Qalaa Holdings Reports 3Q 2019 Results

- *Broad-based volume expansion at TAQA Arabia propels top-line growth;*
- *ERC operating at an average capacity utilization of c.85%; sells 1.3 MT of products as at Nov 2019;*
- *Restructuring of debt at the holding and subsidiary levels proceeding apace, expected to significantly reduce interest expenditure in the future;*
- *Al Takamol Cement sees strong recovery following disruptions earlier in 2019*

3Q 2019 Consolidated Income Statement Highlights	
Revenues EGP 3,924.1 mn vs. EGP 3,254.5 mn in 3Q18	
EBITDA EGP 278.4 mn vs. EGP 295.0 mn in 3Q18	Net Profit After Minority EGP (395.3) mn vs. EGP 158.1 mn in 3Q18
9M 2019 Consolidated Income Statement Highlights	
Revenues EGP 11,125.5 mn vs. EGP 9,618.9 mn in 9M18	
EBITDA EGP 933.9 mn vs. EGP 993.8 mn in 9M18	Net Profit After Minority EGP (774.4) mn vs. EGP 198.3 mn in 9M18
Highlights from Consolidated Balance Sheet as at 30 September 2019	
Consolidated Assets EGP 86,086.6 mn At current book value vs. EGP 88,801.0 mn in FY18	Consolidated Debt EGP 54,611.3 mn Of which EGP 42,836.0 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 September 2019, recording a 21% y-o-y expansion in revenues to EGP 3,924.1 million. Top-line expansion for the period was driven by developments at Qalaa Holdings' energy and cement segments, while growth at the agrifoods business providing a further boost to consolidated revenues. On a nine-month basis, Qalaa Holdings saw revenues climb by 16% y-o-y to record EGP 11,125.5 million for 9M19.

Qalaa Holdings did not consolidate profits generated by ERC during the period. The greenfield second-stage refinery project was operating at c.85% average capacity utilization as of November 2019 and has sold approximately 1.3 MT of products since it started full production on the 1st of August 2019. Qalaa took a very conservative view of accounting standards and chose to deduct net revenues from ERC's sales from the 'projects under construction' item on the company's balance sheet during this period and until the end of 2019. The project will be classified as an asset starting 1Q2020 and will in turn book revenues on its income statement. Had Qalaa Holdings consolidated profits from ERC during 2019, the Group would have turned an operational profit during the final quarter of the year. Management currently expects the consolidation of profits from ERC to begin in 2020, a development which is expected to turn Qalaa's bottom-line to operational profitability with the contribution of other profitable subsidiaries, such as TAQA Arabia.

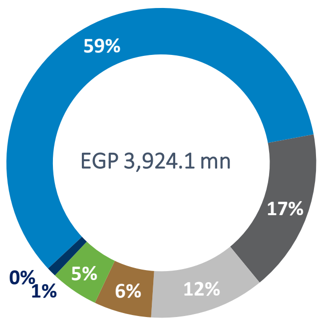
Qalaa recorded an EBITDA of EGP 278.4 million for 3Q19, down by 6% y-o-y on the back of declines at mining subsidiary ASCOM and packaging & printing subsidiary National Printing. Cement platform ASEC Holding saw a further decline in EBITDA as a result of weak performance at the construction and management companies due to a sluggish cement market in Egypt. On the other hand, TAQA Arabia continues to over perform with EBITDA growth of some 80% in 3Q19 compared to the same quarter last year. On a nine-month basis, Qalaa Holdings saw EBITDA decrease by 6% y-o-y to EGP 933.9 million in 9M19. Qalaa's consolidated EBITDA was further affected by the recognition of a non-recurring SG&A expense totaling EGP 27.8 million at Grandview, composed mainly of demurrage fees.

Qalaa Holdings booked a net loss after minority interest of EGP 395.3 million in 3Q19 against a net profit of EGP 158.1 million booked one year previously. It should be noted that 3Q18 results included non-cash gains related to a provision reversal as well as gains due to the deconsolidation of Africa Railway's operational liabilities. For the nine-month period, Qalaa recorded a net loss after minority interest of EGP 774.4 million in 9M19.

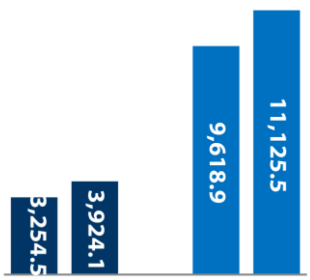
Financial and operational highlights follow, as do management's comments and overview of the performance of different business units. Full financials are now available for download at ir.qalaaholdings.com.

Financial and Operational Highlights

QALAA HOLDINGS CONSOLIDATED REVENUES 3Q19



REVENUE PROGRESSION
(EGP mn)



- **Qalaa recorded consolidated revenues of EGP 3,924.1 million in 3Q19, a y-o-y increase of 21% propelled by continued strength at the Group's flagship energy subsidiary, TAQA Arabia, which booked y-o-y revenue growth of 30% for 3Q19.**

  Performance at TAQA Arabia, Qalaa's flagship energy subsidiary, continued to stand out during the period. Consolidated top-line growth was further buttressed by a 60% y-o-y climb in the top line at ASEC Holding, where Sudan's Al Takamol Cement recorded a near-tripling of revenues to EGP 403.6 million. This came as the company more than doubled volumes sold during the period, which saw a significant recovery of cement prices in Sudan and easing of exchange rate pressures following an earlier spate of political instability and social unrest.

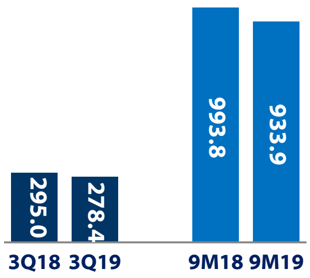
  Gozour, Qalaa's multi-category agriculture and consumer foods platform, recorded rapid revenue growth of 15% y-o-y on continued solid top-line performance at the company's subsidiaries, Dina Farms and ICDP. These positive developments were slightly offset by a top-line contraction of 9% y-o-y at ASCOM, Qalaa's operational mining platform. Meanwhile, Qalaa's transportation and logistics segment experienced a 6% y-o-y decrease over the period. A further decline was seen at the printing and packaging segment, where revenues contracted by 21% y-o-y in 3Q19.

- **Qalaa's EBITDA declined by 6% y-o-y to EGP 278.4 million in 3Q19.**

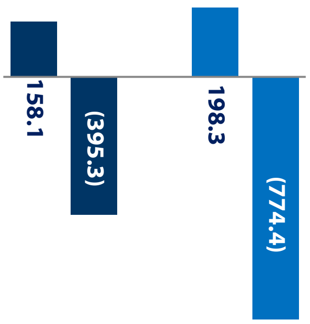
  Decreased EBITDA was largely a result of the 39% y-o-y decline in EBITDA at ASEC Holding in 3Q19. This in turn was a result of weak performance at the company's cement construction and management subsidiaries. At the energy segment, however, TAQA Arabia saw EBITDA expand at an impressive 79% y-o-y on the back of a profitable expansion across the company's business segments and a growing contribution from its recently inaugurated solar power plant in Benban, Aswan.

  Management expects EBITDA to return to the growth trajectory it has displayed since 2016, driven by the stabilization of the political and financial situation in Sudan, a growing contribution by Nile Logistics with

EBITDA PROGRESSION
(EGP mn)



NET PROFIT PROGRESSION
(EGP mn)



the launch of its grain storage warehouse as well as a larger contribution from TAQA's solar arm.

- **Bank interest expense recorded EGP 372.5 million in 3Q19, an increase of 16% y-o-y on the EGP 320.2 million booked in 3Q18.**

  Consolidated interest expense increased as TAQA Solar began booking interest on its c.USD 55 million long-term facility from the International Finance Corporation (IFC). The facility has a 16-year tenor with an interest rate of 4.5% + 6m LIBOR. Amortization will run from July 2019 to 2035.

  Meanwhile, consolidated interest expense on loans from shareholders grew to c.EGP 77 million in 3Q19 and c.EGP 71 million in 2Q19 from the levels of EGP 55 - 65 million recorded during the first quarter of the year. The expense is related to a shareholder loan extended by Qatar Petroleum (QP) to Arab Refining Company (ARC) in May 2019. ARC owns c.67% of ERC.

- **Qalaa recorded an FX gain of EGP 189.1 million in 3Q19, driven by the Egyptian pound's continued strengthening against the US dollar during the period and the consequent effects on Qalaa's USD-denominated debt.**

- **Qalaa Holdings booked a consolidated net loss after minority interest of EGP 395.3 million in 3Q19 versus a net profit of EGP 158.1 million one year previously.**

  The consolidation of ERC's results in 1Q2020 is expected to turn Qalaa to bottom-line profitability.

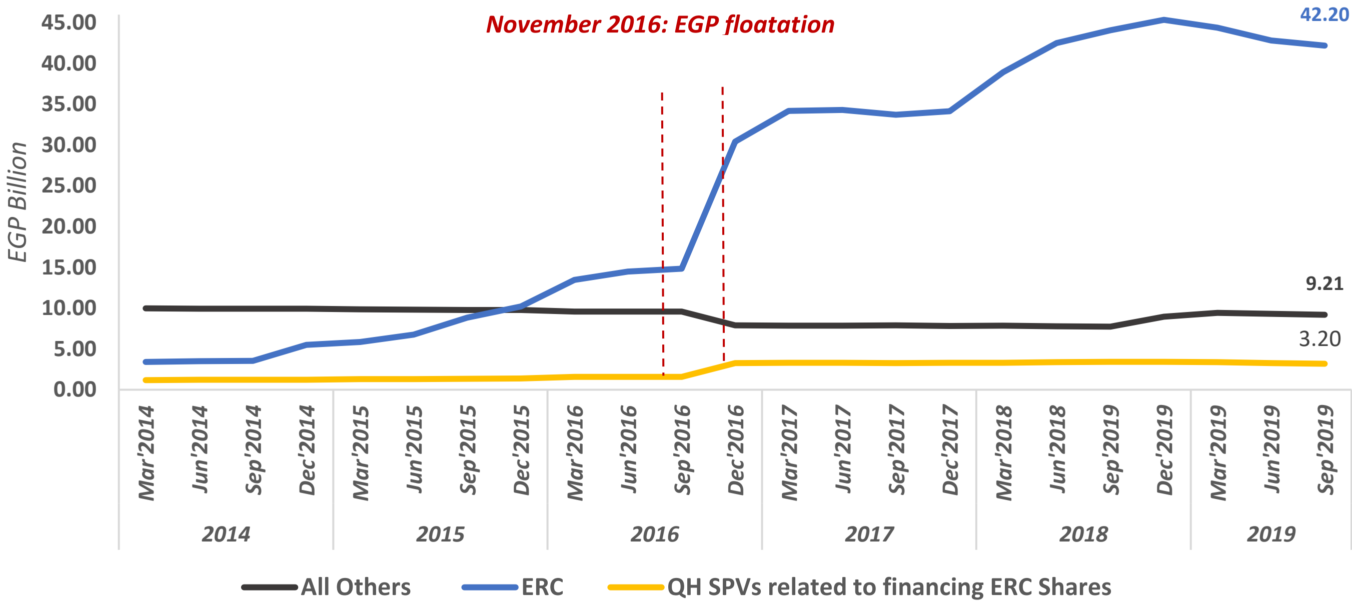
- **Debt restructuring at the holding level and subsidiaries is progressing.**

  Qalaa has reached the advanced stages of negotiations over the restructuring of debts at the holding level and at a number of its subsidiaries, notably Nile Logistics and GlassRock, a subsidiary of ASCOM. Meanwhile, ASEC Holding has signed debt restructuring agreements with the relevant banks, which upon implementation will lead its total borrowings and interest expense to decline significantly.

- **Qalaa's consolidated debt excluding Egyptian Refining Company (ERC) and ERC-related debt stood at EGP 9.21 billion as of 30 September 2019 versus EGP 9.32 billion at 30 June 2019.**

  USD-denominated debt at the holding level and at ERC, as well as ERC-related debt at Qalaa's SPVs fell in the quarter to 30 September 2019, due to the EGP's appreciation against the US dollar during the period.

Debt Progression (EGP bn)

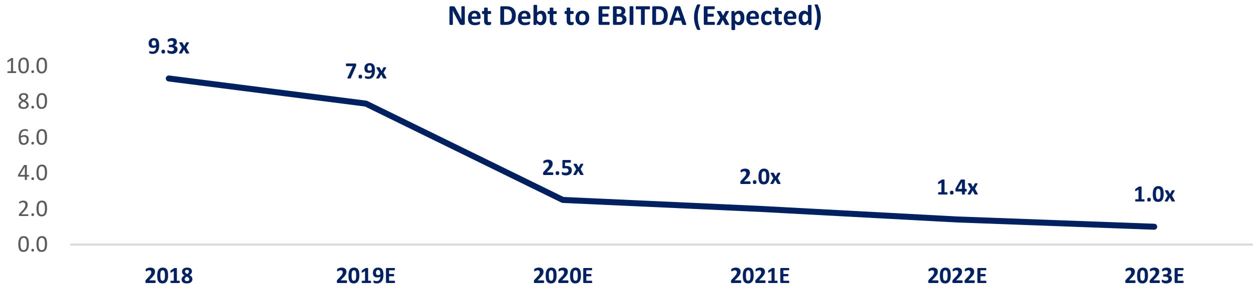


NET DEBT TO EBITDA PROGRESSION (Expected)

Consolidated Figures in EGP bn	2018	2019E	2020E	2021E	2022E	2023E
EBITDA (existing companies)	1.3	1.4	2.0	2.5	3.0	3.5
ERC EBITDA	-	-	16.0	16.0	16.0	16.0
Consolidated EBITDA	1.3	1.4	18.0	18.5	19.0	19.5
Net Debt	11.9	11.0	45.5	36.5	27.5	20.0
Net Debt to EBITDA	**9.3x**	**7.9x**	**2.5x**	**2.0x**	**1.4x**	**1.0x**

The above figures may vary according to operating performances of various companies as well as exchange rate fluctuations. The below chart is meant to show a trend of the expected ratio and not exact figures.

Net Debt to EBITDA (Expected)



Management Comment

"Qalaa Holdings management continues to implement several measures that we are confident will further support the company's return to sustainable profitability going forward."

"I am particularly pleased to report that our flagship greenfield Egyptian Refining Company is now operating at an average of 85 percent capacity utilization. Since inauguration of its facility, the Company has sold approximately 1.1 MT of refined products to EGPC, in addition to 129 thousand tons of pet coke and 15 thousand tons of sulphur sold to key cement and fertilizer players as of November 2019," **said Qalaa Holdings Chairman and Founder Ahmed Heikal. "**Currently ERC is making a Gross Refining Margin (GRM) of around USD 3 million per day when operating at full capacity. The plant also offers opportunities for expansion after debottlenecking a number of units."

"Meanwehile, Qalaa's revenues continue to grow at a healthy pace, propelled by a broad-based expansion at our flagship energy platform, TAQA Arabia. We have made important progress in linking Egyptian households to grid-connected natural gas, and are on track to achieve management's target of 150 thousand households by year-end. Progress has also been made in penetrating the lucrative compressed natural gas market (CNG), while TAQA's solar power plant now generates impressive EBITDA. On the cement front, we are cautiously optimistic regarding increased political stability in Sudan, which together with the Sudanese pound's gradual stabilization has helped drive volume and revenue growth at Al Takamol during the third quarter," Heikal added.

"Heading into the new year, we look forward to a positive and operationally profitable bottom line as Qalaa consolidates profits from ERC starting 2020 and we leverage the strengths of our portfolio to generate growth across our segments," said Heikal. "

"Qalaa Holdings management continues to implement several measures that we are confident will further support the company's return to sustainable profitability going forward," **said Hisham El-Khazindar, Qalaa Holdings' Co-Founder and Managing Director**. "We are in advanced stages of negotiations with the relevant banks to restructure debts at the holding and subsidiary levels, notably at Nile Logistics and at ASCOM subsidiary GlassRock. This follows restructuring agreements already finalized at ASEC Holding. Besides the prospect of materially decreasing outlays on interest payments over the coming period, such restructuring should lead to improved working capital availability and in turn further aiding plans for business growth. The augmented cash resources at the subsidiaries' disposal will enable them to invest in widening their footprints while protecting from short-term contingencies.

Management remains confident that capital structure optimization and broader efforts to leverage the competitive strengths of Qalaa's portfolio will deliver steady yet visible bottom-line expansion in the 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

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

Qalaa Holdings Consolidated Income Statement (in EGP mn)

					Restated^			
	1Q 2019	2Q 2019	3Q 2019	9M 2019	1Q 2018	2Q 2018	3Q 2018	9M 2018
Revenue	3,581.0	3,620.4	3,924.1	11,125.5	3,086.9	3,277.5	3,254.5	9,618.9
COS	(2,933.4)	(3,051.1)	(3,328.5)	(9,313.0)	(2,485.4)	(2,666.3)	(2,742.7)	(7,894.5)
Gross Profit	**647.5**	**569.3**	**595.7**	**1,812.5**	**601.5**	**611.2**	**511.7**	**1,724.4**
Share in associates' results	0.3	(1.5)	(0.2)	(1.4)	(0.6)	(0.0)	(0.6)	(1.2)
Total Operating Profit	**647.9**	**567.8**	**595.4**	**1,811.1**	**600.8**	**611.2**	**511.1**	**1,723.2**
SG&A	(277.9)	(290.1)	(290.8)	(858.9)	(266.9)	(265.6)	(280.2)	(812.7)
Other inc/exp-Net	11.1	9.8	1.5	22.4	7.7	16.5	11.9	36.0
EBITDA before one-off charges	**381.0**	**287.5**	**306.1**	**974.7**	**341.6**	**362.2**	**242.8**	**946.5**
SG&A (Non recurring)	(4.6)	(8.4)	(27.8)	(40.7)	(5.3)	0.3	52.2	47.2
EBITDA	**376.4**	**279.1**	**278.4**	**933.9**	**336.2**	**362.5**	**295.0**	**993.8**
Dep./Amort.	(125.8)	(136.2)	(137.1)	(399.1)	(115.7)	(167.2)	(119.9)	(402.8)
EBIT	**250.6**	**142.9**	**141.3**	**534.8**	**220.5**	**195.3**	**175.1**	**590.9**
Bank interest exp.	(367.5)	(377.5)	(372.5)	(1,117.5)	(310.6)	(307.1)	(320.2)	(937.8)
Bank PIK	(32.8)	(24.3)	(23.6)	(80.7)	-	(51.8)	(26.1)	(77.9)
Bank Fees (ERC - PIK)	(37.6)	3.3	0.5	(33.8)	(28.3)	(28.4)	(28.6)	(85.2)
3rd party Shareholder	(64.8)	(71.8)	(76.6)	(213.2)	(50.8)	(55.5)	(65.6)	(171.9)
Interest income	72.5	64.7	60.7	197.9	45.9	69.7	71.7	187.3
Lease payments	(8.6)	(3.7)	(13.6)	(25.9)	(5.3)	(4.8)	(11.9)	(22.0)
EBT (before one-offs)	**(188.2)**	**(266.4)**	**(283.9)**	**(738.5)**	**(128.5)**	**(182.6)**	**(205.5)**	**(516.6)**
Gain (Loss) on sale of investments	-	27.8	0.0	27.8	-	919.6	252.6	1,172.2
Impairments/write downs	(4.8)	(3.0)	2.2	(5.5)	93.1	(9.3)	(67.6)	16.2
Acquisitions and restructuring	(6.8)	(3.9)	(2.7)	(13.4)	-	106.9	(25.6)	81.3
Management Fees	-	-	(135.1)	(135.1)	-	-	-	-
Layoffs/Severances	(2.7)	(1.4)	(4.9)	(9.1)	(10.6)	(6.3)	(12.8)	(29.7)
CSR	(2.5)	(0.1)	(0.2)	(2.9)	(1.7)	(1.1)	(0.8)	(3.6)
Provisions	(67.4)	(126.9)	(166.2)	(360.6)	(78.7)	(507.5)	207.3	(378.9)
Discontinued operations *	(17.2)	(42.8)	(3.8)	(63.9)	(34.6)	(24.9)	32.5	(27.1)
Forex	181.3	221.1	189.1	591.5	45.8	(58.5)	(13.3)	(26.0)
EBT	**(108.4)**	**(195.7)**	**(405.5)**	**(709.6)**	**(115.1)**	**236.3**	**166.7**	**287.8**
Taxes	(63.1)	(82.5)	(46.0)	(191.7)	(68.3)	(14.4)	(98.6)	(181.4)
NP/L Including Minority Share	**(171.5)**	**(278.2)**	**(451.6)**	**(901.2)**	**(183.5)**	**221.8**	**68.1**	**106.4**
Minority Interest	(16.8)	(53.7)	(56.2)	(126.8)	2.7	(4.6)	(90.0)	(91.9)
NP/L for the Period	**(154.6)**	**(224.5)**	**(395.3)**	**(774.4)**	**(186.2)**	**226.5**	**158.1**	**198.3**

* Discontinued operations include:
(1) Assets reclassified in 2018, 2019: Zahana
(2) Assets with zero results in 2019: Enjoy and Mom's Food (Gozour)
(3) Assets included in 2018: Africa Railways (deconsolidated in 2Q18), ESACO (sold in 4Q18), and Designopolis (Mena Home, sold in 2Q18)

^ Comparative figures restated to account for Takamol (Cement) hyperinflationary environment. Process of selling ARESCO has been stopped, and has thus been reclassified as a continuing operation. Also, as a result of control reassessment at Grandview, QH eliminated the EGP 238 mn gain booked in 2Q18 after consolidating the company at the beginning of 2018, whereby its financials are now consolidated retroactively pre-2018.

Qalaa Holdings Consolidated Income Statement by Sector for the three-month period ended 30 September 2019 (in EGP mn)

			Energy			Cement	T&L^	Mining	Agrifoods		Others			
	QH	SPVs	Orient	Silverstone	Tawazon	NDT	CCTO	ASCOM	Falcon	Wafra	Misc.*	Grandview	Elimination	3Q 2019
Revenue	-	-	-	2,202.4	95.0	671.5	41.6	226.0	210.7	(0.0)	28.6	452.6	(4.3)	3,924.1
Cost of Sales	-	-	-	(1,957.6)	(84.4)	(606.7)	(31.1)	(158.2)	(155.8)	(0.0)	(31.4)	(307.4)	4.3	(3,328.5)
Gross Profit	**-**	**-**	**-**	**244.8**	**10.6**	**64.8**	**10.4**	**67.8**	**54.8**	**(0.0)**	**(2.8)**	**145.2**	**-**	**595.7**
Advisory fee	24.3	-	-	-	-	-	-	-	-	-	-	-	(24.3)	-
Share in Associates' Results	-	-	-	-	-	-	-	-	-	-	-	-	(0.2)	(0.2)
Total Operating Profit	**24.3**	**-**	**-**	**244.8**	**10.6**	**64.8**	**10.4**	**67.8**	**54.8**	**(0.0)**	**(2.8)**	**145.2**	**(24.5)**	**595.4**
SG&A	(49.8)	(0.9)	(18.4)	(47.1)	(7.7)	(36.5)	(12.4)	(56.7)	(31.1)	(2.3)	(5.8)	(46.6)	24.5	(290.8)
Other Income/Expenses (Net)	-	(0.0)	(0.0)	(1.3)	0.9	8.8	(0.0)	0.1	0.5	0.0	0.0	(7.5)	-	1.5
EBITDA (before one-offs)	**(25.5)**	**(0.9)**	**(18.4)**	**196.5**	**3.8**	**37.2**	**(2.0)**	**11.2**	**24.3**	**(2.3)**	**(8.6)**	**91.0**	**(0.1)**	**306.1**
Dividends Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SG&A (Non recurring)	(0.1)	-	-	-	(0.7)	(0.9)	-	-	(1.4)	-	-	(24.7)	-	(27.8)
EBITDA	**(25.6)**	**(0.9)**	**(18.4)**	**196.5**	**3.1**	**36.3**	**(2.0)**	**11.2**	**22.9**	**(2.3)**	**(8.6)**	**66.3**	**(0.1)**	**278.4**
Depreciation & Amortization	(0.6)	(0.0)	(5.5)	(28.5)	(3.9)	(23.5)	(10.2)	(22.0)	(15.0)	(0.0)	(1.3)	(13.6)	(12.8)	(137.1)
EBIT	**(26.2)**	**(0.9)**	**(23.9)**	**168.0**	**(0.8)**	**12.7**	**(12.2)**	**(10.8)**	**7.9**	**(2.3)**	**(9.9)**	**52.7**	**(12.9)**	**141.3**
Bank Interest Expense	(107.2)	(37.2)	(4.8)	(78.7)	(1.9)	(42.6)	(38.1)	(12.4)	(10.0)	-	(1.5)	(38.3)	-	(372.5)
Bank PIK	-	(23.6)	-	-	-	-	-	-	-	-	-	-	-	(23.6)
Bank Fees (ERC-PIK)	-	-	0.5	-	-	-	-	-	-	-	-	-	-	0.5
3rd Party Shareholder	-	(11.8)	(21.8)	-	-	(117.1)	(19.2)	(0.7)	-	-	(9.6)	-	103.6	(76.6)
Interest Income	66.7	25.6	0.0	67.7	0.1	3.8	0.0	-	0.0	-	0.0	0.4	(103.7)	60.7
Lease Payments	-	-	-	-	-	-	(5.6)	-	(4.8)	-	-	(3.2)	-	(13.6)
EBT (before one-offs)	**(66.7)**	**(48.0)**	**(50.1)**	**157.0**	**(2.6)**	**(143.2)**	**(75.1)**	**(23.9)**	**(6.9)**	**(2.3)**	**(20.9)**	**11.6**	**(13.0)**	**(283.9)**
Gain (Loss) on Sale of Investments	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0
Impairments/Write-downs	(52.4)	(12.9)	-	-	0.2	5.5	-	(0.0)	(3.0)	-	(0.2)	0.1	64.9	2.2
Restructuring Consulting Fees	(2.7)		-	-	-	-	-	-	-	-	-	-	-	(2.7)
Management Fees		(135.1)												(135.1)
Layoffs/Severances	(0.6)	-	-	-	-	(4.3)	-	-	-	-	-	-	-	(4.9)
CSR	(0.2)	-	-	-	-	-	-	-	-	-	-	-	-	(0.2)
Provisions	(7.5)	(98.4)	-	3.9	(0.7)	(49.6)	-	(8.9)	0.0	-	-	(5.1)	-	(166.2)
Discontinued Operations **	-	-	-	-	-	(4.5)	-	-	0.7	-	-	-	-	(3.8)
FOREX	61.3	(9.8)	(3.5)	1.1	2.0	88.2	0.0	23.6	6.8	(0.8)	19.1	1.1	-	189.1
EBT	**(68.7)**	**(304.2)**	**(53.5)**	**162.1**	**(1.1)**	**(108.0)**	**(75.1)**	**(9.1)**	**(2.4)**	**(3.1)**	**(2.0)**	**7.7**	**51.9**	**(405.5)**
Taxes	0.0	-	-	(35.0)	(0.8)	(2.7)	-	0.2	1.2	-	0.0	(10.2)	1.3	(46.0)
Net P/L Before Minority Share	**(68.7)**	**(304.2)**	**(53.5)**	**127.1**	**(1.9)**	**(110.7)**	**(75.1)**	**(8.9)**	**(1.2)**	**(3.1)**	**(2.0)**	**(2.5)**	**53.1**	**(451.6)**
Minority Interest	-	-	(28.2)	30.8	(1.0)	7.9	(18.1)	0.6	(0.0)	(0.1)	-	(5.4)	(42.8)	(56.2)
Net Profit (Loss)	**(68.7)**	**(304.2)**	**(25.4)**	**96.3**	**(0.8)**	**(118.7)**	**(56.9)**	**(9.5)**	**(1.2)**	**(3.0)**	**(2.0)**	**2.9**	**96.0**	**(395.3)**

* Miscellaneous includes UCF and Sphinx Egypt
^ Transportation & Logistics

** Discontinued operations include:
(1) Assets reclassified in 2018, 2019: Zahana
(2) Assets with zero results in 2019: Enjoy and Mom's Food (Gozour)
(3) Assets included in 2018: Africa Railways (deconsolidated in 2Q18), ESACO (sold in 4Q18), and Designopolis (Mena Home, sold in 2Q18)

Qalaa Holdings Consolidated Income Statement by Sector for the nine-month period ended 30 September 2019 (in EGP mn)

			Energy			Cement	T&L^	Mining	Agrifoods		Others			
	QH	SPVs	Orient	Silverstone	Tawazon	NDT	CCTO	ASCOM	Falcon	Wafra	Misc.*	Grandview	Elimination	9M 2019
Revenue	-	-	-	5,687.0	350.4	1,985.2	156.3	728.8	682.8	0.1	127.9	1,413.3	(6.4)	11,125.5
Cost of Sales	-	-	-	(5,076.0)	(273.7)	(1,708.8)	(97.0)	(495.4)	(483.7)	(0.1)	(120.0)	(1,062.6)	4.3	(9,313.0)
Gross Profit	**-**	**-**	**-**	**611.0**	**76.7**	**276.4**	**59.3**	**233.4**	**199.1**	**(0.0)**	**8.0**	**350.8**	**(2.1)**	**1,812.5**
Advisory fee	74.5	-	-	-	-	-	-	-	-	-	-	-	(74.5)	-
Share in Associates' Results	-	-	-	-	-	-	-	-	-	-	-	-	(1.4)	(1.4)
Total Operating Profit	**74.5**	**-**	**-**	**611.0**	**76.7**	**276.4**	**59.3**	**233.4**	**199.1**	**-**	**8.0**	**350.8**	**(78.1)**	**1,811.1**
SG&A	(150.8)	(4.0)	(56.7)	(143.0)	(23.4)	(107.9)	(36.6)	(169.1)	(98.0)	(3.7)	(18.9)	(123.1)	76.1	(858.9)
Other Income/Expenses (Net)	(0.3)	(1.8)	-	0.1	1.2	16.4	1.4	4.7	0.6	(0.1)	(0.2)	0.2	-	22.4
EBITDA (before one-offs)	**(76.5)**	**(5.8)**	**(56.7)**	**468.1**	**54.6**	**184.9**	**24.2**	**69.1**	**101.7**	**(3.8)**	**(11.1)**	**227.9**	**(2.0)**	**974.7**
Dividends income	-	167.5	-	-	-	-	-	-	-	-	-	-	(167.5)	-
SG&A (Non recurring)	(4.0)	-	-	-	-	(4.1)	-	-	(6.6)	-	(1.3)	(24.7)	-	(40.7)
EBITDA	**(80.5)**	**161.7**	**(56.7)**	**468.1**	**54.6**	**180.8**	**24.2**	**69.1**	**95.1**	**(3.8)**	**(12.5)**	**203.2**	**(169.5)**	**933.9**
Depreciation & Amortization	(1.8)	(0.1)	(14.2)	(77.4)	(11.3)	(67.2)	(30.5)	(69.7)	(42.7)	-	(5.0)	(40.3)	(38.9)	(399.1)
EBIT	**(82.3)**	**161.6**	**(70.9)**	**390.7**	**43.2**	**113.6**	**(6.3)**	**(0.6)**	**52.4**	**(3.8)**	**(17.5)**	**162.9**	**(208.3)**	**534.8**
Bank Interest Expense	(324.0)	(124.1)	(9.6)	(191.4)	(6.0)	(150.2)	(111.3)	(40.9)	(31.3)	-	(4.7)	(124.0)	-	(1,117.5)
Bank PIK	-	(80.7)	-	-	-	-	-	-	-	-	-	-	-	(80.7)
Bank Fees (ERC-PIK)	-	-	(33.8)	-	-	-	-	-	-	-	-	-	-	(33.8)
3rd Party Shareholder	-	(54.5)	(21.8)	-	-	(357.7)	(58.5)	(3.5)	-	-	(25.5)	-	308.2	(213.2)
Interest Income	206.0	80.3	-	215.4	0.8	8.9	0.1	-	0.1	-	0.4	1.0	(315.2)	197.9
Lease Payments	-	-	-	-	-	-	(5.6)	-	(13.6)	-	-	(6.6)	-	(25.9)
EBT (before one-offs)	**(200.3)**	**(17.4)**	**(136.1)**	**414.7**	**38.0**	**(385.4)**	**(181.7)**	**(45.0)**	**7.6**	**(3.8)**	**(47.2)**	**33.2**	**(215.3)**	**(738.5)**
Gain (Loss) on Sale of Investments	-	(21.4)	-	-	-	2.6	-	-	48.9	-	-	-	(2.3)	27.8
Impairments/Write-downs	(147.2)	25.7	-	-	(1.5)	(4.7)	-	1.0	(6.6)	-	(0.2)	(0.1)	128.1	(5.5)
Acquisitions and Restructuring	(13.4)	-	-	-	-	-	-	-	-	-	-	-	-	(13.4)
Management Fees	-	(135.1)	-	-	-	-	-	-	-	-	-	-	-	(135.1)
Layoffs/Severances	(1.4)	-	-	-	-	(7.7)	-	-	-	-	-	-	-	(9.1)
CSR	(0.3)	-	-	(2.5)	-	-	-	-	-	-	-	-	-	(2.9)
Provisions	(22.5)	(196.9)	-	(57.3)	(9.3)	(80.5)	-	9.0	-	-	-	(2.9)	-	(360.6)
Discontinued Operations **	-	-	-	-	-	(14.1)	-	-	(49.8)	-	-	-	-	(63.9)
FOREX	164.9	4.6	(18.8)	(4.2)	5.7	315.2	(2.5)	28.1	28.1	(4.6)	75.0	0.1	-	591.5
EBT	**(220.2)**	**(340.5)**	**(154.9)**	**350.6**	**32.9**	**(174.7)**	**(184.1)**	**(6.9)**	**28.3**	**(8.5)**	**27.6**	**30.3**	**(89.4)**	**(709.6)**
Taxes	0.0	-	-	(123.0)	(10.4)	(21.4)	-	0.2	(19.7)	-	0.3	(21.4)	3.9	(191.7)
Net P/L Before Minority Share	**(220.2)**	**(340.5)**	**(154.9)**	**227.6**	**22.5**	**(196.1)**	**(184.1)**	**(6.7)**	**8.5**	**(8.5)**	**27.9**	**8.9**	**(85.6)**	**(901.2)**
Minority Interest	-		(65.7)	66.6	11.8	13.7	(41.7)	(1.8)	-	(0.1)	-	(2.0)	(107.6)	(126.8)
Net Profit (Loss)	**(220.2)**	**(340.5)**	**(89.1)**	**160.9**	**10.7**	**(209.8)**	**(142.4)**	**(5.0)**	**8.5**	**(8.3)**	**27.9**	**10.9**	**22.0**	**(774.4)**

* Miscellaneous includes UCF and Sphinx Egypt
^Transportation & Logistics
** Discontinued operations include:
(1) Assets reclassified in 2018, 2019: Zahana
(2) Assets with zero results in 2019: Enjoy and Mom's Food (Gozour)
(3) Assets included in 2018: Africa Railways (deconsolidated in 2Q18), ESACO (sold in 4Q18), and Designopolis (Mena Home, sold in 2Q18)

Qalaa Holdings Consolidated Balance Sheet as at 30 September 2019 (in EGP mn)

		Energy			Cement	T&L^	Mining	Agrifoods		Others					
	QH	Orient	Silverstone	Tawazon	NDT	CCTO	ASCOM	Falcon	Wafra	Misc.*	Grandview	Aggregation	Eliminations/ SPVs	9M 2019	FY 2018
Current Assets															
Trade and Other Receivables	2,087.8	663.9	2,524.6	177.6	2,065.3	89.7	431.5	90.8	-	385.3	473.1	8,989.7	(3,295.9)	5,693.7	4,539.6
Inventory	-	191.7	414.4	84.5	659.3	13.0	99.1	146.6	-	37.5	301.5	1,947.6	(0.0)	1,947.6	1,438.8
Assets Held For Sale	-	-	-	-	445.5	-	-	84.2	-	116.6	218.0	864.4	(105.6)	758.8	1,175.5
Cash and Cash Equivalents	1.77	1,948.1	1,884.4	30.8	69.9	9.4	8.8	7.0	-	2.4	79.0	4,041.6	29.2	4,070.7	6,349.8
Others	-	-	-	-	-	-	-	22.1	-	-	-	22.1	2.8	24.9	31.6
Total Current Assets	**2,089.6**	**2,803.6**	**4,823.3**	**292.9**	**3,240.0**	**112.1**	**539.4**	**350.8**	**-**	**541.9**	**1,071.7**	**15,865.4**	**(3,369.6)**	**12,495.8**	**13,535.3**
Non-Current Assets															
PP&E	34.7	64,658.8	773.3	114.9	1,339.6	654.8	827.9	691.2	-	28.8	844.4	69,968.3	597.1	70,565.4	71,672.5
Investments	8,125.7	-	52.1	-	3.4	-	128.1	-	-	-	-	8,309.3	(8,126.9)	182.4	193.4
Goodwill / Intangible assets	-	-	1,437.0	32.6	-	-	-	-	-	-	-	1,469.6	120.1	1,589.7	580.3
Others	1,592.2	329.8	244.0	-	335.5	-	-	344.0	-	-	-	2,845.6	(1,592.2)	1,253.4	2,819.5
Total Non-Current Assets	**9,752.6**	**64,988.6**	**2,506.3**	**147.5**	**1,678.6**	**654.8**	**956.1**	**1,035.2**	**-**	**28.8**	**844.4**	**82,592.8**	**(9,001.9)**	**73,590.9**	**75,265.7**
Total Assets	**11,842.2**	**67,792.2**	**7,329.7**	**440.4**	**4,918.6**	**767.0**	**1,495.4**	**1,385.9**	**-**	**570.6**	**1,916.1**	**98,458.2**	**(12,371.6)**	**86,086.6**	**88,801.0**
Shareholders' Equity															
Total Equity Holders of the Company	**5,302.9**	**11,551.2**	**905.2**	**120.5**	**(4,010.4)**	**(748.4)**	**28.3**	**42.3**	**(1,143.6)**	**(372.5)**	**165.8**	**11,841.4**	**(19,029.1)**	**(7,187.7)**	**(4,326.7)**
Minority Interest	-	10,377.5	512.5	102.9	1,333.4	(335.1)	(76.0)	-	(13.0)	11.5	216.1	12,129.8	8,090.6	20,220.4	20,413.3
Total Equity	**5,302.9**	**21,928.7**	**1,417.7**	**223.5**	**(2,677.0)**	**(1,083.4)**	**(47.7)**	**42.3**	**(1,156.6)**	**(361.1)**	**381.8**	**23,971.1**	**(10,938.5)**	**13,032.7**	**16,086.6**
Current Liabilities										-					
Borrowings	3,910.0	3,493.8	1,248.5	36.2	1,058.7	704.1	734.7	65.5	-	39.8	552.4	11,843.7	2,144.7	13,988.4	13,574.9
Trade and Other Payables	2,533.0	2,439.2	2,816.1	112.2	1,665.9	621.5	590.8	965.9	1,155.2	517.5	426.7	13,843.9	(1,002.1)	12,841.7	10,363
Shareholder Loan	-	79.5	-	-	2,029.4	438.3	-	-	-	114.1	-	2,661.2	(438.3)	2,223.0	2,169.5
Provisions	95.8	-	355.7	52.8	506.0	23.0	33.2	17.3	1.3	18.2	53.3	1,156.6	362.8	1,519.5	1,321.3
Liabilities Held For Sale	-	-	-	-	-	-	-	130.9	-	0.4	-	131.3	0.8	132.1	543.8
Total Current Liabilities	**6,538.8**	**6,012.5**	**4,420.3**	**201.2**	**5,260.0**	**1,786.8**	**1,358.7**	**1,179.5**	**1,156.6**	**690.0**	**1,032.4**	**29,636.8**	**1,068.0**	**30,704.7**	**27,972.6**
Non-Current Liabilities															
Borrowings	-	38,710.3	1,195.7	-	0.5	-	138.6	126.7	-	-	358.2	40,529.9	93.1	40,622.9	44,181.0
Shareholder Loan	-	750.4	-	-	2,315.6	63.5	41.3	-	-	240.4	102.9	3,514.2	(2,643.9)	870.2	129.1
Long-Term Liabilities	0.4	390.2	296.0	15.8	19.6	-	4.6	37.5	-	1.3	40.8	806.2	49.8	856.1	431.7
Total Non-Current Liabilities	**0.4**	**39,851.0**	**1,491.7**	**15.8**	**2,335.7**	**63.5**	**184.5**	**164.1**	**-**	**241.7**	**501.8**	**44,850.3**	**(2,501.1)**	**42,349.2**	**44,741.9**
Total Liabilities	**6,539.3**	**45,863.5**	**5,911.9**	**217.0**	**7,595.6**	**1,850.4**	**1,543.2**	**1,343.6**	**1,156.6**	**931.7**	**1,534.2**	**74,487.1**	**(1,433.1)**	**73,053.9**	**72,714.4**
Total Equity and Liabilities	**11,842.2**	**67,792.2**	**7,329.7**	**440.4**	**4,918.6**	**767.0**	**1,495.4**	**1,385.9**	**-**	**570.6**	**1,916.1**	**98,458.2**	**(12,371.6)**	**86,086.6**	**88,801.0**

*Miscellaneous includes UCF and Sphinx Egypt

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).

ERC

QH OWNERSHIP — c.13.14%

All project units now operating, 100% capacity utilization projected for the beginning of 2020

Egyptian Refining Company (ERC) is a USD 4.4 billion second-stage greenfield petroleum refinery in the Greater Cairo Area (GCA); the consortium of GS Engineering & Construction Corp and Mitsui & Co Ltd, acting as the contractor for the project, took full receipt of the project site in early 2014. The project was completed in early 2019 and all project units have been in operation since August 2019.

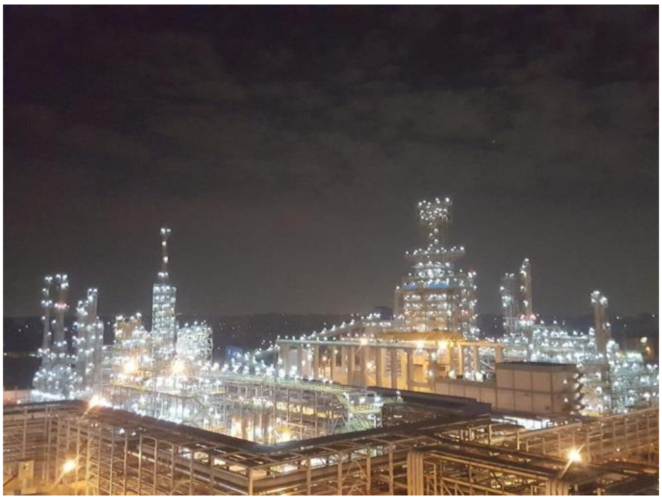
ERC initiated trial operations in the beginning of 2019, with partial production commencing until 30 July 2019. Although this phase saw no profits generated, trial operations are crucial to determining operational status at each of the facility's production units. Trial operations saw ERC produce and sell to the Egyptian General Petroleum Company (EGPC) some 450 thousand tons of refined products (of which 240 thousand tons were diesel), utilizing 517 thousand tons of gasoil, naphtha and heavy fuel oil (atmospheric residue) as feedstock.

Full production commenced at the beginning of August 2019. Up to 30 November 2019, ERC had acquired c.1.3 million tons of feedstock from EGPC, while selling some 1.1 million tons of refined products to EGPC. Additionally, ERC sold an c.145 thousand tons of pet coke and sulphur to key players in the cement and fertilizer markets. Since the commencement of full production in August the refinery has steadily ramped up capacity utilization rates, achieving an average of 85% utilization at the facility's key units and a utilization of 100% at the remainder. It is worth noting that refining margins were growing steadily during the period, registering impressively healthy levels which are projected to rise further with the introduction of the IMO directive in 2020. The IMO directive will ban the use of high sulphur fuel oil as shipping fuel with an eye to decreasing global sulphur emissions, putting pressure on heavy fuel oil prices. Given that ERC utilizes heavy fuel oil as a feedstock, this development is expected to produce a material expansion in ERC's margins over the upcoming period.

From August to 30 November 2019, EGPC supplied ERC with some 1.3 million tons of feedstock. In turn, ERC refined these inputs and supplied EGPC with the following products during the period:

Product	**LPG**	**Light Naphtha**	**Reformate**	**Fuel Oil**	**Jet Fuel**	**Diesel**	***Total***
Quantity (tons)	21,629	73,461	154,259	260,876	78,897	551,827	***1,140,949***

The period also saw ERC sell c.15 thousand tons of sulphur and c.129 thousand tons of pet coke directly to the market. This brought the total amount of refined products and by-products produced by ERC between August and 30 November 2019 to 1.285 million tons.

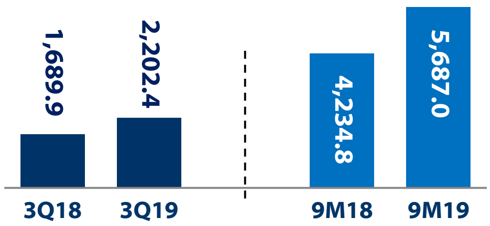


Utilization continues to be efficiently ramped up across all of the refinery's units. Major units have reached an average daily utilization rate of 85%, with the Vacuum Distillation Unit operating at 81%, the Hydrocracker Unit at 79%, the Delayed-Coker Unit at 88%, the Reformer at 96% and the Diesel Hydro Treater at 101%.

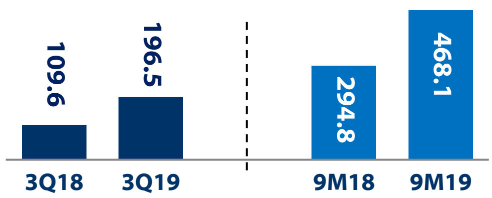
QALAA HOLDINGS OWNERSHIP — 55.9%

Broad-based volume expansion across business segments drives rapid growth in top line and EBITDA

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



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



Segment Breakdown

(EGP mn unless otherwise stated)	3Q18	3Q19	% chg	9M18	9M19	% chg
TAQA Arabia Gas Revenues	232.3	367.6	*58%*	700.7	1,026.2	*46%*
TAQA Arabia Gas EBITDA	51.8	72.9	*41%*	159.9	197.1	*23%*
TAQA Arabia Power Revenues	373.9	443.7	*19%*	809.0	1,047.2	*29%*
TAQA Arabia Power EBITDA	22.9	36.7	*60%*	63.9	82.7	*29%*
TAQA Arabia Solar Revenues	-	47.9	*N/A*	-	113.9	*N/A*
TAQA Arabia Solar EBITDA	(1.7)	44.0	*N/A*	(6.7)	103.6	*N/A*
TAQA Marketing Revenues	1,083.6	1,343.3	*24%*	2,704.1	3,499.8	*29%*
TAQA Marketing EBITDA	44.0	53.1	*21%*	97.6	118.1	*21%*

TAQA Gas
TAQA Gas continued to see sharp increases in revenue and EBITDA during the period. The company carried out 39,311 residential customer conversions in 3Q19, up by a solid 78% from the volumes recorded during the same period one year previously. Of the conversions executed in 3Q19, 12,567 (or 32%) were unsubsidized infill conversions. Such conversions typically carry higher margins and generate higher profits for the company. TAQA Gas completed a total of 117,424 household conversions between the start of 2019 and 30 September 2019, leaving the company on track to achieve management's target of 150,000 connections by year-end 2019. Total gas distribution recorded 1.1 BCM in 3Q19, a y-o-y decrease of 5%, although on a nine-month-basis TAQA gas registered an increase of 25% y-o-y in total gas distributed, reaching 4.3 BCM in 9M19.

As noted previously, intensive cuts to energy subsidies over the preceding quarters have resulted in a significant increase in gasoline prices relative to prices for compressed natural gas (CNG). This has led to higher demand for CNG. Given this favorable environment and with an eye to capturing opportunities for further growth, TAQA's management has set out plans to significantly expand the company's CNG station network across Egypt's governorates. TAQA aims to reach 20 operational stations by 2022. In parallel, management is also assessing potential projects which would see the company tap into the mobile CNG market. The period saw TAQA continue its negotiations with the Urban

Development Authority to connect new cities within the company's concession areas, as well as with new industrial players. TAQA signed a number of new industrial contracts during 3Q19, taking the company's industrial client base to 208 plants as at September 2019 versus 193 one year previously, a y-o-y increase of 8%.

Total Gas Distributed (9M19)

4.3
BCM
▲25% y-o-y

TAQA Gas Distribution Networks

TAQA Gas Pipe-Laying Works

TAQA Power

Revenues at TAQA Power climbed by a healthy 19% y-o-y during the third quarter of 2019. Top line growth for the period was driven by an 18% y-o-y increase in total electricity generated by the company and an increase of 10% y-o-y in total electricity distributed. The period saw TAQA Power more than triple the amount of power distributed by its trading business to 43.3 M kW/hr in 3Q19 against only 14.6 M kW/hr one year previously. This rapid increase in volumes was due to the company's success at adding new clients while managing power output in a more efficient manner. Rising levels of power generation provided a base for healthy growth in EBITDA-level profitability, which rose by 60% y-o-y in 3Q19.

Total Power Generated (3Q19)

31.3
M KWH
▲18% y-o-y

Total Power Distributed (3Q19)

180.5
M KWH
▲10% y-o-y

TAQA Solar

February 2019 saw the successful launch of operations at TAQA Solar's 50MW solar power plant in Benban, Aswan. Since then, TAQA has steadily ramped up utilization rates at the facility, rapidly realizing scale effects. TAQA Solar distributed 41.1 M Kw/hr of power in 3Q19, booking revenues of EGP 47.9 million and EBITDA of EGP 44.0 million for the period and generating stable and healthy EBITDA margins of 92%.

World Bank President visit at Benban Solar Plant, May 2019

TAQA's Solar PV Plant - Benban, Aswan

Solar Energy Generated (3Q19)

41.1
M kW/hr

TAQA Marketing

TAQA's marketing arm maintained high growth rates in 3Q19, with revenues expanding by 24% y-o-y and EBITDA climbing at 24% y-o-y for the quarter. The company opened one new station during 3Q19, making for a total of five stations inaugurated during the first nine months of 2019. TAQA Marketing's distribution footprint now encompasses 59 stations across Egypt, of which 7 are CNG stations (operated by Master Gas, a TAQA Gas company). Following a string of quarters during which fuel distribution volumes had been declining, TAQA Marketing saw gasoline and diesel volumes record 190 million liters for 3Q19, representing a y-o-y increase of 4% and a breaking of the trend seen over previous quarters. Meanwhile, TAQA has commenced construction at the site of a new fuel terminal in Alexandria. The terminal is part of a planned storage and distribution facility slated to serve Alexandria and the surrounding regions of northern Egypt, expanding the division's operational footprint beyond its existing terminal at Suez.

TAQA Fueling Station

Total Liquid Fuels Distributed (3Q19)

190.6
M Liters
▲4% y-o-y

Filling Stations (3Q19)

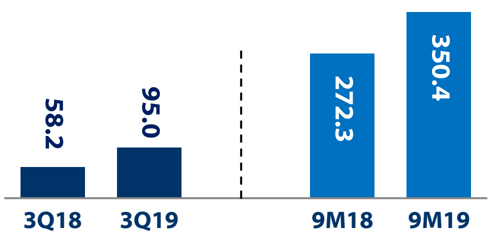
59*
Stations
vs. 53 as at 3Q18

* Of which seven are CNG stations.

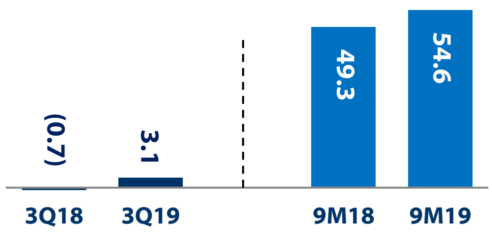
QALAA HOLDINGS OWNERSHIP — 68.1%

Tawazon maintains solid top and bottom-line performance despite dip in 2Q19

Consolidated Tawazon Revenues
(EGP mn)



Consolidated Tawazon EBITDA
(EGP mn)



ECARU – RDF Production Facility

Segment Breakdown

(EGP mn unless otherwise stated)	3Q18	3Q19	% chg	9M18	9M19	% chg
ECARU Revenues	58.2	94.4	*62%*	210.8	261.1	*24%*
ECARU EBITDA	6.1	6.8	*11%*	27.4	29.1	*6%*
ENTAG Egypt Revenues	0.5	1.0	*76%*	4.3	9.2	*112%*
ENTAG Egypt EBITDA	(2.6)	(2.9)	*-11%*	(7.1)	(7.1)	*1%*
ENTAG Oman Revenues	-	0.7	*N/A*	61.1	83.2	*36%*
ENTAG Oman EBITDA	(4.2)	(0.8)	*-80%*	29.4	32.9	*12%*

ECARU

Revenues for the third quarter of 2019 booked EGP 94.4 million, an increase of 62% y-o-y on 3Q18. Top-line growth filtered down efficiently to profitability at the EBITDA-level, which recorded y-o-y growth of 11% during 3Q19. Despite healthy financial performance in the third quarter and during the first nine months of 2019, management remains cautious heading into the coming period as ECARU adapts to industry headwinds. These include continued severe stress on the Egyptian cement industry, the appreciation of the EGP and the consequent price-competitiveness of imported fuels and the retraction in global coal prices. Although ECARU's key clients in the cement industry have signed agreements to obtain pet coke, the latest increase in fuel prices in July 2019 has caused some to refuse upward readjustment of price points and to end their partnership with ECARU. The growth in inventory held by ECARU against the same period of the previous year is further explained by the abovementioned developments.

Management continues to explore opportunities for expanding beyond the cement industry and is working to implement integration plans that will generate further value from the company's operations.

Total Biomass Supplied - ECARU (3Q19)

56,348
Tons
▲64%-o-y

Total RDF Supplied – ECARU (3Q19)

32,270
Tons
▲209% y-o-y

ECARU RDF Production

ENTAG

The company has not replenished its backlog since the completion and recognition of the final portion of ENTAG Oman's project in the UAE during the first quarter of 2019. Management remains in negotiations to expand the company's pipeline with a number of prospective clients in the UAE and the wider GCC.

Sector Review: Cement

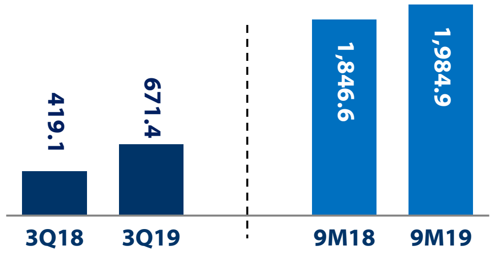
Qalaa Holdings' operational cement platform company is ASEC Holding, which comprises cement manufacturing (ASEC Cement which has two production facilities: Al-Takamol Cement in Sudan and Zahana Cement Co. in Algeria which is under divestment); construction (ARESCO and ASEC Automation); and technical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

Operational and Financial Performance

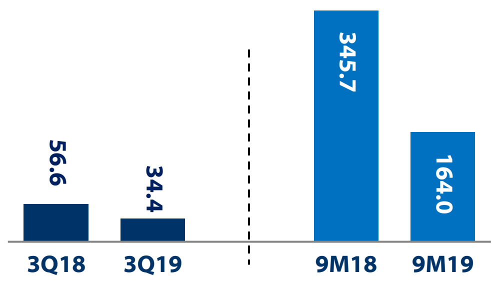
QALAA HOLDINGS OWNERSHIP — 69.3%

ASEC Holding's consolidated revenues jumped 60% y-o-y in 3Q19 on the back of marked improvement in production at Al Takamol

ASEC Holding Consolidated Revenues
(EGP mn)



ASEC Holding Consolidated EBITDA
(EGP mn)



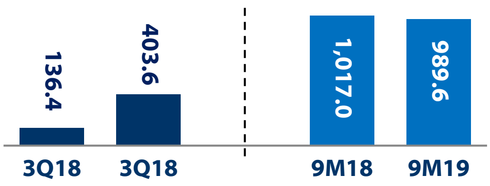
ASEC Holding began to reconsolidate ARESCO during July 2019. ARESCO had been classified as a discontinued operation for several quarters during which it was under divestment. The previously initiated sale process has been halted for the time being.

Management had previously initiated intensive efforts to restructure ASEC Holdings' debts, resulting in the conclusion of restructuring agreements with all relevant banks. The restructuring is expected to significantly decrease ASEC Holdings' interest expenditures by 2020, facilitating a return to profitability over subsequent quarters.

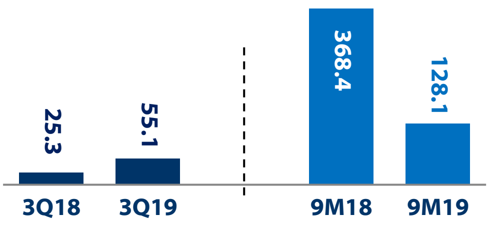
QALAA HOLDINGS EFFECTIVE OWNERSHIP — 51.8%^

ASEC Cement disposed of all its cement production companies in Egypt back in 2015 and currently maintains ownership of Zahana Cement in Algeria (owned 35% by ASEC Cement) and Al Takamol in Sudan (owned 51% by ASEC Cement), with the former currently undergoing a sale process that has slowed down in light of recent political developments in Algeria .

ASEC Cement Revenues
(EGP mn)



ASEC Cement EBITDA
(EGP mn)



ASEC Cement Subsidiaries (EGP mn)	3Q18	3Q19	% chg	9M18	9M19	% chg
Al Takamol Cement Revenues	136.4	403.6	*196%*	1,017.0	989.6	*-3%*
Al Takamol Cement EBITDA	42.7	65.5	*53%*	402.8	160.2	*-60%*
Zahana (Algeria) Revenues*	152.2	120.5	*-21%*	456.3	432.4	*-5%*
Zahana (Algeria) EBITDA*	43.9	13.4	*-69%*	119.0	41.3	*-65%*

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

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

Al Takamol's revenues decreased by 3% y-o-y in 9M19 due to a significant devaluation of the Sudanese pound during the period. On a quarterly basis, however, Al Takamol recorded a near tripling of revenues y-o-y to reach EGP 403.6 million. Improved top-line performance comes as Al Takamol's production volume more than doubled to 240K tons during the period. Moreover, cement prices in Sudan have recovered significantly since August of 2019, while exchange rate pressures have eased markedly as the SDG stabilized slightly against trading currencies. Al Takamol's performance had been adversely impacted earlier in the year by a spate of political instability and social unrest, which caused disruption to production at Al Takamol's facilities. These conditions have been ameliorated recently, underwriting the broader recovery in Al Takamol's performance for 3Q19. Al Takamol registered y-o-y EBITDA growth of 53% y-o-y as these positive developments came to bear during the period.

Al-Takamol Cement Factory

Management is confident that the Sudanese market retains a healthy fundamental profile and that a rise in operational capacity will allow the company to capture the upside from the restoration of political stability in the country. As exchange rate and other cost pressures continue to ease, Al Takamol is looking forward to continued improvements in performance as 2019 comes to a close.

Al-Takamol Total Sales Volume (3Q19)

0.24
MTPA
▲112% y-o-y

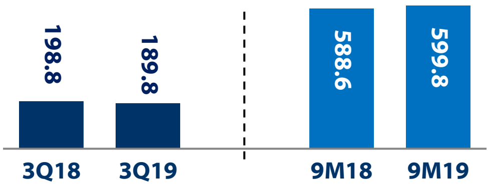
Zahana Total Sales Volume (3Q19)

0.14
MTPA
▼13% y-o-y

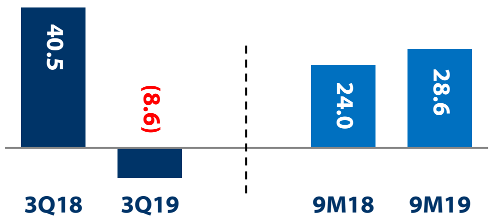
ASEC HOLDING OWNERSHIP — 99.9% (QH effective ownership c.70%)

ASEC Engineering posts EBITDA of EGP 28.6 million in 9M2019

ASEC Engineering Revenues
(EGP mn)

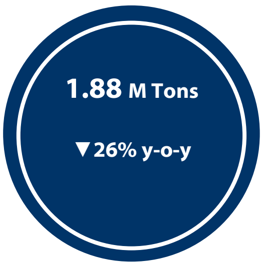


ASEC Engineering EBITDA
(EGP mn)



ASEC Engineering managed 1.88 MT of clinker production in 3Q19, a decrease of 26% from the 2.53 MT managed one year previously. This comes as a number of the company's clients have experienced shutdowns as a result of overall weakness in the cement market. Declining volumes drove a 5% y-o-y decrease in the company's top line. ASEC Engineering recorded a negative EBITDA of EGP 8.6 million in 3Q19, with the company's profitability affected by the drop in revenues. In light of these developments, management is in the advanced stages of signing a couple of regional and international contracts with an eye to diversifying its operations and is actively exploring several other opportunities abroad as well as with new local clients. Management aims for ASEC Engineering to be managing some 6 MTPA in Egypt and another 6 MTPA abroad by 2020, and is confident that these contracts will provide an important platform for healthy profitability over the coming quarters.

Managed Clinker Production
(3Q19)



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

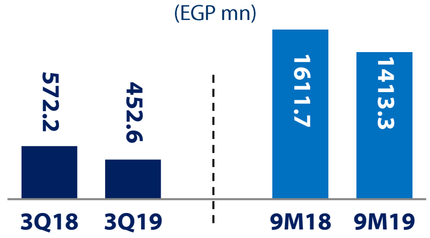
QALAA HOLDINGS OWNERSHIP – 26%

National Printing stands today as one of the largest producers of packaging and printing products in Egypt. Following the strategic acquisitions of Shorouk for Modern Printing and Packaging ("Shorouk") in 2006 and El Baddar for Packages ("Baddar") in 2007, National Printing has been able to diversify its product range by introducing corrugated cartons and various types of boxes to its product range. National Printing was established in 2006 under Qalaa's small and mid-cap investments company, "Grandview". Qalaa Holdings has an effective stake of 48% in Grandview, which owns c.53% of National Printing.

National Printing's two subsidiaries, Shorouk and Baddar are owned 90% and 100%, respectively. The company also maintains an effective ownership of 46.4% in Uniboard, a 90% owned subsidiary of Shorouk which produces duplex boards using wastepaper. Shorouk also operates an 85%-owned subsidiary called Windsor, which manufactures sheeter, single facers, flexos and chemical additives. Windsor generates around 65% of its revenues from sales to Shorouk, playing an important role in the company's wider value-adding chain.

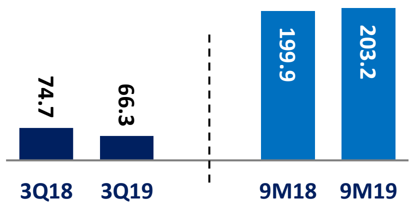
Grandview (National Printing Holding Co.) Revenues*

(EGP mn)



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

(EGP mn)



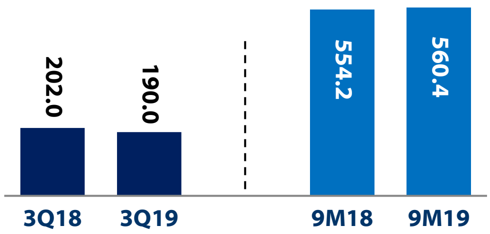
(EGP mn unless otherwise stated)	3Q18	3Q19	% chg	9M18	9M19	% chg
Modern Shorouk Printing & Packaging Revenues	202.0	190.0	-6%	554.2	560.4	1%
Modern Shorouk Printing & Packaging EBITDA	43.4	42.9	-1%	114.0	114.1	0%
El Baddar Revenues	119.5	74.2	-38%	319.6	265.9	-17%
El Baddar EBITDA	13.4	7.5	-44%	27.8	26.0	-6%
Uniboard Revenues	247.2	247.1	0%	756.7	695.0	-8%
Uniboard EBITDA	20.6	25.2	23%	52.5	66.9	28%

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

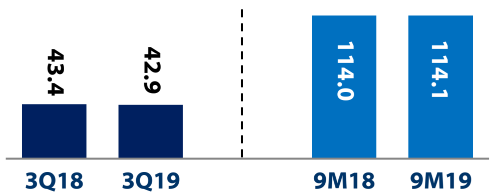
Shorouk

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

Shorouk Revenues
(EGP mn)



Shorouk EBITDA
(EGP mn)



Shorouk Printing – Duplex and Laminated Carton Production

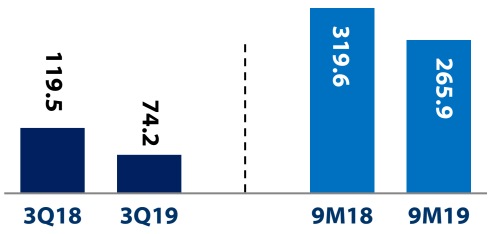
Shorouk operates three main production lines used for laminating, cutting, folding, gluing and printing. Its current production capacity is around 50 thousand tons per annum allocated between folded boxes (50%), laminated packages (40%), and books (10%). Revenue is mainly generated from large multinationals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

Shorouk recorded revenues of EGP 190.0 million in 3Q19, down by 6% y-o-y from the level recorded in 2Q19. This decrease was driven by a concurrent decline in volumes sold of 14% y-o-y. Meanwhile, EBITDA booked EGP 42.9 million for the quarter, largely stable compared to the EGP 43.4 million booked one year previously.

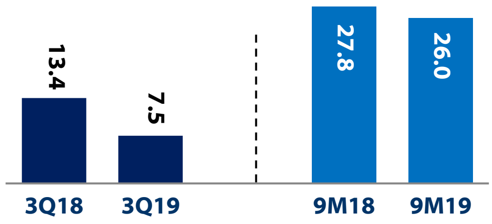
Shorouk Total Volumes Sold
(3Q19)

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

El Baddar Revenues
(EGP mn)



El Baddar EBITDA
(EGP mn)

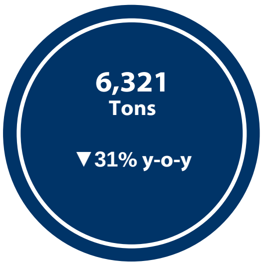


El Baddar – Corrugated Sheet Production

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

El Baddar booked a top line of EGP 74.2 million in 3Q19, representing a decline of 38% y-o-y from the EGP 119.5 million recorded one year previously. The contraction in the top line was mostly volume-driven, with the production volume of corrugated sheets and boxes falling 31% y-o-y for the period. El Baddar posted an EBITDA of EGP 7.5 million in 3Q19, down by 44% from EGP 13.4 million as at 3Q18.

Corrugated Sheets/Boxes
Volumes Sold (3Q19)



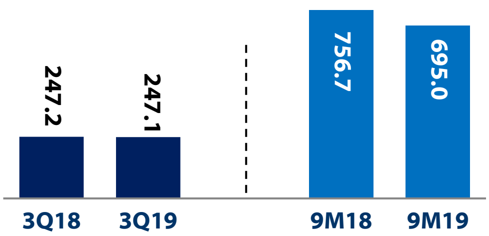
NATIONAL PRINTING EFFECTIVE OWNERSHIP — 46.4% (QH effective ownership 12%)

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

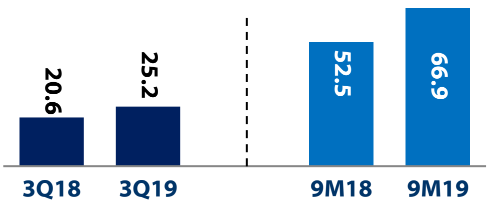
Uniboard adds to the value chain of National Printing group as its products serve as the main raw material for Shorouk, allowing the latter to replace imported duplex with local production and mitigate foreign currency risk. Uniboard sales are currently focused on the local market, with small volumes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

Uniboard – Duplex Board Production

Uniboard Revenues
(EGP mn)

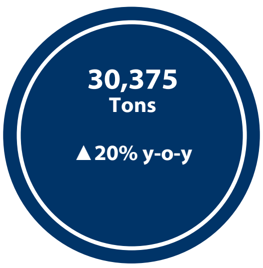


Uniboard EBITDA
(EGP mn)



Uniboard's revenues came in at EGP 247.1 million for 3Q19, largely stable compared to the EGP 247.2 million generated in 3Q18. The company was able to increase its capacity utilization during the period, with consequent growth in volumes sold by 20% y-o-y to 30.4k tons in 3Q19. Uniboard recorded improved EBITDA-level profitability, posting EGP 25.2 million in 3Q19 against EGP 20.6 million one year previously.

Duplex Board Volumes Sold (3Q19)



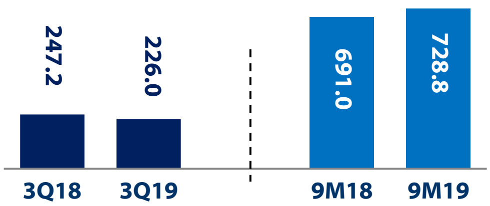
Sector Review: Mining

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

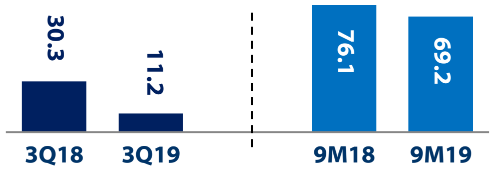
QALAA HOLDINGS OWNERSHIP — 54.7%

ASCOM's subsidiary ACCM commenced operations at its third production line

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, helping developing nations extract value from their natural resources.

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 saw a decline in top-line and EBITDA-level performance during 3Q19. This comes on the back of a generalized decrease in revenue from the company's subsidiaries, with the exception of ACCM, where revenues grew at a double-digit rate for 3Q19.

ASCOM Subsidiaries (EGP mn unless otherwise stated)	3Q18	3Q19	% chg	9M18	9M19	% chg
ACCM Revenues (in USD mn)	5.4	6.0	*10%*	15.6	18.7	*20%*
ACCM EBITDA (in USD mn)	1.2	0.7	*-45%*	4.0	3.2	*-21%*
GlassRock Revenues (in USD mn)	2.8	2.3	*-16%*	7.1	7.2	*2%*
GlassRock EBITDA (in USD mn)	0.2	0.2	*N/A*	0.3	0.6	*N/A*
Egypt Quarrying Revenues	92.2	89.9	*-3%*	270.0	290.4	*8%*
Egypt Quarrying EBITDA	7.0	(3.3)	*N/A*	31.6	3.1	*-90%*
Other Quarry Management Revenues – ex Egypt*	0.7	0.2	*-78%*	10.0	0.2	*-98%*
Other Quarry Management EBITDA – ex Egypt*	(1.5)	(0.6)	*62%*	(13.4)	(1.9)	*86%*

ACCM

ACCM posted revenues of USD 6.0 million in 3Q19, up by 10% y-o-y from the USD 5.4 million booked one year previously. Top-line gains for the period were driven by sustained intensive capacity utilization, which saw volumes sold book approximately 78k tons, an increase of 6% y-o-y. Despite the period's volume expansion and top-line gains, however, ACCM recorded a 45% decrease in EBITDA in 3Q19. Declining EBITDA-level profitability was driven by continued cost inflation, including higher electricity, shipping and raw material costs. The EGP continued to appreciate against the US dollar during the period, putting further pressure on the company's bottom-line given that ACCM allocates the majority of its production to export markets.

ASCOM – Calcium Carbonate Facility

ACCM inaugurated its third production line in 2Q19, adding c.100k TPA of capacity and commencing operations in 3Q19. The company continued to ramp up production at the line during the period. Given that the company's two existing lines have been operating at full capacity, the addition is expected to provide a material boost to ACCM's top- and bottom-lines over the coming quarters. Meanwhile, management has developed a sales optimization tool which now allows the company to find the optimal market allocation across Egypt and ACCM's export markets based on each individual country's characteristics such as profitability, demand, domestic sales and potential market size, among other factors. Finally, ACCM continues to study the viability and timing of passing on rising input costs to consumers with the aim of improving profitability while sustaining production volumes and utilization rates.

ASCOM – Technical Calcium Carbonate

GlassRock

GlassRock saw its revenues decline by 16% y-o-y in 3Q19. This decrease comes despite rapid growth in GlassRock's volumes sold, which climbed by 16% y-o-y to record 2.5k tons. Falling revenues during the period come as GlassRock has intensified a price adjustment strategy which has involved the adoption of lower price-points in response to the introduction of low-priced imported products. Management's current focus is to expand into lucrative segments of the Egyptian market and expand the company's regional footprint in as efficient and profitable a manner as possible. To this end the company continues to introduce cost optimization initiatives while raising capacity utilization rates and overall production at its production lines. It should be noted that GlassRock's construction clients continue to operate in an industry which forms a core contributor to Egypt's domestic economy. Moving forward, further subsidy phase-outs and the consequent increase in energy prices are expected to incentivize developers to abide by the insulation requirements listed in construction codes, driving demand for GlassRock's products. Meanwhile, GlassRock continues to target export sales above the 50% mark of revenue before year-end 2019.

GlassRock – Insulation Materials

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. Volumes declined by 7% y-o-y to record 5.4 million tons in 3Q19, driving a top-line decrease of 3% y-o-y and pushing EBITDA into negative territory for the period.

ASCOM – Egypt Quarrying Operation

ACCM Volumes Sold (3Q19)

77.7
K Tons
▲6% y-o-y

Egypt Quarrying Volumes Sold (3Q19)

5.4
M Tons
▼7% y-o-y

GlassRock Volumes Sold (3Q19)

2.5
K Tons
▲16% y-o-y

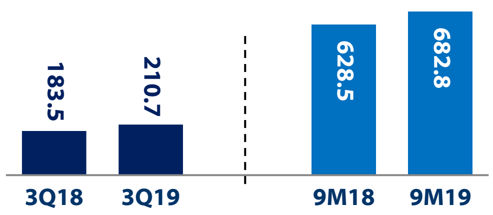
Sector Review: Agrifoods

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

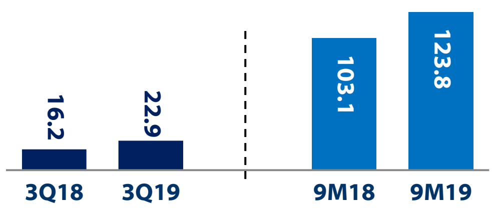
QALAA HOLDINGS OWNERSHIP — 54.9%

Gozour records double-digit top-line growth in 3Q19, booking EGP 210.7 million

Consolidated Gozour Revenues
(EGP mn)



Consolidated Gozour EBITDA
(EGP mn)



Gozour (Dina Farms Holding Co) saw revenues grow 15% y-o-y in 3Q19, booking EGP 210.7 million on continued solid top-line performance at the company's subsidiaries, Dina Farms and IDCP. The period saw EBITDA climb by a solid 41% y-o-y to reach EGP 22.9 million for 3Q19.

Gozour Subsidiaries (EGP mn)	3Q18	3Q19	*% chg*	9M18	9M19	*% chg*
Dina Farms Revenues	147.6	152.0	*3%*	509.1	521.0	*2%*
Dina Farms EBITDA	32.6	33.0	*1%*	109.8	125.5	*14%*
ICDP Revenues (Fresh Dairy producer)	50.8	58.4	*15%*	156.6	176.3	*13%*
ICDP EBITDA	2.5	1.7	*-31%*	12.6	9.9	*-21%*

Dina Farms delivered a 3% y-o-y increase in revenues during the quarter. Dina Farms' total herd recorded approximately 15.4 thousand cows at the close of 3Q19, steady at its level from the same period one year previously. Total raw milk sales declined by 1% y-o-y, recording c.16.3 thousand tons in 3Q19. Dina Farms continues to invest in improving herd productivity and expanding milk production. Efforts in this space have included the installation of curtains and cooling systems at farm station and units from the beginning of 2019 and into 2020. Efforts at productivity-enhancement are expected to continue into the coming years and management is confident that such efforts will prove key in substantially boosting the company's top and bottom lines.

Dina Farms

ICDP, which markets Dina Farms' dairy products, booked a top line of EGP 58.4 million in 3Q19, an increase of 15% y-o-y. Total volumes rose by 5% y-o-y to c.3.2 thousand tons across all SKUs during 3Q19. ICDP continued to experience higher raw material costs during the period, and these are yet to be fully reflected on the company's end-pricing. Such cost-passing will occur when management deems market conditions sufficiently favorable. The postponement of cost-passing measures since July 2019 saw EBITDA decrease 31% y-o-y to EGP 1.7 million in 3Q19. Looking forward, ICDP plans to inaugurate its new yogurt line in December 2019 and is on track to launch a fresh juice project.

ICDP – Milk Production Line

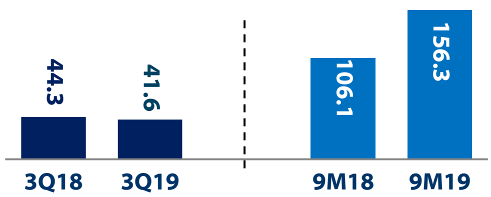
Sector Review: Transportation & Logistics

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

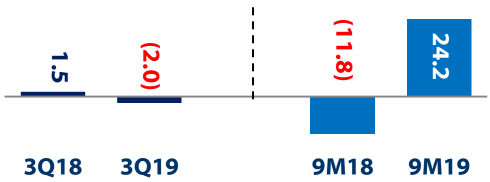
QALAA HOLDINGS OWNERSHIP — 67.6%

Nile Logistics sustains YTD recovery in EBITDA-level profitability

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



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



CCTO, the holding company which owns Nile Logistics, registered a negative EBITDA for the quarter on the back of advisory fees paid to Qalaa Holdings. Meanwhile, Nile Logistics' top line maintained its double-digit growth rate in 3Q19, rising by 27% y-o-y to book EGP 42.5 million. The company continues to stage a recovery in EBITDA-level profitability, recording EGP 7.0 million in 3Q19 having broken even at the EBITDA-level in 3Q18. Positive top-line and EBITDA performance was driven by a continuation of the positive operational trajectory set earlier in 2019, with an improved volume mix at the company's Egyptian subsidiary and the inauguration of Nile Logistics' grain storage warehouse at Nubareya Port in October 2019. Meanwhile, CCTO, the holding company which owns Nile Logistics, registered a negative EBITDA for the quarter on the back of advisory fees paid to Qalaa Holdings.

Nile Logistics (Egypt)

Nile Logistics maintains operations in Egypt in four main sectors:

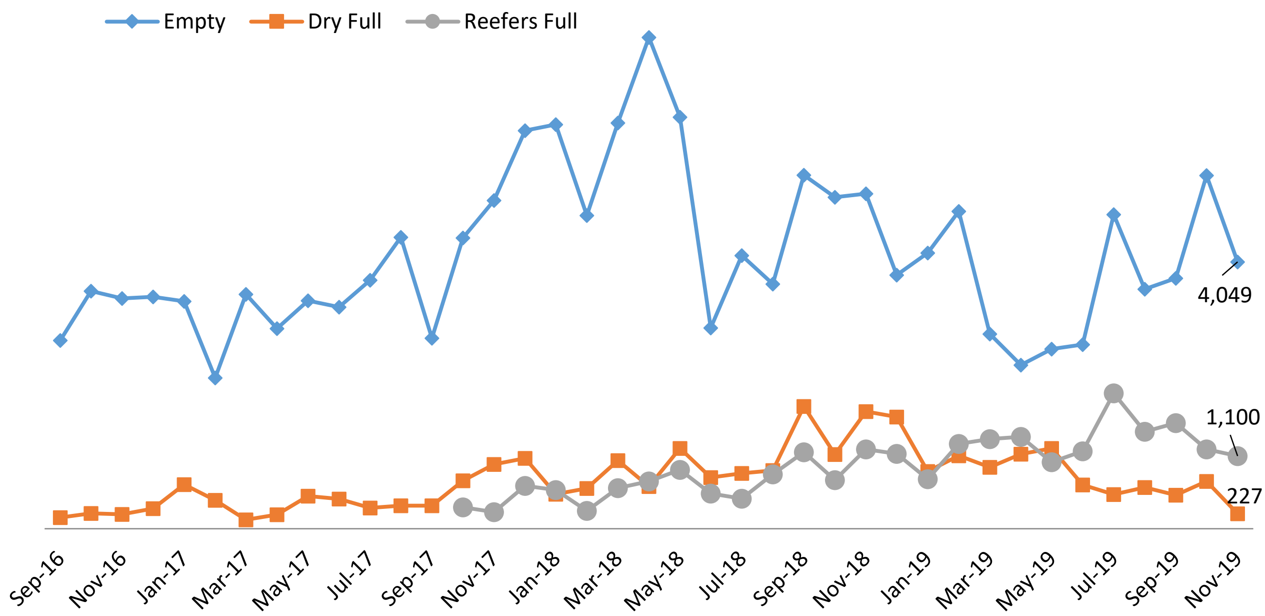
- Coal handling and storage in Alexandria.
- Container handling and storage in Alexandria (Inland Container Depot), with operations including various activities as handling of empty, full, and reefer containers for perishable goods.
- Grain handling and storage in Alexandria with a capacity of 100 thousand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

Nile Logistics continued on the strong operational trajectory established earlier in the year. The company's Grain Storage Warehouse at Nubareya Port was fully completed and handled its first five vessels during October and November, receiving a total of 157 thousand tons of grain.

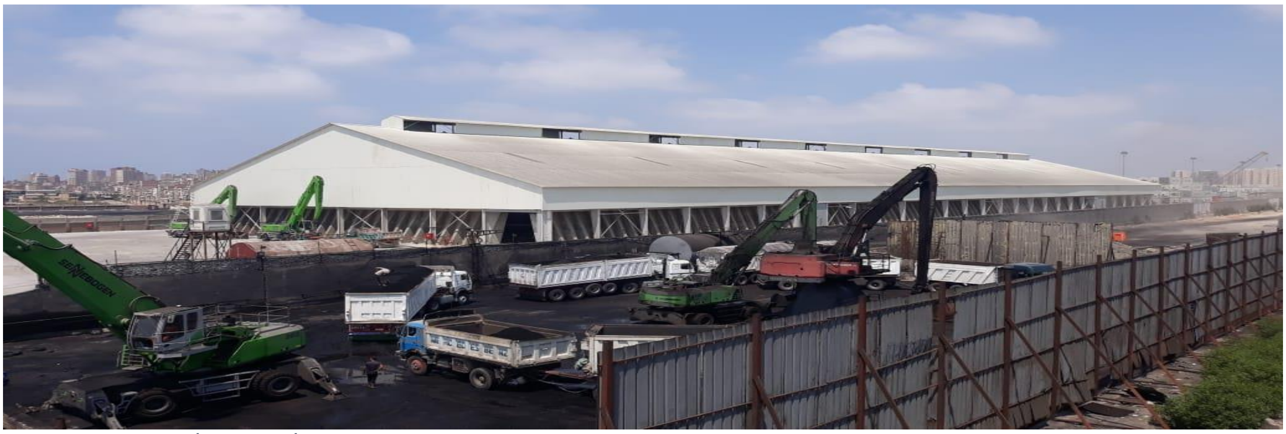

Grain Storage Warehouse, Nubareya Port

Nile Logistics' Inland Containers Depot, located in Nubareya, Alexandria, handled 51,838 twenty-foot equivalent units (TEUs) during the first nine months of 2019, down by 16% from the 61,466 TEUS handled during the comparable period of the previous year. Despite this decline in total volumes, however, the facility saw total revenues from all activities record a 38% y-o-y increase to c.45 million for 9M19. This comes as management has sought to improve the mix of container types handled at the facility, with greater weight attached to activities commanding a higher price per TEU, particularly to reefers. Management expects that volumes at the facility will continue to grow at a steady rate over the coming period and is working to engender further operational efficiencies. The below chart displays a monthly graph of the number of TEUs by type at the Inland Container Depot since the launch of the business in September 2016.

Inland Container Depot Operations – Gate In (TEUs)



Meanwhile, Nile Logistics continues to recover its competitive edge in Alexandria's stevedoring market. The company has rigorously implemented a policy of minimizing its use third-party outsourcing contracts while maintaining full in-house ownership of assets. Where the company opts to resort to outsourcing, it selects third parties offering sufficiently attractive cost profiles and contract terms. The first nine months of 2019 saw the facility handle coal volumes of 971 thousand tons, up by a rapid 54% y-o-y from the figure registered one year previously.



Grain Storage Warehouse, Nubareya Port

Nile Logistics Storage Facilities near Alexandria Port

Stevedoring Tons Handled – Alexandria (9M19)

971
K Ton

▲54% y-o-y

Nile Barges (Sudan)

As at 3Q19, Nile Barges operations in Sudan focused on the transportation of food products under the auspices of the World Food Program (WFP). The company currently operates using one pusher, with a second currently undergoing refurbishment and expected to commence operations by the end of January 2020. On an annual basis, Nile Barges aims to successfully complete four trips using the existing pusher, with average revenue per trip standing at USD 550 thousand and total cost per trip averaging USD 150 thousand.

Nile Barges successfully completed two trips during the first half of 2019. A third trip was scheduled to commence in September 2019 but commenced instead during the current quarter (4Q19), with the result that no activity from Sudanese operations was recorded by Nile Barges in 3Q19.

ENERGY

CEMENT

PRINTING & PACKAGING

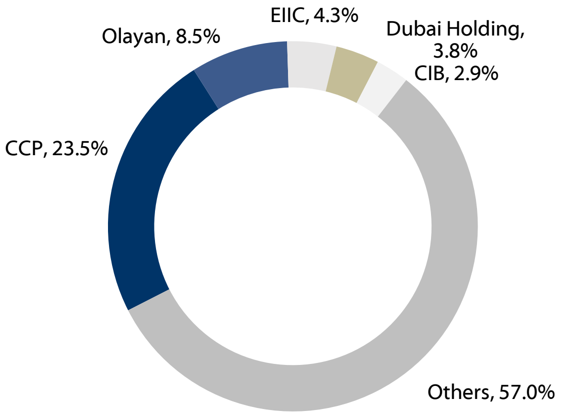
MINING

AGRIFOODS

TRANSPORTATION & LOGISTICS

SHAREHOLDER STRUCTURE

(as at 30 September 2019)



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

INVESTOR RELATIONS CONTACTS

Mr. Amr El-Kadi
Head of Investor Relations & CRO
akadi@qalaaholdings.com
Tel: +20 2 2791-4440
Fax: +20 2 2791-4448

Mr. Tamer Darwish
Investor Relations Manager
tdarwish@qalaaholdings.com
Tel: +20 2 2791 4440
Fax: +20 2 2791-4448