CAIRO, EGYPT: 18 September 2024

Qalaa Holdings Reports 1Q 2024 Results

Qalaa started the year on a high note, delivering a revenue expansion of 45% y-o-y to EGP 37.6 billion following broad-based growth across most subsidiaries. Meanwhile, EBITDA stood at EGP 7.7 billion compared to EGP 9.7 billion in 1Q23, mostly driven by the normalized margins at ERC. In parallel, net income reached EGP 7.2 billion during the quarter compared to EGP 73.0 million in 1Q23 mainly on the back of the EGP 9.7 billion gain associated with the FHI settlement.

1Q 2024 Consolidated Income Statement Highlights

Revenue	EBITDA*	Net Income** After Minority
EGP 37.6 bn	EGP 7.7 bn	EGP 7.2 bn
vs. EGP 25.9 bn in 1Q23 (▲45% y-o-y)	vs. EGP 9.7 bn in 1Q23 (▼20% y-o-y)	vs. EGP 73.0 mn in 1Q23 (▲9,781% y-o-y)

Revenue (excluding ERC)	EBITDA* (excluding ERC)	Net Income After Minority** (excluding ERC)
EGP 3.2 bn	EGP 714.2 mn	EGP 7.0 bn
vs. EGP 2.5 bn in 1Q23 (▲26% y-o-y)	vs. EGP 959.8 mn in 1Q23 (▼26% y-o-y)	vs. EGP (475,6) mn in 1Q23

Highlights from Consolidated Balance Sheet on 31 March 2024

Consolidated Assets	Consolidated Debt
EGP 235.7 bn	EGP 111.2 bn
At current book value vs. EGP 160.6 bn in FY23	Of which EGP 80.6 bn related to ERC***

△ 1Q23 represented to classify Silverstone (TAQA) and Grandview (National Printing) as discontinued operations
**Recurring EBITDA excludes one-off selling, general and administrative expenses.*
***The optional exceptional accounting treatment of reclassifying the FX to the Other Comprehensive Income (OCI) was applied in 2023*
****ERC's debt consists of the USD equivalent of EGP 27.3 billion in Senior Net Debt (Senior Debt EGP 45.1 billion – Cash EGP 17.8 billion) and EGP 27.6 billion in Mezzanine Debt and EGP 7.9 billion in SPV debt related to financing ERC.*

Cairo, 18 September 2024: Qalaa Holdings, a leader in energy and infrastructure (CCAP.CA on the Egyptian Exchange), released today its consolidated financial results for the three-month period ending 31 March 2024. During the quarter, Qalaa recorded revenue of EGP 37.6 billion, a 45% y-o-y expansion, mainly driven by ERC's USD-denominated revenue, and was further boosted by broad-based growth across most subsidiaries. On the profitability front, the Group's EBITDA stood at EGP 7.7 billion, down from the EGP 9.7 billion reported in 1Q23. Meanwhile, net income reached EGP 7.2 billion compared to the EGP 73.0 million achieved during the same period last year. 1Q24 operating profitability was down mainly because of the normalized margins at ERC, as well as the negative impact of the war in Sudan on the operations of Al Takamol Cement. Meanwhile, the year-on-year increase in the Group's bottom-line was a result of the substantial gains associated with the FHI settlement. Financial and operational highlights follow, as do the management's comments and overview of the performance of Qalaa's different business units. Full financials are available for download at ir.qalaaholdings.com.

Key Highlights:

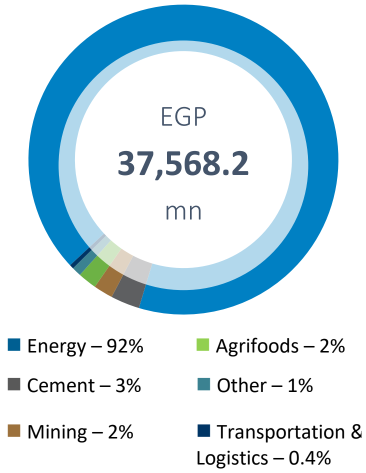
- In 1Q24, Qalaa continued implementing the debt settlement and restructuring efforts that commenced in 2023, which took the form of several transactions and agreements. Those efforts have seen Qalaa take major steps forward in its deleveraging strategy, greatly reducing debt levels. On that front, the Group's debt will likely decline by c.USD 1.2 billion by the end of 2024, reaching zero bank debt on the standalone level. The Group's debt settlement efforts have already started bearing fruit, as the transactions concluded, together with the sale of assets, substantially impacting the Group's results for the quarter, significantly enhancing Qalaa's bottom-line.
    - **FHI settlement:** In 1Q24, Qalaa finalized a settlement agreement with Financial Holdings Investments Ltd. (FHI), whereby Qalaa settled the bulk of its liabilities and those of its subsidiaries owed to FHI (including the transfer to Qalaa of the shareholder loans owed to FHI by ASEC Holding and UCF amounting to c.USD 200 million). As part of the transaction, Qalaa acquired additional shares in some of its subsidiaries from FHI, bringing up its ownership in CCTO, the Transportation and Logistics business, from 67.6% to 92.3%, in ASEC Holding from 69.3% to 99.05%, and in United Company for Foundries from 67.46% to 99.96%. Meanwhile, FHI indirectly acquired 27.21% of National Printing. The FHI settlement generated an associated net gain of EGP 9.7 billion at the consolidated level.
    - **ASEC Holding's debt settlement and restructuring:** In 2023, ASEC Holding signed settlement agreements with its lenders to fully settle c.EGP 1.4 billion of debt, as well as restructure and settle c.EGP 536 million in debt. The final portion of the restructuring was completed during 1Q24 and the restructured amount is expected to be fully paid by December 2025. The company is now current on all debt repayments with its lending banks.
    - **Foreign senior debt purchase:** In April 2024, Qalaa Holdings Restructuring I Ltd. (QHRI), a vehicle established by Qalaa's shareholders, entered into an agreement with a group of foreign financial institutions to purchase the senior debt owed to them by Qalaa for an amount equivalent to 20% of its principal amount, for a total transaction cost of USD 28.0 million. The opportunity to participate in the debt purchase was offered to all Qalaa shareholders via funding of QHRI against a debt note issued by the latter. The purchase of an amount totaling c.USD 240.7 million of principal and interest (the "Purchased Senior Debt') concluded effective 30 June and the participating Qalaa shareholders will henceforth be the beneficial holders of the Purchased Senior Debt. The debt will then be extinguished by Qalaa in the form of a capital increase providing the participating shareholders repayment in the form of shares in Qalaa or cash or a combination thereof.
    - **Egyptian banks senior debt settlement:** In April 2024, Qalaa signed an agreement with a group of Egyptian banks to settle the entirety of Qalaa's senior debt owed to them, in return for the transfer of a 17.68% ownership stake in TAQA Arabia, a land plot in Tibeen, as well as compensation for variations in the EGP/USD exchange rate and TAQA Arabia's share price. Qalaa will have the right to repurchase the sold TAQA Arabia shares during the fifth year, and the banks will have the right to sell the shares back to Qalaa during the sixth year.
    - **AIB settlement and restructuring:** In April 2024, Qalaa signed an agreement with the Arab International Bank to settle and restructure the debts owed by Qalaa over a period extending to 2033.
    - Both the Egyptian banks senior debt settlement agreement and the AIB settlement and restructuring agreement were concluded on 1 September 2024. Such agreements serve to reduce Qalaa's debt levels and financing costs. Additionally, they generate capital gains that will be reflected in future periods. The transactions have started reflecting positively on Qalaa's financial statements, reducing its risk level, and significantly enhancing its equity base and financial position.
- ERC's receivables from EGPC stood at USD 343.0 million as of 31 August 2024. ERC continues to be fully current on all its scheduled debt payments having made senior debt payments totaling USD 632.0

million in FY23, in addition to debt payments totaling USD 273.0 million in June 2024. ERC also remains on track to fully settle its senior debt by 4Q25, following which ERC may start distributing dividends. ERC's current net senior debt amounts to USD 559.0 million as of 31 August 2024.

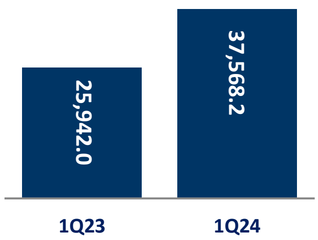
- Qalaa's strategy will continue to focus on the following elements:
    - Qalaa will continue driving growth through small incremental investments in its subsidiaries, expanding cashflows, and thereby reducing its debt to cashflow ratios. Management is confident this strategy will continue to deliver the desired results.
    - Qalaa is currently studying several new medium-sized, export-oriented, and predominantly green investments with high local value-added components, to be executed through its subsidiaries.
    - Qalaa's focus remains on growing its exports and leveraging the cost advantage of local manufacturers.

Financial and Operational Highlights

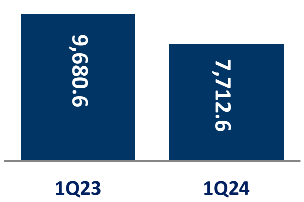
QALAA HOLDINGS CONSOLIDATED REVENUE 1Q24



REVENUE PROGRESSION
(EGP mn)



RECURRING EBITDA PROGRESSION
(EGP mn)



- **Qalaa's consolidated revenue grew by 45% y-o-y to EGP 37.6 billion in 1Q24, largely driven by ERC's contribution.**

  ERC's USD denominated revenue increased by 47% y-o-y in EGP terms to EGP 34.4 billion, mainly driven by the depreciation of the EGP against the USD.

- **Excluding ERC, Qalaa's 1Q24 revenue rose by 26% y-o-y to EGP 3.2 billion, driven by strong performances across most subsidiaries.**

  ASEC Holdings recorded revenue of EGP 1.1 billion in 1Q24, a 10% y-o-y decline owing to the negative impact of the war in Sudan on the operations of its subsidiary Al Takamol Cement. Meanwhile, the rest of ASEC Holdings' subsidiaries witnessed remarkable growth at both the revenue and profitability levels.

  Dina Farms Holding Company recorded a 79% y-o-y increase in revenue to EGP 734.0 million in 1Q24, driven by improved operations at Dina Farms, as well as ICDP's revenue benefiting from an uptick in sales volumes combined with higher selling prices and new product launches.

  In 1Q24, ASCOM recorded a 53% y-o-y increase in revenue to EGP 760.0 million, as the improved performance of ASCOM's two largest USD-denominated revenue generators: ACCM and GlassRock was further augmented by the EGP devaluation.

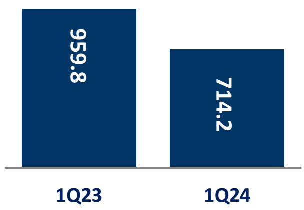
  CCTO's transportation and logistics business delivered a 25% y-o-y revenue increase to EGP 163.4 million, on the back of improvements in the coal storage service of its Egyptian arm NRPMC.

  Finally, TAQA Arabia's revenue grew 22% y-o-y to EGP 3.6 billion in 1Q24. Revenue growth for the quarter was primarily driven by a strong performance at TAQA Gas, fueled by an expansion in CNG volume sold due to additional CNG stations becoming operational, and further boosted by the company's new operations in Africa, which have recently come online. Positive contributions from foreign currency-linked power generation prices and the implementation of new photovoltaic projects under TAQA Power, in addition to increases in fuel and lube prices and volumes at TAQA Petroleum, further supported growth. TAQA Arabia is accounted for as an investment in associate using the equity method and revenues are not included in Qalaa's consolidated revenues.

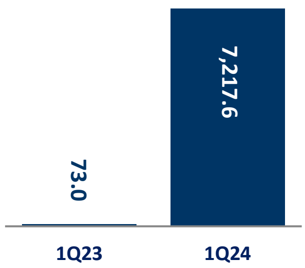
- **Qalaa's recurring EBITDA fell to EGP 7.7 billion in 1Q24 from EGP 9.7 billion in 1Q23, largely as a result of normalized margins at ERC.**

  Excluding ERC, Qalaa's EBITDA dropped by 26% y-o-y to EGP 714.2 million in 1Q24, primarily driven by the sharp decline witnessed in

RECURRING EBITDA PROGRESSION (Excluding ERC)
(EGP mn)



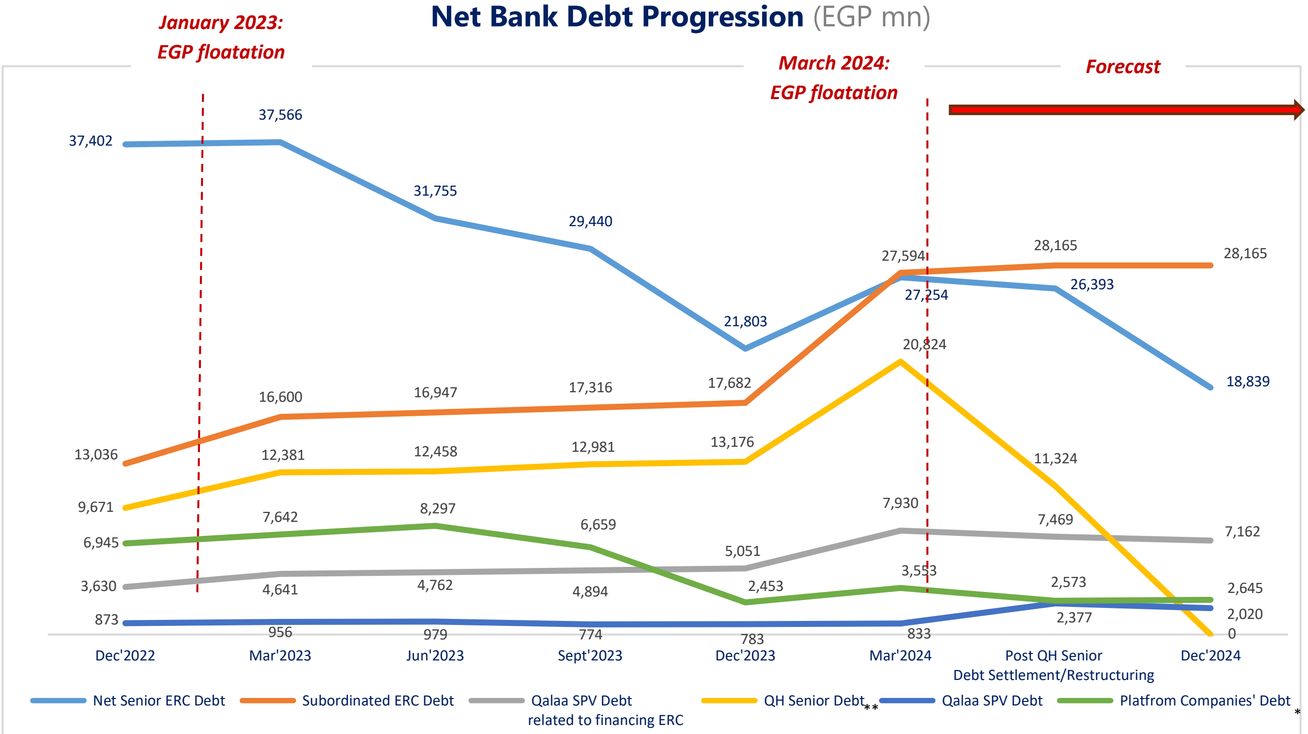
NET PROFIT PROGRESSION
(EGP mn)



ASEC Holdings' EBITDA during the quarter, owing to the negative impact of the war in Sudan on the operations of Al Takamol Cement.

- **Bank interest expense recorded EGP 2.3 billion in 1Q24, up from the EGP 1.7 billion recorded in 1Q23 as a result of FX translations coupled with higher interest rates.**
- **In 1Q24, Qalaa recorded an FX gain EGP 147.9 million. This comes on the back of the USD gains associated with the Group's USD-denominated companies the payables of which are in EGP.**
- **Qalaa recorded consolidated net income after minority interest of EGP 7.2 billion in 1Q24, up significantly from the EGP 73.0 million achieved in 1Q23. Bottom-line growth was mainly driven by the EGP 9.7 billion gain associated with the from the FHI settlement.**
- **It is worth noting that as of 31 August 2024, ERC's Net Senior Debt stands at USD 559.0 million, down from USD 705.8 as of 31 December 2023.**
- **1Q24 export proceeds reached c.USD 22.3 million, while local foreign currency revenue recorded c.USD 750.2 million during the quarter.**

Net Bank Debt Progression (EGP mn)



** Platform Company Debt has declined starting 31 December 2023 due to the exclusion of the debt of National Printing, which was accounted for as Held for Sale in 4Q23 and a substantial share of which was sold in 1Q24, as well as the debt of TAQA Arabia, which has been deconsolidated.*

*** In relation to the QH Senior Debt, the Post QH Senior Debt Settlement/Restructuring reflects the finalization of the Egyptian banks' senior debt settlement, and the AIB restructuring. Meanwhile, although the foreign senior debt purchase by QHRI has been finalized, its balances remain outstanding on Qalaa's books until the finalization of the Qalaa capital increase that will extinguish this liability (assumed to occur by December 2024).*

Management Comment

"Across the board, our portfolio companies have continued to showcase their strength and resilience, with all bar one of our business segments reporting top-line growth during the quarter."

"I am proud of the strong performance reported by Qalaa during the first quarter of the year, which saw the Group deliver impressive top- and bottom-line growth," **said Qalaa Holding Chairman and Founder Ahmed Heikal.** "During the quarter, Qalaa's revenue expanded by 45% y-o-y, with top-line growth coming largely on the back of the solid results achieved at the Egyptian Refining Company, and further supported by broad-based growth across most subsidiaries. Additionally, despite the year-on-year decline in EBITDA witnessed during the quarter, Qalaa achieved an exponential year-on-year increase in its bottom-line to EGP 7.2 billion during the quarter. Qalaa's results during 1Q24 are a testament to the Group's strength and resilience and reflect the considerable efforts undertaken to reduce the Group's outstanding debts through several settlement and restructuring agreements."

"Throughout 2023 and during the first half of 2024 we have taken huge strides and concluded a number of agreements aimed at bringing down the Group's senior debt through various settlement and restructuring agreements. On that front, and with regards to our Egyptian lenders, we have successfully closed an in-kind settlement agreement with a group of four Egyptian banks to which Qalaa was indebted for the settlement of the entirety of Qalaa's debt. Additionally, we were able to reach a 10-year restructure and settlement plan with another Egyptian bank (AIB), further bolstering our debt settlement and restructuring efforts. As for our debt to foreign lenders, we have established Qalaa Holding Restructuring I Ltd. (QHRI), a company set up by Qalaa's shareholders for the purpose of purchasing that debt. The purchased debt will be extinguished in the form of a capital increase by Qalaa, where shareholders who purchased a share of Qalaa's debt will be able to swap their debt for an equity stake in Qalaa. Our continued efforts in bringing down the Group's debt levels have seen our overall liabilities come down during the quarter, placing Qalaa in a stronger and more favorable financial position," **Heikal added.**

"While the domestic economy continues to go through a challenging period, where the difficulties faced at home are further exacerbated by the current state of global macroeconomic uncertainty as well as the armed conflicts taking place around us, Qalaa remains well-positioned to overcome these challenges, thanks to our resilience, flexibility, and efficiency, which are ingrained into the core of our DNA. Additionally, and despite the challenges, Egypt remains an attractive destination for both local and regional investors, and I am confident that the country's long-term economic prospects remain positive," **Heikal stated.**

"Across the board, our portfolio companies have continued to showcase their strength and resilience, with all but one of our business segments reporting top-line growth during the quarter. Supported by Qalaa's carefully executed growth strategy, our portfolio companies continue to successfully take advantage of the new macroeconomic dynamics in play, capitalizing on a portfolio structure that shields against devaluation pressures, as well as the increased focus on local manufacturing and import substitution. While the positive performances of our portfolio companies remain dampened by the effects of extenuating events, such as the effect of the war in Sudan on Al-Takamol Cement's performance, I am positive that once those effects start to wane, the true strength of our portfolio companies will be on full display," **Heikal continued.**

"With this quarter setting the tone for what we expect to be a positive year, we will continue pushing ahead with our growth strategies across our platforms over the coming months. Despite the challenging market conditions, I am confident that the Group's outlook remains bright, and going forward we will continue making small, incremental investments with the aim of continuously enhancing the Group's overall investments portfolio," **Heikal noted.**

"Finally, I would like to reiterate that the true value of Qalaa's performing assets is masked due to holding them at their historical cost and, in some cases, adjusting for impairments, while not taking into consideration any revaluation adjustments," **Heikal concluded.**

"The past period has seen us sign and complete a number of milestone settlement and restructuring transactions with Qalaa's bank and non-bank creditors," **said Hisham El-Khazindar, Qalaa Holdings Co-Founder and Managing Director.** "These include the settlement with FHI, reflected in our 1Q24 results, in addition to the purchase of Qalaa's foreign bank debt, as well as the settlement and restructuring of its Egyptian bank debt, both of which will be reflected in subsequent quarters. Beyond the short-term one-off gains resulting from these settlements, it is important to highlight the significant long term positive impact of deleveraging and derisking Qalaa's balance sheet."

"On the operational front, Qalaa kicked off the new year with a strong and promising performance, delivering impressive results across the board," **added El-Khazindar.** "Over the past quarter, the Group's results continued to be heavily driven by ERC's USD-denominated revenue, which expanded strongly year-on-year despite the decline in refining margins witnessed during the quarter. Similarly, our position as an import substitute and export player across our mining business continued to generate strong consolidated growth, as well as valuable USD proceeds for the Group. Finally, our agriculture and logistics segments have continued to record strong top- and bottom-line growth owing to their robust investment fundamentals."

"Our performance during the first quarter of the year is a testament to our continued ability to push ahead during difficult times. We look forward to other quarters of gains, growth, and strong results across our operations and markets," **concluded El-Khazindar.**

Subsidiaries' Performance

	Units	1Q23	1Q24	% chg
Energy				
Orient (ERC Holding) Revenue	**(EGP mn)**	**23,435.7**	**34,406.6**	***47%***
Orient (ERC Holding) EBITDA	**(EGP mn)**	**8,720.8**	**6,998.4**	***-20%***
Orient (ERC Holding) Net Income	**(EGP mn)**	**4,227.7**	**2,094.6**	***-50%***
Agrifoods				
Gozour (Dina Farms Holding Co.) Revenue	**(EGP mn)**	**409.8**	**734.0**	***79%***
Gozour (Dina Farms Holding Co.) EBITDA	**(EGP mn)**	**64.2**	**259.9**	***305%***
Gozour (Dina Farms Holding Co.) Net Income	**(EGP mn)**	**(9.1)**	**155.6**	***N/A***
Dina Farms Revenue	(EGP mn)	372.0	506.7	*36%*
Dina Farms EBITDA	(EGP mn)	74.8	126.5	*69%*
Dina Farms Net Income	(EGP mn)	13.6	29.8	*119%*
ICDP Revenue	(EGP mn)	228.2	525.0	*130%*
ICDP EBITDA	(EGP mn)	12.3	71.7	*484%*
ICDP Net Income	(EGP mn)	0.4	40.9	*10,351%*
Transportation and Logistics				
CCTO (Holding Co.) Revenue	**(EGP mn)**	**130.7**	**163.4**	**25%**
CCTO (Holding Co.) EBITDA	**(EGP mn)**	**60.1**	**84.2**	**40%**
CCTO (Holding Co.) Net Income/Loss	**(EGP mn)**	**25.0**	**(0.4)**	***N/A***
NRPMC Revenue	(EGP mn)	115.0	162.0	*41%*
NRPMC EBITDA	(EGP mn)	63.3	103.6	*64%*
NRPMC Net Income/Loss	(EGP mn)	36.7	118.3	223%
Nile Barges Revenue (South Sudan)	(USD mn)	0.5	0.0	*-94%*
Nile Barges EBITDA (South Sudan)	(USD mn)	0.2	(0.1)	*N/A*
Nile Barges Net Income/Loss (South Sudan)	(USD mn)	0.2	(0.2)	*N/A*
Cement				
ASEC Holdings' Cons. Revenue	**(EGP mn)**	**1,266.2**	**1,136.1**	***-10%***
ASEC Holdings' Cons. EBITDA	**(EGP mn)**	**638.4**	**262.1**	**-59%**
ASEC Holdings' Cons. Net Income	**(EGP mn)**	**211.6**	**(481.4)**	***N/A***
ASEC Cement Group Revenue	(EGP mn)	897.7	309.5	-66%
ASEC Cement Group EBITDA	(EGP mn)	506.0	(24.0)	*N/A*
ASEC Cement Group Net Income	(EGP mn)	656.7	(2.7)	*N/A*
Al-Takamol Cement Revenue	(SDG mn)	15,944.9	8,244.7	*-48%*

Al-Takamol Cement EBITDA	(SDG mn)	4,931.9	1,963.0	*-60%*
Al-Takamol Cement Net Income	(SDG mn)	2,986.3	612.4	*-79%*
Zahana Cement Revenue	(EGP mn)	288.1	616.7	*114%*
Zahana Cement EBITDA	(EGP mn)	91.1	320.2	*251%*
Zahana Cement Net Income	(EGP mn)	(110.3)	14.5	*N/A*
ARESCO Revenue	(EGP mn)	117.0	385.4	*229%*
ARESCO EBITDA	(EGP mn)	28.2	48.1	*71%*
ARESCO Net Income/Loss	(EGP mn)	22.0	55.2	151%
ASEC Engineering Revenue	(EGP mn)	234.3	193.4	*-17%*
ASEC Engineering EBITDA	(EGP mn)	33.7	21.2	*-37%*
ASEC Engineering Net Income	(EGP mn)	0.8	21.7	*2,743%*
ASEC Automation Revenue	(EGP mn)	76.2	241.8	217%
ASEC Automation EBITDA (recurring)	(EGP mn)	8.1	26.5	226%
ASEC Automation Net Income/Loss	(EGP mn)	(17.7)	20.0	N/A
Mining				
ASCOM Revenue	**(EGP mn)**	**498.3**	**760.0**	***53%***
ASCOM EBITDA	**(EGP mn)**	**113.6**	**128.4**	***13%***
ASCOM Net Income	**(EGP mn)**	**42.0**	**(25.7)**	***N/A***
ACCM Revenue	(USD mn)	9.2	9.5	*4%*
ACCM EBITDA	(USD mn)	2.4	1.4	*-41%*
ACCM Net Income	(USD mn)	1.2	1.0	*-17%*
GlassRock Revenue	(USD mn)	3.7	4.5	*23%*
GlassRock EBITDA	(USD mn)	0.9	1.3	*42%*
GlassRock Net Income	(USD mn)	(0.4)	(0.0)	*N/A*
Egypt Quarrying Revenue	(EGP mn)	87.6	83.3	*-5%*
Egypt Quarrying EBITDA	(EGP mn)	11.2	0.5	*-96%*
Egypt Quarrying Net Income	(EGP mn)	6.3	(60.0)	*N/A*

Methods of Consolidation

Fully Consolidated Companies	Energy	Egyptian Refining Company	
	Cement	ASEC Holding	
	Mining	ASCOM	
	Agrifoods	ICDP & Dina Farms	
	Transportation & Logistics	National River Port Management Company	Nile Barges (Sudan)
	Metallurgy	United Foundries	
Equity Method Consolidated Companies (Share of Associates)	Energy	TAQA Arabia*	Tawazon
	Cement	Zahana Cement	
	Publishing & Retail	Tanweer	
	Packaging and Printing	National Printing	

** Exercisable call option on 27.21% of National Printing shares recorded as Investment in Associate*

Sector Review: Energy

Qalaa Holdings' operational energy companies include the Egyptian Refining Company (petroleum refining) and TAQA Arabia (energy generation and distribution, natural gas distribution, petroleum products distribution, as well as water treatment and desalination).

Qalaa Holdings Ownership — c.13.03% as of 31 March 2023

In 1Q24, total feedstock refined by ERC reached c.1,180.0 thousand tons, including c.1,111.1 thousand tons of atmospheric residue. During the quarter, total output excluding fuel and losses stood at c.1,126.8 thousand tons, from which ERC produced and supplied c.947.1 thousand tons of refined product to the Egyptian General Petroleum Corporation (EGPC). Additionally, c.142.1 thousand tons of pet coke and 24.3 thousand tons of sulfur were supplied to cement and fertilizer companies, respectively.

Key Performance Indicators

	Units	1Q23	1Q24	*% chg*
Orient (ERC Holding) Revenue	**(EGP mn)**	**23,435.7**	**34,406.6**	***47%***
Orient (ERC Holding) EBITDA*	**(EGP mn)**	**8,720.8**	**6,998.4**	***-20%***
Orient (ERC Holding) Net Income**	**(EGP mn)**	**4,227.7**	**2,094.6**	***-50%***

**Recurring EBITDA excludes one-off selling, general, and administrative expenses.*

***The optional exceptional accounting treatment of reclassifying the FX to the Other Comprehensive Income (OCI) was applied in 2023.*

Product	LPG	Light Naphta	Reformate	Fuel Oil & Slops	Jet Fuel	Diesel	*Total Refined Product Supplied to EGPC*	*Avg GRM/Day (USD MM)*	*Downtime (Days)*
1Q23 (tons)	36,042	64,203	125,889	113,207	196,441	439,166	**974,949**	**3.7**	**0**
1Q24 (tons)	33,169	59,396	115,042	160,635	168,489	410,351	**947,081**	**2.2**	**0**
Change %	*-8%*	*-7%*	*-9%*	*42%*	*-14%*	*-7%*	***-3%***	***-41%***	***N/A***

**Excluding fuel and losses*

In 1Q24, ERC's USD denominated revenue increased by 47% y-o-y in EGP terms to EGP 34.4 billion, mainly driven by the depreciation of the EGP against the USD.

Total feedstock volume decreased by 3% y-o-y to 1.2 million tons in 1Q24, while the company's refining margins averaged USD 2.2 million per day during the same period, down on a year-on-year basis from the USD 3.7 million per day witnessed in 1Q23. The decline in refining margins during the quarter was largely attributable to a combination of higher feedstock prices, lower refined product prices, and a decline in the quality of feedstock. Additionally, the decline in refining margins witnessed during 1Q24 was further exacerbated by the continued normalization of prices, which began taking effect during 2023, following the spike that occurred in 2022 on the back of heightened uncertainty from the war in Ukraine.

On the profitability front, 1Q24 EBITDA stood at EGP 7.0 billion, down 20% y-o-y, mainly as a result of the normalization of product prices. Meanwhile at the bottom-line, the company reported a net profit of EGP 2.1 billion during 1Q24, down 50% y-o-y. This came on the back of the significant drop in EBITDA, in addition to the sharp rise in financing costs and depreciation expenses in EGP terms reported during the quarter.

ERC remains fully current on all its scheduled debt payments and has expedited the settlement of its senior debt via cash sweep mechanics. On 20 June 2024, ERC remitted a scheduled principal repayment of USD 135.0 million to its senior lenders. This was supplemented by an interest payment amounting to USD 43.0 million, as well as a cash sweep of USD 95 million, culminating in a total disbursement of USD 273.0 million for June. This repayment sees ERC remain on track to fully settle its senior debt by 4Q25 after which the company may start distributing dividends. As of 31 August 2024, ERC's current net senior debt amounts to USD 559.0 million. In parallel, the current figure for ERC's receivables from EGPC stood at USD 343.0 million as of 31 August 2024, and EGPC has committed to continue bringing down its outstanding balances over the coming period.

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); construction (ARESCO and ASEC Automation); and technical management (ASEC Engineering and ASENPRO).

QALAA HOLDINGS OWNERSHIP — c.69.3% as of 31 March 2024

ASEC Holdings recorded revenue of EGP 1.1 billion in 1Q24, a 10% y-o-y decline owing to the negative impact of the war in Sudan on the operations of its subsidiary Al Takamol Cement. Profitability wise, ASEC Holdings reported EBITDA of EGP 262.1 million during the quarter, down 60% y-o-y. Meanwhile, the company recorded a net loss of EGP 481.4 million in 1Q24 compared to a net profit of EGP 211.6 million reported in 1Q23.

Management notes that NDT has signed settlement agreements with three of its debtor banks for the full settlement of its debts amounting to c.EGP 1.4 billion. NDT also agreed with a fourth bank to settle its c.EGP 536 million debt over two years. Consequently, the company's outstanding debt has been reduced, and NDT is now current on all debt repayments owed to its lenders. Such settlement agreements enable NDT to fully waive the accumulated interest on its debt, positively impacting the company's financial statements. Management is confident that its efforts will ultimately result in a stronger balance sheet, healthier financial and leverage ratios, and enhanced profitability.

Key Performance Indicators

	Units	1Q23	1Q24	% chg
ASEC Holdings' Cons. Revenue	**(EGP mn)**	**1,266.2**	**1,136.1**	***-10%***
ASEC Holdings' Cons. EBITDA*	**(EGP mn)**	**638.4**	**262.1**	***-59%***
ASEC Holdings' Cons. Net Income**	**(EGP mn)**	**211.6**	**(481.4)**	***N/A***
ASEC Cement Group Revenue	**(EGP mn)**	**897.7**	**315.2**	***-65%***
ASEC Cement Group EBITDA	**(EGP mn)**	**506.0**	**(83.9)**	***N/A***
ASEC Cement Group Net Income	**(EGP mn)**	**656.7**	**(35.2)**	***N/A***
Al-Takamol Cement Revenue***	**(SDG mn)**	**15,944.9**	**8,244.7**	***-48%***
Al-Takamol Cement EBITDA	**(SDG mn)**	**4,931.9**	**1,963.0**	***-60%***
Al-Takamol Cement Net Income	**(SDG mn)**	**2,986.3**	**612.4**	***-79%***
Al-Takamol Volume	KTons	181	61	*-66%*
Zahana Cement Revenue	**(EGP mn)**	**288.1**	**616.7**	***114%***
Zahana Cement EBITDA	**(EGP mn)**	**91.1**	**320.2**	***251%***
Zahana Cement Net Income	**(EGP mn)**	**(110.3)**	**14.5**	***N/A***
Zahana Volume	KTons	292	435	*49%*

ARESCO Revenue	**(EGP mn)**	**117.0**	**380.6**	***225%***
ARESCO EBITDA	**(EGP mn)**	**28.2**	**48.1**	***71%***
ARESCO Net Income/Loss	**(EGP mn)**	**22.0**	**55.2**	***151%***
ARESCO Backlog	(EGP mn)	556.6	1,382	*148%*
ASEC Engineering Revenue	**(EGP mn)**	**234.3**	**193.4**	***-17%***
ASEC Engineering EBITDA	**(EGP mn)**	**33.7**	**21.2**	***-37%***
ASEC Engineering Net Income	**(EGP mn)**	**0.8**	**21.7**	***2,743%***
ASEC Engineering Managed Production	MTons	1.7	1.0	*-45%*

**Recurring EBITDA excludes one-off selling, general and administrative expenses.*

***The optional exceptional accounting treatment of reclassifying the FX to the Other Comprehensive Income (OCI) was applied in 2023.*

****Operating out of Sudan, ASEC Cement's subsidiary, Al-Takamol Cement's performance is significantly impacted by the political and currency disturbances in the country, which have resulted in hyperinflation. Consequently, in reporting the company's results, the hyperinflation calculation methodology, which uses the spot index for revenue translation and the historical index (which is higher than the spot index) for COGS translation is applied, resulting in a disproportionate increase in the cost of sales compared to revenue. Driven by Sudan's political volatility, the EGP/SDG rate was highly volatile over the course of the period, impacting the company's figures when reflected in EGP terms, thus figures are presented in Sudanese Pound (SDG) to provide a more accurate representation of the company's performance excluding the impact of hyperinflationary adjustments.*

ASEC Cement

In 1Q24, Al-Takamol Cement recorded SDG 8.2 billion in revenue, down 48% y-o-y on the back of a drop in volume sold, which more than offset the price increase witnessed during the quarter. The volume decline was primarily a result of the armed conflict that has been taking place in Sudan since the end of 4Q22.

In terms of profitability, Al-Takamol Cement recorded EBITDA of SDG 2.0 billion in 1Q24 compared to SDG 4.9 billion in 1Q23. Similarly, the company realized a net profit of SDG 612.4 million during the quarter versus a net profit of SDG 3.0 billion achieved in 1Q23. The drop in profitability was a result of the significant decline in sales volume, as the company's fixed costs and general & administrative expenses remained largely unchanged year-on-year.

It is worth noting that the staff and assets of Qalaa's Sudan affiliate Al-Takamol Cement are safe and continue to operate at a limited capacity. Qalaa continues to closely monitor the ongoing developments in the country.

Zahana Cement's revenue in 1Q24 came in at EGP 616.7 million, up 114% y-o-y on the back of an increase in both the average selling price and the volume of cement sold.

On the profitability front, Zahana Cement's EBITDA stood at EGP 320.2 million in 1Q24, a 251% y-o-y increase driven by the rise in average selling price, as well as the appreciation of the DZD against the EGP. The company reported a net profit of EGP 14.5 million during the quarter compared to a net loss of EGP 110.3 million reported in 1Q23, following the accrual of a total of DZD 414.7 million in debt interest during the three-month period.

ASEC Engineering

ASEC Engineering currently operates and manages eight production lines in Egypt and abroad via technical management contracts, positioning the company as the regional market leader in plant engineering, consulting, operation, and management. In collaboration with its ASEC Group sister companies, ASEC Engineering is working on presenting an even more integrated service portfolio by building capacity for plant turnkey delivery services.

ASEC Engineering saw its top-line shrink by 17% y-o-y in 1Q24, closing the quarter with a revenue of EGP 193.4 million. This drop came on the back of decline in managed clinker production following the temporary overhaul of operations in El Nahda plant (one of the company's main clients) which resumed operations by end of February, as well as the drop in production in Al Takamol Cement. In addition, the company's plant in Iraq experienced a 23-day shutdown due to maintenance overhaul, and a 27-day interruption in operations due to lack of Heavy Fuel Oil (HFO).

ASEC Engineering recorded EBITDA of EGP 21.1 million in 1Q24, a 37% y-o-y drop. In parallel, the company recorded a net income of EGP 21.7 million during the quarter, up significantly from the net income of EGP 0.8 million achieved in 1Q23. The increase in bottom-line profitability was largely attributable to a significant foreign exchange gain of EGP 40 million, which was partially offset by the incurrence of EGP 28 million in provisions.

ARESCO

Established in 1990, ARESCO operates as an integrated turnkey contractor, specializing in industrial projects. ARESCO recorded a revenue of EGP 380.6 million in 1Q24, up 225% y-o-y as the company signed new local market contracts.

In terms of profitability, ARESCO achieved EBITDA of EGP 48.1 million, a 71% y-o-y increase. Similarly, the company recorded a significant increase in its bottom-line during the quarter, delivering a net income of EGP 55.2 million compared to a net income of EGP 22.0 million in 1Q23. Improved profitability during the quarter came on the back of a significant growth in the company's client base, in addition to EGP 46 million in FOREX gains recorded in 1Q24, which more than compensated for an EGP 34 million provision recorded in 1Q24.

ASEC Automation

Since its founding in 1997, ASEC Automation has been a pioneer in providing cutting-edge solutions for automation and electrical engineering to some of the world's most demanding heavy industries and infrastructure projects. The company offers conventional scope design and build, as well as operation and maintenance services to numerous industrial facilities across Egypt and abroad.

ASEC Automation delivered a top-line increase of 217% y-o-y to EGP 241.8 million in 1Q24. Revenue growth for the quarter came on the back of the renewal of contracts with existing clients at higher values, the acquisition of more Class A clients, and an increase in EGP equivalent of foreign currency revenues generated from the company's operations in the six countries it currently serves, due to the EGP devaluation.

With regards to profitability, ASEC Automation's EBITDA expanded by 226 % y-o-y to EGP 26.5 million in 1Q24, and the company achieved a net profit of EGP 20.0 million for the first quarter of the year, up from a net loss of EGP 17.7 million in 1Q23. Improved profitability came on the back of similar drivers to its top-line performance, as the company continued to drive expansion across all business units. As a result of those efforts, the company now serves clients across ten different industries, a significant strategic pivot away from its historic focus on the cement industry. Improved profitability is also partially attributable to the company's decision to prioritize contracts, which see it act as the main contractor instead of a sub-contractor on the project. It was further supported by cost optimization initiatives, including rigorous control over fixed costs and improved procurement efficiency. Strengthened relationships with suppliers facilitated better pricing and terms, contributing to overall cost savings and bolstering the company's bottom line. In parallel, the company signed new contracts in 1Q24 worth c.EGP 400 million, bringing its total backlog to c.EGP 600 million.

ASEC Holding Share Transaction

Following the conclusion of Qalaa's agreement with FHI and the transfer of FHI's shares in ASEC Holding to Qalaa on 04 June 2024, Qalaa's effective ownership in ASEC Holding increased to approximately 99.05%.

Sector Review: Agrifoods

Agrifood companies consolidated under parent company Dina Farms Holding Co. (multicategory agriculture and consumer foods) include Dina Farms and ICDP (Dina Farms' fresh dairy & juice producer).

DINA FARMS

QALAA HOLDINGS OWNERSHIP — c.54.9% as of 31 March 2024

Dina Farms Holding Co. recorded a 79% y-o-y increase in revenue to EGP 734.0 million in 1Q24, driven by improved operations at Dina Farms, as well as ICDP's revenue benefiting from an uptick in sales volumes combined with higher selling prices and new product launches. Meanwhile, EBITDA rose by 305% y-o-y to EGP 259.9 million in 1Q24 on the back of a recovery of margins at ICDP, as well as a herd revaluation at Dina Farms Dina Farms Holding Co.'s delivered a net profit of EGP 155.6 million in 1Q24, up from a net loss of EGP 9.1 million in 1Q23, following improved operations across all business segments at Dina Farms, in addition to the aforementioned herd revaluation, as well as the recovery of gross margins at ICDP.

Key Performance Indicators

	Units	1Q23	1Q24	*% chg*
Gozour (Dina Farms Holding Co.) Revenue	**(EGP mn)**	**409.8**	**734.0**	***79%***
Gozour (Dina Farms Holding Co.) EBITDA*	**(EGP mn)**	**64.2**	**259.9**	***305%***
Gozour (Dina Farms Holding Co.) Net Income	**(EGP mn)**	**(9.1)**	**155.6**	***N/A***
Dina Farms Revenue	**(EGP mn)**	**372.0**	**506.7**	***36%***
Dina Farms EBITDA	**(EGP mn)**	**74.8****	**242.3***	***224%***
Dina Farms Net Income	**(EGP mn)**	**13.6****	**113.1****	***119%***
Dina Farms Raw Milk Sales/Milking Cow Ratio	Tons/Milking Cow	2.6	2.7	*1%*
ICDP Revenue	**(EGP mn)**	**228.2**	**525.0**	***130%***
ICDP EBITDA	**(EGP mn)**	**12.3**	**71.7**	***484%***
ICDP Net Income	**(EGP mn)**	**0.4**	**40.9**	***10,351%***
ICDP SKU Volume Sold	(Tons)	4,349	6,232	*43%*

**Recurring EBITDA excludes one-off selling, general and administrative expenses.*
*** Dina Farms EBITDA and Net Income include Herd Revaluation of EGP 114.9 million in 1Q24 versus EGP 3.9 million in 1Q23*

Dina Farms' revenue grew by 36% y-o-y to EGP 506.7 million in 1Q24, following improved operations across all business segments. At the livestock division, revenue from milk sales rose by 33% y-o-y to EGP 365.0 million in 1Q24 on the back of an increase in price. In parallel, non-milk revenue expanded by 201% y-o-y to EGP 19.1 million in 1Q24, following an increase in sales volume and prices. Meanwhile at the agriculture division, revenue increases were driven by the growth in orchard revenue by 117% y-o-y to EGP 28.1 million in 1Q24 and herb revenue by 16% y-o-y to EGP 45.4 million in 1Q24. On the retail front, revenue was up 87% y-o-y to EGP 48.2 million in 1Q24 on the back of the expansions and renovations that took place in 2023, which resulted in increased footfall. It was further boosted by the inflationary price increases witnessed during the quarter.

Dina Farms achieved an 80% y-o-y increase in 1Q24 EBITDA to EGP 127.4 million after excluding income associated with herd revaluation, on the back of improved profitability across the board. On that front, the livestock division witnessed a 74% y-o-y increase in gross profit to EGP 102.9 million in 1Q24, driven by an increase in revenue, as selling prices have started catching up with rising costs. Meanwhile, the agriculture division reported a 63% y-o-y rise in gross profit to EGP 32.6 million on the back of the increases in revenue, coupled with a shift in focus on high profitability crops. Similarly, the retail division witnessed a 259% y-o-y rise in gross profit to EGP 8.0 million on the back of the aforementioned expansions and renovations. Meanwhile, the company reported a net income of EGP 113.1 million in 1Q24 largely on the back of the herd revaluation, and further boosted by the strong operational profitability.

International Company for Dairy Products (ICDP)

ICDP witnessed a top-line expansion of 130% y-o-y in 1Q24, with revenue for the period reaching EGP 525.0 million. Revenue growth for the quarter was driven by price increases across the board, coupled with the revenue from the new products launched during 2023, as well as a continued noticeable uptick in the volume of cheese, juice, yogurt, milk, and skimmed milk powder sold. At the cheese division, revenue increased significantly from EGP 56.9 million in 1Q23 to EGP 209.1 million in 1Q24. Meanwhile, fresh milk revenue was up 87% y-o-y to EGP 148.7 million and powdered milk revenue grew from EGP 31.3 million in 1Q23 to EGP 50.6 million in 1Q24. Revenue at the yogurt segment expanded by 96% y-o-y to EGP 38.2 million in 1Q24, and juice revenue rose 122% y-o-y to EGP 38.6 million in 1Q24.

On the profitability front, ICDP’s results witnessed significant recovery, as the company managed to adjust prices in line with the soaring raw milk and packaging material costs. Additionally, the resurgence in demand and sales volume further supported profitability during the quarter. ICDP also successfully capitalized on expanding its cheese offering, delivering strong results. As a result, EBITDA for 1Q24 surged 484% y-o-y to EGP 71.7 million. Although the company’s bottom-line continues to be impacted by the growing finance costs resulting from the loans taken out by ICDP throughout the past year with the purpose of financing the capex related to new product line expansions and working capital requirements, the recovery in gross margins has significantly boosted net income. On that front, ICDP’s net income closed the quarter at EGP 40.9 million, surging from the EGP 0.4 million reported in 1Q23.

Dina Farms Retail

As of 2Q24, Dina Farms' retail business has been officially spun-off as a separate legal entity. This strategic move marks a significant milestone in the company's evolution, allowing the retail division to operate independently with its own legal and financial structure. This change aims to enhance operational efficiency, streamline management processes, and foster focused growth and development within the retail sector. This spin-off is expected to provide greater clarity and autonomy, enabling Dina Farms' retail business to better serve its customers and stakeholders while pursuing new opportunities in the market.

Sector Review: Mining

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

ASCOM GEOLOGY & MINING

QALAA HOLDINGS OWNERSHIP — c.54.1% As of 31 March 2024

In 1Q24, ASCOM recorded a 53% y-o-y increase in revenue to EGP 760.0 million, as the improved performance of ASCOM's two largest USD-denominated revenue generators: ACCM and GlassRock was further augmented by the EGP devaluation.

Key Performance Indicators

	Units	1Q23	1Q24	% chg
ASCOM Revenue	**(EGP mn)**	**498.3**	**760.0**	***53%***
ASCOM EBITDA*	**(EGP mn)**	**113.6**	**128.4**	***13%***
ASCOM Net Income**	**(EGP mn)**	**42.0**	**(25.7)*****	***N/A***
ACCM Revenue	**(USD mn)**	**9.2**	**9.5**	***4%***
ACCM EBITDA	**(USD mn)**	**2.4**	**1.4**	***-41%***
ACCM Net Income**	**(USD mn)**	**1.2**	**1.0**	***-17%***
GlassRock Revenue	**(USD mn)**	**3.7**	**4.5**	***23%***
GlassRock EBITDA	**(USD mn)**	**0.9**	**1.3**	***42%***
GlassRock Net Income**	**(USD mn)**	**(0.4)**	**(0.0)**	***99%***
Egypt Quarrying Revenue	**(EGP mn)**	**87.6**	**83.3**	***-5%***
Egypt Quarrying EBITDA	**(EGP mn)**	**11.2**	**0.5**	***-96%***
Egypt Quarrying Net Income**	**(EGP mn)**	**6.3**	**(60.0)**	***N/A***

**Recurring EBITDA excludes one-off selling, general and administrative expenses.*
***The optional exceptional accounting treatment of reclassifying the FX to the Other Comprehensive Income (OCI) was applied in 2023.*
**** Net income in 1Q24 includes a loss of EGP 1.2 million related to Allied Gold Corp's market value.*

ACCM

ACCM's revenue at the close of 1Q24 reached USD 9.5 million, a 4% y-o-y improvement largely driven by a 17% y-o-y increase in volume following the addition of a new ball milling line which came online in the beginning of 2023. This volume increase more than offset an 11% y-o-y decline in the average price per ton witnessed during the quarter due to the drop in the price of stearic acid, a key raw material and price determinant. Additionally, selling prices in Egypt have not risen in line with the currency devaluation, and have therefore declined in USD terms, further dampening the company's top-line growth.

In terms of profitability, EBITDA recorded a 41% y-o-y decrease to USD 1.4 million in 1Q24 following the decline in average price per ton and the increase in variable costs. Additionally, the ongoing regional conflict and its associated impact on Red Sea shipping routes have forced the company to opt for longer and more expensive routes to deliver shipments. This led to the company incurring additional costs that it was unable to pass on to its clients to remain competitive. Meanwhile, net income fell by 17% y-o-y to USD 1.0 million during the quarter, on the back of similar drivers.

Moving forward, ACCM will continue to work towards expanding its exports, which already constitute the majority of the company's top-line. On that front, ACCM is pushing ahead with its sales channel diversification strategy by directing its business development efforts to new export regions, and has already expanded its exports into new countries across South America, Eastern Europe, as well as West and East Asia during the second half of 2023 and the beginning of 2024. The company is also planning on installing additional production lines to expand its production capacity and meet its planned growth targets, with two ball milling lines already scheduled to come online in 2025.

GlassRock

In 1Q24, GlassRock achieved a revenue (including freight & export incentive) of USD 4.5 million, a 23% y-o-y increase mostly driven by a 43% y-o-y rise in GlassWool volume sold, and further boosted by higher selling prices for locally sold GlassWool.

GlassRock	1Q23	1Q24	*% chg*
Sales Revenue (USD MM)	**3.4**	**4.1**	***23%***
RockWool – Export	0.5	0.3	*-45%*
RockWool – Local	1.1	1.2	*14%*
GlassWool – Export	0.5	0.6	*26%*
GlassWool – Local	1.4	2.1	*52%*
Sales Volume (Tons)	**2,137**	**2,886**	***35%***
RockWool – Export	445	401	*-10%*
RockWool – Local	906	1,360	*50%*
GlassWool – Export	291	445	*53%*
GlassWool – Local	494	679	*37%*

GlassRock's portfolio includes export markets spanning Africa, Europe, and Asia, with the company also working on expanding into a number of new European countries. On that front, the company has made significant inroads into the Romanian, Greek, and British markets, and further business within the UK is expected before year-end. In 1Q24, GlassRock's export revenue dropped by 10% y-o-y to USD 0.8 million following a decline in the export volume of RockWool, coupled with lower export prices of both GlassWool and RockWool. This more than offset the positive effect of improved GlassWool export volume driven by a competitive pricing strategy and the penetration of new markets.

Domestically, GlassRock's revenue increased by 36% y-o-y to USD 3.3 million in 1Q24 on the back of higher volumes, as well as an increase in the selling price of GlassWool. Additionally, being the only producer of GlassWool in Egypt, GlassRock's revenue growth was also boosted by the import challenges facing the Egyptian market, coupled with improvements in the quality of the company's GlassWool products.

On the profitability front, GlassRock's EBITDA expanded by 42% y-o-y to USD 1.3 million in 1Q24, and the company recorded a net loss of USD 3.0 thousand in 1Q24 compared to a net loss of USD 418.6 thousand in 1Q23. Enhanced EBITDA for the quarter came largely on the back of a price increase in GlassWool across both the local and export markets, as well as the impact of the EGP devaluation, which resulted in a decline in the USD cost of several local components.

Egypt Quarrying (ASCOM Mining)

ASCOM's mining operations rely primarily on the cement sector, with around 90% of the company's revenue coming from cement clients. As such, ASCOM continues to face a challenging operating environment due to the sustained difficulties facing the Egyptian cement industry. However, over the course of the past year the company has renegotiated or terminated some of its contracts to counter the challenging market conditions. In 1Q24, ASCOM Quarrying's revenue reached EGP 83.3 million, representing a 5% y-o-y decline. Top-line contraction was a result of overhaul work at one of ASCOM's client plants, coupled with a temporary shutdown at another client's production plant due to power shortages and permit delays.

In terms of profitability, ASCOM Mining reported a 1Q24 EBITDA of EGP 0.5 million, a 96% y-o-y drop. Similarly, the company's bottom-line, after removing one-off events, fell during the quarter from a loss of EGP 0.7 million in 1Q23 to a loss of EGP 3.5 million. The company's profitability during the quarter was significantly impacted by the lower revenue attributable to the stoppages in three of its clients' plants.

On a separate note, ASOCM Mining is currently exploring opportunities for expanding domestically and internationally into the quarrying of other materials such as phosphate, kaolin, sand, and gypsum. On the kaolin front, ASCOM Mining recently signed a three-year agreement with the Egyptian government for a mine and is currently conducting research to determine the project's feasibility and potential. With regard to phosphate, the company has recently taken on an extraction contract with a client, which began operating in July 2024.

Sector Review: Transportation & Logistics

Qalaa Holdings' operational platform in the Transportation & Logistics sector is CCTO, which includes NRPMC (seaport, stevedoring, and storage services in Egypt) as well as Nile Barges (river transportation in South Sudan)

QALAA HOLDINGS OWNERSHIP — c. 92.6% as of 31 March 2024

Citadel Capital Transportation Opportunities Ltd. ('CCTO') is Qalaa Holdings' transportation and logistics platform arm and consolidates the company's operations in Egypt (under National River Port Management Company 'NRPMC') and South Sudan (under Nile Barges). In 1Q24, CCTO's revenue increased by 25% y-o-y to EGP 163.4 million, with EBITDA rising by 40% y-o-y to EGP 84.2 million. Meanwhile, net income stood at EGP 10.1 million in 1Q24 compared to a net income of EGP 25.0 million in 1Q23, after removing one-off adjustments for 2023 deferred tax.

Qalaa has purchased from Financial Holdings Investments Ltd. (FHI) its share in CCTO, bringing Qalaa's effective ownership to c.92.6% in CCTO. The purchase comes as part of a wider agreement with FHI that sees Qalaa receiving shares in some of its subsidiaries that were owned by FHI and settling the bulk of its liabilities and those of its subsidiaries to FHI in exchange for a consideration of assets and shares.

Key Performance Indicators

	Units	1Q23	1Q24	*% chg*
CCTO (Holding Co.) Revenue	**(EGP mn)**	**130.7**	**163.4**	**25%**
CCTO (Holding Co.) EBITDA*	**(EGP mn)**	**60.1**	**84.2**	**40%**
CCTO (Holding Co.) Net Income/Loss**	**(EGP mn)**	**25.0**	**(0.4)**	***N/A***
NRPMC Revenue	**(EGP mn)**	**115.0**	**162.0**	***41%***
NRPMC EBITDA	**(EGP mn)**	**63.3**	**103.6**	***64%***
NRPMC Net Income/Loss**	**(EGP mn)**	**36.7**	**118.3**	***223%***
NRPMC Coal / Pet Coke Tons Handled	(000's Tons)	379.3	279.6	*-26%*
NRPMC Twenty-Foot Equivalent Handled	(TEU)	19,843	12,333	*-38%*
NRPMC Storage days for TEUs (# of days)	Days	150,088	76,038	*-49%*
Nile Barges Revenue (South Sudan)	**(USD mn)**	**0.5**	**0.0**	***-94%***
Nile Barges EBITDA (South Sudan)	**(USD mn)**	**0.2**	**(0.1)**	***N/A***
Nile Barges Net Income/Loss (South Sudan)	**(USD mn)**	**0.2**	**(0.2)**	***N/A***

**Recurring EBITDA excludes one-off selling, general and administrative expenses.*

***The optional exceptional accounting treatment of reclassifying the FX to the Other Comprehensive Income (OCI) was applied in 2023.*

National Company for River Ports Management (NRPMC) (Egypt)

NRPMC recorded revenue of EGP 162.0 million in 1Q24, up 41% y-o-y on the back of improvements in the storage service. On that front, revenue from coal storage increased by 108% y-o-y to EGP 94.9 million following a rise in storage volume, while revenue from stevedoring services rose by 1% y-o-y to EGP 25.5 million, mainly driven by an increase in coal stevedoring prices. On the other hand, revenue from the company's inland container depot contracted by 9% y-o-y to EGP 40.3 million as a result of a decrease in container storage days and power supplied days for reefers. This came as a consequence of the rerouting of shipping vessels away from the Suez Canal due to the ongoing conflicts in Palestine and Yemen.

In terms of profitability, NRPMC saw its EBITDA rise by 64% y-o-y in 1Q24 to EGP 103.6 million. Meanwhile, net profit recorded a strong 223% y-o-y increase to EGP 118.3 million during the quarter. Enhanced profitability during the quarter came on the back of the solid increase in coal storage revenues, and was further boosted by the company recognizing a forex gain on a loan provided to a sister company.

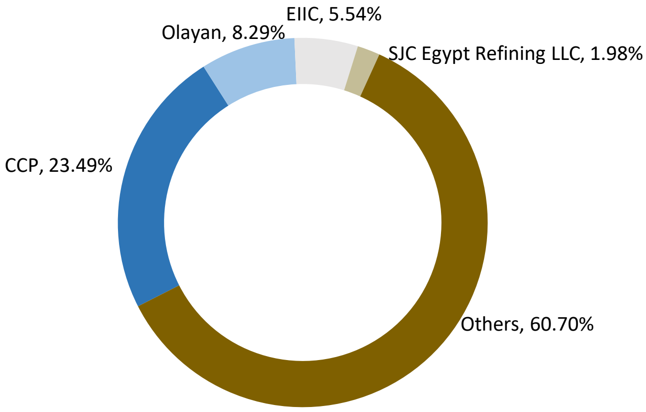
Nile Barges (South Sudan)

Nile Barges' operations in South Sudan focus on the transportation of food under the auspices of the World Food Program (WFP). The company currently operates three pushers and ten barges

In 1Q24, Nile Barges did not complete any trips resulting in no revenue recognition, a negative EBITDA of USD 58.6 thousand, and a net loss of USD 237.1 thousand during the quarter.

SHAREHOLDER STRUCTURE

(as at 31 March 2024)



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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Qalaa Holdings Consolidated Income Statement (in EGP mn)

	1Q 2024	1Q 2023**
Revenue	37,568.2	25,942.0
Cost of Sales	(28,984.3)	(15,824.2)
Gross Profit	**8,583.9**	**10,117.9**
Advisory Fee	-	-
Total Operating Profit	**8,583.9**	**10,117.9**
SG&A	(908.3)	(539.6)
Export Subsidy Revenue	36.6	26.6
Other Income/Expenses	0.4	75.7
EBITDA Before one-off Charges	**7,712.5**	**9,680.6**
Non recurring- Revenues and Costs	(63.1)	26.9
EBITDA	**7,649.4**	**9,707.5**
Depreciation and Amortization	(3,329.3)	(2,070.6)
EBIT	**4,320.1**	**7,636.9**
Finance Cost	(2,338.4)	(1,748.5)
Other Finance Cost	79.7	(8.8)
Bank PIK	(230.3)	(120.3)
3rd party Shareholder	(460.1)	(221.3)
Interest income	270.1	63.2
Finance lease Charges/ NPV LT assets	(60.5)	(39.8)
EBT (before one-offs)	**1,580.6**	**5,561.5**
Gain (Loss) on Sale of Investments	9,694.1	-
Net Change in Fair Value	(538.9)	-
Impairments/Write-downs	89.9	(36.1)
Acquisitions, Legal and Restructuring	(17.0)	(0.2)
Share in Associates' Results*	36.7	(27.4)
Management Fees	(801.9)	-
CSR	(23.7)	-
Provisions	(426.2)	(207.8)
Discontinued Operations**	249.5	285.3
Forex and FX Hyperinflation Treatment	147.9	350.6
EBT	**9,990.9**	**5,925.9**
Taxes	(845.5)	(1,470.5)
Net Profit (Loss) Including Minority Share	**9,145.4**	**4,455.4**
Minority Interest	1,928.0	4,382.3
Net Profit (Loss) for the Period* **	**7,217.4**	**73.0**

* Share in associates' results include: Silverstone (Taqa), APM (sold in 3Q23), Zahana, ECARU, ENTAG and Tanweer Group.

** 1Q23 represented to classify Silverstone (Taqa) and Grandview (National Printing) to discontinued operations.

*** The optional exceptional accounting treatment of reclassifying the FX to the Other Comprehensive Income (OCI) had been applied in 2023.

Qalaa Holdings Consolidated Income Statement by Sector for the three-month period ending 31 March 2024 (in EGP mn)

			Energy	Cement	T&L^	Mining	Agrifoods	Others				
	QH	SPVs	Orient	NDT	CCTO	ASCOM	Falcon	Misc.*	Grandview	Elimination	1Q 2024	1Q 2023
Revenue	-	-	34,406.6	1,136.1	163.4	760.0	734.0	368.1	-	-	37,568.2	25,942.0
Cost of Sales	-	-	(26,904.9)	(801.2)	(45.8)	(575.0)	(358.6)	(298.7)	-	-	(28,984.3)	(15,824.2)
Gross Profit	**-**	**-**	**7,501.7**	**334.9**	**117.6**	**184.9**	**375.3**	**69.4**	**-**	**-**	**8,583.9**	**10,117.9**
Advisory Fee	33.5	-	-	-	-	-	-	-	-	(33.5)	-	-
Total Operating Profit	**33.5**	**-**	**7,501.7**	**334.9**	**117.6**	**184.9**	**375.3**	**69.4**	**-**	**(33.5)**	**8,583.9**	**10,117.9**
SG&A	(94.4)	(13.6)	(503.2)	(72.8)	(33.4)	(86.4)	(115.4)	(25.0)	-	35.9	(908.3)	(539.6)
Export Subsidy Revenue	-	-	-	-	-	29.9	-	6.7	-	-	36.6	26.6
Other Income/Expenses	-	-	-	-	-	-	-	0.4	-	-	0.4	75.7
EBITDA Before one-off Charges	**(60.9)**	**(13.6)**	**6,998.4**	**262.1**	**84.2**	**128.4**	**259.9**	**51.6**	**-**	**2.4**	**7,712.5**	**9,680.6**
Non Recurring - Revenues & Costs	(2.1)	-	-	(55.3)	(10.7)	6.3	(1.2)	-	-	-	(63.1)	26.9
EBITDA	**(63.1)**	**(13.6)**	**6,998.4**	**206.8**	**73.5**	**134.7**	**258.7**	**51.6**	**-**	**2.4**	**7,649.4**	**9,707.5**
Depreciation & Amortization	(0.6)	-	(2,822.7)	(376.5)	(18.9)	(68.1)	(38.0)	(3.1)	-	(1.3)	(3,329.3)	(2,070.6)
EBIT	**(63.7)**	**(13.6)**	**4,175.7**	**(169.7)**	**54.6**	**66.6**	**220.7**	**48.5**	**-**	**1.1**	**4,320.1**	**7,636.9**
Finance Cost	(337.5)	(251.7)	(1,673.3)	(18.0)	-	(47.5)	-	(10.4)	-	-	(2,338.4)	(1,748.5)
Other Finance Cost	-	-	79.7	-	-	-	-	-	-	-	79.7	(8.8)
Bank PIK	-	(230.3)	-	-	-	-	-	-	-	-	(230.3)	(120.3)
3rd Party Shareholder	148.9	108.4	(134.7)	(574.7)	(30.7)	-	-	(0.2)	-	22.9	(460.1)	(221.3)
Interest Income	4.1	95.9	159.7	9.9	0.1	-	0.4	-	-	-	270.1	63.2
Finance Lease Charges/ NPV LT assets	-	-	(21.8)	(0.5)	(4.5)	-	(33.7)	-	-	-	(60.5)	(39.8)
EBT (before one-offs)	**(248.3)**	**(291.3)**	**2,585.3**	**(753.1)**	**19.6**	**19.0**	**187.5**	**37.9**	**-**	**23.9**	**1,580.6**	**5,561.5**
Gain (Loss) on Sale of Investments	-	10,203.2	-	-	-	-	-	-	-	(509.1)	9,694.1	-
Net Change in Fair Value	-	-	-	-	-	(88.2)	-	-	-	(450.7)	(538.9)	-
Impairments/Write-downs	(129.4)	(33.4)	(34.7)	59.8	1.0	1.3	0.1	(2.9)	-	228.0	89.9	(36.1)
Acquisitions, Legal and Restructuring	-	(17.0)	-	-	-	-	-	-	-	-	(17.0)	(0.2)
Share in Associates' Results	-	-	-	5.1	-	-	-	-	-	31.6	36.7	(27.4)
Management Fees	-	(801.9)	-	-	-	-	-	-	-	-	(801.9)	-
CSR	-	-	(23.7)	-	-	-	-	-	-	-	(23.7)	-
Provisions	-	(354.6)	-	(96.4)	(1.3)	(1.4)	51.7	(2.2)	-	(22.1)	(426.2)	(207.8)
Discontinued Operations**	-	-	-	-	-	-	-	-	249.5	-	249.5	285.3
Forex and FX Hyperinflation Treatment	736.9	(929.9)	280.9	352.0	0.0	43.5	(22.7)	(39.1)	-	(273.7)	147.9	350.6
EBT	**359.3**	**7,775.1**	**2,807.8**	**(432.6)**	**19.3**	**(25.7)**	**216.6**	**(6.3)**	**249.5**	**(972.1)**	**9,990.9**	**5,925.9**
Taxes	0.8	-	(713.1)	(48.8)	(19.8)	-	(61.0)	(2.5)	-	(1.1)	(845.5)	(1,470.5)
Net Profit (Loss) Including Minority Share	**360.1**	**7,775.1**	**2,094.6**	**(481.4)**	**(0.4)**	**(25.7)**	**155.6**	**(8.8)**	**249.5**	**(973.1)**	**9,145.4**	**4,455.4**
Minority Interest	-	-	1,259.3	(46.9)	20.2	2.2	0.0	0.0	126.6	566.5	1,928.0	4,382.3
Net Profit (Loss)* **	**360.1**	**7,775.1**	**835.3**	**(434.6)**	**(20.6)**	**(27.9)**	**155.6**	**(8.8)**	**122.9**	**(1,539.6)**	**7,217.4**	**73.0**

^ T&L represents Transportation and Logistics.

* Miscellaneous includes UCF, Wafra, Asec Trading & Sphinx Egypt.

** 1Q23 represented to classify Silverstone (Taqa) and Grandview (National Printing) to discontinued operations.

*** The optional exceptional accounting treatment of reclassifying the FX to the Other Comprehensive Income (OCI) had been applied in 2023.

Qalaa Holdings Consolidated Balance Sheet as at 31 March 2024 (in EGP mn)

		Energy **	Cement	T&L ^	Mining	Agrifoods	Others				
	QH	Orient	NDT	CCTO	ASCOM	Falcon	Misc.*	Aggregation	Eliminations/ SPVs	1Q 2024	FY 2023
Current Assets											
Trade and Other Receivables	5,934.4	19,553.2	6,088.8	330.6	1,478.4	287.4	1,430.2	35,103.0	(10,691.0)	24,412.0	16,223.3
Inventory	-	6,943.4	3,471.6	16.5	350.8	423.4	140.9	11,346.6	0.0	11,346.6	7,442.0
Assets Held For Sale	-	-	4.8	-	-	-	186.8	191.6	(165.5)	26.2	4,829.4
Cash and Cash Equivalents	46.6	17,866.8	535.2	63.3	328.6	47.6	27.5	18,915.5	16.1	18,931.6	8,902.3
Others	-	130.4	-	-	1,668.9	162.4	-	1,961.7	(0.0)	1,961.7	1,488.2
Total Current Assets	**5,981.0**	**44,493.9**	**10,100.4**	**410.4**	**3,826.7**	**920.8**	**1,785.3**	**67,518.4**	**(10,840.4)**	**56,678.0**	**38,885.2**
Non-Current Assets											
PP&E	4.6	144,467.6	9,245.8	914.2	2,237.8	1,041.7	808.4	158,720.3	(146.1)	158,574.2	106,877.5
Investments	5,658.6	-	306.6	50.8	855.7	-	4.9	6,876.6	703.2	7,579.8	5,296.9
Goodwill / Intangible Assets	-	729.0	-	-	3.1	-	-	732.1	220.5	952.6	705.5
Others	3,676.6	8,208.9	427.0	20.9	626.1	780.6	250.0	13,990.1	(2,065.9)	11,924.3	8,857.9
Total Non-Current Assets	**9,339.8**	**153,405.5**	**9,979.4**	**985.9**	**3,722.7**	**1,822.3**	**1,063.3**	**180,319.1**	**(1,288.2)**	**179,030.8**	**121,737.9**
Total Assets	**15,320.8**	**197,899.4**	**20,079.9**	**1,396.3**	**7,549.4**	**2,743.1**	**2,848.6**	**247,837.5**	**(12,128.6)**	**235,708.9**	**160,623.1**
Shareholders' Equity											
Total Equity Holders of the Company	**(7,630.1)**	**66,334.6**	**(18,647.1)**	**(2,460.4)**	**2,565.6**	**(1,010.4)**	**(3,472.6)**	**35,679.7**	**(44,712.1)**	**(9,032.5)**	**(7,107.0)**
Minority Interest	-	19,739.1	6,744.5	(250.7)	(151.7)	0.0	(1.5)	26,079.7	48,154.8	74,234.6	47,051.4
Total Equity	**(7,630.1)**	**86,073.7**	**(11,902.5)**	**(2,711.1)**	**2,413.9**	**(1,010.4)**	**(3,474.1)**	**61,759.4**	**3,442.7**	**65,202.1**	**39,944.4**
Current Liabilities											
Borrowings	20,901.1	77,297.1	180.4	-	1,380.8	56.7	257.7	100,073.8	8,763.0	108,836.8	70,290.5
Borrowings from Financial Leasing Entities	-	-	-	-	-	79.8	-	79.8	0.0	79.8	77.9
Finance Lease Current Portion	-	90.7	2.9	21.1	3.3	34.7	-	152.6	0.0	152.6	194.8
Trade and Other Payables	1,689.0	12,600.5	5,603.6	1,986.6	1,311.5	2,975.4	4,933.3	31,099.8	(3,591.8)	27,508.0	19,049.2
Shareholder Loan	-	3,645.9	-	1,968.1	-	-	-	5,614.0	(580.4)	5,033.6	9,516.9
Provisions	360.5	141.6	4,139.9	35.2	96.5	29.5	39.1	4,842.3	891.0	5,733.3	3,975.8
Liabilities Held For Sale	-	-	0.2	-	-	-	2.1	2.4	2.5	4.9	3,377.0
Total Current Liabilities	**22,950.6**	**93,775.9**	**9,926.9**	**4,010.9**	**2,792.1**	**3,176.0**	**5,232.3**	**141,864.8**	**5,484.2**	**147,349.0**	**106,482.1**
Non-Current Liabilities											
Borrowings	-	-	39.7	-	2,328.1	-	14.2	2,382.0	(0.0)	2,382.0	1,649.5
Borrowings from Financial Leasing Entities	-	-	-	-	-	448.5	-	448.5	0.0	448.5	401.4
Finance Lease	-	688.7	8.6	86.2	6.2	33.8	-	823.5	0.0	823.5	736.2
Shareholder Loan	-	-	21,907.0	-	-	-	1,070.4	22,977.4	(22,977.4)	(0.0)	(0.0)
Long-Term Liabilities	0.2	17,361.1	100.1	10.3	9.2	95.1	5.9	17,581.9	1,921.9	19,503.8	11,409.6
Total Non-Current Liabilities	**0.2**	**18,049.8**	**22,055.5**	**96.5**	**2,343.4**	**577.4**	**1,090.4**	**44,213.2**	**(21,055.5)**	**23,157.7**	**14,196.7**
Total Liabilities	**22,950.9**	**111,825.7**	**31,982.4**	**4,107.4**	**5,135.5**	**3,753.4**	**6,322.7**	**186,078.1**	**(15,571.3)**	**170,506.7**	**120,678.7**
Total Equity and Liabilities	**15,320.8**	**197,899.4**	**20,079.9**	**1,396.3**	**7,549.4**	**2,743.1**	**2,848.6**	**247,837.5**	**(12,128.6)**	**235,708.9**	**160,623.1**

^T&L represents transportation and Logistics

* Miscellaneous includes UCF, Wafra & Sphinx

** As of 31 December 2023, Qalaa has derecognized/deconsolidated the assets and liabilities of TAQA Arabia and accounts for its remaining interest as an Investment in Associate using the Equity Method and has revalued the remaining interest to its market value.