics doubles its top line and records an almost seven-fold increase in EBITDA*
- *Continuous review and strengthening of health, safety and business continuity measures to help manage risks related to COVID-19 and navigate upcoming period of uncertainty*

1Q 2020 Consolidated Income Statement Highlights	
Revenues EGP 10,408.2 mn vs. EGP 3,581.0 mn in 1Q19	
EBITDA EGP 773.2 mn vs. EGP 376.4 mn in 1Q19	Net Profit After Minority EGP (405.1) mn vs. EGP (154.63) mn in 1Q19

Highlights from Consolidated Balance Sheet as at 31 March 2020	
Consolidated Assets EGP 86,125.1 mn At current book value vs. EGP 86,183.0 mn in FY19	Consolidated Debt EGP 54,752.5 mn Of which EGP 41,541.6 mn related to ERC

Qalaa Holdings, a leader in energy and infrastructure (CCAP.CA on the Egyptian Exchange, formerly Citadel Capital), released today its consolidated financial results for the period ended 31 March 2020, recording total revenue of EGP 10,408.2 million driven by the EGP 6,829 million generated by ERC in 1Q20. Revenue growth was further augmented by solid performance at TAQA Arabia and improved operations at Nile Logistics.

Qalaa's Egyptian Refining Company (ERC) is operating smoothly at 100% capacity utilization and has been classified as an asset at the beginning of January 2020 and hence started booking revenues (and a full income statement), in turn reflecting on Qalaa's consolidated income statement. While management had been anticipating strong bottom-line support from ERC upon commencement of operations, recent volatility in the oil market and pressure on oil prices with narrowing heavy fuel oil (HFO) to diesel spreads have adversely impacted results. Nonetheless, the refinery was able to record an EBITDA of EGP 442.2 million in 1Q20 at a time when refineries across the region and internationally are suffering from losses at the EBITDA level.

ERC's EBITDA contribution pushed Qalaa's consolidated EBITDA in 1Q20 to EGP 773.2 million, registering a strong y-o-y increase of 105%. Excluding ERC, Qalaa's EBITDA recorded EGP 331 million in 1Q20 compared to the EGP 376.4 million recorded in 1Q19. EBITDA for the quarter was weighed down by the cement platform subsidiaries that were impacted by an underperforming cement market in Egypt and a 35-day strike in Al Takamol Cement in Sudan that ended in March 2020 as well as rising energy costs in Sudan. Additionally, ACCM's exports (an ASCOM subsidiary) were negatively impacted by diminished international trade as a result of COVID-19. Meanwhile, strong performance at TAQA Arabia across its divisions as well as operational improvements at Nile Logistics and National Printing saw all three subsidiaries deliver EBITDA growth, in turn partly offsetting declines from cement and mining.

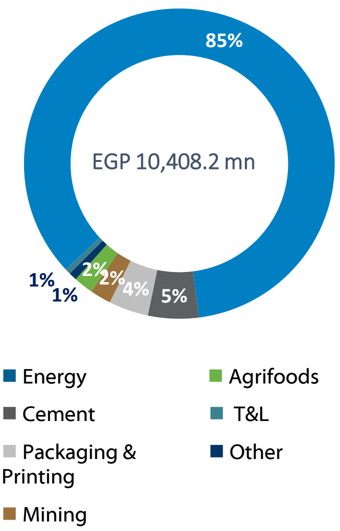
Qalaa Holdings recorded a net loss after minority interest of EGP 405.1 million in 1Q20 compared to a net loss of EGP 154.6 mn in the same period last year. ERC alone booked a net loss before minority interest of EGP 1,369.5

million in 1Q20 due to the pressure on HFO and diesel spreads as well as an overall soft oil market as mentioned above. It is worth noting that Qalaa's effective share in ERC currently stands at 13.14%. ERC's profitability will continue to be pressured during the prevailing oil market volatility, and particularly by diesel prices, in turn affecting Qalaa's consolidated bottom line and profitability.

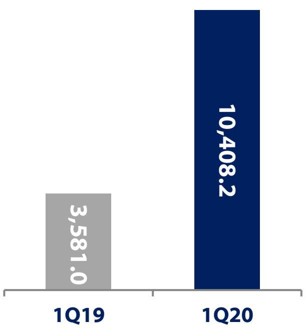
Financial and operational highlights follow, as do management's comments and overview of the performance of different business units. Full financials are now available for download at ir.qalaaholdings.com.

Financial and Operational Highlights

QALAA HOLDINGS CONSOLIDATED REVENUES 1Q20



REVENUE PROGRESSION
(EGP mn)



- **Qalaa recorded consolidated revenue of EGP 10,408.2 million in 1Q20, a 191% y-o-y increase primarily driven by booked sales revenue from ERC as well as solid performance at TAQA Arabia and Nile Logistics.**

  ERC booked revenues of EGP 6,829 million on its first full income statement post its recognition as an operational asset in 1Q20, constituting a 66% share of Qalaa's total revenue. Excluding ERC, Qalaa's 1Q20 top-line came in almost flat compared to the same period last year.

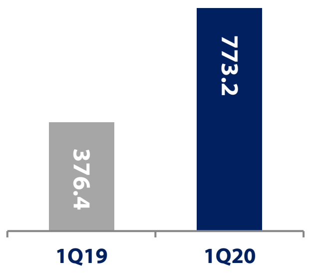
  TAQA Arabia recorded an 18% y-o-y increase in its top line on the back of solid performance across its gas, marketing, and power divisions and with growing contribution from TAQA Solar. Moreover, Nile Logistics delivered strong results, witnessing a y-o-y increase of 81% in 1Q20 on the back of capacity expansions at the coal/pet coke storage facilities, commencement of the grain warehouse, and increased efficiencies at the inland container depot.

  The aforementioned developments were weighed down by Qalaa's cement division due to an underperforming market that saw ASEC Holding record an 18% decline in its top line. Moreover, Qalaa's mining platform ASCOM recorded a 16% decline in top-line in 1Q20 on account of disruptions related to COVID-19 and access to the company's export markets. Finally, Dina Farms' consolidated performance remained largely flat in 1Q20.

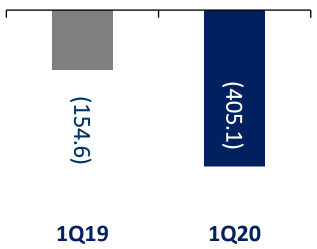
- **Qalaa's EBITDA recorded EGP 773.2 million in 1Q20, an increase of 105% y-o-y on the back ERC's contribution in 1Q 2020 and strong performance at TAQA Arabia, Nile Logistics and National Printing.**

  ERC was the primary driver of EBITDA expansion in 1Q20, contributing 57% of total EBITDA for the period. However, excluding ERC, Qalaa's EBITDA would have declined 12% year-on-year to EGP 331.0 million in 1Q20. This was due to an underperforming cement market in Egypt, and a 35-day strike in Al Takamol Cement in Sudan that ended in March 2020 as well as rising energy costs in Sudan, all of which negatively impacted ASEC Holding's consolidated EBITDA. Meanwhile, COVID-19 related restrictions hindered ASCOM's performance, with halts and slowdowns in export markets negatively impacting ACCM's volumes, while slowing construction activity weighed down on Glassrock.

EBITDA PROGRESSION
(EGP mn)



NET PROFIT PROGRESSION
(EGP mn)



On the other hand, Silverstone (TAQA Arabia's holding company), witnessed a 56% y-o-y increase in EBITDA to EGP 187.4 million. The strong performance at the EBITDA level came on the back of expansions at TAQA's gas divisions as well as growing contribution from its solar power plant in Benban, Aswan. Moreover, EBITDA performance was also strong at Nile Logistics, recording a stellar 544% y-o-y increase in 1Q20 on the back of facility expansions. Additionally, improved operational efficiency at National Printing subsidiary saw its year-on-year EBITDA increase by 65%, further supporting Qalaa's EBITDA performance in 1Q20.

- **Selling, general and administrative expenses (SG&A) recorded EGP 373.1 million in 1Q20, up 34% y-o-y following the consolidation of EGP 97.7 million in SG&A related to ERC.**

- **Bank interest expense recorded EGP 1,041.1 million in 1Q20 compared to EGP 367.5 million in 1Q19.**

  The increase in interest expense in 1Q20 was primarily driven by ERC, which booked EGP 701.5 million in interest on its debt during the quarter.

  Meanwhile, consolidated interest expense on loans from shareholders grew to EGP 74.3 million in 1Q20 from EGP 64.8 million recorded in 1Q19. The expense is related to a shareholder loan extended by Qatar Petroleum (QP) to Arab Refining Company (ARC) in May 2019. ARC owns c.67% of ERC.

- **Qalaa booked provision of EGP 103.7 million in 1Q20, up from EGP 67.4 million recorded in the same quarter last year.**

  The increase was primarily driven by ASEC Holding, which recorded EGP 42.6 million in provisions in 1Q20 mainly related to the interest of the signed bank debt settlement that is due in September 2020.

- **Qalaa recorded an FX gain of EGP 150.4 million in 1Q20, driven by the Egyptian pound's strengthening against the US dollar during the period and its effect on Qalaa's USD-denominated liabilities.**

- **Qalaa Holdings recorded a consolidated net loss after minority interest of EGP 405.1 million in 1Q20 compared to a loss of EGP 154.6 million in 1Q19.**

  ERC alone booked a net loss before minority interest of EGP 1,369.5 million in 1Q20 due to the pressure on HFO and diesel spreads and an overall soft oil market. It is worth noting that Qalaa's effective share in ERC currently stands at 13.14%.

- **Debt restructuring at the holding level and subsidiaries is progressing.**

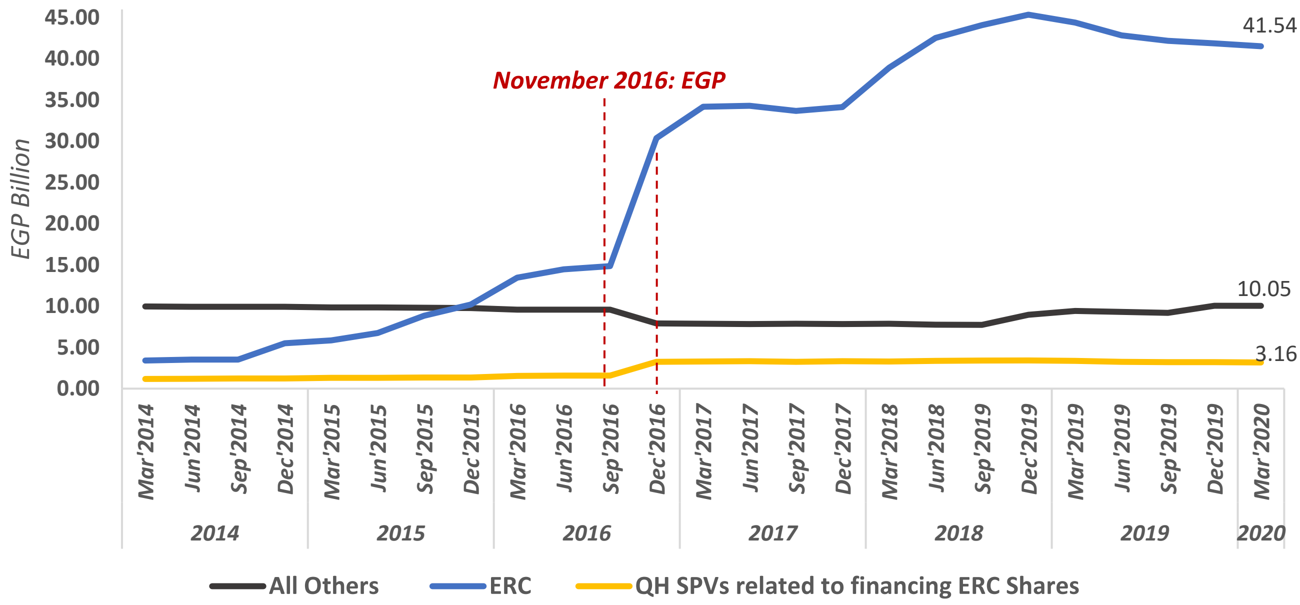
  Qalaa has reached advanced stages of negotiations over the restructuring of debts at the holding level and at a number of its subsidiaries, which should result in debt reduction of c.EGP 600 million at ASEC Holding (restructuring came into force in Q1-2020), c.EGP 450 million at Nile Logistics (restructuring agreed to with the banks pending some funding and approvals) and c.USD 6 million at GlassRock (restructuring to be finalized during 2020), a subsidiary of ASCOM. Upon implementation, Qalaa is expected to record significant reductions in interest expense, which will be further supported by recent interest rate cuts in Egypt.

Additionally, given the recent macroeconomic situation and the impact of COVID-19, in particular with regards to oil market volatility and narrowing spreads between HFO & Diesel, ERC has reached a debt-deferral agreement with its senior lenders on 30 April 2020.

The agreement initially includes, but not limited to, a senior loan principle deferral to December 2020, with interest payments due in June 2020 to be paid as scheduled. The initial agreement will serve as the base for a broader discussion regarding ERC's debt to take place in the second half of the year. As it stands, all conditions precedent for the initial agreement have been satisfied with execution pending credit approvals from certain lenders.

- **Qalaa's consolidated debt excluding Egyptian Refining Company (ERC) and ERC-related debt stood at EGP 10.05 billion as of 31 March 2020, remaining stable compared to balances at 31 December 2019.**

Debt Progression (EGP bn)



COVID-19 Response Plan

Qalaa Holdings' management is closely monitoring the COVID-19 situation and is in constant communication with leadership teams across its subsidiaries to identify risks posed by the pandemic and develop appropriate measures to ensure the health and safety of its employees and business continuity. It is worth highlighting that during these difficult times Qalaa is prioritizing the well-being of its more than 17,000 employees across its subsidiaries and has decided to maintain its full work force and not resort to any layoffs.

Key measures to manage COVID-19 related risks include:

- Establishment of a specialized committee to monitor the situation across Qalaa's footprint to manage and oversee response strategies related to COVID-19;
- Stringent health and safety protocols at the holding and platform levels, including frequent disinfection of facilities, placement of hand sanitizers, provision of safety gear and guidelines for employees, particularly in customer-facing positions such as at TAQA Marketing's fueling stations, and strict hygiene processes at food processing facilities including Dina Farms and ICDP.
- Employee temperature screening and more lenient sick-leave policies including 14-day paid leave for any employee suspected of contracting COVID-19;
- Social distancing measures including limiting in-office work to necessities, holding virtual meetings and supporting working from home policies where possible with necessary tools and IT infrastructure;
- Contingency plans and business continuity protocols, including for supply chain and inventory management as well as maintaining efficient communication channels;
- Periodic review of the group's liquidity position and short-term financial obligations, ensuring efficient cash management and reduction of non-essential cash uses.

Management Comment

"The serious challenges caused by COVID-19 cannot be underestimated, however, we are taking the necessary measures to navigate them, just as we have managed to weather previous crises."

"The first quarter of 2020 marked a milestone for Qalaa with the booking of revenues by the Egyptian Refining Company (ERC), a development that has been years in the making," **said Qalaa Holdings Chairman and Founder Ahmed Heikal**. "I am pleased to report that in its maiden quarter ERC has been operating at 100% capacity utilization with all processes running smoothly, and has delivered a staggering EGP 6.8 billion in revenue or 67% of Qalaa's consolidated top-line, which surged to EGP 10.4 billion in 1Q20. However, it must be noted that this milestone comes at a less-than-ideal moment when global oil markets have suffered from the dual impact of geopolitical tensions and the outbreak of COVID-19, the latter of which has brought economies across the world to an almost complete standstill. With oil prices taking a beating and with a consequent narrowing of spreads between HFO and diesel prices, the refinery's profitability significantly deteriorated."

"Meanwhile, Qalaa's growth was also supported by continued strong performance at TAQA Arabia and Nile Logistics, both of which are delivering growth and proving resilient in the face of COVID-19. At TAQA, despite the nationwide curfew and consequent decline in transport traffic and energy consumption, the company managed to deliver decent growth for the quarter. For Nile Logistics, whilst disruptions at global supply chains have taken a toll on trade activity, including for grain and coal/pet coke, recent investments in operational expansion are yielding strong results with an impressive 81% growth in top-line. Finally, at National Printing, the company achieved healthy growth in 1Q20 EBITDA, with its performance set to continue particularly with El Baddar's new plant coming online during the second half of 2020," he added.

"This strong performance slightly offset challenges at our cement and mining businesses. In Egypt, a soft cement market continues to affect ASEC Holding's production management business, with slowing construction activity on account of COVID-19 further affecting cement demand. Slow construction markets are also weighing on demand for Glassrock's insulation materials, while disruptions in international trade are impacting ACCM's export business. Nonetheless, the diversity of our portfolio has meant that despite these headwinds, our top-line excluding ERC delivered a 4% growth in 1Q20," Heikal said.

"The serious challenges caused by COVID-19 cannot be underestimated, however, we are taking the necessary measures to navigate them, just as we have managed to weather previous crises. As a new normal sets in, we expect to see accelerated growth trends across our portfolio," **said Hisham El-Khazindar, Qalaa Holdings' Co-Founder and Managing Director.** "At ERC, while the past few months witnessed a dislocation of global oil and petroleum products markets, including severe pressure on diesel prices, and while we see this situation persisting and potentially deteriorating in the second quarter and beyond, we remain confident in ERC's long-term fundamentals and its ability to deliver significant incremental value to Qalaa's bottom-line in due time."

"In the meantime, we have set in motion a debt relief program with our lenders that will see ERC's obligations temporarily deferred to December 2020, at which point we are hopeful that market conditions will have normalized. In parallel, we have also put on hold plans for a potential initial public offering of both Arab Refining Company, ERC's parent co., and that of TAQA Arabia until market conditions prove optimal with a target of 2021 at the earliest," El-Khazindar added.

“We also continued to make headway on our debt restructuring initiatives, which should result in debt reduction at a number of platforms, namely ASEC Holding (restructuring finalized with the banks), Nile Logistics and GlassRock. Qalaa is also exploring avenues to benefit from the Egyptian government’s stimulus plan and relief measures in response to the COVID-19 pandemic, including energy price cuts, interest rate cuts and a six-month deferral on debt payments. These relief measures will further support Qalaa Holdings’ liquidity position with estimated debt service and other costs savings of c.EGP 350 million across all platforms in 2020.

“During these critical times, our foremost priority continues to be protecting the health and safety of our people and providing them with the necessary support to ensure their well-being. We continue to adopt strengthened health and safety measures across our organization, including stringent hygiene and disinfection protocols, limiting the number of in-office and on-site employees to adhere to social distancing guidelines, and strengthening our IT infrastructure to support higher levels of work-from-home policies until such time it is deemed safe to return to our offices at full capacity. We remain confident in our ability to weather the challenges and ensure business continuity, and we look forward to remerging as a stronger and leaner organization once the COVID-19 crisis resolves,” concluded El Khazindar.

Detailed overviews of the performance of operational companies in each of Qalaa’s core industries follow; complete financials are available for download on ir.qalaaholdings.com

Methods of Consolidation

Fully Consolidated Companies	Energy	TAQA Arabia; Tawazon; Egyptian Refining Company
	Cement	ASEC Holding
	Packaging and Printing	National Printing (Grandview)
	Mining	ASCOM
	Agrifoods	ICDP & Dina Farms
	Transportation & Logistics	Nile Logistics
	Metallurgy	United Foundries
Equity Method Consolidated Companies (Share of Associates)	Mining	ASCOM Precious Metal (APM)
	Energy	Castrol Egypt (TAQA Marketing – British Petroleum JV)
	Publishing & Retail	Tanweer

Qalaa Holdings Consolidated Income Statement (in EGP mn)

	1Q 2020	1Q 2019
Revenue	10,408.2	3,581.0
COS	(9,286.1)	(2,933.4)
Gross Profit	**1,122.1**	**647.5**
Advisory Fee	-	-
Share in associates' results	(0.8)	0.3
Total Operating Profit	**1,121.3**	**647.9**
SG&A	(373.1)	(277.9)
Other inc/exp-Net	3.2	11.1
EBITDA before one-off charges	**751.4**	**381.0**
SG&A (Non recurring)	21.8	(4.6)
EBITDA	**773.2**	**376.4**
Dep./Amort.	(711.0)	(125.8)
EBIT	**62.2**	**250.6**
Bank interest exp.	(1,041.1)	(367.5)
Bank PIK	(32.6)	(32.8)
Bank Fees (ERC - PIK)	-	(37.6)
3rd party Shareholder	(74.3)	(64.8)
Interest income	104.6	72.5
Lease Payments	(32.6)	(8.6)
EBT (before one-offs)	**(1,013.9)**	**(188.2)**
Gain (Loss) on sale of investments	47.0	-
Impairments/write downs	(18.5)	(4.8)
Acquisitions and restructuring	(25.9)	(6.8)
Management fees	-	-
Layoffs/Severances	(5.3)	(2.7)
CSR	(6.3)	(2.5)
Provisions	(103.7)	(67.4)
Discontinued operations *	(6.3)	(17.2)
Forex	150.4	181.3
EBT	**(982.5)**	**(108.4)**
Taxes	(600.6)	(63.1)
NP/L Including Minority Share	**(1,583.1)**	**(171.5)**
Minority Interest	(1,178.0)	(16.8)
NP/L for the Period	**(405.1)**	**(154.6)**

* Discontinued operations include:
(1) Assets included in 2019, 2020: Zahana
(2) Assets included in 2019: Enjoy (Falcon, sold in 1Q20)

Qalaa Holdings Consolidated Income Statement by Sector for the three-month period ending 31 March 2020 (in EGP mn)

			Energy			Cement	T&L^	Mining	Agrifoods		Others				
	QH	SPVs	Orient	Silverstone	Tawazon	NDT	CCTO	ASCOM	Falcon	Wafra	Misc.*	Grandview	Elimination	1Q 2020	1Q 2019
Revenue	-	-	6,828.9	1,988.3	32.8	547.6	86.6	228.4	212.1	-	62.6	431.1	(10.2)	10,408.2	3,581.0
Cost of Sales	-	-	(6,289.0)	(1,750.7)	(37.9)	(525.8)	(34.1)	(160.4)	(140.3)	-	(54.8)	(301.7)	8.7	(9,286.1)	(2,933.4)
Gross Profit	**-**	**-**	**540.0**	**237.6**	**(5.2)**	**21.8**	**52.5**	**68.0**	**71.8**	**-**	**7.8**	**129.4**	**(1.6)**	**1,122.1**	**647.5**
Advisory fee	26.1	-	-	-	-	-	-	-	-	-	-	-	(26.1)	-	-
Share in Associates' Results	-	-	-	-	-	-	-	-	-	-	-	-	(0.8)	(0.8)	0.3
Total Operating Profit	**26.1**	**-**	**540.0**	**237.6**	**(5.2)**	**21.8**	**52.5**	**68.0**	**71.8**	**-**	**7.8**	**129.4**	**(28.5)**	**1,121.3**	**647.9**
SG&A	(56.8)	(9.2)	(97.7)	(50.7)	(4.5)	(31.8)	(12.1)	(48.0)	(36.7)	(0.3)	(8.4)	(40.2)	23.3	(373.1)	(277.9)
Other Income/Expenses (Net)	-	(0.5)	-	0.5	0.1	2.0	0.0	0.3	0.1	0.0	0.2	0.5	-	3.2	11.1
EBITDA (before one-offs)	**(30.6)**	**(9.7)**	**442.2**	**187.4**	**(9.5)**	**(8.1)**	**40.4**	**20.3**	**35.2**	**(0.3)**	**(0.4)**	**89.7**	**(5.2)**	**751.4**	**381.0**
SG&A (Non recurring)	-	-	-	-	-	15.5	-	-	(4.6)	-	-	11.0	-	21.8	(4.6)
EBITDA	**(30.6)**	**(9.7)**	**442.2**	**187.4**	**(9.5)**	**7.4**	**40.4**	**20.3**	**30.6**	**(0.3)**	**(0.4)**	**100.7**	**(5.2)**	**773.2**	**376.4**
Depreciation & Amortization	(0.6)	(0.0)	(564.0)	(35.9)	(3.5)	(20.3)	(16.3)	(23.2)	(18.2)	(0.0)	(1.3)	(14.1)	(13.6)	(711.0)	(125.8)
EBIT	**(31.3)**	**(9.7)**	**(121.8)**	**151.5**	**(13.0)**	**(12.9)**	**24.1**	**(2.9)**	**12.4**	**(0.3)**	**(1.6)**	**86.6**	**(18.8)**	**62.2**	**250.6**
Bank Interest Expense	(103.1)	(54.2)	(701.5)	(78.2)	(1.6)	(11.0)	(35.1)	(12.7)	(7.0)	-	(1.0)	(35.7)	-	(1,041.1)	(367.5)
Bank PIK	-	(32.6)	-	-	-	-	-	-	-	-	-	-	-	(32.6)	(32.8)
Bank Fees (ERC-PIK)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(37.6)
3rd Party Shareholder	-	(13.2)	(14.1)	-	-	(128.9)	(13.0)	-	-	-	(8.2)	-	103.1	(74.3)	(64.8)
Interest Income	61.8	36.1	18.3	75.9	-	1.6	0.0	5.0	0.1	-	-	0.1	(94.4)	104.6	72.5
Lease Payments	-	-	2.3	(7.0)	-	(0.2)	(7.9)	(16.8)	(1.7)	-	-	(1.3)	-	(32.6)	(8.6)
EBT (before one-offs)	**(72.6)**	**(73.7)**	**(816.8)**	**142.2**	**(14.6)**	**(151.4)**	**(31.9)**	**(27.4)**	**3.7**	**(0.3)**	**(10.8)**	**49.7**	**(10.1)**	**(1,013.9)**	**(188.2)**
Gain (Loss) on sale of investments	-	(0.0)	-	-	-	-	-	-	47.0	-	-	-	-	47.0	-
Impairments/Write-downs	(42.8)	(80.4)	-	(8.3)	(2.6)	(10.4)	(0.0)	(1.0)	(0.1)	-	(3.8)	(2.4)	133.3	(18.5)	(4.8)
Acquisitions and restructuring	(9.8)	-	-	(16.1)	-	-	-	-	-	-	-	-	-	(25.9)	(6.8)
Management Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Layoffs/Severances	(1.5)	-	-	-	-	(3.6)	-	-	(0.2)	-	-	-	-	(5.3)	(2.7)
CSR	-	-	(0.1)	(3.3)	-	(3.0)	-	-	-	-	-	-	-	(6.3)	(2.5)
Provisions	(0.2)	(55.6)	-	(6.4)	0.2	(42.6)	(0.2)	4.4	-	-	-	(3.2)	-	(103.7)	(67.4)
Discontinued Operations **	-	-	-	-	-	(6.3)	-	-	-	-	-	-	-	(6.3)	(17.2)
FOREX	44.2	(10.5)	(14.5)	8.5	1.2	93.5	15.8	0.8	5.1	(3.5)	14.9	(1.0)	(4.0)	150.4	181.3
EBT	**(82.8)**	**(220.1)**	**(831.4)**	**116.6**	**(15.7)**	**(123.7)**	**(16.4)**	**(23.2)**	**55.5**	**(3.8)**	**0.3**	**43.1**	**119.2**	**(982.5)**	**(108.4)**
Taxes	0.0	-	(538.2)	(46.9)	(0.0)	(2.1)	-	-	(5.2)	-	0.1	(9.8)	1.4	(600.6)	(63.1)
Net P/L Before Minority Share	**(82.7)**	**(220.1)**	**(1,369.5)**	**69.8**	**(15.8)**	**(125.8)**	**(16.4)**	**(23.2)**	**50.3**	**(3.8)**	**0.4**	**33.3**	**120.5**	**(1,583.1)**	**(171.5)**
Minority Interest	-	-	(799.6)	18.5	(6.2)	(8.3)	(9.3)	(1.3)	0.0	(0.1)	-	21.2	(392.8)	(1,178.0)	(16.8)
Net Profit (Loss)	**(82.7)**	**(220.1)**	**(570.0)**	**51.2**	**(9.6)**	**(117.5)**	**(7.0)**	**(21.9)**	**50.3**	**(3.7)**	**0.4**	**12.1**	**513.4**	**(405.1)**	**(154.6)**

* Miscellaneous includes UCF & Sphinx Egypt.
** Discontinued operations include:
(1) Assets included in 2019, 2020: Zahana
(2) Assets included in 2019: Enjoy (Falcon, sold in 1Q20)

^ T&L represents Transportation & Logistics

Qalaa Holdings Consolidated Balance Sheet as at 31 March 2020 (in EGP mn)

		Energy			Cement	T&L^	Mining	Agrifoods		Others					
	QH	Orient	Silverstone	Tawazon	NDT	CCTO	ASCOM	Falcon	Wafra	Misc.*	Grandview	1Q 2020 Aggregation	Eliminations/ SPVs	1Q 2020	FY 2019
Current Assets															
Trade and Other Receivables	1,967.7	2,448.8	1,596.2	176.1	1,788.6	108.7	410.0	82.5	-	375.9	410.7	9,365.2	(2,715.8)	6,649.4	7,099.3
Inventory	-	285.6	449.6	122.1	579.1	10.8	103.2	156.0	-	24.9	258.8	1,990.2	(0.0)	1,990.2	2,670.7
Assets Held For Sale	-	-	-	-	334.6	-	-	-	-	118.2	-	452.9	(111.1)	341.7	432.2
Cash and Cash Equivalents	4.0	1,844.6	2,609.1	7.1	102.2	16.8	13.1	10.7	0.0	9.7	118.5	4,735.9	50.8	4,786.7	3,667.8
Others	-	-	-	-	0.0	-	-	10.7	-	-	-	10.7	2.4	13.2	21.2
Total Current Assets	**1,971.8**	**4,579.0**	**4,654.8**	**305.3**	**2,804.6**	**136.4**	**526.3**	**260.0**	**0.0**	**528.7**	**788.0**	**16,554.9**	**(2,773.7)**	**13,781.2**	**13,891.2**
Non-Current Assets															
PP&E	33.8	62,801.3	2,173.0	114.6	1,048.7	818.6	813.1	731.5	-	30.3	920.9	69,485.8	583.2	70,068.9	70,047.5
Investments	4,612.2	-	52.1	-	0.2	-	156.3	-	-	-	101.2	4,922.0	(4,624.8)	297.1	293.4
Goodwill / Intangible assets	-	-	415.8	32.6	-	-	0.7	-	-	-	-	449.2	107.6	556.7	563.6
Others	5,086.1	359.2	192.8	-	448.9	-	-	368.4	-	-	46.3	6,501.7	(5,080.6)	1,421.0	1,387.3
Total Non-Current Assets	**9,732.0**	**63,160.5**	**2,833.7**	**147.2**	**1,497.8**	**818.6**	**970.1**	**1,099.9**	**-**	**30.3**	**1,068.3**	**81,358.6**	**(9,014.7)**	**72,343.8**	**72,291.8**
Total Assets	**11,703.8**	**67,739.5**	**7,488.5**	**452.5**	**4,302.4**	**954.9**	**1,496.4**	**1,359.9**	**0.0**	**559.0**	**1,856.4**	**97,913.5**	**(11,788.4)**	**86,125.1**	**86,183.0**
Shareholders' Equity															
Total Equity Holders of the Company	**5,101.2**	**10,052.7**	**950.2**	**104.0**	**(4,558.8)**	**(794.0)**	**47.0**	**92.3**	**(1,109.7)**	**(378.6)**	**75.1**	**9,581.5**	**(17,729.8)**	**(8,148.3)**	**(7,553.4)**
Minority Interest	-	9,357.8	497.5	98.3	1,032.1	(371.1)	(79.0)	0.0	(12.9)	11.5	247.6	10,781.9	6,919.0	17,700.9	19,736.7
Total Equity	**5,101.2**	**19,410.4**	**1,447.7**	**202.4**	**(3,526.6)**	**(1,165.1)**	**(31.9)**	**92.3**	**(1,122.6)**	**(367.2)**	**322.7**	**20,363.3**	**(10,810.7)**	**9,552.6**	**12,183.3**
Current Liabilities															
Borrowings	3,782.2	4,355.6	1,689.5	41.7	1,076.9	780.0	721.0	64.5	-	30.0	610.5	13,151.9	2,618.7	15,770.6	15,568.1
Trade and Other Payables	2,716.9	3,954.8	2,278.6	142.7	1,668.4	346.2	602.8	1,015.5	1,121.5	530.0	337.5	14,714.8	(597.3)	14,117.5	13,041.9
Shareholder Loan	-	159.4	-	-	2,071.0	780.0	-	-	-	122.2	-	3,132.6	(780.0)	2,352.6	2,329.9
Provisions	103.6	131.7	248.3	52.5	631.6	28.7	34.5	27.0	1.2	17.7	48.3	1,325.2	343.7	1,668.9	1,627.7
Liabilities Held For Sale	-	-	-	-	-	-	-	-	-	0.7	-	0.7	0.8	1.5	132.5
Total Current Liabilities	**6,602.6**	**8,601.6**	**4,216.4**	**236.9**	**5,448.0**	**1,934.9**	**1,358.3**	**1,107.0**	**1,122.7**	**700.7**	**996.3**	**32,325.3**	**1,585.9**	**33,911.2**	**32,700.1**
Non-Current Liabilities															
Borrowings	-	37,186.0	1,216.2	-	0.0	-	133.1	102.7	-	-	343.9	38,981.9	0.0	38,981.9	39,568.9
Shareholder Loan	-	671.8	-	-	2,363.5	30.7	-	-	-	225.0	104.9	3,396.0	(2,611.0)	784.9	789.3
Long-Term Liabilities	(0.1)	1,869.8	608.3	13.3	17.5	154.4	37.0	57.9	-	0.5	88.6	2,847.0	47.5	2,894.4	941.5
Total Non-Current Liabilities	**(0.1)**	**39,727.5**	**1,824.5**	**13.3**	**2,381.0**	**185.1**	**170.1**	**160.6**	**-**	**225.5**	**537.3**	**45,224.8**	**(2,563.6)**	**42,661.3**	**41,299.6**
Total Liabilities	**6,602.6**	**48,329.1**	**6,040.9**	**250.2**	**7,829.0**	**2,120.0**	**1,528.4**	**1,267.6**	**1,122.7**	**926.2**	**1,533.6**	**77,550.1**	**(977.7)**	**76,572.5**	**73,999.7**
Total Equity and Liabilities	**11,703.8**	**67,739.5**	**7,488.5**	**452.5**	**4,302.4**	**954.9**	**1,496.4**	**1,359.9**	**0.0**	**559.0**	**1,856.4**	**97,913.5**	**(11,788.4)**	**86,125.1**	**86,183.0**

* Miscellaneous includes UCF & Sphinx Egypt.
^ T&L represents Transportation & Logistics

Sector Review: Energy

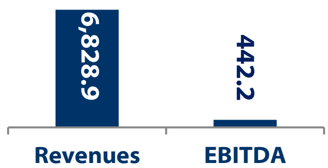
Qalaa Holdings' operational energy companies include the Egyptian Refining Company (petroleum refining), TAQA Arabia (energy generation and distribution) and Tawazon (solid waste management).

QH OWNERSHIP — c.13.14%

ERC books its first full income statement recording sales revenues of EGP 6,828.9 million in 1Q20

Egyptian Refining Company (ERC) is a USD 4.4 billion second-stage greenfield petroleum refinery in the Greater Cairo Area (GCA). The project was completed in early 2019 and all project units have been in operation since August 2019. Starting January 2020, ERC has been recognized as an operational asset and thus began booking sales revenue and a full income statement for the first time in 1Q20.

Orient (ERC Holding Co.) Performance in 1Q20 *(EGP mn)*



In 1Q20, ERC refined total feedstock of c.1.2 million tons, including 0.9 million tons of HSFO (atmospheric residue) and c.0.3 million tons of tolling crude. During the same period, ERC supplied c.1.0 million tons of refined product to the Egyptian General Petroleum Corporation (EGPC), and approximately 132 thousand tons of pet coke and 23 thousand tons of sulphur to key cement and fertilizer players, respectively. ERC reached 100% capacity utilization in early 2020, with all operations progressing smoothly.

Product	LPG	Light Naphtha	Reformate	Fuel Oil	Jet Fuel	Diesel	*Total Supplied to EGPC*
Quantity (tons)	32,583	76,392	117,003	118,915	144,525	541,685	*1,043,483*

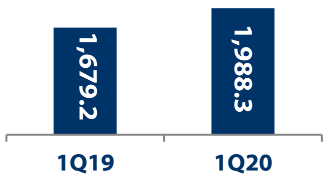
ERC's Gross Refining Margin (GRM) was growing steadily since the start of production and peaked at c.USD 3 million per day during the Nov-Dec 2019 period. However, recent oil market volatility and the pressure on prices has narrowed the spread between HFO and diesel, leading to a decline in GRM to below one million US dollars per day.

Consequently, ERC has reached a debt-deferral agreement with its senior lenders on 30 April 2020. The agreement initially includes, but not limited to, a senior loan principle deferral to December 2020, with interest payments due in June 2020 to be paid as scheduled. The initial agreement will serve as the base for a broader discussion regarding ERC's debt to take place in the second half of the year. As it stands, all conditions precedent for the initial agreement have been satisfied with execution pending credit approvals from certain lenders.

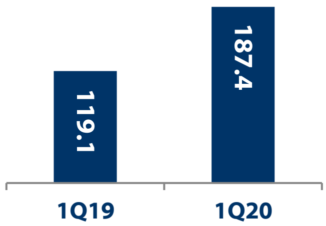
QALAA HOLDINGS OWNERSHIP — 55.9%

TAQA Arabia witnessed solid year-on-year growth on the back of a resilient performance from its gas and marketing divisions in 1Q20

Silverstone (TAQA Arabia Holding Co.) Revenues
(EGP mn)



Silverstone (TAQA Arabia Holding Co.) EBITDA
(EGP mn)



TAQA is a leading integrated energy distribution company in Egypt, offering customers one-stop-shop energy solutions. TAQA operates three separate divisions covering all aspects of the energy distribution value chain. The company's gas business connects and distributes natural gas to households and industrial customers as well as compressed natural gas "CNG" via its Master Gas retail stations and mobile CNG units. TAQA's power business generates and distributes electrical power across the country. Finally, the company's oil marketing division is a fuel and lubricant retailer and distributor.

The company's gas division contributed 22% to TAQA's 1Q20 consolidated revenue and 55% to EBITDA, with the latter being driven by increased volumes of the higher-margin infill clients. Meanwhile, TAQA's power division contributed 16% to revenue in 1Q20 and 27% to EBITDA. Finally, TAQA's marketing arm contributed the majority of TAQA Arabia's top line at 62% in 1Q20 while the division's EBITDA contribution was 18%, in line with the lower margins typically associated with the nature of the business.

Segment Breakdown

(EGP mn unless otherwise stated)	1Q19	1Q20	% chg
TAQA Arabia Gas Revenues	352.4	439.8	25%
TAQA Arabia Gas EBITDA	72.1	106.4	48%
TAQA Arabia Power Revenues	263.4	282.6	7%
TAQA Arabia Power EBITDA	18.5	18.7	2%
TAQA Marketing Revenues	1,045.7	1,226.2	17%
TAQA Marketing EBITDA	27.7	35.7	29%
TAQA Solar Revenues	17.7	39.7	124%
TAQA Solar EBITDA	15.9	33.4	110%

TAQA Gas

TAQA Gas showcased solid revenue and EBITDA level performance in 1Q20 driven by continued growth at both its natural gas and CNG distribution businesses. The company's natural gas distribution recorded an 11% y-o-y increase in 1Q20 to 1.6 BCM. The increase was driven by new distribution contracts to two power stations and a steel factory in Suez in 2019. TAQA Gas total household installations were down 9% y-o-y to 39,125 connections, impacted by the shorter working hours and limited access due to the nationwide curfew to combat the spread of COVID-19. However, 13,466 of those conversions were for higher-margin infill clients, a 95% y-o-y increase that supported the division's revenue and profitability. Moreover, TAQA Gas was able to sign 21 new industrial clients in 1Q20, reaching a total industrial client base of 243 clients as of 1Q20.

TAQA Gas' CNG division delivered a 35% y-o-y increase in CNG volumes to 7.54 MCM in 1Q20 and a consequent 73% growth in revenue for the same period. It is worth noting that higher volumes came despite the impact of COVID-19, where the nationwide curfew affected sales at filling stations while the slowdown in tourism took a toll on mobile CNG sales. Additionally, travel and shipping restrictions have caused delays in receipt of CNG equipment for the division's new filling stations. Management's plan to more than double the number of operational CNG stations to 21 by year-end 2020 will be slowed due to the currently challenging external environment caused by COVID-19. Nevertheless, TAQA Gas launched one new CNG station in 1Q20, bringing the new total for "Master Gas" stations to nine in March 2020. Additionally, the company signed for the construction/refurbishment of six CNG stations which are expected to be streamlined over the course of 2020.

TAQA Gas will continue monitoring developments and tailoring safety protocols to ensure maximum mitigation of the impacts of COVID-19 and the externally challenging environment.

Total Gas Distributed (1Q20)

1.6
BCM
▲11% y-o-y

Master Gas CNG Stations (1Q20)

9
Stations
vs. 7 as at 1Q19

TAQA Power

TAQA Power recorded a 17% y-o-y decline in power generation primarily due to the conclusion of a Marsa Alam hotel contract in 4Q19. Meanwhile, power distribution saw a 2% y-o-y decline on the back of lower power consumption in commercial areas and hotels due to COVID-19. TAQA Power expects to commence operations of its Sixth of October industrial zone substation, which is in its final stages of construction, towards the end of the third quarter of 2020 versus the originally planned June target. The push back is due to delays in equipment deliveries on account of COVID-19 related disruptions.

Total Power Generated (1Q20)

27.4
M KW/hr
▼17% y-o-y

Total Power Distributed (1Q20)

87.9
M KW/hr
▼2% y-o-y

TAQA Solar
The newly established renewable energy arm, TAQA Solar, began commercial production at its 65MW solar power plant in Benban, Aswan, in February 2019. TAQA Solar contributed EGP 39.7 million in revenues and EGP 33.4 million in EBITDA in 1Q20, recording robust margins as formulated by the feed-in-tariff 2 program with the Egyptian government.


World Bank President visit at Benban Solar Plant, May 2019


TAQA's Solar PV Plant - Benban, Aswan

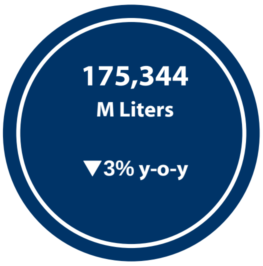
Solar Energy Generated (1Q20)^

^ Operations began in February 2019 and thus 1Q19 was not a full operational quarter

TAQA Marketing
TAQA's marketing arm closed the first quarter of 2020 with a 17% y-o-y increase in its top line and a 29% y-o-y increase in EBITDA. The improved performance came despite a 3% decline in gasoline and diesel sales due to COVID-19 and the impact of the nationwide curfew, as well as lower tourism activity.

As of 1Q20, the company operated a total of 55 stations across 14 governorates. The company's expansion plan aim to roll out eight new stations per annum. However, due to the suspension of new permits on the back of COVID-19 restrictions, the expansion plans have slowed. Nonetheless, there are currently seven new stations under construction, two of which are completed and pending operation permits.

Total Liquid Fuels Distributed (1Q20)



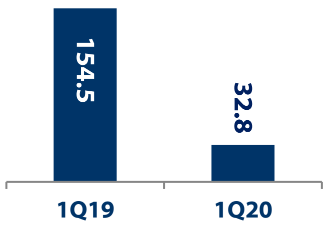
Filling Stations (1Q20)

tawazon

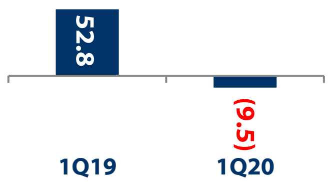
QALAA HOLDINGS OWNERSHIP — 68.1%

Tawazon witnesses a decline in revenues in 1Q20 driven by an underperforming cement sector

Consolidated Tawazon Revenues
(EGP mn)



Consolidated Tawazon EBITDA
(EGP mn)



Segment Breakdown

(EGP mn unless otherwise stated)	1Q19	1Q20	% chg
ECARU Revenues	82.9	32.8	*-60%*
ECARU EBITDA	13.0	(6.8)	*N/A*
ENTAG Egypt Revenues	2.1	0.4	*-83%*
ENTAG Egypt EBITDA	(2.4)	(2.7)	*14%*
ENTAG Oman Revenues	71.5	0.0	*-100%*
ENTAG Oman EBITDA	42.6	0.0	*-100%*

ECARU

ECARU continued to be affected by the slowdown in the Egyptian cement market which is affecting overall demand. Due to these unfavorable market conditions, ECARU witnessed a year-on-year decline of 62% in its RDF volumes in 1Q20, settling in at 7,603 tons, as well as a 71% y-o-y decline in biomass volumes, reaching 15,282 tons in 1Q20. It is worth noting that management foresees a degree of uncertainty as regards to the renewal of ECARU's two Municipal Solid Waste "MSW" contracts with the government, which expired at the end of February 2020. Nevertheless, the company maintains operations at its agricultural waste division which produces biomass.

Total Biomass Supplied - ECARU (1Q20)

15,282
Tons
▼ 71% y-o-y

Total RDF Supplied – ECARU (1Q20)

7,603
Tons
▼62% y-o-y

Sector Review: Cement

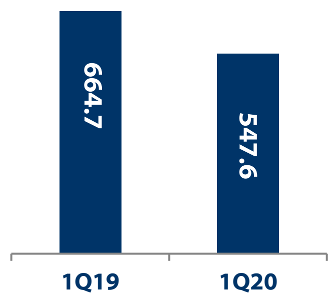
Qalaa Holdings' operational cement platform company is ASEC Holding, which comprises cement manufacturing (ASEC Cement that has two production facilities: Al-Takamol Cement in Sudan and Zahana Cement Co. in Algeria which is under divestment); construction (ARESCO and ASEC Automation); and technical management (ASEC Engineering and ASENPRO).

Operational and Financial Performance

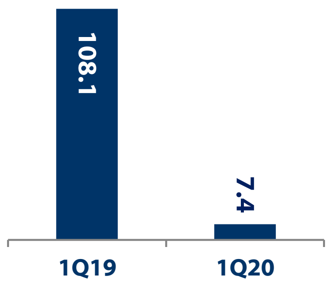
QALAA HOLDINGS OWNERSHIP — 69.3%

ASEC Holding's top line impacted by adverse market conditions

ASEC Holding Consolidated Revenues
(EGP mn)



ASEC Holding Consolidated EBITDA
(EGP mn)



ASEC Holding's results for 1Q20 continued to be affected by adverse conditions across its markets. In Egypt, an underperforming cement market led to a weak performance by cement construction and management subsidiaries. Meanwhile in Sudan, despite increasing political stability and recovering cement markets, local-currency growth was lost to the devaluation of the Sudanese pound. Finally, political unrest and ensuing protests in Algeria hindered production at the Zahana facility.

Management had previously initiated intensive efforts to restructure ASEC Holdings' debts, resulting in the conclusion of restructuring agreements with all relevant banks. The finalized restructuring is expected to significantly decrease ASEC Holding's interest expenditures over the coming period, facilitating a return to profitability.

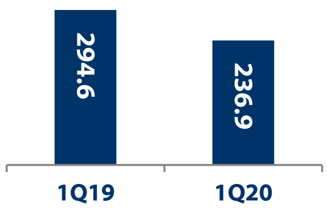
QALAA HOLDINGS EFFECTIVE OWNERSHIP — 51.8%^

ASEC Cement's EBITDA affected by rising energy costs in Sudan

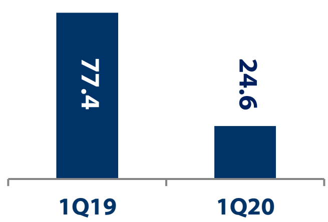
ASEC Cement disposed of all its cement production companies in Egypt back in 2015 and currently maintains ownership of Al Takamol in Sudan (owned 51% by ASEC Cement) and Zahana Cement in Algeria (owned 35% by ASEC Cement), with the latter's exit process having slowed down in light of recent political developments in Algeria .

Zahana Cement commissioned its new dry line in late February 2020 with operations continuing into early March before political unrest and consequent road blockages forced the plant to shut down. While production and testing later resumed by the last week of March, volumes dropped by 51% y-o-y from 185K tons in 1Q19 to 91K tons in 1Q20, leading to a 56% y-o-y decline in revenues in 1Q20. Despite the drop in Zahana's top line, the company was able to witness a turnaround in profitability, registering a positive EBITDA of EGP 6.7 million in 1Q20 compared to negative 17.8 million during the same period last year. The turnaround comes on the back of decreased variable cost mainly related to clinker purchases, whereby the company purchased no clinker in 1Q20 as opposed to 112.6K tons in 1Q19.

ASEC Cement Revenues
(EGP mn)



ASEC Cement EBITDA
(EGP mn)



ASEC Cement Subsidiaries (EGP mn)	1Q19	1Q20	% chg
Al Takamol Cement Revenues	282.2	209.8	-26%
Al Takamol Cement EBITDA	75.1	28.7	-62%
Zahana (Algeria) Revenues*	166.2	72.6	-56%
Zahana (Algeria) EBITDA*	(17.8)	6.7	N/A

** Zahana is consolidated using the equity method (share of associates)*

^ QH has a direct ownership in ASEC Cement of 10% and ASEC Holding owns 59.9% of ASEC Cement. Therefore, QH owns an effective stake of 51.8% in ASEC Cement.

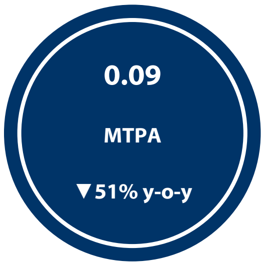
Al Takamol Cement captured a leading market position with the highest market share at 28.1% in 1Q20.

Al Takamol's revenues increased by 33% in SDG terms in 1Q20 on the back of continued price recovery, generating SDG 1,754 million in 1Q20 versus SDG 1,322 million during the same period last year. However, the devaluation of the Sudanese pound, a 35-day strike in Al Takamol Cement that ended in March 2020 as well as a newly adopted accounting standard of using spot FX as opposed to an average for the period led to a 26% y-o-y revenue decline in EGP terms. Meanwhile, Al Takamol's profitability declined on the back of a continued rise in the company's variable costs like raw materials and fuel, with 1Q20 EBITDA decreasing 32% y-o-y in SDG terms and 62% in EGP terms. Nevertheless, total electricity cost declined as the company powers through the government's main electrical grid lines and its own power station when needed.

Al-Takamol Cement Factory

Al-Takamol Total Sales Volume (1Q20)

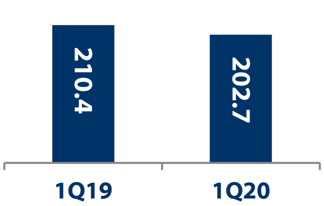
Zahana Total Sales Volume (1Q20)



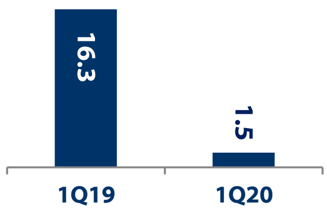
ASEC HOLDING OWNERSHIP — 99.9% (QH effective ownership c.70%)

ASEC Engineering records revenues of EGP 202.7 million in 1Q20

ASEC Engineering Revenues
(EGP mn)

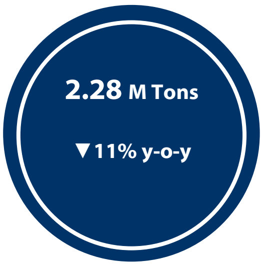


ASEC Engineering EBITDA
(EGP mn)



ASEC Engineering's managed clinker production recorded 2.28 MT, an 11% y-o-y decrease on account of a soft cement market in Egypt, leading to 4% y-o-y decline in 1Q20 revenues. Management has been working to geographically diversify ASEC Engineering's client base and has successfully signed three new overseas contracts that are expected to usher strong results once the COVID-19 situation is resolved. Post COVID-19, management will also continue its business development efforts with a target of building a portfolio of 6 MT per annum managed capacity in Egypt and 6 MT per annum internationally.

Managed Clinker Production
(1Q20)



Sector Review: Packaging & Printing

Through its subsidiary National Printing Company, Qalaa Holdings has invested in the printing and packaging sector with investments of over USD 60 million to date. National Printing Company stands today as one of the largest producers of its kind in Egypt

NATIONAL PRINTING

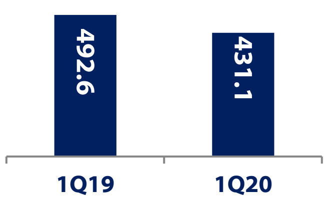
QALAA HOLDINGS OWNERSHIP – 26%

National Printing was established in 2006 under Qalaa's small and mid-cap investments company, "Grandview". Qalaa Holdings has an effective stake of 48% in Grandview, which owns c.53% of National Printing. National Printing's two subsidiaries, Shorouk and Baddar are owned 90% and 100%, respectively. The company also maintains an effective ownership of 46.4% in Uniboard, a 90% owned subsidiary of Shorouk, and operates an 85%-owned subsidiary called Windsor.

National Printing stands today as one of the largest producers of packaging and printing products in Egypt. Through its subsidiaries, namely Shorouk for Modern Printing and Packaging ("Shorouk") and El Baddar for Packages ("Baddar"), National Printing has been able to diversify and expand its product range, including corrugated cartons and various types of boxes. Meanwhile Uniboard produces duplex boards using wastepaper, and Windsor manufactures sheeter, single facers, flexos and chemical additives. Windsor generates around 65% of its revenues from sales to Shorouk, playing an important role in the company's wider value-adding chain.

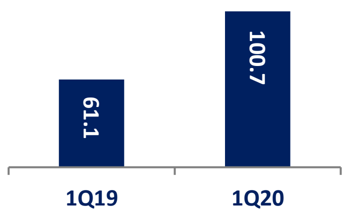
Grandview (National Printing Holding Co.) Revenues*

(EGP mn)



Grandview (National Printing Holding Co.) EBITDA[1]

(EGP mn)



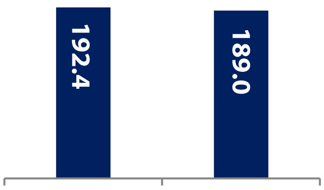
(EGP mn unless otherwise stated)	1Q19	1Q20	% chg
Modern Shorouk Printing & Packaging Revenues	192.4	189.0	-2%
Modern Shorouk Printing & Packaging EBITDA	37.9	44.1	16%
El Badar Revenues	97.8	53.7	-45%
El Badar EBITDA	8.6	2.4	-72%
Uniboard Revenues	227.9	220.9	-3%
Uniboard EBITDA	12.8	40.6	216%

[1] The consolidated figures of Grandview used in the chart are statutory figures consolidated by QH.

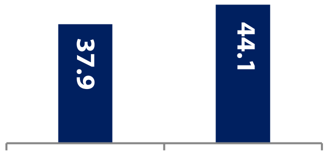
Shorouk

NATIONAL PRINTING OWNERSHIP — 90% (QH effective ownership 24%)

Shorouk Revenues
(EGP mn)



Shorouk EBITDA
(EGP mn)



Shorouk Printing – Duplex and Laminated Carton Production

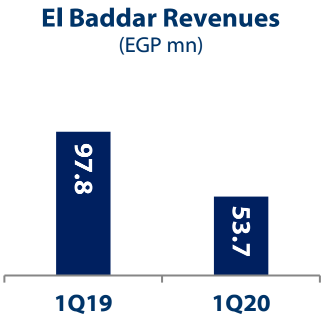
Shorouk operates three main production lines used for laminating, cutting, folding, gluing and printing. Its current production capacity is around 50 thousand tons per annum allocated between folded boxes (50%), laminated packages (40%), and books (10%). Revenue is mainly generated from large multinationals in the consumer goods, pharmaceuticals and paper sectors, with over 20% of revenues generated from exports. Going forward, management is aiming to utilize available capacities at the plant to increase book production.

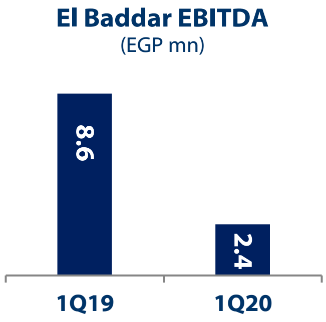
Shorouk recorded a 2% y-o-y dip in revenues to EGP 189.0 million in 1Q20 driven by a 4% y-o-y contraction in volumes. Lower productivity was due to decreased working hours at the facility on account of Covid-19. However, profitability improved with the company booking an EBITDA of EGP 44.1 million in 1Q20, up by 16% y-o-y on the back of an improved pricing and cost optimization.

Shorouk Total Volumes Sold
(1Q20)

8,042
Tons
▼4% y-o-y

NATIONAL PRINTING OWNERSHIP — 100% (QH effective ownership 26%)



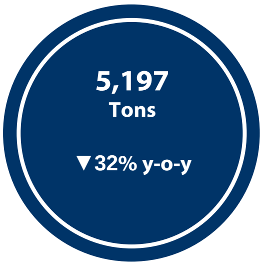


El Baddar – Corrugated Sheet Production

El Baddar manufactures corrugated sheets and boxes, which are popular for added value traits like their strength, durability, lightness, recyclability, and cost-effectiveness, making corrugated boxes highly suitable for the shipping of a variety of items. Corrugated sheets and boxes are also widely used in the food industry. El Baddar's revenues come mainly from food and beverage packaging companies, which represent almost 50% of its top line. With a current production capacity of 45 thousand TPA, the company holds a market share of nearly 10%.

El Baddar recorded a 45% y-o-y decrease in top line in 1Q20 due to a 32% y-o-y decline in corrugated sheets and boxes volumes. Lower volumes reflect the fierce market competition on account of the industry's fragmented nature with many sub-par players, as well as disrupted operations during the lengthy relocation process to El Baddar's plant. It is worthy to note that the company is in the final stages of relocating to its new state-of-the-art plant which will increase production, expand El Baddar's product rage and better position the company to penetrate new markets.

Corrugated Sheets/Boxes Volumes Sold (1Q20)



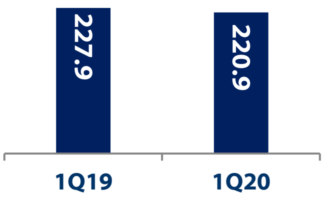
NATIONAL PRINTING EFFECTIVE OWNERSHIP — 46.4% (QH effective ownership 12%)

Uniboard is a Greenfield project that aims to capitalize on domestic wastepaper as one of the main raw materials in the production of duplex boards. The company has a nominal manufacturing capacity of 135,000 tons per annum (TPA) and operates in a market with estimated annual demand of c.200,000 TPA. Currently there is one local competitor with a total capacity of 25,000 TPA, with the balance being satisfied through imports from Europe and Saudi Arabia.

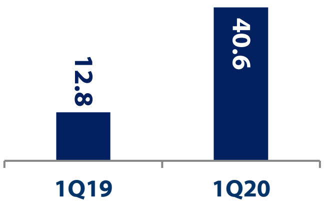
Uniboard adds to the value chain of National Printing group as its products serve as the main raw material for Shorouk, allowing the latter to replace imported duplex with local production and mitigate foreign currency risk. Uniboard sales are currently focused on the local market, with small volumes exported to China and Turkey.

Uniboard – Duplex Board Production

Uniboard Revenues
(EGP mn)

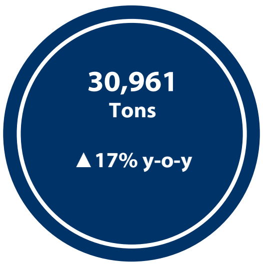


Uniboard EBITDA
(EGP mn)



Uniboard recorded a 17% y-o-y volume increase to 30,961 tons in 1Q20, however, due to pricing pressure the company's top line contracted by 3% y-o-y. Nonetheless, Uniboard's improved operational efficiency and economies of scale in addition to a decline in raw materials cost allowed it to more than triple its EBITDA in 1Q20, reaching EGP 40.6 million. It is worth noting that raw materials constitute 60% of Uniboard's total variable cost.

Duplex Board
Volumes Sold (1Q20)



Sector Review: Mining

Qalaa Holdings' operational platform in the mining sector is ASCOM, which includes operating companies ASCOM, ASCOM for Chemicals & Carbonates Manufacturing (ACCM), GlassRock, and ASCOM Precious Metals (which is consolidated under the equity method as a share of associates' results).

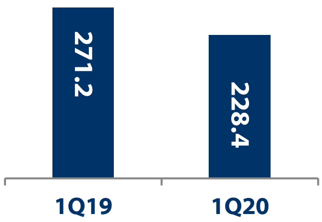
ASCOM GEOLOGY & MINING

QALAA HOLDINGS OWNERSHIP — 61.32%

ASCOM revenues affected by challenging environment

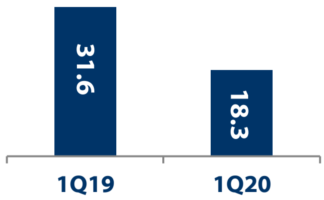
ASCOM Consolidated Revenues

(EGP mn)



ASCOM Consolidated EBITDA

(EGP mn)



From quarrying for the cement industry to manufacturing world-class technical calcium carbonate and environmentally friendly building materials, Qalaa Holdings' approach to investing in the mining sector focuses on covering the entire value chain. ASCOM's activities and operations include:

- *Quarry management, precious metals mining, and quarrying for the cement industry.*
- *Production of world-class ground technical calcium carbonate (ASCOM Calcium Carbonate "ACCM").*
- *Production of insulation materials: Rockwool and Glasswool (GlassRock).*
- *A gold concession in Ethiopia at the prefeasibility study phase with significant proven shallow reserves (APM).*

ASCOM's revenues and EBITDA declined year-on-year in 1Q20 as COVID-19 related restrictions affected access to the company's export markets and saw lower construction activity in the local market.

ASCOM Subsidiaries (EGP mn unless otherwise stated)	1Q19	1Q20	*% chg*
ACCM Revenues (in USD mn)	6.3	5.6	*-11%*
ACCM EBITDA (in USD mn)	1.2	0.4	*-64%*
GlassRock Revenues (in USD mn)	3.0	2.3	*-25%*
GlassRock EBITDA (in USD mn)	0.5	0.1	*-83%*
Egypt Quarrying Revenues	108.1	98.3	*-9%*
Egypt Quarrying EBITDA	3.1	10.4	*235%*
Other Quarry Management Revenues – ex Egypt	-	0.4	*N/A*
Other Quarry Management EBITDA – ex Egypt	(0.028)	0.001	104%

ACCM

In 1Q20, halts and slowdowns in export markets due to the COVID-19 outbreak negatively impacted ACCM's volumes which declined 16% y-o-y. Consequently, lower revenue as well as decreased export incentive proceeds led to a decline in EBITDA and profitability for the quarter. As a result, management is seeking to diversify its sales streams and increasingly target the local market to support the company during this period, as border closures and travel restrictions persist and will continue to affect ACCM's operations in the near term. The move will also help the company hedge against foreign exchange risk and will allow ACCM to benefit from the local market's greater working capital dynamics, improved cashflow, and healthy margins.

ASCOM – Calcium Carbonate Facility

GlassRock

In 1Q20 GlassRock's top-line and EBITDA witnessed a year-on-year decline on the back of COVID-19 and its impact primarily on the local construction sector as well as the exports market. It is worth noting that management is finalizing a debt restructuring agreement for longer tenors and savings on interest expenses. This will support GlassRock's financial position and its liquidity levels to help the company through the current challenges until activity ramps up to pre-pandemic levels.

Egypt Quarrying (ASCOM mining)

ASCOM's mining operations are heavily dependent on the cement industry, with around 90% of revenues generated from quarrying for cement clients. ASCOM is facing an increasingly challenging operating environment due to sustained pressure on Egypt's cement industry, characterized by oversupply and fierce market competition in addition to the current slowdown in the construction sector. Management has been focusing on adjusting contracts and adopting the minimum take criteria as well as renewing other contracts to be on a take-or-pay basis in attempt to cover the costs incurred when markets are not performing well. These contract adjustments have helped the company reduce its variable and fixed costs leading to better profitability margins in 1Q20 despite of lower sales volumes and revenues.

ACCM Volumes Sold (1Q20)	GlassRock Volumes Sold (1Q20)	Egypt Quarrying Volumes Sold (1Q20)
73.3	2.4	5.0
K Tons	K Tons	M Tons
▼16% y-o-y	▼5% y-o-y	▼16% y-o-y

Sector Review: Agrifoods

Agrifoods companies consolidated under parent company Gozour (multicategory agriculture and consumer foods) include Dina Farms and ICDP (Dina Farms' fresh dairy producer).

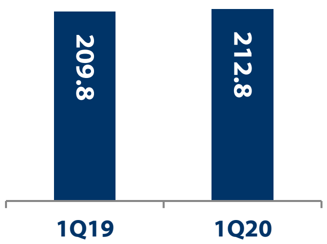
Gozour

QALAA HOLDINGS OWNERSHIP — 54.9%

Gozour recorded a steady increase in its top line to EGP 212.8 million on the back of improved operations at Dina Farms in 1Q20

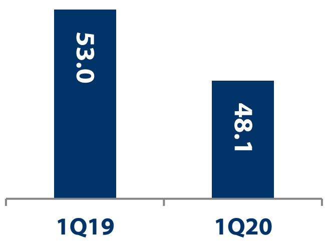
Consolidated Gozour Revenues

(EGP mn)



Consolidated Gozour EBITDA

(EGP mn)



Gozour (Dina Farms Holding Co) recorded an increase in its top line in 1Q20 but a contraction in EBITDA on the back of higher raw material costs at ICDP.

Gozour Subsidiaries (EGP mn)	1Q19	1Q20	*% chg*
Dina Farms Revenues	165.4	179.9	*9%*
Dina Farms EBITDA	48.0	47.2	*-2%*
ICDP Revenues (Fresh Dairy producer)	60.2	56.1	*-7%*
ICDP EBITDA	5.0	1.1	*-78%*

Dina Farms management continues to implement a number of initiatives and facility enhancements to improve efficiency and yields of the farm. Key efforts included investments in curtains and cooling systems at Dina Farms' milking stations as well as increasing efficiency by focusing on healthier and higher milk-producing cows through the culling process. Dina Farms' efficiency efforts were reflected in 1Q20, were despite a 7% decline in herd numbers to 7,065 cows, raw milk production remained stable year-on-year at 22,143 tons during the quarter.

***ICDP** produces and markets Dina Farms' dairy products, including six product categories: fresh milk (single serve / multi-serve and flavored / unflavored), juice, yogurt, cheese, skimmed milk powder (SMP), and butter. ICDP's current fresh milk capacity stands at 35 million bottles per annum, SMP at c.1,300 tons, butter at 600 tons, and c.250 tons per annum for cheese. In January 2020, ICDP successfully doubled its yogurt capacity to 50 million cups per annum with the introduction of an additional production line which should be fully utilized in the coming two to three years. ICDP's current milk production capacity utilization stands at 60% and the company is allocating the idle time to the production of juice with minimal investments to the existing production line.*

ICDP's top line dropped in 1Q20 on the back of closures at restaurants, coffee shops, hotels and other key customers due to the restrictions imposed by the government to mitigate COVID-19. Additionally, customers are targeting products with longer shelf life due to concerns over a prolonged lockdown and also to limit contact with retailers and reduce the risk of infection. At the profitability level, higher raw material costs led to a decline in EBITDA, with cost-passing to the consumer pending favorable market conditions. As the government continues to ease restrictions across the country, customers normalize to the current environment and businesses begin to reopen, management is hopeful to see an uptick in demand for fresh milk going forward.

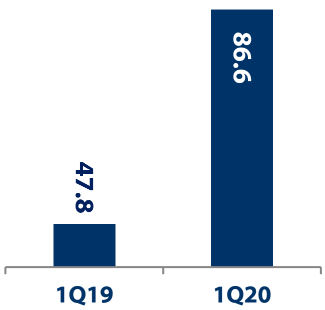
Sector Review: Transportation & Logistics

Qalaa Holdings' operational Transportation & Logistics companies include Nile Logistics (seaport services in Egypt as well as river transportation in Egypt and South Sudan)

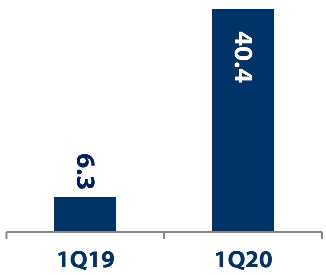
QALAA HOLDINGS OWNERSHIP — 67.6%

Nile Logistics doubled its top line and achieved stellar EBITDA results in 1Q20

CCTO (Nile Logistics Holding Co.) Revenues
(EGP mn)



CCTO (Nile Logistics Holding Co.) EBITDA
(EGP mn)



CCTO is the holding company that owns Nile Logistics and consolidates its operations in Egypt and Sudan. CCTO's EBITDA takes into account advisory fees to Qalaa, which should be taken into account for the reconciliation with the summation of Nile Logistics' and Nile Barges' figures.

The company's outstanding performance continues into the first quarter of 2020 with revenues surging 81% y-o-y. EBITDA in 1Q20 grew more than six-fold year-on-year to EGP 40.4 million – more than 80% of FY2019 full-year EBITDA of EGP 51.1 million.

CCTO Subsidiaries (EGP mn)	**1Q19**	**1Q20**	***% chg***
Nile Logistics Revenues (EGP mn)	35.9	72.4	*102%*
Nile Logistics EBITDA (EGP mn)	3.5	30.0	*749%*
Nile Barges (South Sudan) Revenues (USD mn)	0.7	0.9	*36%*
Nile Barges (South Sudan) EBITDA (USD mn)	0.5	0.7	*40%*

Nile Logistics (Egypt)

Nile Logistics maintains operations in Egypt across four main pillars:

- *Coal handling and storage in Alexandria and the Tanash port in Cairo.*
- *Container handling and storage in Alexandria (Inland Container Depot), with operations including various activities as handling of empty, full, and reefer containers for perishable goods.*
- *Grain handling and storage in Alexandria with a capacity of 100 thousand tons with a target turnover of 6-7 times per annum.*
- *River transport, which offers a more efficient method for shipping goods via the Nile River and provides lucrative pipeline opportunities.*

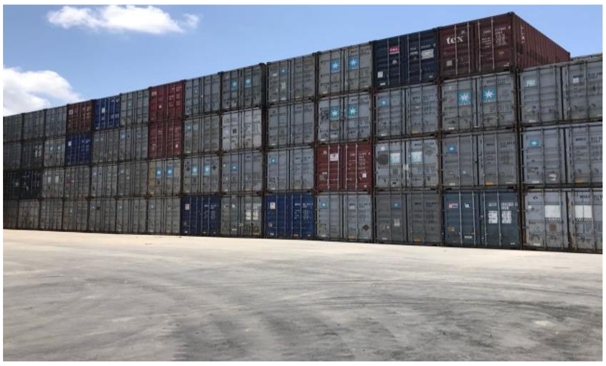
Nile Logistics doubled its revenues year-on-year in the first three months of 2020 driven by capacity expansions at the coal/pet coke storage facilities, commencement of the grain warehouse, and efficiencies at the inland container depot. At the EBITDA level, Nile logistics recorded an almost nine-fold year-on-year increase to EGP 30 million in 1Q20.

Nile Logistics' new grain storage warehouse, which launched in September 2019, handled 110 thousand tons of grain in the first quarter of 2020. Grain markets have been negatively impacted by COVID-19 where a halt in operations at European ports, such as in Romania and Ukraine, led to delays in trade agreements. Nevertheless, the new facilities volumes handled are up 12% versus 4Q19, the only full quarter of operations since the launch of the facility. The outlook for the grain market post COVID-19 remains positive given its strategic importance.


Grain Storage Warehouse, Nubareya Port

Nile Logistics' Inland Container Depot's dry container operations were negatively impacted due to the decrease in imported cargo traffic, which was driven by the restrictions placed on ports in Europe and Russia due to the COVID-19 pandemic. However, the Inland Container Depot's highest revenue generating service, its reefer operations, ran smoothly over the course of 1Q20 and have generated a top line on par with 1Q19 revenues.

Management is pushing ahead with its operational efficiency enhancement strategy with a primary focus on connecting the facility to the national electricity grid as opposed to the current reliance on diesel generators. The power from the national gridlines, which is expected to start by July-August 2020, will reduce operational costs and is in line with management's policy of minimizing the use of third-party outsourcing contracts while maintaining full in-house ownership of assets.



Nile Logistics Storage Facilities near Alexandria Port

Nile Logistics' stevedoring operations ended the first quarter of 2020 with a total of 505 thousand tons of coal/pet coke handled in 1Q20, up 106% year-on-year. It is important to note that while imported coal operations at the Alexandria port have not been affected by COVID-19, management is expecting to see a decrease in coal volumes starting 3Q20 on the back of the government's decision to freeze any new construction licenses pending a revision of developers' legal and civil pre-requisites. This decision directly impacts cement companies who are the primary coal importers.

Nahda Coal/Pet Coke Storage Facility

Stevedoring Tons Handled (1Q20)

505
K Tons
▲106% y-o-y

Grain Tons Handled – Alexandria (1Q20)

110
K Tons

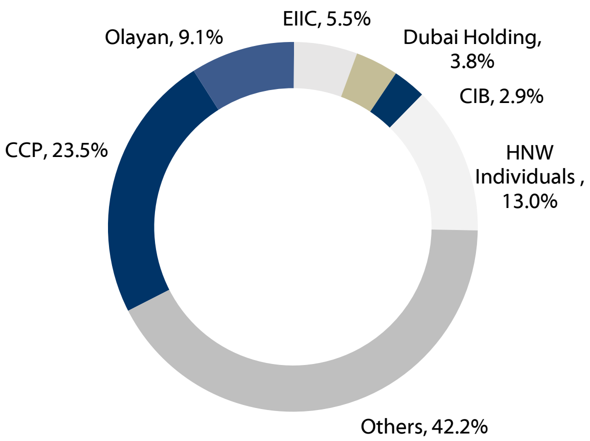
Nile Barges (Sudan)

Nile Barges operations in Sudan focuses on the transportation of food products under the auspices of the World Food Program (WFP). The company currently operates using one pusher, with a second undergoing refurbishment and expected to commence operations soon within the next few months. Annually, Nile Barges aims to successfully complete four trips using the existing pusher.

Nile Barges recorded USD 930 thousand in revenues in 1Q20 and USD 700 thousand in EBITDA having completed one trip during the first quarter of 2020.

SHAREHOLDER STRUCTURE

(as at 31 March 2020)



SHARE INFORMATION

CCAP.CA on the EGX	
Number of Shares	1,820,000,000
Of which Preferred	401,738,649
Of which Common	1,418,261,351
Paid-in Capital	EGP 9.1 bn

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