Qalaa Holdings Reports 2Q 2020 Results

- *ERC inaugurated by President Abdel Fattah El Sisi on 27 September 2020, a testament to the project's strategic importance for Egypt's economy and energy security;*
- *ERC main driver for the robust consolidated top line growth albeit margins severely impacted by COVID-19;*
- *Performance further supported by solid results and strong resilience at TAQA Arabia, National Printing, Nile Logistics & ASEC Holding amidst highly challenging environment;*
- *Continuous adherence to health, safety, and business continuity measures to help manage risks related to COVID-19 and navigate upcoming period of uncertainty without layoffs.*

2Q 2020 Consolidated Income Statement Highlights	
Revenues EGP 7,425.8 mn vs. EGP 3,620.4 mn in 2Q19	
EBITDA EGP 325.6 mn vs. EGP 279.1 mn in 2Q19	Net Profit After Minority EGP (712.1) mn vs. EGP (224.5) mn in 2Q19

1H 2020 Consolidated Income Statement Highlights	
Revenues EGP 17,834.0 mn vs. EGP 7,201.4 mn in 1H19	
EBITDA EGP 1,092.0 mn vs. EGP 655.5 mn in 1H19	Net Profit After Minority EGP (1,117.2) mn vs. EGP (379.1) mn in 1H19

Highlights from Consolidated Balance Sheet as at 30 June 2020	
Consolidated Assets EGP 87,460.5 mn At current book value vs. EGP 86,183.0 mn in FY19	Consolidated Debt EGP 57,160.2 mn Of which EGP 42,834.4 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 quarter ended 30 June 2020, recording total revenue of EGP 7,425.8 million, a 105% y-o-y increase that was driven primarily by the EGP 3,952.9 million contribution from the Egyptian Refining Company (ERC) in 2Q20. Excluding ERC's contribution, Qalaa's revenue would record a 4% y-o-y decline, a marginal decrease considering the global challenges posed by COVID-19. Qalaa's top line was supported by solid performance at ASEC Cement's Al Takamol facility in 2Q20, as well as modest growth at Nile Logistics. On a six-month basis, Qalaa's revenues increased 148% y-o-y to EGP 17,834.0 million in 1H20.

Qalaa's ERC was officially inaugurated by President Abdel Fattah El Sisi on 27 September 2020 as a cornerstone of Egypt's energy security and sustainable economic growth. The megaproject provides a local alternative to imports, helping to meet the increase in consumption in the local market, and integrates economic, social, and environmental returns that are fully in accordance with Egypt's Vision 2030.

ERC is operating smoothly at 100% capacity utilization. While management had been anticipating strong bottom line support from ERC upon commencement of operations, a challenging external environment caused by COVID-

19, coupled with oil markets volatility and pressure on oil prices impacted performance. Narrowing heavy fuel oil (HFO) to diesel spreads have adversely affected results, with ERC recording an EBITDA loss of EGP 8.9 million in 2Q20. Despite the adverse impacts of COVID-19 on ERC's performance for 2Q20, the refinery registered a positive EBITDA of EGP 426.7 million on a six-month basis in 1H20, supported by adequate performance during the first quarter of the year.

Qalaa Holdings witnessed an increase of 17% y-o-y in EBITDA for 2Q20 to EGP 325.6 million despite ERC's EBITDA losses. Qalaa's EBITDA performance was primarily driven by TAQA Arabia with solid profitability at TAQA's gas and power divisions. Qalaa's profitability was further supported by ASEC Holding, driven by improved results at its Al Takamol facility in Sudan, as well as improved operational efficiencies at Nile Logistics and National Printing. On a six-month basis, Qalaa Holdings recorded an EBITDA increase of 63%, reaching EGP 1,092.0 million in 1H20.

Qalaa Holdings recorded a net loss after minority interest of EGP 712.1 million in 2Q20 compared to a net loss of EGP 224.5 million in 2Q19. This was mainly due to losses incurred by ERC on account of COVID-19 and overall soft oil markets with consequent pressure on HFO & diesel spreads. ERC booked a net loss before minority interest of EGP 1,987.4 million in 2Q20. It is worth mentioning that Qalaa's effective stake in ERC stands at c.13.1%.

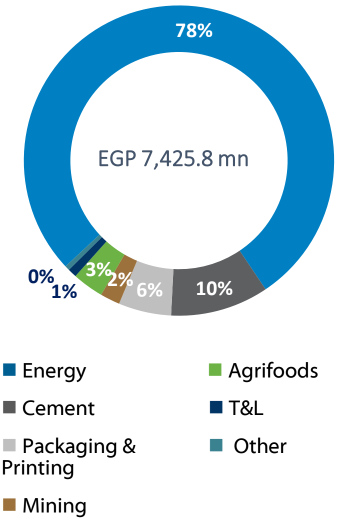
COVID-19 Developments

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.

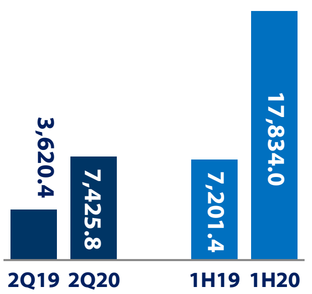
Financial and operational highlights follow, as do management's comments and overview of the performance of different business units. Full financials are now available for download at ir.qalaaholdings.com.

Financial and Operational Highlights

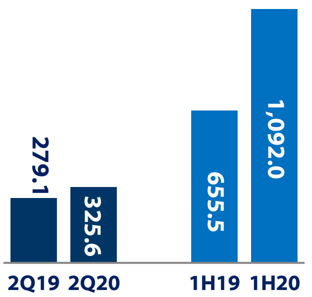
QALAA HOLDINGS CONSOLIDATED REVENUES 2Q20



REVENUE PROGRESSION (EGP mn)



EBITDA PROGRESSION (EGP mn)



- **Qalaa recorded consolidated revenue of EGP 7,425.8 million in 2Q20, a 105% y-o-y increase primarily driven by revenue from ERC.**

  ERC recorded a top line of EGP 3,952.9 million in 2Q20, constituting 53.2% of Qalaa Holding's revenue for the quarter. Excluding ERC, Qalaa registered a top line decline of 4% y-o-y in 2Q20, a marginal decrease when considering the global challenges posed by COVID-19.

  Despite an extremely challenging environment in 2Q20, Qalaa's subsidiaries, namely TAQA Arabia, National Printing and Nile Logistics, have shown strong resilience and delivered solid results in the second quarter of 2020. ASEC Holding witnessed robust performance during the second quarter of the year, supported by Sudan's Al Takamol facility on the back of increasing political stability, recovering cement markets and an optimized pricing strategy that helped ASEC Holding's top line grow 22% y-o-y in 2Q20. Moreover, Nile Logistics recorded a 7% y-o-y top line increase in 2Q20 on the back of improved operational performance at its grain storage and Container Depot facilities despite the impacts of COVID-19.

  Top line performance was weighed down by COVID-19 related restrictions that affected Qalaa's mining subsidiary ASCOM's access to export markets and saw lower construction activity in the local market, causing a 32% y-o-y decline in ASCOM's revenues. Additionally, the challenging environment impacted revenues at TAQA Arabia and National Printing, witnessing a year-on-year decline of 5% and 10% respectively. Finally, Dina Farms' consolidated top line remained largely flat in 2Q20.

- **Qalaa recorded an EBITDA increase of 17% y-o-y to EGP 325.6 million in 2Q20 despite the EBITDA loss of EGP 8.9 million at ERC, supported by resilient performance at TAQA Arabia, improved results at ASEC Holding and operational efficiency measures at Nile Logistics and National Printing.**

  TAQA Arabia was the primary driver for EBITDA growth in 2Q20, contributing 51% of Qalaa's EBITDA on the back of year-on-year increases in higher-margin infill clients at TAQA's gas division as well as TAQA Solar's contribution, subsequently leading to a 7% y-o-y increase in TAQA's EBITDA for 2Q20. Additionally, improved performance at Sudan's Al Takamol facility drove a 67% increase in ASEC Holding's EBITDA. Furthermore, improved operational efficiencies at Nile Logistics led to a 140% y-o-y increase in EBITDA for 2Q20. It is worth noting that Nile Logistics' Container Depot and a mine site at ACCM (ASCOM subsidiary) are now connected to the national electricity grid as opposed to the previous reliance on diesel generators, which will further support the subsidiaries' profitability in addition to reducing both companies' carbon footprints – part of Qalaa's sustainability goals.

  At ERC, management has implemented multiple initiatives to mitigate the impacts of COVID-19 and its effect on the refinery's margins, including optimizing product mix by reducing jet fuel production and prioritizing diesel, as well as shifting the refinery's input to 100% atmospheric residue oil (HFO) instead of previously sourcing a portion in crude oil.

- **Selling, general and administrative expenses (SG&A) recorded EGP 365.1 million in 2Q20, an increase of 26% y-o-y on the back of ERC beginning to post a full income statement in 1Q20.**

- **Depreciation and amortization expenses recorded EGP 1,168.6 million in 2Q20, up from EGP 136.2 million in the same period last year driven by the consolidation of ERC's assets.**

- **Bank interest expense recorded EGP 1,022.9 million in 2Q20 compared to EGP 377.5 million in 2Q19.**

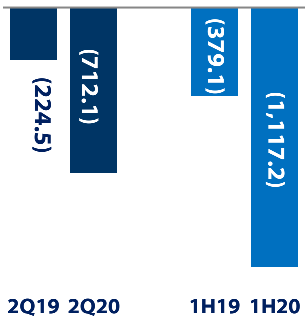
  The increase in interest expense in 2Q20 was primarily driven by ERC, which booked EGP 703.4 million in interest on its debt during the quarter.

- **Qalaa booked provisions of EGP 101.4 million in 2Q20, down from EGP 126.9 million recorded in 2Q19.**

  The provisions are primarily related to ASEC Holding, which recorded EGP 43.6 million in provisions in 2Q20 mainly related to the interest of the signed bank debt settlement that is due end of 2020.

NET PROFIT PROGRESSION

(EGP mn)



- **Qalaa recorded an FX loss of EGP 166.5 million in 2Q20 due to the weakening of the EGP against the USD and its effect on Qalaa's USD-denominated liabilities.**

- **Qalaa Holdings recorded a consolidated net loss after minority interest of EGP 712.1 million in 2Q20 compared to a net loss of EGP 224.5 million in 2Q19.**

  Due to the impacts of COVID-19 and a volatile oil market, ERC alone booked a net loss before minority interest of EGP 1,987.4 million in 2Q20 (Qalaa's effective share in ERC currently stands at c.13.1%.

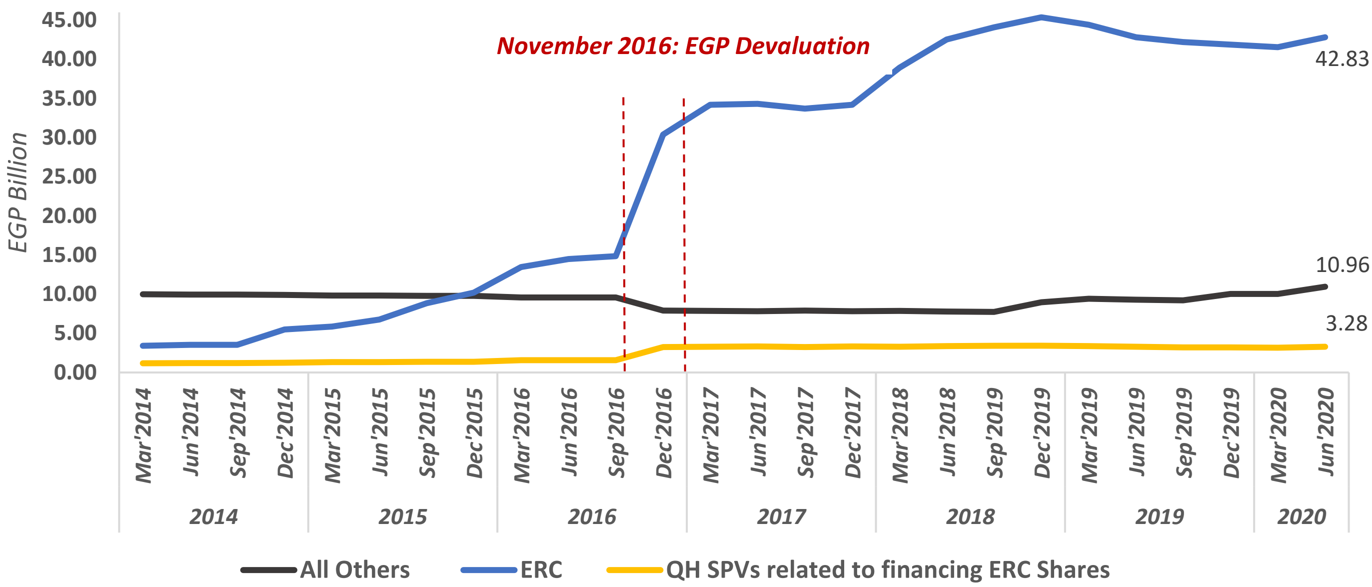
- **Debt restructuring at the holding level and subsidiaries is progressing.**

  Qalaa's debt restructuring efforts at the holding level and at a number of its subsidiaries, along with recent rate cuts, are set to reduce interest expenditure and borrowing balances going forward.

  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 and deferred its June 2020 senior loan principle payment to December 2020, with interest payments being paid as they fall due. However, the company has re-engaged with its senior lenders to further defer the June and December principal payments to 2021 when markets will have hopefully settled, and the challenging external environment caused by COVID-19 eases.

- **Qalaa's consolidated debt excluding ERC and ERC-related debt stood at EGP 10.05 billion as of 30 June 2020, showing an increase compared to balances at 31 March 2020 due to the weakening of the EGP against the USD.** Qalaa's senior debt at the hold level stands at c.USD 240 million, with the EGP's weakening against the USD increasing the company's EGP liabilities.

Debt Progression (EGP bn)



Management Comment

"Qalaa has delivered on several milestones across our subsidiaries that will drive future growth as well as provide further support to mitigate the impacts of COVID-19."

"Despite the full brunt of COVID-19 peaking during the second quarter of the year, a combination of resilience and operational efficiency across our subsidiaries allowed us to minimize the impact on our performance," **said Qalaa Holdings Chairman and Founder Ahmed Heikal**. "Whilst our top line witnessed significant growth on account of ERC's maiden contribution of EGP 3.9 billion, our revenue excluding the refinery's share recorded only a marginal 4% decline which, in management's view, is a commendable achievement given the unprecedent global challenges. This was supported by the breadth of our diversified portfolio and ability to unlock value from strategic sectors. Qalaa's performance was anchored by a recovering cement market and an optimized pricing strategy at ASEC Cement's Al Takamol facility in Sudan, which played a key role in offsetting the impacts of Egypt's underperforming cement market. At Nile Logistics, growth came on the back of rising volumes at our grain storage warehouse despite COVID-19 related delays in shipments, testament to the market's strategic importance, as well as continued smooth operations at our container depot."

"At our energy segment, TAQA Arabia's resilient performance in 2Q20 was key in supporting profitability for the quarter, contributing 51% of Qalaa Holdings' total EBITDA on the back of increased conversions for higher margin infill clients at TAQA's gas division and increased contribution from TAQA Solar," Heikal added. "This helped offset the negative EBITDA contribution from ERC which continued to be impacted by adverse oil market conditions and depressed prices that have significantly narrowed spreads and affected ERC's gross refining margin. To that end, we have worked to optimize ERC's product mix by reducing jet fuel production and prioritizing diesel, while limiting tolling on the refinery's input to help support profitability as we progress further into the year. Overall, we remain confident that as the external environment continues to normalize, we will reap the benefits of ERC's long-term value generating potential," Heikal said.

"In September 2020, we had the honor to host President Abdel Fattah El Sisi for ERC's official inauguration. The President's attendance at the megaproject's inauguration further demonstrates the strategic importance of the state-of-the-art refinery for Egypt's economy and energy security. The project integrates economic, social, and environmental returns that are fully in accordance with Egypt's Vision 2030 and President Sisi's mandate to encourage private sector investments in productive projects that create value. I would like to take this opportunity to once more thank the President for his continued support and the economic reform program which has played a key role in attracting investment in the project," concluded Heikal.

"Qalaa has delivered on several milestones across our subsidiaries that will drive future growth as well as provide further support to mitigate the impacts of COVID-19" **said Hisham El-Khazindar, Qalaa Holdings' Co-Founder and Managing Director**. "We have successfully connected Nile Logistics' container depot and a mine site at ACCM to the national grid, which will optimize these subsidiaries' cost structure, allow them to reap the benefits of consistent energy as opposed to the previous reliance on diesel generators and reduce their carbon footprint. At National Printing, the company has concluded the relocation of its new state-of-the-art corrugated sheets/boxes plant and we are confident that it will expand the company's offering and diversify its product range as well as position National Printing to penetrate new markets. Finally, at TAQA Arabia, we expect operations at its Sixth of October industrial zone substation to commence by the end of 2020 and we continue to push forward with the rollout of new CNG and fuel marketing stations."

"Additionally, Qalaa is continuously capitalizing on its relationships with lenders and seeking financing channels that will help support the company's liquidity position going forward. For instance, following our outline for a debt deferral proposal for ERC and consequent agreement for lenders to defer the June 2020 payment to December, we have re-engaged lenders to further defer payments to 2021 when oil markets are expected to stabilize, upon which management will work to optimally complete a full restructuring of ERC's debt," El-Khazinder added.

"The linchpin of Qalaa's success will continue to be its vast team of c.17,000 highly qualified employees, which we are proud to have fully retained during these challenging times. Qalaa will continue to adopt strict health and safety protocols across its operations until the COVID-19 situation settles. In the meantime, we will continue to closely observe our markets and are hopeful that as measures continue to ease and global economies settle, our company will emerge as a stronger organization well-positioned for our desired trajectory towards strong bottom line profitability," 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	Egyptian Refining Company; TAQA Arabia; Tawazon
	Cement	ASEC Holding
	Packaging and Printing	National Printing (Grandview)
	Mining	ASCOM
	Agrifoods	ICDP & Dina Farms
	Transportation & Logistics	Nile Logistics; Nile Barges (Sudan)
	Metallurgy	United Foundries
Equity Method Consolidated Companies (Share of Associates)	Mining	ASCOM Precious Metal (APM - Ethiopia)
	Energy	Castrol Egypt (TAQA Marketing – British Petroleum JV)
	Publishing & Retail	Tanweer
	Healthcare	Allmed

Qalaa Holdings Consolidated Income Statement (in EGP mn)

	1Q 2020	2Q 2020	1H 2020	1Q 2019	2Q 2019	1H 2019
Revenue	10,408.2	7,425.8	17,834.0	3,581.0	3,620.4	7,201.4
COS	(9,286.1)	(6,721.1)	(16,007.2)	(2,933.4)	(3,051.1)	(5,984.5)
Gross Profit	**1,122.1**	**704.7**	**1,826.8**	**647.5**	**569.3**	**1,216.9**
Advisory Fee	-	-	-	-	-	-
Share in associates' results	(0.8)	(2.6)	(3.4)	0.3	(1.5)	(1.2)
Total Operating Profit	**1,121.3**	**702.1**	**1,823.4**	**647.9**	**567.8**	**1,215.7**
SG&A	(373.1)	(365.1)	(738.1)	(277.9)	(290.1)	(568.1)
Other inc/exp-Net	3.2	3.6	6.8	11.1	9.8	20.9
EBITDA before one-off charges	**751.4**	**340.6**	**1,092.0**	**381.0**	**287.5**	**668.5**
SG&A (Non recurring)	21.8	(15.0)	6.8	(4.6)	(8.4)	(13.0)
EBITDA	**773.2**	**325.6**	**1,098.8**	**376.4**	**279.1**	**655.5**
Dep./Amort.	(711.0)	(1,168.6)	(1,879.6)	(125.8)	(136.2)	(262.0)
EBIT	**62.2**	**(843.0)**	**(780.8)**	**250.6**	**142.9**	**393.5**
Bank interest exp.	(1,041.1)	(1,022.9)	(2,064.0)	(367.5)	(377.5)	(745.0)
Bank PIK	(32.6)	(26.4)	(59.1)	(32.8)	(24.3)	(57.1)
Bank Fees (ERC - PIK)	-	-	-	(37.6)	3.3	(34.3)
3rd party Shareholder	(74.3)	(79.7)	(154.1)	(64.8)	(71.8)	(136.6)
Interest income	104.6	98.0	202.6	72.5	64.7	137.2
Lease Payments	(32.6)	(13.7)	(46.3)	(8.6)	(3.7)	(12.3)
EBT (before one-offs)	**(1,013.9)**	**(1,887.7)**	**(2,901.6)**	**(188.2)**	**(266.4)**	**(454.6)**
Gain (Loss) on sale of investments	47.0	0.0	47.0	-	27.8	27.8
Impairments/write downs	(18.5)	(15.6)	(34.1)	(4.8)	(3.0)	(7.8)
Acquisitions and restructuring	(25.9)	(0.3)	(26.1)	(6.8)	(3.9)	(10.7)
Layoffs/Severances	(5.3)	(10.8)	(16.1)	(2.7)	(1.4)	(4.2)
CSR	(6.3)	(2.8)	(9.1)	(2.5)	(0.1)	(2.7)
Provisions	(103.7)	(101.4)	(205.0)	(67.4)	(126.9)	(194.3)
Discontinued operations *	(6.3)	(1.4)	(7.6)	(17.2)	(42.8)	(60.1)
Forex	150.4	(166.5)	(16.1)	181.3	221.1	402.4
EBT	**(982.5)**	**(2,186.4)**	**(3,168.9)**	**(108.4)**	**(195.7)**	**(304.1)**
Taxes	(600.6)	(315.3)	(915.9)	(63.1)	(82.5)	(145.6)
NP/L Including Minority Share	**(1,583.1)**	**(2,501.7)**	**(4,084.8)**	**(171.5)**	**(278.2)**	**(449.7)**
Minority Interest	(1,178.0)	(1,789.6)	(2,967.6)	(16.8)	(53.7)	(70.6)
NP/L for the Period	**(405.1)**	**(712.1)**	**(1,117.2)**	**(154.6)**	**(224.5)**	**(379.1)**

* 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 30 June 2020 (in EGP mn)

			Energy			Cement	T&L^	Mining	Agrifoods		Others			
	QH	SPVs	Orient	Silverstone	Tawazon	NDT	CCTO	ASCOM	Falcon	Wafra	Misc.*	Grandview	Elimination	2Q 2020
Revenue	-	-	3,952.9	1,720.6	23.3	788.6	71.4	158.5	251.4	-	38.1	423.6	(2.6)	7,425.8
Cost of Sales	-	-	(3,831.1)	(1,508.2)	(42.6)	(694.3)	(30.5)	(117.9)	(177.7)	-	(31.3)	(288.6)	1.1	(6,721.1)
Gross Profit	**-**	**-**	**121.8**	**212.3**	**(19.3)**	**94.3**	**40.9**	**40.5**	**73.7**	**-**	**6.8**	**135.0**	**(1.5)**	**704.7**
Advisory fee	23.6	-	-	-	-	-	-	-	-	-	-	-	(23.6)	-
Share in Associates' Results	-	-	-	-	-	-	-	-	-	-	-	-	(2.6)	(2.6)
Total Operating Profit	**23.6**	**-**	**121.8**	**212.3**	**(19.3)**	**94.3**	**40.9**	**40.5**	**73.7**	**-**	**6.8**	**135.0**	**(27.7)**	**702.1**
SG&A	(35.9)	(1.5)	(116.6)	(50.3)	(4.3)	(35.4)	(13.1)	(38.0)	(38.4)	-	(6.6)	(47.6)	22.8	(365.1)
Other Income/Expenses (Net)	-	0.4	0.9	0.9	0.2	(0.3)	0.1	0.3	(1.8)	-	3.4	(0.5)	-	3.6
EBITDA (before one-offs)	**(12.3)**	**(1.1)**	**6.1**	**162.9**	**(23.3)**	**58.6**	**27.9**	**2.8**	**33.4**	**(0.0)**	**3.7**	**86.9**	**(4.9)**	**340.6**
Dividends Income	-	2.7	-	-	-	-	-	-	-	-	-	-	(2.7)	-
SG&A (Non recurring)	(0.2)	-	(15.0)	-	-	2.7	-	-	(2.6)	-	-	0.1	-	(15.0)
EBITDA	**(12.5)**	**1.6**	**(8.9)**	**162.9**	**(23.3)**	**61.2**	**27.9**	**2.8**	**30.8**	**(0.0)**	**3.7**	**87.0**	**(7.6)**	**325.6**
Depreciation & Amortization	(0.6)	-	(1,012.0)	(34.6)	(3.6)	(32.1)	(16.0)	(22.6)	(18.3)	(0.2)	(1.2)	(13.7)	(13.6)	(1,168.6)
EBIT	**(13.1)**	**1.6**	**(1,020.9)**	**128.3**	**(26.9)**	**29.1**	**11.9**	**(19.9)**	**12.5**	**(0.2)**	**2.5**	**73.3**	**(21.2)**	**(843.0)**
Bank Interest Expense	(98.3)	(39.8)	(703.4)	(85.0)	(1.1)	(10.8)	(36.3)	(14.1)	1.6	-	(1.1)	(34.7)	-	(1,022.9)
Bank PIK	-	(26.4)	-	-	-	-	-	-	-	-	-	-	-	(26.4)
3rd Party Shareholder	-	(12.3)	(20.9)	-	-	(127.6)	(16.1)	-	-	-	(8.3)	-	105.5	(79.7)
Interest Income	66.1	35.9	0.5	87.0	-	1.6	-	0.1	0.1	-	-	5.1	(98.5)	98.0
Lease Payments	-	-	2.4	(7.3)	-	(0.2)	(6.7)	0.2	(0.8)	-	-	(1.3)	-	(13.7)
EBT (before one-offs)	**(45.3)**	**(41.0)**	**(1,742.3)**	**123.0**	**(28.0)**	**(107.8)**	**(47.2)**	**(33.7)**	**13.4**	**(0.2)**	**(6.9)**	**42.5**	**(14.3)**	**(1,887.7)**
Gain (Loss) on sale of investments	-	(6.5)	-	-	-	-	-	-	-	-	-	-	6.5	-
Impairments/Write-downs	(43.6)	(189.2)	3.1	(10.4)	0.8	0.4	-	-	(0.1)	-	(2.4)	(7.2)	232.9	(15.6)
Acquisitions and restructuring	(0.3)	-	-	-	-	-	-	-	-	-	-	-	-	(0.3)
Layoffs/Severances	(3.2)	-	(6.7)	-	-	(0.8)	-	-	(0.1)	-	-	-	-	(10.8)
CSR	0.1	-	(0.1)	(2.8)	-	-	-	-	-	-	-	-	-	(2.8)
Provisions	-	(49.2)	-	(6.6)	-	(43.6)	(0.2)	5.1	-	-	-	(0.1)	(6.7)	(101.4)
Discontinued Operations **	-	-	-	-	-	(1.4)	-	-	-	-	-	-	-	(1.4)
FOREX	(85.3)	1.5	18.1	(6.0)	(2.1)	(62.8)	5.0	(6.4)	(6.8)	1.9	(20.4)	0.6	(3.8)	(166.5)
EBT	**(177.5)**	**(284.3)**	**(1,727.8)**	**97.2**	**(29.3)**	**(216.1)**	**(42.5)**	**(34.9)**	**6.5**	**1.7**	**(29.8)**	**35.8**	**214.6**	**(2,186.4)**
Taxes	(0.1)	-	(259.6)	(45.6)	-	(4.2)	-	-	(1.2)	-	0.2	(6.2)	1.4	(315.3)
Net P/L Before Minority Share	**(177.6)**	**(284.3)**	**(1,987.4)**	**51.5**	**(29.3)**	**(220.3)**	**(42.5)**	**(34.9)**	**5.3**	**1.7**	**(29.6)**	**29.6**	**216.0**	**(2,501.7)**
Minority Interest	-	-	(1,167.9)	19.3	(12.1)	40.8	(19.7)	(2.2)	-	-	-	22.4	(670.1)	(1,789.6)
Net Profit (Loss)	**(177.6)**	**(284.3)**	**(819.5)**	**32.3**	**(17.2)**	**(261.1)**	**(22.8)**	**(32.7)**	**5.3**	**1.7**	**(29.6)**	**7.3**	**886.1**	**(712.1)**

* 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 Income Statement by Sector for the six-month period ending 30 June 2020 (in EGP mn)

			Energy			Cement	T&L^	Mining	Agrifoods		Others			
	QH	SPVs	Orient	Silverstone	Tawazon	NDT	CCTO	ASCOM	Falcon	Wafra	Misc.*	Grandview	Elimination	1H 2020
Revenue	-	-	10,781.9	3,708.9	56.1	1,336.2	158.0	386.9	463.4	-	100.7	854.7	(12.8)	17,834.0
Cost of Sales	-	-	(10,120.1)	(3,258.9)	(80.5)	(1,220.1)	(64.6)	(278.3)	(318.0)	-	(86.1)	(590.3)	9.8	(16,007.2)
Gross Profit	**-**	**-**	**661.8**	**449.9**	**(24.4)**	**116.1**	**93.4**	**108.6**	**145.5**	**-**	**14.7**	**264.4**	**(3.0)**	**1,826.8**
Advisory fee	49.7	-	-	-	-	-	-	-	-	-	-	-	(49.7)	0.0
Share in Associates' Results	-	-	-	-	-	-	-	-	-	-	-	-	(3.4)	(3.4)
Total Operating Profit	**49.7**	**-**	**661.8**	**449.9**	**(24.4)**	**116.1**	**93.4**	**108.6**	**145.5**	**-**	**14.7**	**264.4**	**(56.2)**	**1,823.4**
SG&A	(92.7)	(10.6)	(214.3)	(101.0)	(8.8)	(67.2)	(25.2)	(86.1)	(75.1)	(0.3)	(15.0)	(87.8)	46.1	(738.1)
Other Income/Expenses (Net)	-	(0.2)	0.9	1.4	0.4	1.7	0.1	0.6	(1.8)	-	3.6	-	-	6.8
EBITDA (before one-offs)	**(43.0)**	**(10.8)**	**448.4**	**350.3**	**(32.9)**	**50.5**	**68.3**	**23.0**	**68.6**	**(0.3)**	**3.3**	**176.6**	**(10.1)**	**1,092.0**
Dividends Income	-	2.7	-	-	-	-	-	-	-	-	-	-	(2.7)	-
SG&A (Non recurring)	(0.2)	-	(15.0)	-	-	18.1	-	-	(7.2)	-	-	11.1	-	6.8
EBITDA	**(43.2)**	**(8.1)**	**433.4**	**350.3**	**(32.9)**	**68.6**	**68.3**	**23.0**	**61.4**	**(0.3)**	**3.3**	**187.7**	**(12.9)**	**1,098.8**
Depreciation & Amortization	(1.2)	-	(1,576.1)	(70.6)	(7.1)	(52.4)	(32.3)	(45.8)	(36.5)	(0.2)	(2.4)	(27.8)	(27.2)	(1,879.6)
EBIT	**(44.4)**	**(8.1)**	**(1,142.7)**	**279.8**	**(40.0)**	**16.3**	**36.0**	**(22.8)**	**24.9**	**(0.5)**	**0.9**	**159.9**	**(40.0)**	**(780.8)**
Bank Interest Expense	(201.4)	(94.0)	(1,404.9)	(163.2)	(2.6)	(21.7)	(71.4)	(26.9)	(5.4)	-	(2.1)	(70.4)	-	(2,064.0)
Bank PIK	-	(59.1)	-	-	-	-	-	-	-	-	-	-	-	(59.1)
3rd Party Shareholder	-	(25.5)	(35.0)	-	-	(256.5)	(29.1)	-	-	-	(16.5)	-	208.5	(154.1)
Interest Income	127.9	72.0	18.8	162.9	-	3.2	0.1	5.1	0.1	-	-	5.3	(192.9)	202.6
Lease Payments	-	-	4.7	(14.3)	-	(0.5)	(14.6)	(16.6)	(2.5)	-	-	(2.6)	-	(46.3)
EBT (before one-offs)	**(117.9)**	**(114.6)**	**(2,559.0)**	**265.2**	**(42.6)**	**(259.2)**	**(79.1)**	**(61.0)**	**17.2**	**(0.5)**	**(17.8)**	**92.2**	**(24.4)**	**(2,901.6)**
Gain (Loss) on sale of investments	-	(6.5)	-	-	-	-	-	-	47.0	-	-	-	6.5	47.0
Impairments/Write-downs	(86.4)	(269.5)	3.1	(18.7)	(1.7)	(10.0)	-	(1.0)	(0.1)	-	(6.2)	(9.6)	366.2	(34.1)
Acquisitions and restructuring	(10.0)	-	-	(16.1)	-	-	-	-	-	-	-	-	-	(26.1)
Layoffs/Severances	(4.7)	-	(6.7)	-	-	(4.4)	-	-	(0.3)	-	-	-	-	(16.1)
CSR	0.1	-	(0.1)	(6.1)	-	(3.0)	-	-	-	-	-	-	-	(9.1)
Provisions	(0.2)	(104.8)	-	(13.0)	0.2	(86.2)	(0.5)	9.5	-	-	-	(3.3)	(6.7)	(205.0)
Discontinued Operations **	-	-	-	-	-	(7.6)	-	-	-	-	-	-	-	(7.6)
FOREX	(41.1)	(8.9)	3.5	2.5	(0.9)	30.7	20.7	(5.6)	(1.7)	(1.6)	(5.5)	(0.4)	(7.8)	(16.1)
EBT	**(260.3)**	**(504.4)**	**(2,559.2)**	**213.8**	**(45.1)**	**(339.8)**	**(58.9)**	**(58.1)**	**62.0**	**(2.1)**	**(29.5)**	**78.9**	**333.8**	**(3,168.9)**
Taxes	(0.1)	-	(797.8)	(92.5)	-	(6.3)	-	-	(6.5)	-	0.3	(15.9)	2.8	(915.9)
Net P/L Before Minority Share	**(260.3)**	**(504.4)**	**(3,357.0)**	**121.3**	**(45.1)**	**(346.1)**	**(58.9)**	**(58.1)**	**55.5**	**(2.1)**	**(29.2)**	**62.9**	**336.5**	**(4,084.8)**
Minority Interest	-	-	(1,967.5)	37.8	(18.3)	32.5	(29.0)	(3.5)	-	(0.2)	-	43.5	(1,062.9)	(2,967.6)
Net Profit (Loss)	**(260.3)**	**(504.4)**	**(1,389.5)**	**83.5**	**(26.8)**	**(378.6)**	**(29.8)**	**(54.6)**	**55.5**	**(1.9)**	**(29.2)**	**19.4**	**1,399.4**	**(1,117.2)**

* 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 30 June 2020 (in EGP mn)

		Energy			Cement	T&L^	Mining	Agrifoods		Others				
	QH	Orient	Silverstone	Tawazon	NDT	CCTO	ASCOM	Falcon	Wafra	Misc.*	Grandview	Aggregation	Eliminations/ SPVs	1H 2020
Current Assets														
Trade and Other Receivables	2,059.9	2,489.9	1,563.5	133.5	1,872.2	103.8	346.2	94.5	-	380.5	423.4	9,467.5	(2,822.3)	6,645.1
Inventory	-	329.6	380.7	106.1	722.5	11.2	106.2	138.0	-	27.9	345.7	2,167.8	(0.0)	2,167.8
Assets Held For Sale	-	-	-	-	333.5	-	-	-	-	121.5	-	454.9	(114.2)	340.7
Cash and Cash Equivalents	6.4	827.2	3,463.4	7.2	98.7	21.1	25.8	16.5	-	13.3	128.1	4,607.8	51.7	4,659.5
Others	-	-	-	-	-	-	-	8.9	-	-	-	8.9	4.1	13.0
Total Current Assets	**2,066.3**	**3,646.6**	**5,407.6**	**246.8**	**3,026.9**	**136.1**	**478.2**	**257.8**	**-**	**543.2**	**897.2**	**16,706.9**	**(2,880.7)**	**13,826.2**
Non-Current Assets														
PP&E	33.4	63,716.3	2,242.8	111.4	1,342.9	815.4	809.9	743.5	-	28.5	935.3	70,779.4	575.7	71,355.1
Investments	4,612.2	-	52.1	-	0.2	-	163.6	-	-	-	104.0	4,932.0	(4,626.1)	305.9
Goodwill / Intangible assets	-	-	415.1	32.6	-	-	0.7	-	-	-	-	448.4	101.4	549.8
Others	5,117.3	197.1	224.1	-	461.2	-	-	393.5	-	-	46.0	6,439.1	(5,015.7)	1,423.4
Total Non-Current Assets	**9,762.9**	**63,913.4**	**2,934.1**	**144.0**	**1,804.3**	**815.4**	**974.1**	**1,136.9**	**-**	**28.5**	**1,085.3**	**82,599.0**	**(8,964.7)**	**73,634.3**
Total Assets	**11,829.2**	**67,560.1**	**8,341.8**	**390.9**	**4,831.2**	**951.5**	**1,452.4**	**1,394.7**	**-**	**571.7**	**1,982.5**	**99,305.9**	**(11,845.4)**	**87,460.5**
Shareholders' Equity														
Total Equity Holders of the Company	**4,923.7**	**9,737.7**	**993.8**	**89.1**	**(4,717.4)**	**(842.2)**	**12.5**	**93.2**	**(1,138.9)**	**(397.7)**	**81.9**	**8,835.7**	**(17,566.3)**	**(8,730.7)**
Minority Interest	-	8,178.1	494.9	85.2	1,257.1	(387.9)	(82.0)	-	(12.9)	11.5	264.2	9,808.2	6,660.6	16,468.8
Total Equity	**4,923.7**	**17,915.8**	**1,488.7**	**174.4**	**(3,460.3)**	**(1,230.1)**	**(69.5)**	**93.2**	**(1,151.8)**	**(386.2)**	**346.1**	**18,643.9**	**(10,905.8)**	**7,738.1**
Current Liabilities														
Borrowings	3,885.9	6,336.9	2,310.3	40.6	1,074.4	817.4	745.4	83.5	-	36.3	706.2	16,036.9	2,709.7	18,746.6
Trade and Other Payables	2,916.1	3,598.8	2,255.7	109.7	1,893.4	347.3	571.0	1,028.9	1,150.6	543.9	407.4	14,822.7	(915.4)	13,907.3
Shareholder Loan	-	163.8	-	-	2,172.1	817.4	-	-	-	127.5	-	3,280.7	(817.4)	2,463.4
Provisions	103.6	135.3	241.2	52.7	651.9	28.9	32.5	26.9	1.2	17.7	45.7	1,337.7	393.6	1,731.4
Liabilities Held For Sale	-	-	-	-	-	-	-	-	-	0.7	-	0.7	0.8	1.6
Total Current Liabilities	**6,905.5**	**10,234.8**	**4,807.2**	**203.1**	**5,791.8**	**2,010.9**	**1,348.9**	**1,139.4**	**1,151.8**	**726.2**	**1,159.3**	**35,478.8**	**1,371.4**	**36,850.3**
Non-Current Liabilities														
Borrowings	-	36,497.5	1,390.3	-	-	-	136.4	98.2	-	-	291.2	38,413.6	-	38,413.6
Shareholder Loan	-	711.4	-	-	2,478.6	31.6	-	-	-	231.4	104.2	3,557.2	(2,425.6)	1,131.6
Long-Term Liabilities	-	2,200.4	655.5	13.4	21.1	139.2	36.6	64.1	-	0.3	81.7	3,212.3	114.6	3,326.9
Total Non-Current Liabilities	**-**	**39,409.4**	**2,045.9**	**13.4**	**2,499.7**	**170.7**	**173.0**	**162.2**	**-**	**231.7**	**477.1**	**45,183.1**	**(2,311.1)**	**42,872.1**
Total Liabilities	**6,905.5**	**49,644.2**	**6,853.0**	**216.5**	**8,291.5**	**2,181.6**	**1,521.9**	**1,301.6**	**1,151.8**	**957.9**	**1,636.4**	**80,662.0**	**(939.6)**	**79,722.4**
Total Equity and Liabilities	**11,829.2**	**67,560.1**	**8,341.8**	**390.9**	**4,831.2**	**951.5**	**1,452.4**	**1,394.7**	**-**	**571.7**	**1,982.5**	**99,305.9**	**(11,845.4)**	**87,460.5**

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

Sector Review: Energy

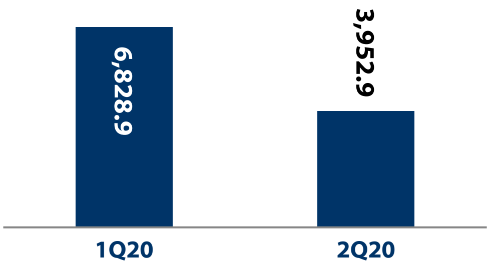
Qalaa Holdings' operational energy companies include the Egyptian Refining Company (petroleum refining), TAQA Arabia (energy generation and distribution) and Tawazon (solid waste management).

QH OWNERSHIP — c.13.1%

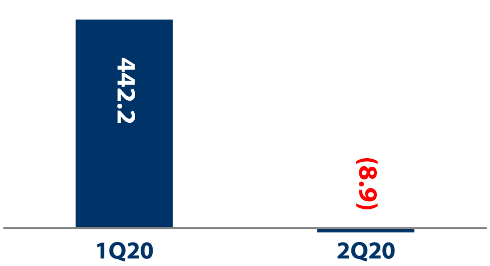
ERC witnesses severe top and bottom line pressure due to global challenges related to COVID-19 and oil market volatility; the refinery was officially inaugurated by President Abdel Fattah El Sisi on 27 September 2020

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. ERC's official inauguration by President Abdel Fattah El Sisi on the 27th of September 2020, is further testament to the project's strategic importance for Egypt's economy and energy security as it provides a local alternative to imports, helping to meet the increase in consumption in the local market. 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.)
Revenues *(EGP mn)*



Orient (ERC Holding Co.)
EBITDA *(EGP mn)*



In 2Q20, ERC refined total feedstock of c.1.2 million tons, including 0.9 million tons of HFO (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.

Product	**LPG**	**Light Naphtha**	**Reformate**	**Fuel Oil**	**Jet Fuel**	**Diesel**	***Total Supplied to EGPC***
2Q20 Quantity (tons)	27,092	75,758	124,298	110,721	3,257.6	650,518	***991,645***
1H20 Quantity (tons)	59,675	152,150	241,301	229,636	147,782	1,192,203	***2,022,747***

ERC's Gross Refining Margin (GRM) was growing steadily since the start of production in August 2019 and peaked at c.USD 3 million per day during the Nov-Dec 2019 period. However, the externally challenging environment caused by COVID-19, coupled with the recent oil market volatility and the pressure on prices has narrowed the spread between HFO and diesel, leading to a decline in GRM to vary between USD 400k-USD 1 million per day and a significant quarter-on-quarter declines in ERC's top line and EBITDA level performance in 2Q20.

Consequently, management has implemented multiple initiatives to mitigate the impacts caused by the challenging external environment, this included optimizing ERC's product mix by reducing jet fuel production and prioritizing diesel as well as shifting the refinery's input to 100% atmospheric residue oil from the Cairo Oil Refining Company (CORC, the state owned refinery) instead of previously sourcing a portion in crude oil to toll through CORC, which helped alleviate some profitability pressures.

Additionally, ERC had issued an outline of a debt deferral proposal to its senior lenders on 30 April 2020 and reached an agreement to defer its June 2020 senior loan principle payment to December 2020, with interest payments being paid as they fall due. However, the company has re-engaged with its senior lenders to further defer the June and December principal payments to 2021 when markets will have hopefully settled, and the challenging external environment caused by COVID-19 eases. Management is constantly monitoring developments and communicating with lenders to be able to optimally engage in a full restructuring of the debt once the state of oil markets and spreads becomes clearer.

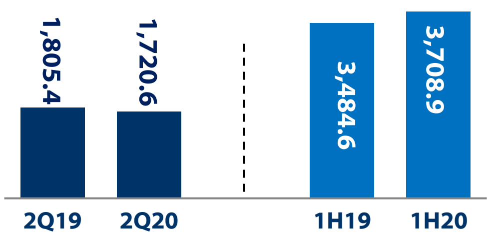
ERC's inauguration ceremony attended by Egypt's President Abdel Fattah El Sisi

TAQA

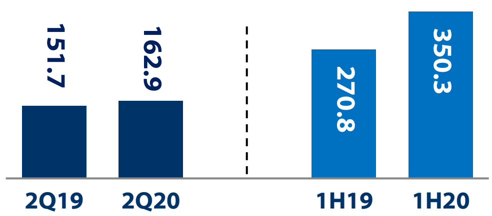
QALAA HOLDINGS OWNERSHIP — 55.9%

TAQA Arabia recorded a 7% year-on-year improvement in EBITDA in 2Q20

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 and has recently expanded into renewable energy through TAQA Solar. Finally, the company's oil marketing division is a fuel and lubricant retailer and distributor.

The company's gas division contributed 21% to TAQA's 2Q20 consolidated revenue and 42% to EBITDA, with the latter being driven by increased volumes of the higher-margin infill clients. Meanwhile, TAQA's power division contributed 20% to revenue in 2Q20 and 64% to EBITDA. Finally, TAQA's marketing arm contributed the lion's share of TAQA Arabia's top line at 61% in 2Q20 while the division's EBITDA contribution was 21%, in line with the lower margins typically associated with the nature of the business.

Segment Breakdown

(EGP mn)	2Q19	2Q20	*% chg*	1H19	1H20	*% chg*
TAQA Arabia Gas Revenues	306.2	361.9	*18%*	658.6	801.7	22%
TAQA Arabia Gas EBITDA	57.4	68.6	*20%*	129.5	175.0	35%
TAQA Arabia Power Revenues	406.1	341.1	*-16%*	669.5	623.7	-7%
TAQA Arabia Power EBITDA	87.1	104.2	*20%*	105.6	122.9	16%
TAQA Arabia Solar Revenues	48.3	51.1	6%	66.0	90.8	38%
TAQA Arabia Solar EBITDA	43.7	45.9	5%	59.6	79.3	33%
TAQA Marketing Revenues	1,110.8	1,057.2	-5%	2,156.5	2,283.4	6%
TAQA Marketing EBITDA	37.3	34.2	-8%	65.0	69.9	8%

TAQA Gas

TAQA Gas recorded solid growth at the top line and EBITDA level in 2Q20 despite gas volumes during the quarter coming in flat versus last year at 1.6 BCM. The company completed 32,992 connections during the quarter, down by 6% y-o-y due to shorter working hours and limited access during the nationwide curfew related to COVID-19. However, 10,867 of those conversions were for higher-margin infill clients, a 32% y-o-y increase from the 8,239 infill clients in 2Q19, which helped drive the division's performance for the quarter. It is worth noting that gas household connections reached 72,117 in 1H20 and exceeded the 100,000-mark year-to-date, indicating a strong recovery in 3Q20.

TAQA Gas' CNG division witnessed a decline in volumes on the back of the externally challenging environment caused by COVID-19, where the nationwide curfew affected sales at filling stations while the slowdown in tourism took a toll on mobile CNG sales. The company currently operates 11 Master Gas CNG stations and is planning to open 10 additional stations before end of year.

TAQA Gas will continue monitoring developments and tailoring safety protocols to ensure continued mitigation of the impacts of COVID-19 and the potential of a second wave.

Total Gas Distributed (2Q20)

1.6
BCM
flat vs 2Q19

Master Gas CNG Stations (2Q20)

10
Stations
vs. 7 as at 2Q19

TAQA Power

TAQA Power witnessed a decline in top line in 2Q20 partly driven by a 20% y-o-y drop in power generation following the conclusion of a Marsa Alam hotel contract in 4Q19. In parallel, power distribution dropped by 55% y-o-y on the back of lower power consumption in commercial areas and hotels due to the nationwide curfew and restrictions on tourism caused by COVID-19. Looking ahead, TAQA Power expects to start operations of its Sixth of October industrial zone substation by the end of 2020, which management anticipates will improve the division's profitability going forward.

Total Power Generated (2Q20)

26.1
M KW/hr
▼20% y-o-y

Total Power Distributed - Touristic/Residential & Commercial (2Q20)

61.9
M KW/hr
▼55% y-o-y

Total Power Distributed - Industrial (2Q20)

126.3
M KW/hr

TAQA Solar
TAQA's renewable energy arm, TAQA Solar, began commercial production at its 65MW solar power plant in Benban, Aswan, in February 2019. TAQA Solar contributed EGP 51.1 million in revenues in 2Q20, up 6% y-o-y, while EBITDA posted a 5% y-o-y growth to EGP 45.9 million. TAQA Solar recorded robust margins on the back of the feed-in-tariff 2 program pricing formula.

Looking forward, TAQA Solar has its eyes set on capturing the value that can be unlocked from the government's agenda of having around 20% of the country's power generated using renewable energy sources by 2022 and doubling that by 2035.


World Bank President visit at Benban Solar Plant, May 2019


TAQA's Solar PV Plant - Benban, Aswan

Solar Energy Generated (2Q20)

44.0
M kW/hr
▲10% y-o-y

TAQA Marketing
TAQA's marketing arm witnessed year-on-year revenue and EBITDA declines for 2Q20. The decline came on the back of a 21% y-o-y drop in gasoline and diesel sales due to the impact of the nationwide curfew as well as lower tourism activity resulting from the COVID- 19 pandemic.

As of 2Q20, the company operated a total of 56 stations across 14 governorates. The company's plan is to roll out eight new stations per annum. Despite the delays in opening new stations due to the suspension of issuing new permits on the back of COVID-19 restrictions, TAQA managed to open one new station in 2Q20 and management is aiming to add three new stations in September.

Total Liquid Fuels Distributed (2Q20)

145,044
M Liters
▼21% y-o-y

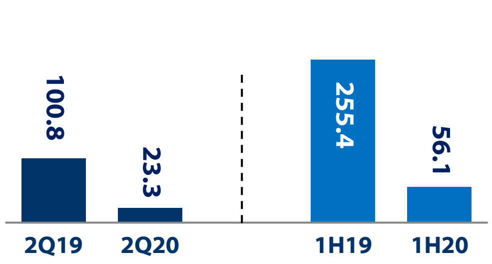
Filling Stations (2Q20)

56
Stations
vs. 51 as at 2Q19

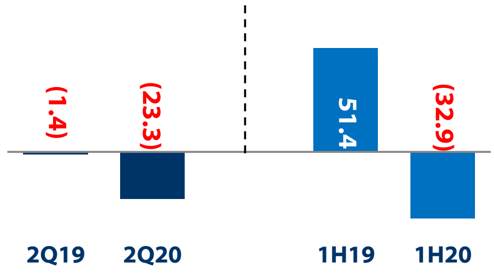
QALAA HOLDINGS OWNERSHIP — 68.1%

Tawazon witnesses declines in performance due to adverse market conditions

Consolidated Tawazon Revenues



Consolidated Tawazon EBITDA



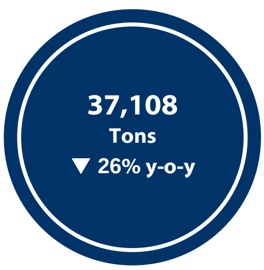
Segment Breakdown

(EGP mn unless otherwise stated)	2Q19	2Q20	% chg	1H19	1H20	% chg
ECARU Revenues	83.8	23.2	-72%	166.7	56.0	-66%
ECARU EBITDA	9.3	(20.7)	N/A	22.3	(27.5)	N/A
ENTAG Egypt Revenues	6.2	0.1	-99%	8.2	0.4	-95%
ENTAG Egypt EBITDA	(1.7)	(2.5)	46%	(4.1)	(5.3)	28%
ENTAG Oman Revenues	11.0	-	-100%	82.5	-	-100%
ENTAG Oman EBITDA	(8.9)	-	-100%	33.7	-	-100%

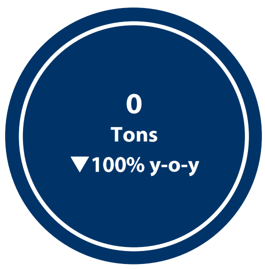
ECARU

ECARU's volumes continued to be impacted by adverse market conditions and the challenging external environment caused by COVID-19 in 2Q20. Consequently, ECARU recorded a 26% y-o-y decline in biomass volumes, reaching 37,108 tons at the end of the quarter. Moreover, delays in renewing two Municipal Solid Waste "MSW" contracts with the government, which expired at the end of February 2020, have prevented ECARU from supplying RDF in 2Q20. Management is tirelessly engaging with the government to renew the contracts and restart production. In parallel, the company is maintaining operations at its agricultural waste division, which produces biomass as well as managing other small projects.

Total Biomass Supplied - ECARU (2Q20)



Total RDF Supplied – ECARU (2Q20)



Sector Review: Cement

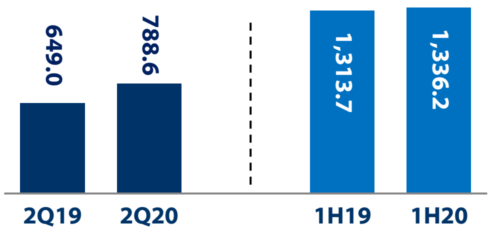
Qalaa Holdings' operational cement platform company is ASEC Holding, which comprises cement manufacturing (ASEC Cement that has two production facilities: Al-Takamol Cement in Sudan and Zahana Cement Co. in Algeria which is under divestment); construction (ARESCO and ASEC Automation); and technical management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

Operational and Financial Performance

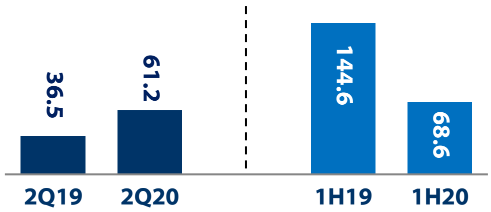
QALAA HOLDINGS OWNERSHIP — 69.3%

ASEC Holding records solid top line and EBITDA growth for 2Q20 supported by improved performance at Sudan's Al Takamol facility

ASEC Holding Consolidated Revenues
(EGP mn)



ASEC Holding Consolidated EBITDA
(EGP mn)



ASEC Holding witnessed solid year-on-year top line and EBITDA performance during the second quarter of the year. Sudan's Al Takamol supported ASEC Holding's performance on the back of increasing political stability, recovering cement markets and an optimized pricing strategy. This helped offset an underperforming cement market in Egypt as well as political unrest and ensuing protests in Algeria hindering production at the Zahana facility (held for sale). It is worthy to note that despite Egypt's cement sector suffering from low demand and oversupply, which was further impacted by COVID-19, ASEC Holding managed to avoid lay-offs across its cement subsidiaries.

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 over the coming period, in turn supporting stronger profitability. Additionally, current borrowings will drop significantly, resulting in a stronger balance sheet and healthier financial/leverage ratios.

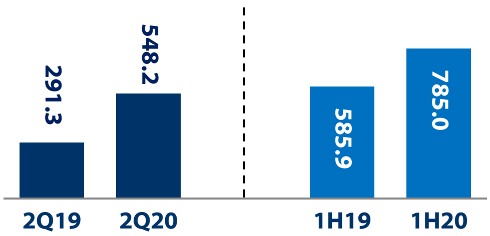
As a result of an underperforming cement market, ARESCO has transitioned from being cement sector dependent to a mainstream contracting company and has successfully landed a number of construction contracts. Moreover. ASEC Automation is expected to follow suit and begin to offer its services to non-cement clients going forward.

QALAA HOLDINGS EFFECTIVE OWNERSHIP — 51.8%^

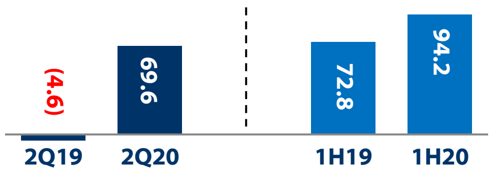
ASEC Cement's profitability witnessed a turnaround and registered positive EBITDA in 2Q20

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 political developments in Algeria .

ASEC Cement Revenues
(EGP mn)



ASEC Cement EBITDA
(EGP mn)



Al Takamol Cement captured a leading market position with the highest market share at 28% in 2Q20. Al Takamol's top line witnessed an increase of 89% y-o-y in SDG terms in 2Q20 owing to a 24% y-o-y increase in volumes, which was supported by the continued price recovery for cement. Despite the devaluation of the Sudanese pound, Al Takamol's revenue performance in EGP terms increased by 35% y-o-y to EGP 383.2 million. Increased sales volume coupled with an optimized pricing strategy helped offset the increase in variable costs linked to raw materials and fuel, in turn supporting Al Takamol's EBITDA which delivered a threefold increase in 2Q20 to EGP 78 million. Looking ahead, Al Takamol's rebound in performance may lose momentum in the short-term, as COVID-19 related border closures disrupted the arrival of spare parts, which delayed scheduled overhauls and pressured the facility's performance in 3Q20.

ASEC Cement Subsidiaries (EGP mn)	2Q19	2Q20	% chg	1H19	1H20	% chg
Al Takamol Cement Revenues	284.5	383.2	*35%*	566.7	593.0	*5%*
Al Takamol Cement EBITDA	25.8	78.0	*202%*	100.9	106.6	*6%*
Zahana (Algeria) Revenues*	145.7	58.0	*-60%*	311.9	130.6	*-58%*
Zahana (Algeria) EBITDA*	45.8	9.5	*-79%*	27.9	16.3	*-42%*

** 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.

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. Despite production resuming in the end of 1Q20, volumes were hindered in 2Q20 due to the challenging environment and witnessed a 51% y-o-y drop from 166K tons to 81K tons, subsequently leading to a 60% decline in revenues for the quarter. Consequently, Zahana's EBITDA recorded a 79% y-o-y decline in 2Q20.

Al-Takamol Total Sales Volume (2Q20)

0.25

MTPA

▲24% y-o-y

Zahana Total Sales Volume (2Q20)

0.08

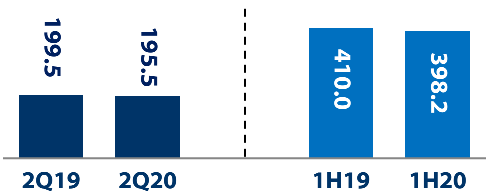
MTPA

▼51% y-o-y

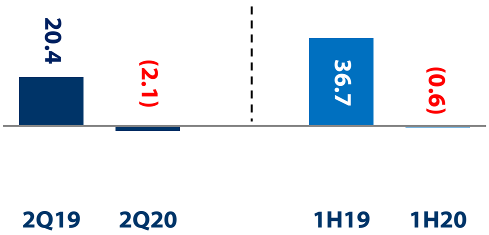
ASEC HOLDING OWNERSHIP — 99.9% (QH effective ownership c.70%)

ASEC Engineering revenues remain largely flat at EGP 195.5 million in 2Q20

ASEC Engineering Revenues
(EGP mn)



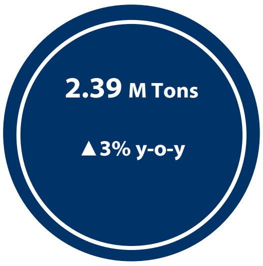
ASEC Engineering EBITDA
(EGP mn)



ASEC Engineering recorded a 3% y-o-y increase in managed clinker production, reaching 2.39 MT in 2Q20. However, revenues declined by 2% y-o-y for the quarter due to an exit from two projects as well as production issues at one of the company's managed plants. ASEC Engineering's EBITDA witnessed a significant year-on-year drop in 2Q20 on the back of increases in fixed costs as higher raw material and SG&A costs.

Management has been working to geographically diversify ASEC Engineering's client base and has successfully signed four new overseas contracts during 1H2020 that have started to offset the negative performance in Egypt.

Managed Clinker Production (2Q20)



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

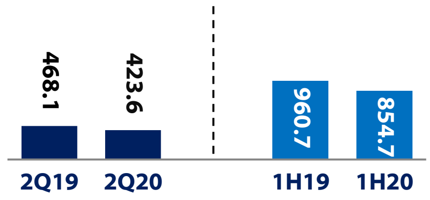
QALAA HOLDINGS OWNERSHIP – 26%

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 for Modern Printing and Packaging ("Shorouk") and El Baddar for Packages ("El 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 and El 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 a large part of its revenues from sales to Shorouk, playing an important role in the company's wider value-adding chain.

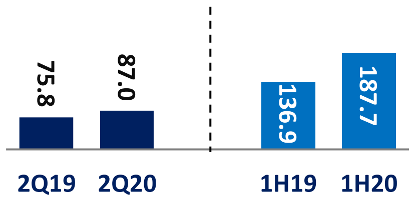
Grandview (National Printing Holding Co.) Revenues

(EGP mn)



Grandview (National Printing Holding Co.) EBITDA

(EGP mn)

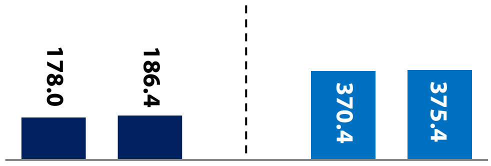


(EGP mn unless otherwise stated)	2Q19	2Q20	% chg	1H19	1H20	% chg
Modern Shorouk Printing & Packaging Revenues	178.0	186.4	*5%*	370.4	375.4	1%
Modern Shorouk Printing & Packaging EBITDA	32.4	44.7	*38%*	70.3	88.8	26%
Uniboard Revenues	220.1	243.0	*10%*	448.0	463.9	4%
Uniboard EBITDA	29.0	37.9	*31%*	41.8	78.5	88%
El Baddar Revenues	93.9	57.1	*-39%*	191.7	110.8	-42%
El Baddar EBITDA	9.9	5.3	*-47%*	18.5	7.7	-58%

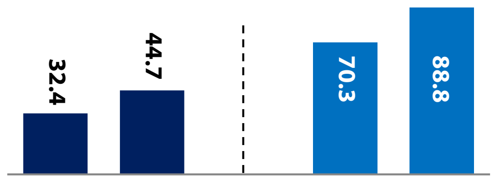
Shorouk

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

Shorouk Revenues
(EGP mn)



Shorouk EBITDA
(EGP mn)



Shorouk Printing – Duplex and Laminated Carton Production

Shorouk recorded a 5% y-o-y increase in revenues to EGP 186.4 million on account of better pricing as volumes remained flat in 2Q20. The improvement comes despite the decreased hours of operation at the facility on account of the nationwide curfews due to COVID-19 during 2Q20. Profitability also improved with EBITDA increasing 38% y-o-y for the quarter to EGP 44.7 million, driven by lower production costs, a tight rein on fixed expenses and improved pricing.

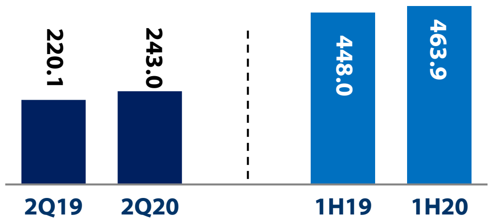
Shorouk Total Volumes Sold (2Q20)

7,598
Tons

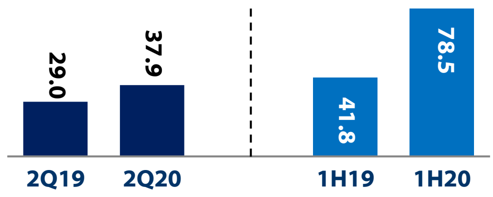
flat y-o-y

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

Uniboard Revenues



Uniboard EBITDA



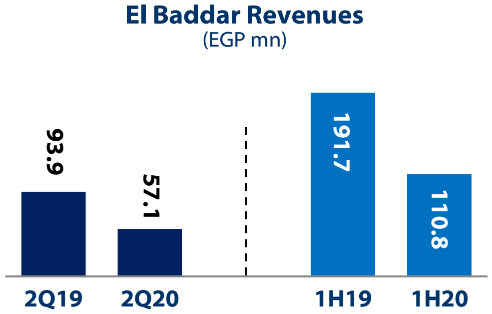
Uniboard's revenues increased by 10% y-o-y in 2Q20, driven by a 16% y-o-y increase in volumes to 39,538 tons for the quarter. On the profitability front, Uniboard witnessed a 31% y-o-y increase in EBITDA in 2Q20, driven by the company's improved operational efficiency as well as a decline in raw materials costs. It is worth noting that raw materials constitute 60% of Uniboard's total variable cost. Looking forward, management aims to double production in 2021 in comparison to the current year.

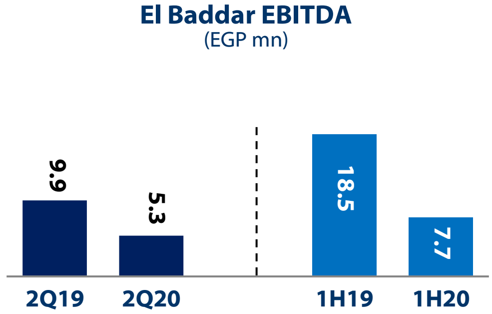
Uniboard – Duplex Board Production

Duplex Board Volumes Sold (2Q20)

29,538
Tons
▲16% y-o-y

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





El Baddar – Corrugated Sheet Production

El Baddar recorded a 39% y-o-y decline in revenues in 2Q20 on the back of a 30% y-o-y decrease 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 of El Baddar's plant. The company has finalized the relocation of its new state-of-the-art plant, which is expected to commence operations towards the end of 2020 and has a set a target to achieve production levels of 33,000 tons in 2021. Management is confident that the new facility will expand El Baddar's product range and better position the company to penetrate new markets.

Corrugated Sheets/Boxes Volumes Sold (2Q20)

5,351
Tons
▼30% y-o-y

Sector Review: Mining

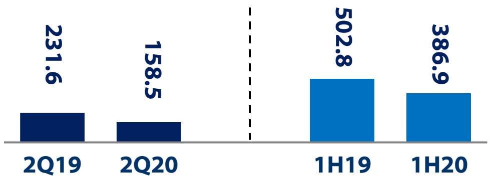
Qalaa Holdings' operational platform in the mining sector is ASCOM, which includes operating companies ASCOM, ASCOM for Chemicals & Carbonates Manufacturing (ACCM), GlassRock, and ASCOM Precious Metals (which is consolidated under the equity method as a share of associates' results).

ASCOM GEOLOGY & MINING

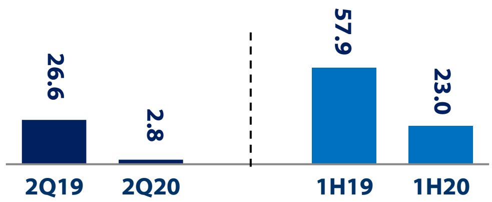
QALAA HOLDINGS OWNERSHIP — 54.1%

ASCOM's top line impacted by challenging environment in 2Q20, however, markets picked up in July

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 2Q20 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)	2Q19	2Q20	% chg	1H19	1H20	% chg
ACCM Revenues (in USD mn)	6.4	3.4	-48%	12.7	9.0	-29%
ACCM EBITDA (in USD mn)	1.3	(0.1)	low	2.5	0.3	-88%
GlassRock Revenues (in USD mn)	1.9	1.3	-34%	4.9	3.5	-28%
GlassRock EBITDA (in USD mn)	(0.1)	(0.04)	-36%	0.4	0.04	-90%
Egypt Quarrying Revenues	92.4	84.5	-9%	200.5	182.8	-9%
Egypt Quarrying EBITDA	5.8	8.1	38%	8.9	18.4	107%
Other Quarry Management Revenues – ex Egypt	-	6.5	N/A	-	6.9	N/A
Other Quarry Management EBITDA – ex Egypt	(0.7)	(0.3)	-58%	(0.8)	(0.3)	-60%

ACCM

The challenging external environment due to COVID-19 continued in 2Q20, which restricted access to export markets and subsequently led to a 47% y-o-y decline in ACCM's volumes for the quarter. Additionally, a dip in the company's top line as well as decreased export incentive proceeds led to a decline in EBITDA and profitability in 2Q20. However, as COVID-19 restrictions were eased, the company's performance began to recover in July with healthier margins anticipated for 3Q20. Going forward, management will continue to diversify its sales channels and place greater emphasis on targeting local markets, whilst continuing to serve export markets as containment measures continue to ease. This strategy will position the company to 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

GlassRock's revenues and EBITDA declined year-on-year in 2Q20 due to the impacts of COVID-19 on the local construction sector. However, markets began to pick up in 3Q20 and the company witnessed a ramp up in production levels, which reflected positively on profitability and saw GlassRock record an EBITDA of USD 140K in July, a substantial increase when compared to the USD 42K achieved in 1H20. It is worth noting that the company's debt restructuring efforts culminated in reaching a final agreement with lenders, which entails a longer repayment period and savings on interest expense. The agreement 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 2Q20 despite of lower sales volumes and revenues.

ACCM Volumes Sold (2Q20)	Egypt Quarrying Volumes Sold (2Q20)	GlassRock Volumes Sold (2Q20)
44.0	4.0	0.9
K Tons	M Tons	K Tons
▼47% y-o-y	▼24% y-o-y	▼51% y-o-y

Sector Review: Agrifoods

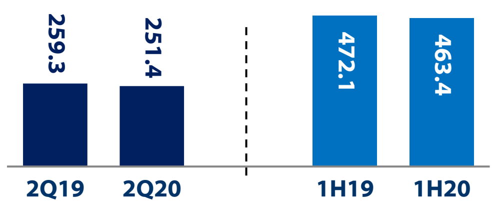
Agrifoods companies consolidated under parent company Gozour (multicategory agriculture and consumer foods) include Dina Farms and ICDP (Dina Farms' fresh dairy producer).

QALAA HOLDINGS OWNERSHIP — 54.9%

Dina Farms continues to implement its efficiency initiatives and ICDP presses on with its SKU diversification strategy

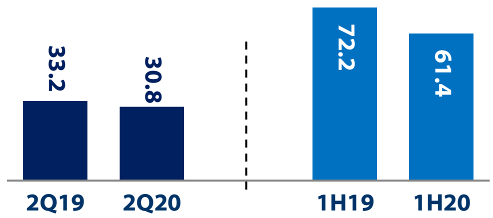
Consolidated Gozour Revenues

(EGP mn)



Consolidated Gozour EBITDA

(EGP mn)



Gozour (Dina Farms Holding Co) recorded a 3% y-o-y decline in consolidated revenue despite top line growth of 5% y-o-y at Dina Farms and flat year-on-year revenue at ICDP. The consolidated decline was a result of intercompany sales between both subsidiaries. Meanwhile, Gozour's 7% y-o-y drop in EBITDA during 2Q20 was primarily driven by lower profitability at ICDP due to higher raw material costs, which have not been fully passed on to the consumer. In 1H20, revenue declined 2% y-o-y to EGP 463.4 million while EBITDA declined 15% y-o-y to EGP 61.4 million.

Gozour Subsidiaries (EGP mn)	2Q19	2Q20	*% chg*	1H19	1H20	*% chg*
Dina Farms Revenues	203.6	213.8	5%	369.0	393.7	7%
Dina Farms EBITDA	44.5	46.9	5%	92.5	94.1	2%
ICDP Revenues (Fresh Dairy producer)	57.6	57.6	-0.1%	117.8	113.7	-4%
ICDP EBITDA	3.2	1.3	-61%	8.2	2.4	-71%

Dina Farms management continued the implementation of multiple key efficiency initiatives and facility enhancements going in to the second quarter of the year. 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. Management's efficiency efforts were reflected in 2Q20, with raw milk production up 5% y-o-y to 21,188 tons despite a 6% y-o-y decline in the number of milking cows during the quarter.

This improvement is reflected in the 10% y-o-y increase in “raw milk sales per milking cow”, a metric that has seen a positive upward trend since the implementation of management’s efficiency efforts.

ICDP witnessed a 7% y-o-y decline in total SKU volumes in 2Q20 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. Nonetheless, the company’s revenue remained flat year-on-year at EGP 57.6 million in 2Q20. On the profitability front, EBITDA dropped 61% y-o-y due to higher raw material costs which have not been passed on to consumers pending favorable market conditions. Moreover, the company’s newly launched juice product is performing well and showcasing consistent sales growth coupled with healthy margins. Management is optimistic that the new product will help grow ICDP’s profitability over the coming period and is planning a ramp up of production at ICDP’s yogurt line to promote growth and support the company’s performance going forward.

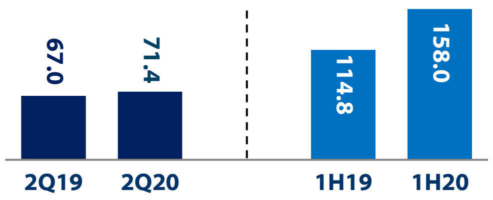
Sector Review: Transportation & Logistics

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

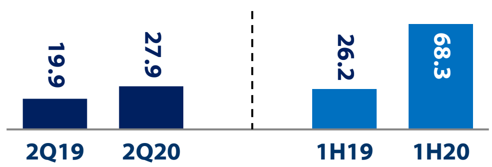
QALAA HOLDINGS OWNERSHIP — 67.6%

Nile Logistics delivers top line growth and a surge in EBITDA despite the impact of COVID-19

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. The company recorded top line growth of 7% y-o-y in 2Q20 to EGP 71.4 million. EBIITDA surged by 140% y-o-y to EGP 27.9 million in 2Q20 on the back of improved operational efficiencies. On a year-to-date basis, the company recorded a 38% y-o-y increase in revenue in 1H2020, while EBITDA recorded a strong 261% y-o-y growth.

CCTO Subsidiaries (EGP mn)	2Q19	2Q20	% chg	1H19	1H20	% chg
Nile Logistics Revenues (EGP mn)	58.5	62.4	7%	94.4	134.7	43%
Nile Logistics EBITDA (EGP mn)	18.8	26.1	39%	22.3	56.1	151%
Nile Barges (South Sudan) Revenues (USD mn)	0.5	0.7	33%	1.2	1.6	35%
Nile Barges (South Sudan) EBITDA (USD mn)	0.3	0.5	44%	0.9	1.2	42%

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*

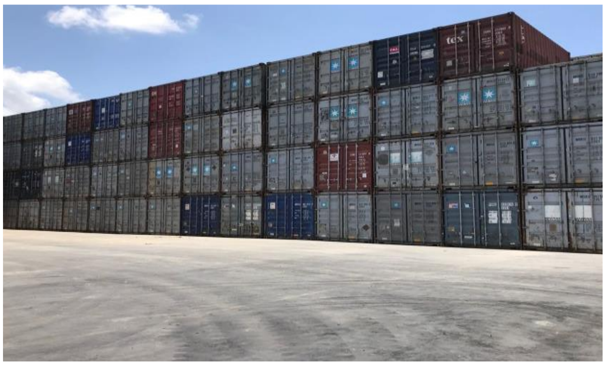
Nile Logistics recorded a 7% y-o-y top line increase in 2Q20 on the back of improved operational performance during May and June after being negatively impacted by COVID-19 throughout April. Contribution margins remained healthy and EBITDA recorded a 39% y-o-y increase compared to the same period last year.

Nile Logistics' new grain storage warehouse, which launched in September 2019, handled 146 thousand tons of grain in 2Q20. Despite the impacts of COVID-19 on grain markets, which caused a halt in operations at European ports and led to delays in shipments, the grain storage warehouse witnessed a 33% q-o-q increase in volumes handled in 2Q20, a testament to the market's strategic importance.

Grain Storage Warehouse, Nubareya Port

Nile Logistics' Inland Container Depot's operations ran smoothly over the course of 2Q20, recording top line growth of 22% y-o-y for the quarter. Volumes grew by 39% y-o-y in 2Q20 with the facility handling a total of 20.3 thousand Twenty-foot Equivalent Units.

In July 2020, the depot witnessed an operational milestone with the facility now being connected to the national electricity grid as opposed to the previous reliance on diesel generators. This is in line with management's strategy of enhancing operational efficiency and reducing operational costs going forward as well as reducing the portfolio's carbon footprint. Management also remains committed to its policy of minimizing the use of third-party outsourcing contracts while maintaining full in-house ownership of assets.

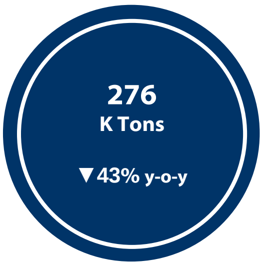


Nile Logistics Storage Facilities near Alexandria Port

Nile Logistics' stevedoring operations recorded a 43% y-o-y decrease in volumes at 276 thousand tons of coal/pet coke handled in 2Q20. The decline in volumes was due to COVID-19 and its impact on economic activity, as well as the government's freeze of construction licenses pending a revision of developers' legal and civil pre-requisites. This decision directly impacts cement companies, which are the primary coal importers. However, starting June 2020 volumes of coal/pet coke began to normalize to reach 106 thousand tons and recorded a strong increase in July to 184 thousand tons handled.

Nahda Coal/Pet Coke Storage Facility

Coal/Pet Coke Tons Handled (2Q20)



Grain Tons Handled – Alexandria (2Q20)

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 owns three pushers with only one in operation, the other two are undergoing refurbishment and are expected to commence operations by mid-2021. Annually, Nile Barges aims to successfully complete four trips using the existing pusher.

Nile Barges recorded USD 700 thousand in revenues and USD 500 thousand in EBITDA during the second quarter of 2020.

ENERGY

CEMENT

PRINTING & PACKAGING

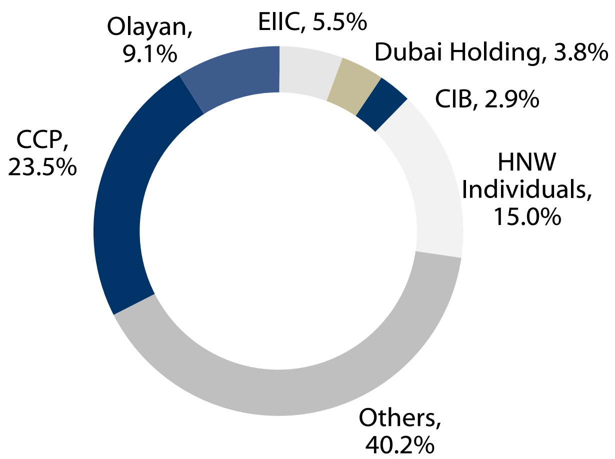
MINING

AGRIFOODS

TRANSPORTATION & LOGISTICS

SHAREHOLDER STRUCTURE

(as at 30 June 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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