CAIRO, EGYPT: 28 September 2022

Qalaa Holdings Reports 2Q 2022 Results

- *Qalaa's consolidated revenue rose 165% year-on-year to EGP 26,981.2 million in 2Q22, and recurring EBITDA reached EGP 9,024.5 million versus EGP 750.0 million in 2Q21, backed by strong performance across all subsidiaries and improved refining margins at ERC;*
- *Qalaa turned the profitability corner booking a net profit of EGP 361.6 million in 2Q22 compared to a net loss of EGP 401.5 million in the same quarter last year;*
- *ERC was the main driver behind consolidated revenue growth, contributing c.80% to Qalaa's total revenue in 2Q22;*
- *Excluding ERC, Qalaa's revenue expanded by 32% year-on-year and recurring EBITDA increased by 105% year-on-year in 2Q22 driven by positive performances across Qalaa's subsidiaries;*
- *TAQA Arabia's solid top line results reflect strong performance at TAQA Petroleum and were further supported by higher power distribution volumes at TAQA Power and volume growth at TAQA Gas;*
- *ASEC Holding's growing revenue was driven by a strong performance in Al-Takamol Cement, which accounted for 79% of the ASEC Holding's revenue. Al-Takamol Cement performance is expected to suffer from political turmoil in Sudan;*
- *National Printing saw improved volumes and capitalized on higher prices at all its companies. El Baddar state-of-the-art facility delivered substantial volume growth despite not operating at full capacity yet;*
- *ASCOM's topline growth was driven by better performance at ACCM and increased volumes at GlassRock;*
- *Dina Farms Holding's revenue grew year-on-year as facility enhancement improved operations at Dina Farms and ICDP's volumes benefitted from its direct distribution strategy;*
- *The Group will continue focusing on exports to benefit from the commodity cycle and leverage the advantage available to local manufacturers as global logistic costs continue to surge;*
- *The continued strategy of small incremental investments to grow our cashflow together with gradual deleveraging will eventually pay dividends;*
- *ERC's receivables from EGPC are starting an unwelcomed upward creeping trajectory;*
- *The Group's export proceeds recorded c. USD 43.9 million in 2Q22, while local foreign currency revenue recorded c. USD 1,193.5 million;*
- *Finalizing debt restructurings at Qalaa Holdings and ERC remains a top priority;*
- *Qalaa's profitability might be affected in 3Q22 by global economic uncertainty and any ensuing weakness of the Egyptian pound;*
- *In September 2022, Qalaa Holdings deposited the equivalent of USD 18.5 million with the Dokki Court, representing the total cheque amounts claimed in relation to ongoing legal cases that are pending final rulings. The legal cases and appeals are expected to continue for a long period.*

2Q 2022 Consolidated Income Statement Highlights	
Revenue EGP 26,981.2 mn vs. EGP10,172.4 mn in 2Q21	
EBITDA* EGP 9,024.5 mn Vs. EGP 750.0 mn in 2Q21	Net Income After Minority EGP 361.6 mn vs. EGP (401.5) mn in 2Q21

2Q 2022 Consolidated Income Statement Highlights (excluding ERC)
Revenue EGP 5,508.2 mn vs. EGP 4,158.1 mn in 2Q21

EBITDA* EGP 931.7 mn vs. EGP 454.2 mn in 2Q21	Net Loss After Minority EGP 516.6 mn vs. EGP 258.3 mn in 2Q21

Highlights from Consolidated Balance Sheet at 30 June 2022	
Consolidated Assets EGP 106,141.5 mn At current book value vs. EGP 84,268.4 mn in FY21	Consolidated Debt EGP 70,684.7 mn Of which EGP 48,059.8 mn related to ERC

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

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 ending 30 June 2022. The Group recorded a 165% y-o-y increase in revenue to EGP 26,981.2 million in 2Q22, and recurring EBITDA of EGP 9,024.5 million compared to EGP 750.0 million in 2Q21. The strong performance reflects the success of Qalaa's robust operational and growth strategies across its subsidiaries. Furthermore, improved refining margins at ERC along with a global surge in commodity prices benefitted the Group's consolidated performance during the quarter.

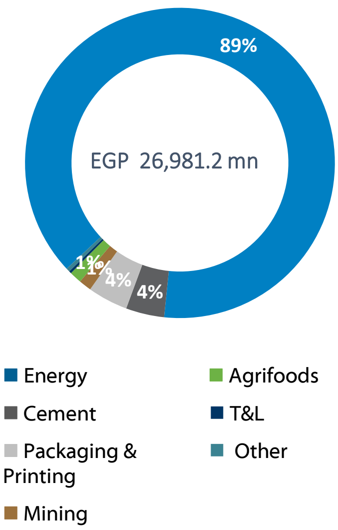
It is worth noting that ERC's refining margins continued to improve in 2Q22 to average USD 5.4 million per day as a result of oil product price hikes and the Russo-Ukrainian war. Excluding ERC, Qalaa's revenue grew by 32% y-o-y to EGP 5,508.2 million in 2Q22 and recurring EBITDA increased more than two-fold year-on-year to EGP 931.7 million in 2Q22.

At Qalaa's bottom-line, the Group returned to profitability booking a net income of EGP 361.6 million in 2Q22 compared to a net loss of EGP 401.5 million in the same quarter last year.

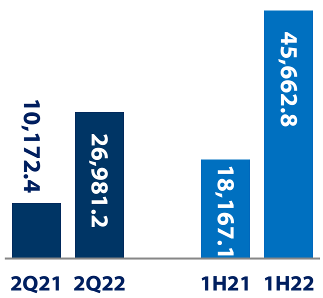
Financial and operational highlights follow, as do management's comments and overview of the performance of different business units. Full financials are now available for download at ir.qalaaholdings.com.

Financial and Operational Highlights

QALAA HOLDINGS CONSOLIDATED REVENUE 2Q22



REVENUE PROGRESSION
(EGP mn)



- **Qalaa's consolidated revenue grew by 165% y-o-y to EGP 26,981.2 million in 2Q22, primarily driven by ERC's contribution.**

  ERC's revenue increased three-fold year-on-year to EGP 21,473.0 million in 2Q22, constituting 80% of Qalaa Holdings' top line for the quarter. The performance was driven by a recovery in prices of refined petroleum products and an increasing gross refining margin. Additionally, there were no slowdowns or shutdowns in ERC's operation during the quarter.

- **Excluding ERC, Qalaa's revenue grew by 32% y-o-y to EGP 5,508.2 million in 2Q22, driven by improved performances across all its subsidiaries.**

  TAQA Arabia's revenue grew 13% y-o-y during the quarter to EGP 2,478.6 million. Revenue growth was primarily driven by a strong performance at TAQA Petroleum and further supported by higher power distribution volume at TAQA Power and volume growth at TAQA Gas.

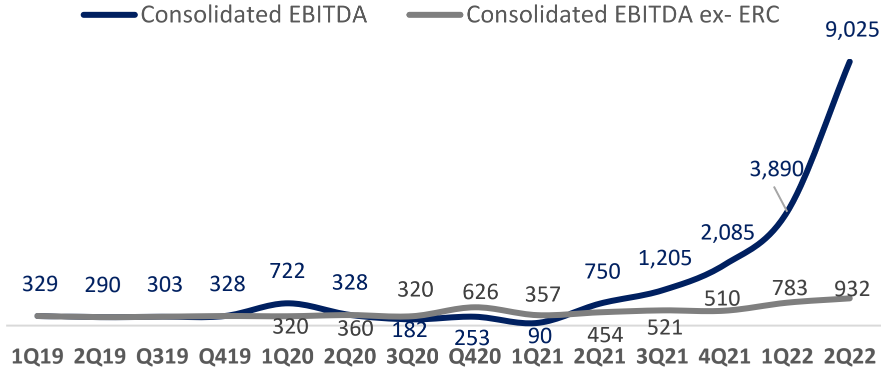
  National Printing delivered a 99% y-o-y top line increase in 2Q22 as it reaped the rewards of its new El Baddar state-of-the-art facility. Additionally, higher volume and an optimized pricing strategy at both Shorouk and Uniboard reflected positively on National Printing's results during the quarter. Meanwhile ASCOM delivered a 57% y-o-y increase in top-line to EGP 354.8 million in 2Q22, supported by higher export proceeds at ACCM as well as increased volume and higher prices at GlassRock.

  At ASEC Holding revenue increased 45% y-o-y to EGP 1,083.9 million in 2Q22, driven by a strong performance at Al-Takamol which accounted for 79% of total revenue. And at Dina Farms' holding company, revenue reached EGP 343.0 million in 2Q22, up 13% y-o-y as facility enhancement improved operations at Dina Farms and ICDP's volumes benefitted from its direct distribution strategy. Finally, Nile Logistics delivered a 6% y-o-y increase in revenue to EGP 67.9 million in 2Q22.

- **Qalaa's recurring EBTIDA increased substantially to EGP 9,024.5 million in 2Q22 compared to EGP 750.0 million in 2Q21. Profitability was primarily supported by ERC's positive performance during the quarter.**

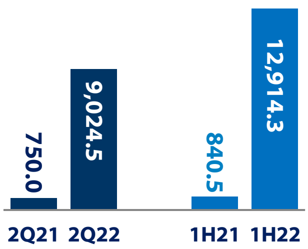
  ERC's gross refining margin improved significantly versus last year on account of higher prices of refined petroleum products.

Consolidated Recurring EBITDA Progression Chart* (EGP mn)

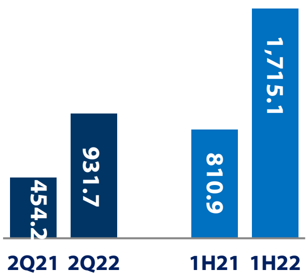


ERC started operation in 1Q20

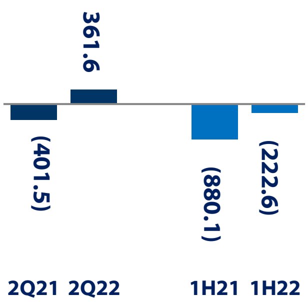
RECURRING EBITDA PROGRESSION
(EGP mn)



RECURRING EBITDA PROGRESSION (Excluding ERC)
(EGP mn)



NET PROFIT PROGRESSION
(EGP mn)



Excluding ERC, Qalaa recorded a recurring EBITDA increase of 105% y-o-y to EGP 931.7 million in 2Q22, driven by improved profitability across most of the Group's subsidiaries.

Qalaa's EBITDA excluding ERC was primarily driven by contributions from TAQA, National Printing and Cement. Additionally, ASCOM's export driven businesses delivered a strong performance as they capitalized on their competitive advantage in global markets, with higher volume at ACCM and improved pricing at GlassRock.

- **Depreciation and amortization expenses stood at EGP 1,333.6 million in 2Q22, up 23% y-o-y compared to EGP 1,086.6 million in 2Q21, of which EGP 1,089.4 million are related to ERC. The year-on-year increase is primarily due to the depreciation of the Egyptian Pound in March 2022.**

- **Bank interest expense recorded EGP 1,140.6 million in 2Q22, up 25% y-o-y versus the EGP 910.2 million recorded in 2Q21. The increase was attributed to higher interest rates in addition to the increase of loans at TAQA Arabia to fund its expansion plans.**

- **Qalaa recorded an FX loss of EGP 89.9 million in 2Q22 compared to a gain of EGP 54.9 million in 2Q21. The depreciation of the Egyptian Pound, which took place in late March 2022, was the main reason for such FX loss due to the predominantly dollar denominated debts at Qalaa Holdings and ERC.**

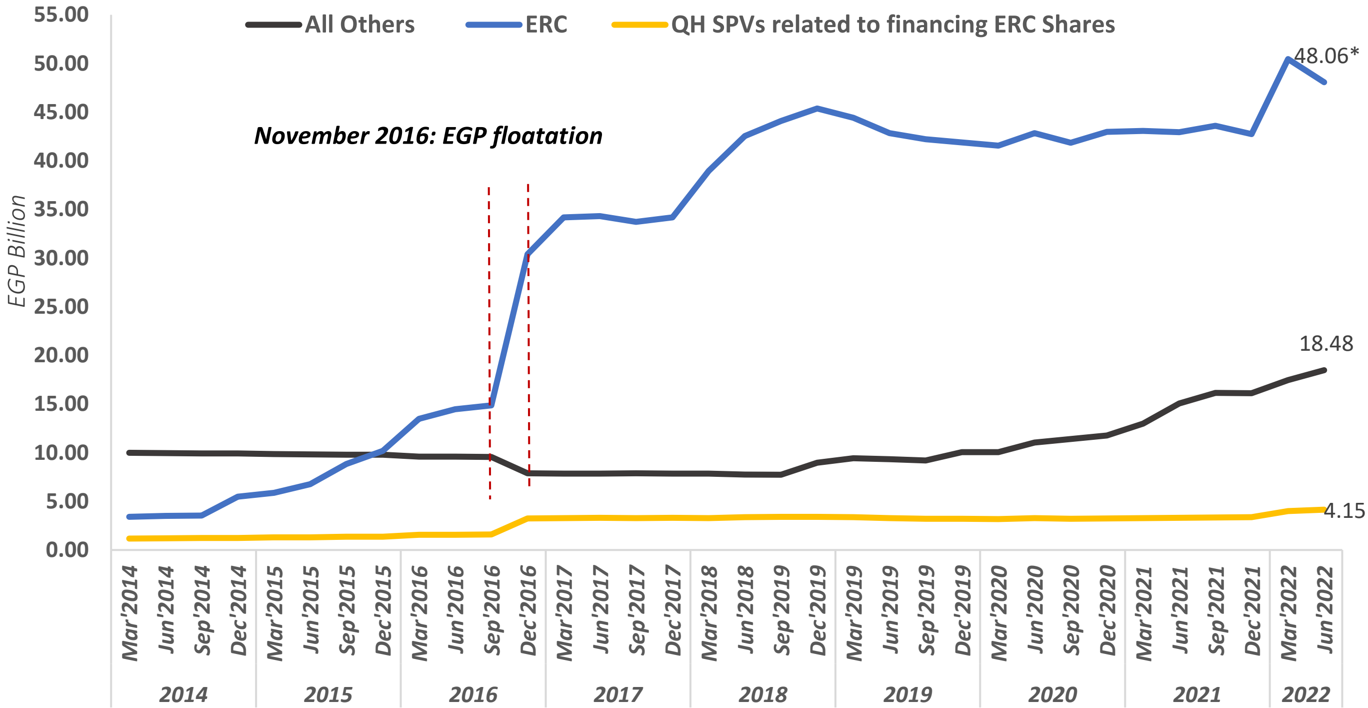
- **Qalaa Holdings recorded a consolidated net income after minority interest of EGP 361.6 million in 2Q22 compared to a net loss of EGP 401.5 million in 2Q21. Qalaa's net income was driven by strong profitability at ERC.**

- **Excluding ERC, Qalaa recorded an EGP 516.6 million net loss after minority in 2Q22 versus EGP 258.3 million in 2Q21 on the back of EGP 169.4 million in FX losses booked in 2Q22 compared to an FX gain of EGP 55.6 million in 2Q21. Also, taxes went up to EGP 170.0 million in 2Q22 from EGP 49.3 million in 2Q21. Moreover, minority interest was EGP 275.7 million in 2Q22 versus only EGP 63.4 million in 2Q21.**

- **Qalaa's debt restructuring efforts at the holding level are progressing and remain a top priority for the Group. Additionally, ERC's negotiations with its lenders for a full debt restructuring are underway.**

- **Qalaa's consolidated debt, excluding ERC and ERC-related debt, stood at EGP 18.5 billion as of 30 June 2022 compared to EGP 15.06 billion as of 30 June 2021. The increase was partially driven by TAQA Arabia to fund its expansion plans. Meanwhile at ERC, the company paid USD 202.5 million in principal payments and USD 45.0 million in interest expenses in 2Q22, with a plan to settle more debt during 2022.**

Debt Progression (EGP bn)



*Cash balances of EGP 912.0 million and EGPC receivables of EGP 7.4 billion were not offset from the debt

Management Comment

"We remain confident in the government's stewardship of the economy and in Qalaa's competitive position thanks to our diverse energy portfolio, local manufacturing operations and export-driven businesses"

"I am very pleased with Qalaa's continued strong top line results and solid performances across the board during the second quarter of the year. The Group's impressive performance continues to highlight Qalaa's resilience and agility during a period of tough and everchanging macroeconomic dynamics," **said Qalaa Holdings' Chairman and Founder Ahmed Heikal.** "The Group delivered a remarkable 165% year-on-year top line growth throughout a difficult and uncertain operating environment, and our exceptional performance has seen us book a net profit of EGP 361.6 million this quarter."

"The world economy is facing significant challenges, from supply chain disruptions and energy concerns to tight labor markets, severe inflationary pressures and dislocations in financial markets, all of which are being exacerbated by the Russo-Ukrainian conflict. As inflation persists, central banks around the world are doubling down on monetary tightening, a cycle that is expected to continue well into next year. This recent shift in monetary policy, particularly by the USD Federal Reserve, is putting significant pressure on currencies and debt levels in emerging markets, with Egypt being no exception. However, we remain confident in the government's stewardship of the economy and in Qalaa's competitive position thanks to our diverse energy portfolio, local manufacturing operations and export-driven businesses."

"Qalaa continued building on a strong first quarter and carried that momentum into 2Q22, delivering stellar performances across all the Group's platforms owing to prudent strategies. TAQA Arabia's results were supported by a strong performance at master gas and TAQA Petroleum in addition to higher power distribution volume at TAQA Power and volume growth at TAQA Gas, while National Printing continues to benefit from new capacities and optimized pricing strategies. Additionally, ASCOM continued to record solid results driven by higher export proceeds at ACCM and GlassRock. Finally at ERC, a significant year-on-year improvement in gross refining margin on account of higher petroleum products prices helped drive the refinery's profitability and in turn the Group's improved consolidated bottom-line."

"With regards to our financials, management adheres to the auditor's guidance; however, auditors review historical performance rather than future performance. It is important to note that the true value of Qalaa's performing assets is masked due to the adoption of international accounting standards, which account for assets at their historical value and adjust for impairments without considering revaluation adjustments."

"Furthermore, in September 2022 Qalaa Holdings deposited the equivalent of USD 18.5 million with the Dokki Court, representing the total cheque amounts claimed in ongoing cases pertaining to Mr. Ali Bin Hassan Aldayekh, until **final** rulings are rendered in these disputes. It is important to note that Qalaa has initiated during the past period several civil claims and criminal cases in relation to this dispute," **concluded Heikal.**

"While we are extremely pleased with this quarter's solid operating performance and the resulting positive net income, we remain cognizant of the challenges ahead," **said Hisham El-Khazindar, Qalaa Holdings' Co-Founder and Managing Director**. "In particular, Qalaa's results are vulnerable to FX changes owing to Qalaa's sizeable USD denominated debt. Consequently, any further depreciation in the Egyptian Pound may impact the Group's results. On that note, debt restructuring efforts continue to be a priority for us as we work to optimizing Qalaa's capital structure, and we're in advanced negotiations with our lenders on that front."

"Operationally, the strengths and competitive advantage of our portfolio companies are real, and we have made significant gains in terms of business development, cost cutting, and operational efficiencies that are here to stay. As such we have consistently delivered recurring EBITDA growth excluding ERC, with this quarter's figure recording a substantial 105% y-o-y increase to EGP 931.7 million in 2Q22. EBITDA growth during the quarter was broad based across our subsidiaries, with TAQA, National Printing and Cement being the primary drivers," **El-Khazidar added.**

"Our performance in the second quarter is testament to the success of Qalaa's growth strategies and resilience the face of a challenging operating environment, and we look forward to continue driving this momentum for many quarters to come," **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
	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)
	Cement	Zahana Cement
	Energy	Castrol Egypt (TAQA Marketing – British Petroleum JV); Tawazon
	Publishing & Retail	Tanweer
	Healthcare	Allmed

Qalaa Holdings Consolidated Income Statement (in EGP mn)

	1Q 2022	2Q 2022	1H 2022	1Q 2021	2Q 2021	1H 2021
Revenue	18,681.6	26,981.2	45,662.8	7,994.7	10,172.4	18,167.1
COS	(14,308.8)	(17,413.5)	(31,722.3)	(7,442.1)	(8,907.8)	(16,349.9)
Gross Profit	**4,372.8**	**9,567.8**	**13,940.6**	**552.7**	**1,264.5**	**1,817.2**
Advisory Fee	-	-	-	-	-	-
Total Operating Profit	**4,372.8**	**9,567.8**	**13,940.6**	**552.7**	**1,264.5**	**1,817.2**
SG&A	(510.6)	(598.9)	(1,109.5)	(478.7)	(521.4)	(1,000.1)
Other revenue-Export Subsidy	37.8	51.4	89.2	9.7	8.0	17.7
Other inc/exp-Net	(10.3)	4.3	(6.0)	6.8	(1.0)	5.7
EBITDA before one-off charges	**3,889.7**	**9,024.5**	**12,914.3**	**90.5**	**750.0**	**840.5**
SG&A (Non recurring)	10.8	(2.7)	8.1	22.8	(17.4)	5.5
EBITDA	**3,900.5**	**9,021.8**	**12,922.3**	**113.3**	**732.7**	**846.0**
Dep./Amort.	(1,192.8)	(1,333.6)	(2,526.3)	(1,068.4)	(1,086.6)	(2,155.0)
EBIT	**2,707.8**	**7,688.2**	**10,396.0**	**(955.1)**	**(353.9)**	**(1,309.1)**
Finance Cost	(1,102.2)	(1,140.6)	(2,242.7)	(851.4)	(910.2)	(1,761.6)
Other Finance Cost	173.4	185.8	359.2	49.0	113.1	162.1
Bank PIK	(37.5)	(46.1)	(83.6)	(32.9)	(34.7)	(67.6)
3rd party Shareholder	(97.3)	(99.8)	(197.1)	(80.2)	(84.7)	(164.9)
Interest income	183.3	202.5	385.8	92.8	136.8	229.6
Lease Payments	(19.5)	(74.7)	(94.2)	(34.3)	(38.6)	(72.9)
EBT (before one-offs)	**1,808.2**	**6,715.2**	**8,523.4**	**(1,812.1)**	**(1,172.3)**	**(2,984.4)**
Impairments/write downs	(7.6)	(17.7)	(25.3)	(11.8)	1.4	(10.5)
Acquisitions and restructuring	818.6	(8.3)	810.3	1.2	(1.4)	(0.2)
Share in associates' results	(12.3)	12.5	0.2	9.0	(4.4)	4.6
CSR	(2.5)	(3.6)	(6.1)	(9.5)	(2.7)	(12.2)
Provisions	(277.3)	(117.5)	(394.8)	(107.0)	(107.6)	(214.6)
Forex	(1,225.9)	(89.9)	(1,315.8)	17.4	54.9	72.2
EBT	**1,101.1**	**6,490.7**	**7,591.8**	**(1,912.8)**	**(1,232.2)**	**(3,145.0)**
Taxes	(131.0)	(124.5)	(255.5)	(42.3)	(50.1)	(92.4)
NP/L Including Minority Share	**970.1**	**6,366.3**	**7,336.4**	**(1,955.1)**	**(1,282.3)**	**(3,237.4)**
Minority Interest	1,554.2	6,004.7	7,558.9	(1,476.5)	(880.8)	(2,357.3)
NP/L for the Period	**(584.1)**	**361.6**	**(222.6)**	**(478.6)**	**(401.5)**	**(880.1)**

Qalaa Holdings Consolidated Income Statement by Sector for the three-month period ending 30 June 2022 (in EGP mn)

			Energy		Cement	T&L^	Mining	Agrifoods	Others				
	QH	SPVs	Orient	Silverstone	NDT	CCTO	ASCOM	Falcon	Misc.*	Grandview	Elimination	2Q 2022	2Q 2021
Revenue	-	-	21,473.0	2,478.6	1,083.9	67.9	354.8	343.0	103.1	1,136.0	(59.1)	26,981.2	10,172.4
Cost of Sales	-	-	(13,211.2)	(2,140.0)	(851.3)	(31.5)	(222.3)	(265.7)	(79.0)	(671.4)	59.1	(17,413.5)	(8,907.8)
Gross Profit	**-**	**-**	**8,261.7**	**338.6**	**232.6**	**36.4**	**132.5**	**77.3**	**24.1**	**464.6**	**-**	**9,567.8**	**1,264.5**
Advisory fee	24.6	-	-	-	-	-	-	-	-	-	(24.6)	-	-
Total Operating Profit	**24.6**	**-**	**8,261.7**	**338.6**	**232.6**	**36.4**	**132.5**	**77.3**	**24.1**	**464.6**	**(24.6)**	**9,567.8**	**1,264.5**
SG&A	(68.2)	(7.9)	(168.8)	(69.3)	(58.8)	(18.4)	(98.7)	(53.6)	(9.6)	(67.9)	22.4	(598.9)	(521.4)
Export incentive revenue	-	-	-	-	-	-	22.5	-	6.8	22.1	-	51.4	8.0
Other Income/Expenses	-	(0.2)	(0.0)	10.0	-	-	-	-	-	(5.5)	-	4.3	(1.0)
EBITDA (before one-offs)	**(43.6)**	**(8.1)**	**8,092.9**	**279.2**	**173.9**	**18.0**	**56.3**	**23.6**	**21.3**	**413.3**	**(2.2)**	**9,024.5**	**750.0**
Dividend Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Non Recurring - Revenues & Costs	(6.3)	(8.4)	39.3	2.5	1.2	(1.8)	0.2	(13.9)	0.1	(16.7)	0.9	(2.7)	(17.4)
EBITDA	**(49.9)**	**(16.6)**	**8,132.2**	**281.8**	**175.1**	**16.2**	**56.5**	**9.7**	**21.4**	**396.6**	**(1.3)**	**9,021.8**	**732.7**
Depreciation & Amortization	(2.3)	-	(1,089.4)	(57.2)	(72.6)	(15.5)	(26.4)	(25.5)	(1.1)	(32.2)	(11.4)	(1,333.6)	(1,086.6)
EBIT	**(52.2)**	**(16.6)**	**7,042.8**	**224.6**	**102.5**	**0.7**	**30.1**	**(15.8)**	**20.3**	**364.4**	**(12.7)**	**7,688.2**	**(353.9)**
Finance Cost	(158.6)	(41.0)	(674.4)	(186.1)	(9.7)	0.5	(19.0)	(2.9)	(1.0)	(48.5)	-	(1,140.6)	(910.2)
Other Finance Cost	-	-	185.8	-	-	-	-	-	-	-	-	185.8	113.1
Bank PIK	-	(46.1)	-	-	-	-	-	-	-	-	-	(46.1)	(34.7)
3rd Party Shareholder	-	(18.3)	(20.6)	-	(183.4)	(9.6)	-	-	(0.1)	-	132.3	(99.8)	(84.7)
Interest Income	76.4	67.5	1.3	181.5	2.2	0.1	(0.5)	0.6	-	3.9	(130.6)	202.5	136.8
Finance Lease Charges/ NPV LT assets	-	-	(38.7)	(16.9)	(0.2)	(5.6)	-	(13.3)	-	-	-	(74.7)	(38.6)
EBT (before one-offs)	**(134.4)**	**(54.5)**	**6,496.2**	**203.1**	**(88.6)**	**(13.9)**	**10.7**	**(31.4)**	**19.2**	**319.8**	**(10.9)**	**6,715.2**	**(1,172.3)**
Gain (Loss) on sale of investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairments/Write-downs	(62.4)	(55.2)	(14.2)	(0.2)	(2.3)	2.0	(1.3)	-	(1.7)	0.4	117.2	(17.7)	1.4
Acquisitions, legal and restructuring	(6.3)	-	-	(1.9)	(0.1)	-	-	-	-	-	-	(8.3)	(1.4)
Share in Associates' Results	-	-	-	-	3.2	-	11.4	-	-	-	(2.0)	12.5	(4.4)
CSR	-	-	-	(3.6)	-	-	-	-	-	-	-	(3.6)	(2.7)
Provisions	-	(24.8)	-	(5.8)	(78.6)	(0.2)	(1.1)	(0.6)	(4.5)	(1.8)	-	(117.5)	(107.6)
Discontinued operation	-	-	-	-	-	-	-	-	-	-	-	-	-
FOREX	(55.9)	(33.0)	79.5	2.5	(124.0)	(0.3)	36.7	2.8	(23.6)	12.0	13.4	(89.9)	54.9
EBT	**(259.0)**	**(167.5)**	**6,561.5**	**194.1**	**(290.4)**	**(12.4)**	**56.4**	**(29.3)**	**(10.7)**	**330.4**	**117.7**	**6,490.7**	**(1,232.2)**
Taxes	(0.0)	-	45.7	(49.0)	(42.4)	-	-	1.4	0.1	(81.6)	1.4	(124.5)	(50.1)
Net P/L Before Minority Share	**(259.1)**	**(167.5)**	**6,607.2**	**145.1**	**(332.8)**	**(12.4)**	**56.4**	**(27.8)**	**(10.6)**	**248.8**	**119.1**	**6,366.3**	**(1,282.3)**
Minority Interest	-	-	3,839.1	47.5	57.9	1.1	1.9	(0.0)	(0.0)	169.1	1,888.1	6,004.7	(880.8)
Net Profit (Loss)	**(259.1)**	**(167.5)**	**2,768.1**	**97.6**	**(390.7)**	**(13.5)**	**54.5**	**(27.8)**	**(10.6)**	**79.7**	**(1,769.0)**	**361.6**	**(401.5)**

* Miscellaneous includes UCF, Wafra & Sphinx Egypt.

^ T&L represents Transportation & Logistics

Qalaa Holdings Consolidated Income Statement by Sector for the six-month period ending 30 June 2022 (in EGP mn)

			Energy		Cement	T&L^	Mining	Agrifoods	Others			
	QH	SPVs	Orient	Silverstone	NDT	CCTO	ASCOM	Falcon	Misc.*	Grandview	Elimination	1H 2022
Revenue	-	-	35,182.0	4,787.3	2,085.2	161.6	641.2	618.8	195.1	2,050.9	(59.3)	45,662.8
Cost of Sales	-	-	(23,691.0)	(4,158.1)	(1,588.8)	(67.2)	(404.8)	(463.0)	(154.4)	(1,254.3)	59.3	(31,722.3)
Gross Profit	**-**	**-**	**11,491.0**	**629.2**	**496.5**	**94.4**	**236.4**	**155.8**	**40.7**	**796.7**	**-**	**13,940.6**
Advisory fee	45.4	-	-	-	-	-	-	-	-	-	(45.4)	-
Total Operating Profit	**45.4**	**-**	**11,491.0**	**629.2**	**496.5**	**94.4**	**236.4**	**155.8**	**40.7**	**796.7**	**(45.4)**	**13,940.6**
SG&A	(122.2)	(9.7)	(291.8)	(141.2)	(101.5)	(34.3)	(182.2)	(103.9)	(18.2)	(145.9)	41.6	(1,109.5)
Export Subsidy revenue	-	-	-	-	-	-	39.8	-	16.6	32.8	-	89.2
Other Income/Expenses	-	(1.0)	-	(5.0)	-	-	-	-	-	-	-	(6.0)
EBITDA (before one-offs)	**(76.8)**	**(10.7)**	**11,199.2**	**483.0**	**395.0**	**60.0**	**94.0**	**51.9**	**39.1**	**683.5**	**(3.8)**	**12,914.3**
Dividend Income	-	33.4	-	-	-	-	-	-	-	-	(33.4)	-
Non Recurring - Revenues & Costs	(6.3)	(8.4)	39.5	4.2	7.5	(1.7)	3.8	(21.3)	0.2	(16.4)	7.0	8.1
EBITDA	**(83.1)**	**14.3**	**11,238.7**	**487.2**	**402.5**	**58.3**	**97.8**	**30.5**	**39.3**	**667.2**	**(30.3)**	**12,922.3**
Depreciation & Amortization	(4.6)	-	(2,045.1)	(110.2)	(157.0)	(30.6)	(49.5)	(53.2)	(2.3)	(51.0)	(22.8)	(2,526.3)
EBIT	**(87.7)**	**14.3**	**9,193.6**	**377.0**	**245.5**	**27.7**	**48.3**	**(22.7)**	**37.0**	**616.2**	**(53.1)**	**10,396.0**
Finance Cost	(288.4)	(90.4)	(1,346.1)	(331.6)	(23.6)	(30.9)	(41.0)	(4.3)	(3.2)	(83.1)	-	(2,242.7)
Other Finance Cost		-	359.2						-			359.2
Bank PIK	-	(83.6)	-	-	-	-	-	-	-	-	-	(83.6)
3rd Party Shareholder	-	(41.9)	(37.7)	-	(345.0)	(30.2)	-	-	(0.3)	-	257.9	(197.1)
Interest Income	152.8	125.6	1.3	346.5	4.1	0.2	0.2	1.0	-	5.0	(250.9)	385.8
Finance Lease Charges/ NPV LT assets	-	-	(29.2)	(26.7)	(0.4)	(11.4)	-	(26.5)	-	-	-	(94.2)
EBT (before one-offs)	**(223.3)**	**(76.0)**	**8,141.1**	**365.2**	**(119.4)**	**(44.6)**	**7.5**	**(52.6)**	**33.6**	**538.1**	**(46.1)**	**8,523.4**
Gain (Loss) on sale of investments	-	-	-	-	-	546.3	-	-	-	-	(546.3)	-
Impairments/Write-downs	(114.6)	(247.2)	(15.2)	(0.9)	(5.9)	(1.1)	(2.2)	-	(3.1)	3.2	361.6	(25.3)
Acquisitions, legal and restructuring	(30.5)	842.8	-	(1.9)	(0.1)	-	-	-	-	-	-	810.3
Share in Associates' Results	-	-	-	-	3.5	-	6.9	-	-	-	(10.2)	0.2
CSR	(0.3)	-	-	(5.9)	-	-	-	-	-	-	-	(6.1)
Provisions	-	(165.5)	-	(58.6)	(142.9)	(0.4)	(2.4)	(1.2)	(6.2)	(17.5)	-	(394.8)
Discontinued operation	-	-	-	-	-	-	-	-	-	-	-	-
FOREX	(462.0)	(100.5)	198.1	(14.2)	(926.8)	(0.1)	58.3	13.5	(136.0)	30.7	23.2	(1,315.8)
EBT	**(830.6)**	**253.6**	**8,324.0**	**283.6**	**(1,191.5)**	**500.0**	**68.0**	**(40.3)**	**(111.6)**	**554.5**	**(217.8)**	**7,591.8**
Taxes	(0.7)	-	40.1	(80.0)	(77.4)	-	-	(0.9)	0.2	(139.6)	2.8	(255.5)
Net P/L Before Minority Share	**(831.3)**	**253.6**	**8,364.0**	**203.6**	**(1,269.0)**	**500.0**	**68.0**	**(41.2)**	**(111.4)**	**414.9**	**(215.0)**	**7,336.4**
Minority Interest	-	-	4,875.5	73.6	116.3	162.4	1.7	(0.0)	(0.0)	285.2	2,044.3	7,558.9
Net Profit (Loss)	**(831.3)**	**253.6**	**3,488.6**	**130.0**	**(1,385.3)**	**337.6**	**66.3**	**(41.2)**	**(111.4)**	**129.7**	**(2,259.3)**	**(222.6)**

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

Qalaa Holdings Consolidated Balance Sheet as at 30 June 2022 (in EGP mn)

		Energy		Cement	T&L^	Mining	Agrifoods	Others					
	QH	Orient	Silverstone	NDT	CCTO	ASCOM	Falcon	Misc.*	Grandview	1H 2022 Aggregation	Eliminations/ SPVs	1H 2022	FY 2021
Current Assets													
Trade and Other Receivables	3,245.8	8,448.4	2,185.5	1,975.5	135.6	589.8	166.2	593.7	1,381.5	18,722.1	(4,256.0)	14,466.1	6,687.6
Inventory	-	1,913.3	692.5	1,254.8	10.7	128.3	292.2	47.0	720.8	5,059.6	0.0	5,059.6	3,255.1
Assets Held For Sale	-	-	-	4.8	-	-	-	127.6	9.5	142.0	(119.1)	22.9	22.7
Cash and Cash Equivalents	9.2	912.0	6,520.4	112.9	22.3	40.2	41.5	6.4	355.7	8,020.7	65.1	8,085.8	6,654.4
Others	-	-	-	-	-	-	8.6	-	-	8.6	0.0	8.6	17.4
Total Current Assets	**3,255.0**	**11,273.8**	**9,398.4**	**3,348.0**	**168.6**	**758.4**	**508.5**	**774.7**	**2,467.6**	**31,952.9**	**(4,310.1)**	**27,642.8**	**16,637.1**
Non-Current Assets													
PP&E	7.7	64,349.3	3,679.5	3,733.1	704.2	922.8	787.9	655.0	1,210.8	76,050.3	(26.8)	76,023.6	65,388.0
Investments	5,547.1	-	52.1	356.6	143.0	99.8	-	4.9	104.3	6,307.9	(5,588.3)	719.5	563.2
Goodwill / Intangible assets	11.3	313.9	413.3	-	-	1.7	-	-	-	740.1	54.9	795.0	763.4
Others	4,365.0	39.9	354.2	236.0	-	-	339.3	-	-	5,334.3	(4,373.7)	960.5	916.8
Total Non-Current Assets	**9,931.1**	**64,703.0**	**4,499.1**	**4,325.7**	**847.2**	**1,024.3**	**1,127.2**	**659.9**	**1,315.1**	**88,432.5**	**(9,933.9)**	**78,498.6**	**67,631.4**
Total Assets	**13,186.1**	**75,976.8**	**13,897.5**	**7,673.7**	**1,015.8**	**1,782.7**	**1,635.7**	**1,434.6**	**3,782.7**	**120,385.4**	**(14,244.0)**	**106,141.5**	**84,268.4**
Shareholders' Equity													
Total Equity Holders of the Company	**3,331.8**	**11,822.1**	**1,459.0**	**(7,517.7)**	**(826.3)**	**(82.1)**	**(93.9)**	**(1,123.7)**	**219.5**	**7,188.8**	**(19,676.3)**	**(12,487.6)**	**(12,256.3)**
Minority Interest	-	8,890.8	660.8	2,622.8	(274.0)	(88.6)	(0.0)	(1.5)	723.3	12,533.5	7,380.9	19,914.4	9,882.0
Total Equity	**3,331.8**	**20,712.9**	**2,119.7**	**(4,894.9)**	**(1,100.3)**	**(170.7)**	**(93.9)**	**(1,125.2)**	**942.8**	**19,722.2**	**(12,295.4)**	**7,426.8**	**(2,374.3)**
Current Liabilities													
Borrowings	7,650.0	38,448.7	5,562.2	1,157.9	-	363.0	79.9	92.9	1,291.5	54,646.0	3,449.6	58,095.6	51,395.8
Finance Lease Current Portion	-	254.3	45.0	2.2	45.5	5.4	19.4	-	-	371.9	-	371.9	24.5
Trade and Other Payables	1,972.1	5,198.6	2,984.7	2,145.7	1,896.3	622.7	1,180.1	2,010.9	848.6	18,859.8	(2,700.6)	16,159.2	14,435.4
Shareholder Loan	-	802.3	-	3,134.6	45.5	-	-	153.3	-	4,135.7	(45.5)	4,090.2	3,246.0
Provisions	230.7	-	308.0	2,434.2	25.7	27.3	27.1	19.3	76.9	3,149.4	643.9	3,793.3	3,436.9
Liabilities Held For Sale	-	-	-	0.2	-	-	-	0.9	-	1.1	1.0	2.1	1.8
Total Current Liabilities	**9,852.8**	**44,704.0**	**8,899.9**	**8,874.8**	**2,013.2**	**1,018.3**	**1,306.6**	**2,277.3**	**2,217.0**	**81,163.9**	**1,348.4**	**82,512.3**	**72,540.5**
Non-Current Liabilities													
Borrowings	-	9,611.1	1,882.9	-	-	902.0	-	28.4	164.8	12,589.1	0.0	12,589.1	10,459.5
Finance Lease	-	672.1	557.8	4.4	100.9	28.4	32.1	-	-	1,395.7	-	1,395.7	1,316.0
Shareholder Loan	-	346.8	-	3,576.9	-	-	-	253.3	-	4,177.0	(3,334.1)	842.9	708.0
Long-Term Liabilities	1.5	(70.2)	437.1	112.4	2.0	4.7	390.9	0.8	458.1	1,337.4	37.1	1,374.6	1,618.7
Total Non-Current Liabilities	**1.5**	**10,559.9**	**2,877.8**	**3,693.7**	**102.9**	**935.1**	**423.0**	**282.5**	**622.9**	**19,499.3**	**(3,297.0)**	**16,202.3**	**14,102.3**
Total Liabilities	**9,854.3**	**55,263.9**	**11,777.7**	**12,568.6**	**2,116.1**	**1,953.4**	**1,729.6**	**2,559.7**	**2,839.9**	**100,663.2**	**(1,948.6)**	**98,714.6**	**86,642.7**
Total Equity and Liabilities	**13,186.1**	**75,976.8**	**13,897.5**	**7,673.7**	**1,015.8**	**1,782.7**	**1,635.7**	**1,434.6**	**3,782.7**	**120,385.4**	**(14,244.0)**	**106,141.5**	**84,268.4**

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

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).

ERC

QH OWNERSHIP — c.13.1%

In 2Q22, ERC refined total feedstock of c.1,188.4 thousand tons, including 1,125.3 thousand tons of atmospheric residue. During the quarter, ERC supplied c.1,016.0 thousand tons of refined product to the Egyptian General Petroleum Corporation (EGPC), and approximately c.145.5 thousand tons of pet coke and 26.9 thousand tons of Sulphur to cement and fertilizer companies, respectively.

Product	LPG	Light Naphtha	Reformate	Fuel Oil	Jet Fuel	Diesel	*Total Supplied to EGPC*
2Q21 (tons)	23,306	46,392	99,213	97,507	28,356	422,316	***717,092***
2Q22 (tons)	37,992	67,983	136,589	2,954	66,747	655,443	***967,708***
Change	*63%*	*47%*	*38%*	*-97%*	*135%*	*55%*	***35%***
1H21 (tons)	42,842	95,035	181,319	219,942	28,356	756,234	***1,323,729***
1H22 (tons)	74,342	133,233	268,624	42,443	87,889	1,305,137	***1,911,669***
Change	*74%*	*40%*	*48%*	*-81%*	*210%*	*73%*	***44%***

*Excluding fuel and losses

ERC's revenue more than tripled year-on-year to EGP 21,473.0 million in 2Q22, compared to EGP 6,014.3 million in 2Q21, driven by a recovery in refined petroleum product prices and an increase in ERC's sales. In 2Q22, total feedstock volume increased 37% y-o-y reaching 1.2 million tons compared to 0.9 million tons in 2Q21. Moreover, refining margins continued to improve in 2Q22 to average USD 5.4 million per day as a result of the Russo-Ukrainian war and oil product price hikes. Additionally, there were no slowdowns or shutdowns in operation during the quarter compared to 22 days of shutdowns in 2Q21. In terms of profitability, ERC recorded an EBITDA of EGP 8,092.9 million in 2Q22 compared to an EGP 295.8 million in 2Q21.

On six months basis, ERC recorded a 247% y-o-y increase in revenue to EGP 35,182.0 million in 1H22 driven by a 45% y-o-y increase in sales and a recovery in refined petroleum product prices. In addition, there were no shutdowns in 1H22 compared to 71 shutdown days in 1H21, which significantly improved the gross refining margin and hence profitability, with EBITDA reaching EGP 11,199.2 million in 1H22 compared to EGP 29.6 million in 1H21.

ERC continues to negotiate with its lenders for a full debt restructuring. Meanwhile, ERC paid USD 202.5 million in principal payments and USD 45.0 million in interest expenses in 2Q22.

TAQA

QALAA HOLDINGS OWNERSHIP — c.55.9%

In 2Q22, TAQA Arabia's revenue increased by 13% y-o-y to EGP 2,478.6 million compared to EGP 2,184.8 million in 2Q21, while EBITDA increased by 23% y-o-y to EGP 283.8 million. In six-month terms, TAQA Arabia's revenue recorded EGP 4,787.3 million, up 13% y-o-y, and a 27% y-o-y EBITDA increase to EGP 492.5 million in 1H22. The company's revenue growth was primarily driven by a strong performance at TAQA Petroleum and further supported by a higher power distribution volume at TAQA Power and volume growth at TAQA Gas. Meanwhile, TAQA Power and TAQA Gas were the primary drivers for consolidated EBITDA growth during the period.

Key Performance Indicators

	Units	2Q21	2Q22	% chg	1H21	1H22	% chg
TAQA Arabia Consolidated Revenue	**(EGP mn)**	**2,184.8**	**2,478.6**	***13%***	**4,235.0**	**4,787.3**	***13%***
TAQA Arabia Consolidated EBITDA	**(EGP mn)**	**231.6**	**283.8**	***23%***	**389.1**	**492.5**	***27%***
TAQA Arabia Gas Revenue	**(EGP mn)**	452.4	563.2	24%	876.9	1,040.2	19%
TAQA Arabia Gas EBITDA	**(EGP mn)**	83.8	114.6	37%	165.4	231.3	40%
Household Connections (FY cumulative)	#	38,416	32,679	-15%	1,398,358	1,519,486	9%
Cumulative Industrial Clients	#	280	333	19%	280	333	19%
Total Gas Distributed	BCM	1.9	2.0	5%	3.8	3.9	3%
Master Gas CNG Stations	#	2	2	N/A	23	43	87%
Number of converted cars	#	909	1,509	66%	1,980	3,171	60%
TAQA Arabia Power Revenue*	**(EGP mn)**	443.0	505.2	14%	795.9	913.6	15%
TAQA Arabia Power EBITDA*	**(EGP mn)**	104.5	116.7	12%	146.4	196.1	34%
Total Power Distributed	M KWH	278	305	9%	506	555	10%
Total Power Generated	M KWH	24	25	6%	48	49	2%
Solar Energy Generated	M KWH	44	43	-2%	79	78	-1%
Photovoltaic Energy	M KWH	0	3	N/A	0	5	N/A
TAQA Petroleum Revenue	**(EGP mn)**	1,300.8	1,417.7	9%	2,585.3	2,850.4	10%
TAQA Petroleum EBITDA	**(EGP mn)**	40.9	44.5	9%	73.4	76.9	5%
Total Liquid Fuels Distributed	Liters	183,386	188,776	3%	366,999	381,548	4%
Filling Stations	#	59	60	2%	59	60	2%

** Includes distribution, conventional generation, renewable generation and photovoltaic*

Note: The EBITDA figures in the table above are pre-consolidation.

TAQA Arabia Gas

TAQA Gas' revenue grew 24% y-o-y to EGP 563.2 million in 2Q22 and 19% y-o-y to EGP 1,040.2 million in 1H22, driven by CNG station expansions and CNG volume increases. During the quarter, TAQA Gas added two new CNG filling stations, bringing the total number of stations to 43 at the close of the period compared to 23 stations at the end of 1H21. Consequently, CNG volume sold for vehicles increased 75% y-o-y to 30.0 MCM in 2Q22 and 81% y-o-y to 57.4 MCM in 1H22. Moreover, TAQA Gas successfully converted 1,509 gasoline-powered vehicles in 2Q22, bringing the total cumulative number of converted vehicles to 3,171 at the end of 1H22 and 7,404 since inception. Through corporate deals to convert commercial fleets of trucks and busses to CNG, the company aims to accelerate the rate of vehicle conversion to CNG to reach a target of 8,000 vehicles by year-end 2022.

The company holds a leading market position with TAQA Gas' strong gas distribution and construction business. As of 30 June 2022, TAQA Gas' total cumulative household connections exceeded 1.5 million, up 9% y-o-y driven by approximately 59.9 thousand new connections added during 1H22. Furthermore, the company successfully added 10 new industrial clients in 2Q22, bringing the total to 333 as of 1H22 compared to 280 in 1H21. Consequently, total gas volume distributed increased by 5% y-o-y to 2.0 BCM in 2Q22 and by 3% y-o-y to 3.9 BCM in 1H22, driven by additional connections made during the year. Broad-based revenue growth across TAQA Gas' business lines saw EBITDA grow 37% y-o-y to EGP 114.6 million in 2Q22 and 40% y-o-y to EGP 231.3 million in 1H22.

TAQA Arabia Power

TAQA Arabia Power consolidates the company's conventional energy arm, TAQA Power, its renewable energy arm, TAQA Solar, and its most recent renewable energy addition, TAQA Photovoltaic (PV).

In 2Q22, TAQA Power delivered a 9% y-o-y increase in total distribution and generation volume to 330 M KWH, leading to a 12% y-o-y increase in revenue to EGP 439.8 million in 2Q22. On a six-month basis, total distribution and generation volume grew 9% y-o-y to 605 M KWH in 1H22, resulting in a 14% y-o-y revenue growth to EGP 803.5 million. The company's performance in 1H22 was supported by improving market conditions, leading to an increase in the number of household and industrial clients served by 25% y-o-y and 9% y-o-y respectively. As of 30 June 2022, the total number of household clients stood at 8,373 clients versus 6,722 clients in 1H21. In parallel, industrial clients reached 289 in 1H22 compared to 264 clients during the same period last year.

At TAQA Solar with its 65MW solar power plant in Benban, Aswan, the company generated EGP 52.4 million in revenue during 2Q22, up 7% y-o-y. On a six-month basis, revenue reached EGP 94.3 million in 1H22 versus EGP 88.4 million in 1H21. Looking ahead, TAQA Solar aims to capitalize on the government's plan to generate 40% of the country's energy from renewable sources by 2035.

Meanwhile, TAQA Photovoltaic (PV), which is in its first year of operations, contributed EGP 15.8 million to total revenue. The company was founded in September 2021 as a TAQA Power subsidiary for renewable energy with the intention of establishing a private-to-private renewable energy business. Through the use of a 25-year power purchase agreement, TAQA PV sells electricity directly to Dina Farms following the finalization of the 6MW solar photovoltaic power plant (PPA). The Dina Farms plant is the first corporate PPA-financed project funded by the EBRD in Egypt that involves direct electricity supply from a privately owned generator to a privately owned off-taker. TAQA PV is currently working on other projects in the tourist hotspots of Soma Bay and Nabq, as well as in the industrial zones of 6th of October City and Minya.

In terms of profitability, TAQA Power, TAQA Solar and TAQA PV combined delivered an increase in gross profit of 12% y-o-y to EGP 133.3 million in 2Q22 and 27% y-o-y to EGP 229.2 million in 1H22. TAQA Power was a primary driver of profitability growth, adding EGP 138.1 million in gross profit during the period versus EGP 102.6 million last year. EBITDA recorded a 12% y-o-y growth to EGP 116.7 million in 2Q22 and a 34% y-o-y increase to EGP 196.1 million in 1H22. The improved profitability was primarily attributed to the increase in the number of clients served across all sub sectors, coupled with the new contributions from TAQA PV.

TAQA Petroleum

TAQA Petroleum's revenue grew 9% y-o-y to EGP 1,417.7 million in 2Q22 and 10% y-o-y to EGP 2,850.4 million in 1H22. The performance was driven by quarterly increases in fuel prices as well as higher diesel and gasoline sales, which grew by 5% y-o-y and 3% y-o-y, respectively. Consequently, fuel revenue reached EGP 1,378.4 million in 2Q22 and EGP 2,757.4 million in 1H22, up 9% y-o-y. On the back of higher revenue, EBITDA expanded 9% y-o-y to EGP 44.5 million in 2Q22 and recorded a 5% y-o-y increase to EGP 76.9 million in 1H22.

As for the lubes division, revenue grew 17% y-o-y to EGP 39.3 million in 2Q22 and 43% y-o-y to EGP 92.9 million in 1H22. Revenue was supported by the increase in the price per ton, which averaged EGP 65 thousand in 1H22 compared to an average of EGP 50 thousand per ton at the end of June 2021. This offset the effect of the fall in volume during 2Q22, which declined 4% y-o-y to 572 tons. In parallel, TAQA Petroleum currently runs a grand total of 60 stations, with plans to expand further throughout the coming years.

TAQA Water

TAQA Water was established as a subsidiary of TAQA Arabia in March 2021 and boasts an experienced team in the water treatment industry. The company aims to develop a variety of water treatment solutions to serve the industrial, agricultural, touristic, and real estate sectors. The company is focused on investing, designing, constructing, automating, installing, and operating reliable, cost-effective, and smart water solution systems using the latest energy saving technology and utilizing a wide range of contractual models. TAQA Water successfully completed two desalination projects; one for a real-estate developer in the North Coast, which started operation late 2Q22 and the second for a factory in the 10th of Ramadan Industrial Zone, which is expected to operate in 2H22.

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%

In 2Q22 ASEC Holding's revenue increased 45% y-o-y to EGP 1,083.9 million compared to EGP 746.6 million closing the first half of 2022 at EGP 2,085.2 million compared to EGP 1,430.4 million in 1H21. The growth in revenue was driven by a strong performance in the production segment, which accounted for 77% of total group revenue in 1H22. Due to the political unrest in Sudan, the hyperinflation calculation methodology is applied, which uses the spot index for revenue translation and the historical index (which is higher than the spot index) for COGS translation, resulting in a disproportionate increase in cost of sales compared to revenue. Successful cost reduction and restructuring efforts across ASEC Holding's subsidiaries supported a two-fold year-on-year increase in profitability in 2Q22 and 1H22, with EBITDA reaching EGP 189.7 million and EGP 390.5 million, respectively.

Management notes that ASEC Holdings' comprehensive debt restructuring is progressing and is confident that its efforts will lead to a stronger balance sheet, healthier financial and leverage ratios and improved profitability in the future.

Key Performance Indicators

	Units	2Q21	2Q22	% chg	1H21	1H22	% chg
ASEC Holding's Cons. Revenue	(EGP mn)	746.6	1,083.9	45%	1,430.4	2,085.2	46%
ASEC Holding's Cons. EBITDA	(EGP mn)	95.0	189.7	100%	194.3	390.5	101%
ASEC Cement Group Revenue	(EGP mn)	531.9	853.9	61%	979.1	1,610.0	64%
ASEC Cement Group EBITDA	(EGP mn)	83.8	196.3	134%	184.0	396.0	115%
Al-Takamol Cement Revenue	(SDG mn)	10,745.8	19,283.4	79%	18,572.9	39,846.6	115%
Al-Takamol Cement EBITDA	(SDG mn)	1,954.8	6,125.6	213%	3,279.3	12,752.4	289%
Al-Takamol Volume	MTPA	252	204	-19%	493	508	3%
Zahana Cement Revenue	(EGP mn)	119.4	220.5	85%	259.1	417.5	61%
Zahana Cement EBITDA	(EGP mn)	28.3	72.7	157%	96.4	124.0	29%
Zahana Volume	KTPA	151	447	197%	363	841	132%
ARESCO Revenue	(EGP mn)	51.3	72.2	41%	131.4	126.0	-4%
ARESCO EBITDA	(EGP mn)	2.7	4.3	58%	8.2	(0.1)	N/A
ARESCO Backlog	(EGP mn)	214.5	304.4	41%	214.5	304.4	41%
ASEC Engineering Revenue	(EGP mn)	158.3	144.0	-9%	317.0	315.6	N/A
ASEC Engineering EBITDA	(EGP mn)	7.8	3.4	-56%	7.0	16.6	138%
ASEC Engineering Managed Production	MTons	2.0	1.4	-28%	3.7	3.0	-20%

ASEC Cement

Owing to the above-mentioned hyperinflation accounting issue in Sudan, Al-Takamol's figures are presented in Sudanese pound (SDG). The EGP/SDG rate was significantly volatile over the course of the period and consequently impacted the company's figures when reflected in EGP terms. Al-Takamol's figures are thus presented below in SDG to provide a more accurate representation of the company's performance excluding the impact of hyperinflationary adjustments.

Al-Takamol Cement revenue increased 79% y-o-y to SDG 19.3 billion in 2Q22 as average cement prices increased from SDG 42,691/ton to SDG 94,591/ton offsetting the 19% y-o-y decline in volume during the quarter. Meanwhile on a six-month basis, volume was flat and average cement prices increased from SDG 37,596/ton to SDG 81,129/ton due to the depreciation of the Sudanese pound, leading to a 115% y-o-y increase in revenue to SDG 39.8 billion in 1H22. Prices also benefitted from the widening demand gap, as local producers struggled with fuel and spare parts shortages, causing widespread production disruptions.

In terms of profitability, Al-Takamol's EBITDA surged over three-folds year-on-year to SDG 6,125.6 million in 2Q22 and nearly four-folds year-on-year to SDG 12,752.4 million in 1H22 compared to SDG 3,279.3 million in 1H21.

In 2Q22, Zahana Cement recorded a revenue of EGP 220.5 million, up 85% y-o-y on the back of a 197% y-o-y increase in cement volume to 447 thousand tons compared to 151 thousand tons in 2Q21. The growth in cement volume included an eight-fold year-on-year increase in the total amount of clinker sold, which reached 302 thousand tons in 2Q22. In 1H22, revenue was up 61% y-o-y to EGP 417.5 million driven by a 132% y-o-y increase in cement volume. It is important to note that the average selling price declined 31% y-o-y from EGP 713/ton to EGP 493/ton as a result of higher clinker sales (low-price product) coupled with lower sales of Sulphate Resistant Cement (high-price product) during the period.

In terms of profitability, Zahana's EBITDA grew 157% y-o-y to EGP 72.7 million in 2Q22 closing the first half of the year at EGP 124.0 million, up 29% y-o-y compared to EGP 96.4 million in 1H21.

ASEC Engineering

ASEC Engineering's managed clinker production declined by 28% y-o-y to 1.4 million tons in 2Q22 and by 20% y-o-y to 3.0 million tons in 1H22. Consequently, revenue declined by 9% y-o-y to EGP 144.0 million in 2Q22 but remained relatively unchanged at EGP 315.6 million in 1H22. Lower managed capacities reflect the termination of a few low performing contracts as well as lower production rates due to shortages in fuel and coal brought about by supply chain disruptions and surges in prices. However, the company benefitted from a new three-year contract that went into effect in 2022 and contributed 1.0 million tons to the quarter's production volume, partially offsetting the decline in clinker production from other contracts. In addition to the new contract, a pre-existing contract was successfully renewed during the second quarter and its clinker production volume was higher when compared to 2Q21 volume.

Despite the challenges of the cement industry in Egypt, ASEC Engineering managed to record a recurring EBITDA of EGP 3.4 million in 2Q22 and EGP 16.6 million in 1H22, up 138% y-o-y. Profitability was protected thanks to the contribution of overseas projects, which offset the performance of the local market, as well as the new three-year contract and renewal of the pre-existing contract.

To mitigate the negative performance of the cement industry in Egypt, management is actively working to geographically diversify ASEC Engineering's client base and is looking to penetrate new markets, including Iraq, South Africa, and Libya. It's worth noting that international contracts presently account for c.37% of ASEC Engineering's revenue.

This September an arbitral tribunal rendered an award in favor of ASEC Engineering in a contractual dispute with Misr Beni Suef Cement Company (a former client) ordering it to pay ASEC an amount in excess of EGP 360.0 million.

ARESCO

In the beginning of the year, tenders related to several construction projects were postponed for repricing given the significant cost increases and market slowdowns. Since then, a large number of projects have been successfully repriced and acquired in the second quarter of 2022. Consequently, ARESCO's revenue increased 41% y-o-y to EGP 72.2 million in 2Q22 compared to EGP 51.3 million in 2Q21.

In terms of profitability, EBITDA grew 58% y-o-y to EGP 4.3 million in 2Q22 compared to EGP 2.7 million in 2Q21 as the company began to recover from the underutilization of assets and FX losses due to postponed projects. As at 30 June 2022, ARESCO's backlog stood at EGP 304.4 million.

ASEC Automation

ASEC Automation's revenue declined 8% y-o-y to EGP 34.2 million in 2Q22 but reached EGP 88.5 million in 1H22, up 20% y-o-y on the back of high revenue realized in 1Q22.

On the profitability front, the company recorded positive recurring EBITDA of EGP 0.6 million in 2Q22, down 75% compared to EGP 2.2 million in 2Q21. In six-month terms, recurring EBITDA grew 52% y-o-y to reach EGP 2.3 million compared to EGP 1.5 million in 1H21. ASEC Automation acquired new contracts for approximately EGP 40.0 million in 2Q22, bringing its total backlog as at 30 June 2022 to approximately EGP 263.4 million.

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

QALAA HOLDINGS OWNERSHIP – c. 27.0%

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 single facer, flexos and chemical additives. Windsor generates a large part of its revenue from sales to Shorouk, playing an important role in the company's wider value-adding chain.

Key Performance Indicators

Description	Units	2Q21	2Q22	% diff	1H21	1H22	% diff
Grandview (National Printing Holding Co.) Revenue	**(EGP mn)**	571.6	1,136.0	99%	1,113.9	2,050.9	84%
Grandview (National Printing Holding Co.) EBITDA	**(EGP mn)**	88.4	413.3	368%	184.9	683.5	270%
Shorouk for Modern Printing & Packaging Revenue	(EGP mn)	176.5	383.0	117%	358.9	703.0	96%
Shorouk for Modern Printing & Packaging EBITDA	(EGP mn)	22.8	69.4	204%	51.7	131.4	154%
Uniboard Revenue	(EGP mn)	317.9	669.0	110%	612.4	1,232.0	101%
Uniboard EBITDA	(EGP mn)	52.8	310.0	487%	104.0	519.0	399%
El Baddar Revenue	(EGP mn)	111.4	181.0	62%	208.9	360.0	72%
El Baddar EBITDA	(EGP mn)	5.8	16.3	181%	16.7	34.3	105%

Shorouk for Modern Printing & Packaging

Following a strong start to the year, Shorouk continued to overcome challenging market conditions and supply chain disruptions, delivering impressive results for the second quarter in a row. Shorouk's revenue recorded EGP 383.0 million in 2Q22, up 117% y-o-y from EGP 176.5 million in 2Q21. In 2Q22, Shorouk's volume grew 42% y-o-y supported by strong export sales, which increased 76% y-o-y in 2Q22. Moreover, domestic sales increased by 28% y-o-y in 2Q22. The increase in volume coupled with an increase in average price per ton in 2Q22 saw the local revenue grow 98% y-o-y.

On a six-month basis, revenue increased 96% y-o-y to EGP 703.0 million versus EGP 358.9 million in 1H21. Growth was supported by an increase in average price as well as growth in both local and export sales. Consequently, local revenue grew 80% y-o-y and export revenue grew 139% y-o-y in 1H22. Shorouk currently exports its products to 15 countries across three continents.

In terms of profitability, EBITDA grew by a substantial 204% y-o-y in 2Q22 to EGP 69.4 million, closing 1H22 with a 154% y-o-y increase to EGP 131.4 million.

Uniboard

Uniboard's revenue increased by 110% y-o-y to EGP 669.0 million in 2Q22 driven by an increase in prices during the quarter. Meanwhile, total volume sold grew 4% y-o-y in 2Q22 versus 2Q21. Volume growth was primarily driven by improved local market sales in 2Q22, which increased by 17% y-o-y. The growth in volume coupled with a significant year-on-year increase in prices in 2Q22 saw local revenue rise 126% y-o-y. On the export front, despite a 23% y-o-y decline in volume sold in 2Q22 due to the global market slowdown, improved pricing drove revenue up 76% y-o-y during the quarter. Uniboard exports to 17 countries across three continents.

In 1H22, the company recorded a 101% y-o-y increase in revenue to EGP 1,232.0 million and a 3% y-o-y increase in volume sold. Volume growth during 1H22 was driven by a 6% y-o-y increase in local volume which offset the 5% y-o-y decline in export volume.

In terms of profitability, Uniboard's EBITDA rose 487% y-o-y to EGP 310.0 million in 2Q22, as the company increased prices across its product mix offsetting the impact of a 63% y-o-y increase in raw material costs, primarily paper.

El Baddar

El Baddar's revenue increased by 62% y-o-y to EGP 181.0 million in 2Q22 as the company capitalized on its new state-of-the-art facility, which became operational in early 2021. The company's strong performance was supported by a 14% y-o-y increase in sales volume in 2Q22. On a six-month basis, revenue reached EGP 360.0 million in 1H22, a 72% y-o-y increase, with sales volume rising 21% y-o-y.

Windsor

Windsor is a factory specialized in the production of paper packaging and chemical additives with a significant share in the manufacturing of paper cups and boxes. Coca-Cola and PepsiCo are just a few of Windsor's clients. The company's revenue grew 74% y-o-y to EGP 24.4 million in 2Q22 and 53% y-o-y to EGP 44.4 million in 1H22. On the profitability front, EBITDA recorded EGP 8.7 million in 2Q22, up 118% y-o-y, and EGP 13.9 million in 1H22, up 54% y-o-y. The factory's performance was highly influenced by the increase in volume across its product mix, and the company is anticipated to benefit from the expected government regulations currently under discussion that will prohibit the use of plastic boxes in the packaging of food items.

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 ASCOM Precious Metals (which is consolidated under the equity method as a share of associates' results).

ASCOM GEOLOGY & MINING

QALAA HOLDINGS OWNERSHIP — c.54.1%

ASCOM's topline grew by 53% y-o-y to EGP 354.8 million in 2Q22 driven by a 25% y-o-y increase in revenue at ACCM and a 126% y-o-y increase in revenue at GlassRock. On a six-month basis, ASCOM's revenue increased by 37% y-o-y to EGP 641.2 million on the back of higher revenue at ACCM and GlassRock.

Key Performance Indicators

	Units	2Q21	2Q22	% chg	1H21	1H22	% chg
ASCOM Revenue	**(EGP mn)**	231.8	354.8	53%	467.8	641.2	37%
ASCOM EBITDA	**(EGP mn)**	14.2	58.6	312%	27.4	97.4	256%
ACCM Revenue	(USD mn)	8.5	10.5	25%	15.7	20.3	30%
ACCM EBITDA	(USD mn)	1.1	2.3	104%	2.3	4.5	98%
GlassRock Revenue	(USD mn)	1.7	3.9	126%	4.3	7.4	73%
GlassRock EBITDA	(USD mn)	0.5	0.6	24%	0.2	0.9	415%
Egypt Quarrying Revenue	(EGP mn)	73.5	54.8	-25%	155.2	106.8	-31%
Egypt Quarrying EBITDA	(EGP mn)	3.1	(5.9)	N/A	6.5	(8.1)	N/A
Other Quarry Management Revenue – ex Egypt	(EGP mn)	-	2.8	N/A	-	3.7	N/A
Other Quarry Management EBITDA – ex Egypt	(EGP mn)	(0.2)	0.3	N/A	(0.2)	0.3	N/A

ACCM

ACCM recorded a revenue of USD 10.5 million in 2Q22, up 25% y-o-y from USD 8.5 million in 2Q21. During the quarter, export revenue grew 53% y-o-y to USD 8.9 million compared to USD 5.8 million in 2Q21. Higher exports were driven by a 48% y-o-y increase in average price per ton in 2Q22, with export volume remaining largely flat year-on-year in 2Q22. On a six-month basis, ACCM's revenue expanded by 30% y-o-y to USD 20.3 million versus USD 15.7 million in 1H21. The strong performance in 1H22 was similarly driven by higher export proceeds, with a 40% y-o-y increase in average price per ton coupled with a 6% y-o-y increase in export volume.

The notable increase in the average price per ton in 2Q22 was meant to offset the substantial surges in two essential variable cost components, namely global freight costs and stearic acid. The Russo-Ukrainian war coupled with ongoing supply chain disruptions led to an increase in global freight costs resulting in a rise in ACCM's variable costs as it sells on a CIF basis. Moreover, stearic acid, which is essential in the milling process, saw its price increase c. 42% y-o-y compared to 2Q21. Despite the 63% y-o-y rise in variable costs in 2Q22, ACCM's robust pricing strategy along with the government's export incentives supported profitability, with EBITDA expanding more than two-fold year-on-year to USD 2.3 million in 2Q22. EBITDA reached USD 4.5 million in 1H22, up 98% y-o-y compared to the USD 2.3 million booked in the same period last year.

Looking ahead, ACCM is well-positioned to continue benefiting from growing exports which account for the majority of the company's topline. The depreciation of the Egyptian Pound will increase ACCM's competitiveness in the global market and allow the company to increase its export volume. Additionally, the export incentives which came into effect on 1 July 2021 have multiplied ACCM's proceeds from the program. However, management is cognizant that turbulent global market conditions will continue to affect ACCM's variable costs and is thus closely monitoring developments. Management also intends to simultaneously push ahead with its sales channel diversification strategy and install additional production lines in the coming year to expand its capacity and meet planned growth targets.

GlassRock

GlassRock's revenue grew 126% y-o-y to USD 3.9 million in 2Q22, driven by an 87% y-o-y increase in total volume sold to 3,241 tons and higher prices across the company's product mix. On a six-month basis, revenue increased 73% y-o-y to USD 7.4 million on the back of a 38% y-o-y increase in total volume sold in 1H22.

GlassRock successfully penetrated new international markets during the quarter, expanding its portfolio to 23 export markets across Africa, Europe and Asia. The company grew its export volume six-fold year-on-year in 2Q22, reaching 1,808 tons versus 297 tons in 2Q21. Consequently, export revenue grew over six-fold year-on-year to USD 2.0 million compared to USD 315.6 thousand in 2Q21. The impressive growth was driven by strong performance at the glasswool and rockwool's export divisions. In 2Q22, glasswool export revenue grew 140% y-o-y to USD 354.0 thousand on the back of a 147% y-o-y increase in export volume, which more than offset a 3% y-o-y decline in average price per ton. Meanwhile, rockwool saw its export revenue increase seven-fold year-on-year to USD 1.2 million in 2Q22 supported by an eight-fold year-on-year growth in export volume, which outweighed a 13% y-o-y decrease in average price per ton. In 1H22, glasswool's export revenue increased 61% y-o-y to USD 830.5 thousand and rockwool's export revenue tripled to reach USD 1.5 million, both driven by substantial volume increases.

GlassRock achieved revenue growth despite local sale volume decreasing 20% y-o-y to 1,152 tons in 2Q22 and 10% y-o-y to 2,980 tons in 1H22. While glasswool local volume grew 33% y-o-y to 270 tons in 2Q22, rockwool local sales declined 29% y-o-y to 882 tons in the same period. Given that rockwool products account for over 76% of local sales volume, the decline in rockwool's local sales weighed down on the quarter's overall local sales. In terms of revenue, glasswool's local sales recorded a 53% y-o-y growth to USD 542.7 thousand compared to USD 354.7 thousand in 2Q21 supported by a more efficient product mix and a 15% y-o-y increase in glasswool's local selling price to USD 2,007/ton. Meanwhile, rockwool recorded USD 1.0 million in local revenue, up 134% y-o-y in 2Q22, driven by a 36% y-o-y rise in price per ton. It is worth noting that the price increases of glasswool and rockwool were successfully absorbed by the market.

On the profitability front, GlassRock's EBITDA grew 24% y-o-y in 2Q22 to USD 582.4 thousand, and 415% y-o-y in 1H22 to USD 856.9 thousand compared to USD 166.3 thousand in 1H21. Profitability was driven by higher export sales coupled with price increases at both the local and export levels.

Egypt Quarrying (ASCOM Mining)

ASCOM's mining operations rely primarily on the cement sector with around 90% of its revenue attributed to cement clients. The company continues to face a challenging operating environment due to sustained pressure on Egypt's cement industry, which resulted in a 25% y-o-y decline in revenue to EGP 54.8 million in 2Q22 compared to EGP 73.5 million in 2Q21. In 1H22, revenue was down 31% y-o-y to record EGP 106.8 million. Management has been actively revising contracts and implementing a minimum take criterion, as well as renewing other contracts on a take-or-pay basis to recoup costs incurred when markets are underperforming. The company is also exploring expanding into other fields such as phosphate, kaolin, sand, gypsum and mining support both locally and internationally.

ASCOM Mining reported a negative EBITDA of EGP 5.9 million in 2Q22 compared to a positive EBITDA of EGP 3.1 million in 2Q21. Profitability was impacted by the non-renewal of some contracts as clients shifted to own-operations for cost saving purposes. In addition, ASCOM had also terminated defaulting contracts and voluntarily shutdown some non-profitable projects to replace them with profitable ones in the future. EBITDA was also down on a six-month basis to negative EGP 8.1 million in 1H22 compared to a positive EGP 6.5 million in 1H21.

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).

QALAA HOLDINGS OWNERSHIP — c.54.9%

Dina Farms Holding Co. recorded a 13% y-o-y increase in revenue to EGP 343.0 million but EBITDA decreased 47% y-o-y to EGP 23.6 million in 2Q22 due to significant price hikes of material components stemming from the Russo-Ukrainian conflict. Similarly, revenue was up 11% y-o-y in 1H22 to EGP 618.8 million while EBITDA fell 20% y-o-y to EGP 51.9 million.

Key Performance Indicators

	Units	2Q21	2Q22	% chg	1H21	1H22	*% chg*
Gozour (Dina Farms Holding Co.) Revenue	**(EGP mn)**	**302.3**	**343.0**	**13%**	**555.3**	**618.8**	**11%**
Gozour (Dina Farms Holding Co.) EBITDA	**(EGP mn)**	**44.5**	**23.6**	**-47%**	**64.6**	**51.9**	**-20%**
Dina Farms Revenue	(EGP mn)	243.9	277.3	14%	448.0	489.6	9%
Dina Farms EBITDA	(EGP mn)	48.1	26.7	-45%	76.9	56.2	-27%
Dina Farms Raw Milk Sales/Milking Cow Ratio	Tons/Milking Cow	2.9	2.7	-7%	5.8	5.4	-8%
ICDP Revenue	(EGP mn)	92.7	132.3	43%	176.6	240.9	36%
ICDP EBITDA	(EGP mn)	7.2	11.6	62%	9.5	23.8	150%
ICDP SKU Volume Sold	(Tons)	4,186	4,739	13%	7,923	9,127	15%

Dina Farms' revenue grew 14% y-o-y to EGP 277.3 million in 2Q22, bringing 1H22 revenue to EGP 489.6 million, up 9% y-o-y. Revenue growth was supported by ongoing facility enhancement projects, which improved overall operations across all business segments.

At the livestock division, a 32% y-o-y increase in milk prices offset a 9% y-o-y drop in milk sales volume to 18,353 tons, driving a revenue increase of 20% y-o-y to EGP 183.2 million from fresh milk sales in 2Q22. It is important to note that the drop in milk sales volume was due to an outbreak of Foot and Mouth Disease (FMD) in 2Q22, which has since been contained. Parallel to this, powdered milk sales volume dropped by 45% y-o-y resulting in a 10% y-o-y revenue decline to EGP 4.4 million in 2Q22. The decline in powdered milk sales volume was due to the lower volume of raw milk produced during the quarter. Meanwhile, non-milk revenue grew by 26% y-o-y to reach EGP 12.8 million compared to EGP 10.2 million in 2Q21 driven by higher sales volume coupled with a noticeable increase in meat prices when compared to the same period of last year. Overall, livestock revenue grew 20% y-o-y to EGP 200.4 million in 2Q22 and was up 12% y-o-y to EGP 376.9 million in 1H22.

At the agriculture division, orchard revenue decreased 34% y-o-y to EGP 16.6 million in 1H22 compared to EGP 25.4 million in 1H21 due to lower citrus fruits volume at Dina Farms and a decrease in the price per ton. The Russo-Ukrainian conflict resulted in lower export volume and a supply increase in the domestic market, which pushed prices down across the portfolio. On the other hand, crops revenue increased 15% y-o-y to EGP 61.7 million in 1H22, primarily driven by a 71% y-o-y increase in parsley cultivated area to 600 feddans compared to 350 feddans in 1H21. Parsley revenue, including revenue generated from drying, was up 73% y-o-y to reach EGP 30.9 million in 1H22 compared to EGP 17.8 million in 1H21.

Finally, revenue at the retail division remained largely unchanged at EGP 14.4 million in 2Q22 and were up 5% y-o-y to EGP 27.4 million in 1H22 following the completion of construction work on the Alex/Cairo road, which had previously hindered customers' ability to shop at the outlet.

On the profitability front, Dina Farms recorded a 45% y-o-y decrease in EBITDA to EGP 26.7 million in 2Q22 and a 27% y-o-y decline in EBITDA to EGP 56.2 million in 1H22, due to significant price hikes of material components stemming from the Russo-Ukrainian conflict. Corn and soybean prices continued to soar and pressure contribution margins. Fertilizer and agricultural input prices have also risen, with some items more than doubling in price during the period.

ICDP

ICDP's total SKU volume grew 13% y-o-y to 4,739 tons in 2Q22, closing 1H22 with a 15% y-o-y increase to 9,127 tons versus 7,923 tons in 1H21 on the back of improved post-Covid-19 market conditions. Consequently, revenue increased 43% y-o-y in 2Q22 to EGP 132.3 million and ended the first half of the year at EGP 240.9 million, up 36% y-o-y. Top-line performance was further supported by ICDP's transition from selling through distributors to selling directly through the company's own network of branches in Cairo, Giza, Alexandria and the Delta region. This transition allowed ICDP to increase sales volume, decrease returns of sold items and offer zero discounts.

Milk revenue grew 41% y-o-y to EGP 70.3 million in 2Q22 driven by higher milk prices and volume, which rose 30% y-o-y and 9% y-o-y, respectively. Meanwhile, skimmed milk powder revenue remained largely flat at EGP 7.5 million following a 38% y-o-y drop in sales volume which was counteracted by a 61% y-o-y rise in prices during the quarter. On a six-month basis, milk revenue increased by 46% y-o-y to EGP 137.0 million in 1H22 as volume rose 15% y-o-y to 6.4 thousand tons and prices climbed 27% y-o-y. On the other hand, skimmed milk powder revenue declined by 33% y-o-y to record EGP 12.2 million in 1H22 on account of lower volume.

ICDP's juice revenue continued to exceed expectations rising 51% y-o-y to EGP 22.3 million in 2Q22 and 63% y-o-y to EGP 38.6 million in 1H22 compared to EGP 23.7 million in 1H21. The strong performance was driven by a 25% y-o-y increase in volume to 715 tons in 2Q22 and a 41% y-o-y increase in volume to 1,276 tons in 1H22. Top line was further supported by increases in juice prices per ton during the period.

At the yogurt segment, revenue expanded by 46% y-o-y to EGP 14.6 million in 2Q22 and by 41% y-o-y in 1H22 to reach EGP 23.2 million. In 2Q22, sales volume reached 629 tons, up 43% y-o-y, and prices were up 2% y-o-y. Similarly, on a six-month basis, volume expanded 35% y-o-y to 977 tons and prices increased 5% y-o-y. Yogurt revenue was further supported by the new direct distribution channels and various product launches during the period.

Meanwhile at ICDP's cheese segment, the company successfully commissioned its new cheese line during the quarter and introduced new cheese products to the market leading to a turnaround in performance. In 2Q22, a 94% y-o-y increase in sales volume coupled with a 72% y-o-y increase in prices resulted in a 235% y-o-y increase in the segment's revenue, which rose to EGP 12.8 million in 2Q22. On a six-month basis, revenue from cheese reached EGP 18.6 million in 1H22, up from EGP 7.7 million the previous year.

ICDP's profitability improved with EBITDA recording EGP 11.6 million in 2Q22, up 62% y-o-y, and EGP 23.8 million in 1H22, up 150% y-o-y compared to EGP 9.5 million in 1H21. Higher sales volume, zero discounts and lower fixed costs due to higher capacity utilization levels, all contributed towards the growth of ICDP's profitability.

Looking ahead, management aims to increase the contribution of the company's juice segment and generate higher value to continue supporting profitability. Management successfully ramped up production of cheese and yogurt products through the installation of a new cheese line in 2Q22. To capitalize on its new asset, management has added a new line to double production this September. Furthermore, ICDP will continue expanding its product range and increasing its direct distribution given that the latter has proven very effective in enhancing the company's performance.

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)

NILE LOGISTICS

QALAA HOLDINGS OWNERSHIP — 67.6%

Nile Logistics is owned by CCTO, which consolidates the company's operations in Egypt and South Sudan. In 2Q22, the company's revenue increased by 6% y-o-y to EGP 67.1 million, but EBITDA fell by 18% y-o-y to EGP 18.0 million.

Key Performance Indicators

	Units	2Q21	2Q22	% chg	1H21	1H22	% chg
CCTO (Nile Logistics Holding Co.) Revenue	**(EGP mn)**	**64.2**	**67.9**	**6%**	**113.0**	**161.6**	**43%**
CCTO (Nile Logistics Holding Co.) EBITDA	**(EGP mn)**	**21.8**	**18.0**	**-18%**	**33.6**	**60.0**	**78%**
Nile Logistics Revenue	(EGP mn)	58.9	67.9	15%	104.7	152.2	45%
Nile Logistics EBITDA	(EGP mn)	23.9	28.3	18%	39.8	71.2	79%
Nile Logistics Coal / Pet Coke Tons Handled	(000's Tons)	318	278	-13%	428	562	31%
Nile Logistics Twenty-Foot Equivalent Handled	(TEU)	22,037	19,393	-12%	40,893	45,397	11%
Nile Barges Revenue (South Sudan)	(USD mn)	0.3	0	-100%	0.5	0.6	19%
Nile Barges EBITDA (South Sudan)	(USD mn)	0.2	(0.3)	N/A	0.3	0.1	-65%

Nile Logistics (Egypt)

Nile Logistics recorded a revenue of EGP 67.9 million in 2Q22, up 15% y-o-y, bringing total revenue for the first half of the year to EGP 152.2 million, up 45% y-o-y compared to 1H21. The company's performance during the period was driven by improvements at the storage and inland container depot divisions, while stevedoring services experienced a slowdown in 2Q22 due to newly introduced letters of credit requirement as well as foreign currency availability issues.

In 2Q22, the volume of coal and pet coke handled dropped 13% y-o-y to 278 thousand tons while grain stevedoring at the Nubaria warehouse declined 60% y-o-y to 35 thousand tons. Consequently, revenue from the company's stevedoring operations fell 27% y-o-y to EGP 20.3 million in 2Q22 compared to EGP 27.9 million in 2Q21. In 1H22, revenue from stevedoring services recorded EGP 42.0 million, up 5% y-o-y versus 1H21, on the back of a particularly strong performance and increased volume in 1Q22. The company has changed the Nubaria grain warehouse usage to a general goods warehouse in response to lower demand for grain storage. Meanwhile at the Tanash warehouse, the volume of coal handled reached 131.6 thousand tons in 2Q22, up 39% y-o-y, bringing the total for 1H22 to 270 thousand tons compared to 184 thousand tons in 1H21. As a result, storage revenue increased 18% y-o-y to EGP 21.1 million in 2Q22 and increased 38% y-o-y to EGP 48.2 million in 1H22.

At the company's inland container depot, the volume of Twenty-foot Equivalent Units (TEUs) decreased 12% y-o-y in 2Q22 to 19,393 containers; however, the division managed to generate EGP 20.6 million in revenue, a 56% y-o-y increase compared to 2Q21. Revenue growth was driven by the doubling of storage and reefer power-days during 2Q22 recording over 33,092 days compared to 16,254 days back in 2Q21. On a six-month basis, volume increased 11%

y-o-y to 45,397 TEUs on the back of a strong performance in 1Q22, recording EGP 42.8 million in revenue during 1H22 versus EGP 29.5 million 1H21. The growth was driven by an increase in reefer power-days which grew by 64% y-o-y to 73,721 days in 1H22 compared to 44,731 days in 1H21, coupled with a 42% y-o-y increase in the number of storage days for the TEUs in 1H22.

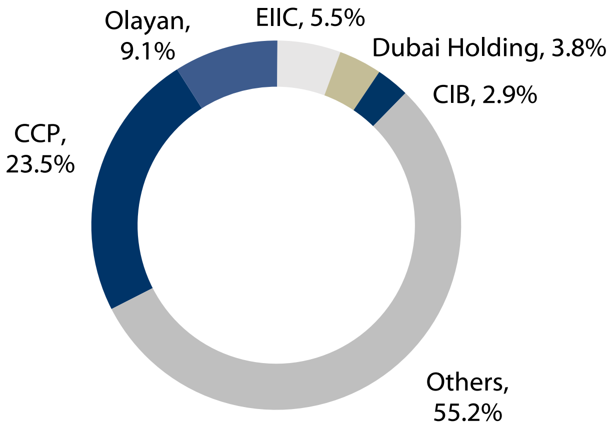
In terms of profitability, higher storage services and inland container depot revenue drove an 18% y-o-y growth in EBITDA to EGP 28.3 million in 2Q22. On a six-month basis, EBITDA increased 79% y-o-y to EGP 71.2 million in 1H22 following the strong performance across the company's operations during the first few months of the year.

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 has three pushers and eight barges in service following the successful addition of the last pusher in 2Q22, bringing Nile Barges' entire fleet into operation.

Political unrest in the country halted operations during the quarter. As a result, Nile Barges did not complete any trips in 2Q22, leaving the total number of successful journeys in 1H22 at two trips, down from three trips in 1H21. In 1H22, revenue increased by 19% y-o-y to USD 576.0 thousand, but EBITDA fell by 65% y-o-y to USD 95.0 thousand. Fewer trips coupled with cargo flow moving from North to South, trips characterized by lower pricing, all resulted in a decline in margins. To note, two trips are expected to be invoiced in 3Q22 with a total expected revenue of USD 1.1 million.

SHAREHOLDER STRUCTURE

(as at 30 June 2022)



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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