Qalaa Holdings Reports 3Q 2020 Results

- *Consolidated revenues showed strong growth on the back of a significant contribution from ERC, however, consolidated EBITDA was weighed down by the severe impacts of COVID-19 on ERC's margins;*
- *Qalaa's EBITDA excluding ERC recorded an increase of 12% y-o-y to EGP 312.2 million in 3Q20, mainly on the back of robust EBITDA performance at National Printing, TAQA Arabia, Nile Logistics and ASCOM;*
- *Resilient performance for the period was supported by Qalaa Holdings' diverse portfolio that helped ameliorate severe challenges due to COVID-19;*
- *Continuous adherence to health, safety, and business continuity measures to help manage risks related to COVID-19 and navigate upcoming period of uncertainty without layoffs.*

3Q 2020 Consolidated Income Statement Highlights	
Revenues EGP 8,760.1 mn vs. EGP 3,924.1 mn in 3Q19	
EBITDA EGP 205.9 mn EGP 312.2 mn (excluding ERC) vs. EGP 278.4 mn in 3Q19	Net Profit After Minority EGP (450.7) mn vs. EGP (395.3) mn in 3Q19

9M 2020 Consolidated Income Statement Highlights	
Revenues EGP 26,538.0 mn vs. EGP 10,870.2 mn in 9M19	
EBITDA EGP 1,337.6 mn EGP 1,010.6 (excluding ERC) vs. EGP 882.5 mn in 9M19	Net Profit After Minority EGP (1,560.7) mn vs. EGP (774.4) mn in 9M19

Highlights from Consolidated Balance Sheet as at 30 September 2020	
Consolidated Assets EGP 85,094.6 mn At current book value vs. EGP 86,183.0 mn in FY19	Consolidated Debt EGP 56,482.5 mn Of which EGP 41,853.5 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 2020. Qalaa recorded total revenues of EGP 8,760.1 million, an increase of 123% y-o-y that was driven primarily by the EGP 5,376.8 million contribution from the Egyptian Refining Company (ERC) in 3Q20. Excluding ERC's contribution, Qalaa's revenue in 3Q20 would record a 14% y-o-y decline due to the impacts of COVID-19, however, a resilient performance from Qalaa's diversified portfolio companies minimized further impacts on the company's top line for the period. Resilience came on the back of a growing market share at National Printing as well as improved operational efficiencies and solid stevedoring operations at Nile Logistics. Moreover, easing restrictions and a gradual recovery in international trade drove a ramp up in production and an increase in export volumes at ASCOM. On a nine-month basis, Qalaa's revenues increased by 144% y-o-y to EGP 26,538 million in 9M20. Excluding ERC, revenues declined marginally by 5% y-o-y to EGP 10,379.3 in 9M20.

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

ERC is operating smoothly at 100% capacity utilization. While management had been anticipating strong bottom line support from ERC upon commencement of operations, a highly challenging external environment caused by COVID-19, coupled with oil markets volatility and significant pricing pressure on global petroleum products severely impacted performance. Record low heavy fuel oil (HFO) to diesel spreads have adversely affected results, with ERC recording an EBITDA loss of EGP 106.3 million in 3Q20. Despite the adverse impacts of COVID-19 on ERC's performance for 3Q20, the refinery registered a positive EBITDA of EGP 327.0 million in 9M20, supported by adequate performance during the first half of the year.

Qalaa Holdings recorded a 26% y-o-y decline in EBITDA due to continued pressures at ERC. Excluding ERC, Qalaa's EBITDA recorded an increase of 12% y-o-y to EGP 312.2 million in 3Q20. The positive performance came on the back of improved profitability at TAQA Arabia's gas division despite a very challenging period due to COVID-19. Additionally, improved operational efficiencies and cost reductions at Nile Logistics, as well as enhanced production efficiency at National Printing, bolstered profitability for the period. Furthermore, the lifting of restrictions and opening of ports drove an increase in exports and reflected positively on ASCOM's profitability in 3Q20 despite the operating challenges faced during the period.

Qalaa Holdings recorded a net loss after minority interest of EGP 450.7 million in 3Q20 compared to a net loss of EGP 395.3 million in 3Q19. This was mainly due to losses incurred by ERC on account of COVID-19 and overall soft oil markets with consequent pressure on HFO & diesel spreads. ERC booked a net loss before minority interest of EGP 1,957.2 million in 3Q20. It is worth mentioning that Qalaa's effective stake in ERC stands at c.13.1%.

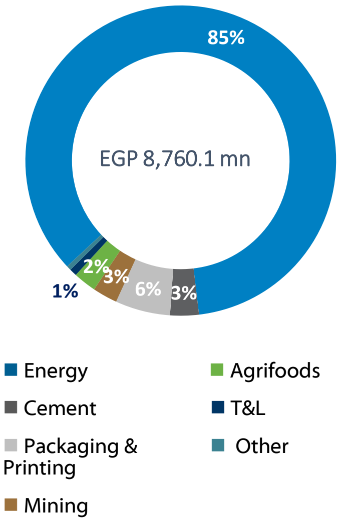
COVID-19 Developments

Qalaa Holdings' management is closely monitoring the COVID-19 situation and is in constant communication with leadership teams across its subsidiaries to identify risks posed by the pandemic and develop appropriate measures to ensure the health and safety of its employees and business continuity. It is worth highlighting that during these difficult times Qalaa is prioritizing the well-being of its more than 17,500 employees across its subsidiaries and has decided to maintain its full work force without resorting to any layoffs.

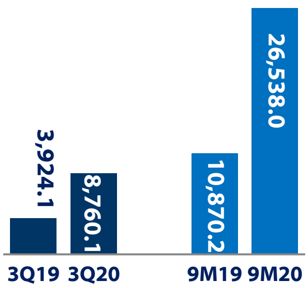
Financial and operational highlights follow, as do management's comments and overview of the performance of different business units. Full financials are now available for download at ir.qalaaholdings.com.

Financial and Operational Highlights

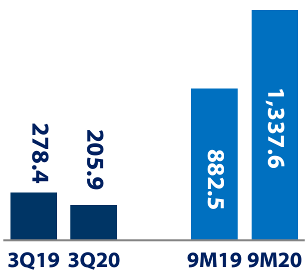
QALAA HOLDINGS CONSOLIDATED REVENUES 3Q20



REVENUE PROGRESSION
(EGP mn)



EBITDA PROGRESSION
(EGP mn)



- **Qalaa's consolidated revenues increased 123% y-o-y to EGP 8,760.1 million in 3Q20, primarily driven by ERC's contribution.**

  ERC recorded a top line of EGP 5,376.8 in 3Q20, constituting 61% of Qalaa Holding's revenues for the period. Excluding ERC, Qalaa's revenues declined by 14% y-o-y due to the impacts of COVID-19. TAQA Arabia Arabia recorded a revenue decline of 6% y-o-y driven by a slowdown in tourism that impacted TAQA's power division. Moreover, operational difficulties disrupted production for over a month at the Al Takamol facility in Sudan and impacted ASEC Cement's top line for the period.

  However, a resilient performance from the rest of Qalaa's portfolio companies mitigated further impacts from the challenging external environment.

  At National Printing, improved performance came on the back of increased volume sales at its subsidiaries Modern Sherouk and Uniboard. Meanwhile, Nile Logistics recorded a strong 62% y-o-y increase in revenue driven by its stevedoring operations, which recorded a twofold year-on-year growth in handled volumes of coal/pet coke. Moreover, the easing of COVID-19 restrictions improved international trade and supported export volume growth at ASCOM. Finally, Dina Farms' consolidated top line remained largely flat in 3Q20.

- **Qalaa recorded a 26% y-o-y decline in EBITDA to EGP 205.9 million in 3Q20 on account of ERC recording an EBITDA loss of EGP 106.3 during the same period. Excluding ERC, Qalaa Holdings recorded an EBITDA increase of 12% y-o-y to EGP 312.2 million in 3Q20 despite the operational difficulties and external challenges due to COVID-19. The increase came on the back of improved performance at TAQA Arabia and operational efficiency measures at National Printing and Nile Logistics.**

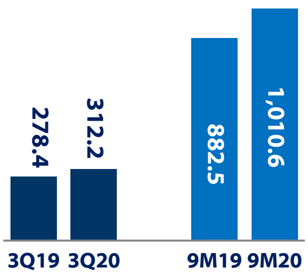
  TAQA Arabia recorded an 11% y-o-y increase in EBITDA on the back of a 7% y-o-y increase in the number of higher-margin infill clients at its gas division in 3Q20. Moreover, Nile Logistics' recent connection to the national electricity grid improved operational efficiencies and reduced the company's costs. These positive impacts resulted in a turnaround for Nile Logistics' profitability which recorded a positive EBITDA of EGP 21.0 million in 3Q20, compared to a negative EBITDA of EGP 2.0 million in 3Q19. Finally, expansions and production efficiency measures at National Printing supported its EBITDA performance for the period, which grew by a strong 71% y-o-y in 3Q20.

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

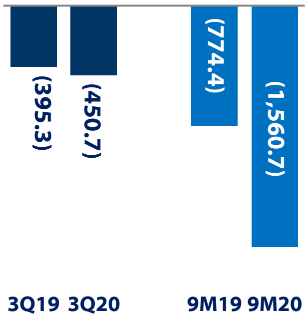
- **Selling, general and administrative expenses (SG&A) recorded EGP 396.2 million in 3Q20, an increase of 36% y-o-y on the back of ERC beginning to post a full income statement in 1Q20.**

- **Depreciation and amortization expenses recorded EGP 980.1 million in 3Q20, up from EGP 137.1 million in the same period last year, driven by the consolidation of ERC's assets.**

EBITDA PROGRESSION (Excluding ERC)
(EGP mn)



NET PROFIT PROGRESSION
(EGP mn)



Bank interest expense recorded EGP 878.9 million in 3Q20 compared to EGP 372.5 million in 3Q19.

The increase in interest expense in 3Q20 was primarily driven by ERC, which booked EGP 532.5 million in interest on its debt during the quarter. It is worthy to note that ERC's interest expense was down 24% quarter-on-quarter primarily due to a drop in LIBOR.

- **Total impairments and write downs reached EGP 85.7 million in 3Q20.**

  Impairments for the period were mainly related to Tawazon where a recent asset valuation led to an EGP 78.6 million impairment of the company's book value.

- **Qalaa booked provisions of EGP 46.1 million in 3Q20, down from EGP 166.2 million recorded in 3Q19.**

  The provisions are primarily driven by ASEC Holding, which recorded EGP 47.9 million in provisions in 3Q20 mainly related to the interest of the signed bank debt settlement that is due end of 2020.

- **Qalaa recorded an FX gain of EGP 147.4 million in 3Q20 due to the strengthening of the EGP against the USD and its effect on Qalaa's USD-denominated liabilities. The effect was driven primarily by ASEC Holding which recorded a gain of EGP 141 million in 3Q20.**

- **Qalaa Holdings recorded a consolidated net loss after minority interest of EGP 450.7 million in 3Q20 compared to a net loss of EGP 395.3 million in 3Q19.**

  Due to the impacts of COVID-19 and a volatile oil market, ERC alone booked a net loss before minority interest of EGP 1,957.2 million in 3Q20 (Qalaa's effective share in ERC currently stands at c. 13.1%).

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

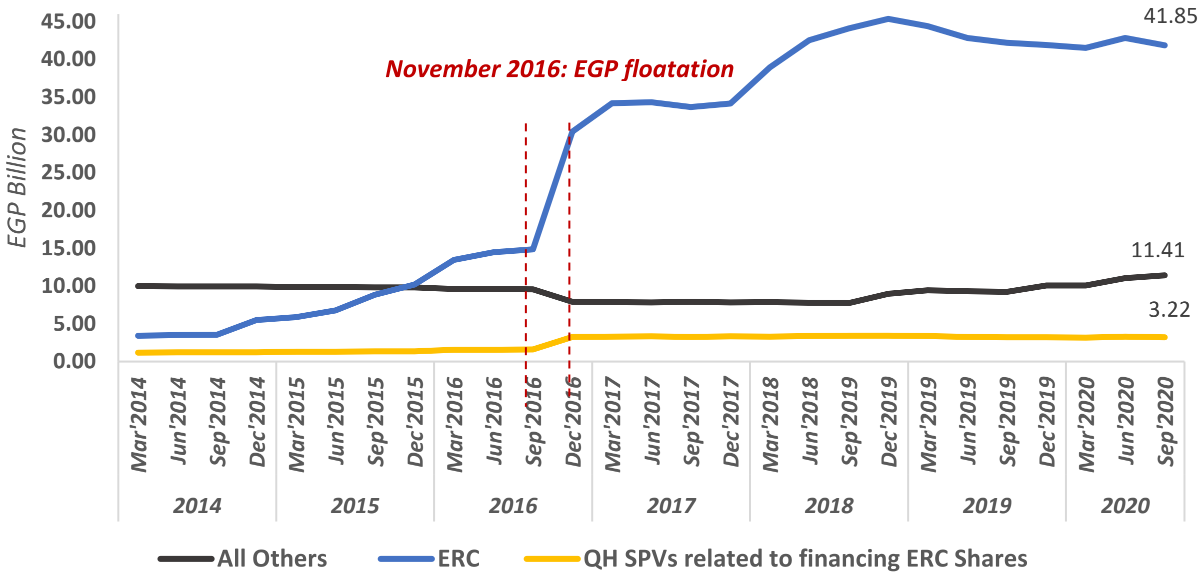
  Qalaa's debt restructuring efforts at the holding level and at a number of its subsidiaries, along with recent rate cuts, are set to reduce interest expenditure and borrowing balances going forward.

  Additionally, given the recent macroeconomic situation and the impact of COVID-19, in particular with regards to oil market volatility and narrowing spreads between HFO & diesel, ERC had deferred its June and December 2020 senior loan principal payments.

- **Qalaa's consolidated debt excluding ERC and ERC-related debt stood at EGP 11.4 billion as of 30 September 2020.**

  Qalaa's senior debt at the holding level stands at c. USD 205 million, with the EGP's strengthening against the USD decreasing the holding company's EGP liabilities.

Debt Progression (EGP bn)



Management Comment

"While Qalaa's top line excluding ERC was relatively impacted during the quarter, operational and busines development strides allowed us to extract higher value from operations and deliver improved EBITDA profitability despite the challenges posed by COVID-19."

"Since the onset of COVID-19, Qalaa has remained resilient in the face of unprecedented challenges thanks to the breadth and diversity of its portfolio," **said Qalaa Holdings' Chairman and Founder Ahmed Heikal.** "Our strong market positions across strategic sectors allowed us to minimize the impact on our consolidated top line performance when excluding the newly inaugurated ERC, with temporary setbacks being constantly offset by new operational and business development strides. We are also working to mitigate the impact of a weak gross refining margin at ERC.

"At TAQA Arabia, while the slowdown in tourism impacted the performance of its power division, our gas business continued to deliver impressive results and meet its operational targets. During the quarter, we pressed on with our CNG station expansions across Egypt and are optimistic about achieving our target of 21 stations by the end of the year. Meanwhile at National Printing, we continued to capture a growing market share thanks to a reputation of quality and continued innovation. Management is particularly excited about this business's growth potential, with multiple avenues to capture new value from this fast-growing market. National Printing's robust performance on the one hand offset the pressures faced at our cement operations. An underperforming local cement market as well as logistical challenges in importing refractories in Sudan had impacted ASEC Holdings' results. Nevertheless, we are witnessing early signs of recovery in local cement as indicated by Nile Logistics. During the quarter, the company successfully handled double the amount of coal/pet coke versus last year, most of which is destined for the cement industry as market activity picks up and as the freeze on construction licenses is lifted. Easing restrictions in 3Q20 also boded well for international trade, subsequently supporting improved performance at our mining operations where both ACCM and GlassRock witnessed growth in export volumes.

"Overall, Qalaa Holdings' revenue excluding ERC declined 14% year-on-year in 3Q20 due to muted performance from TAQA and the logistical difficulties faced at Al Takamol facility in Sudan. However, on a year-to-date basis, our top line performance excluding ERC declined only 5% for the nine-month period, a modest impact considering the global challenges, and made possible thanks to our diverse operations and continued pursuit of new growth avenues," said Heikal.

"While Qalaa's top line excluding ERC was relatively impacted during the quarter, operational and busines development strides allowed us to extract higher value from operations and deliver improved EBITDA profitability despite the challenges posed by COVID-19," **said Hisham El-Khazindar, Qalaa Holdings' Co-Founder and Managing Director.** "Excluding ERC, Qalaa's EBITDA witnessed a solid 12% year-on-year increase driven by key milestones across our portfolio. We continued to target the higher-margin infill clients at TAQA Arabia's gas division, which in turn offset lower gas conversions and helped TAQA record an 11% year-on-year increase in consolidated EBITDA for the period. At Nile Logistics, we are reaping the reward of our inland container depot's connection to the national electricity grid, with better operational efficiencies and cost reductions during the quarter. At National Printing, all subsidiaries continued to deliver a robust performance during the quarter with significant upside heading into 2021 as we commence full operations at Baddar's new state-of-the-art plant, push ahead with expansions at Modern Shorouk and enhance production efficiency at Uniboard. Finally, at the holding level and across our subsidiaries, Qalaa has engaged in enhancements of its ERP systems to further improve operational efficiency and bolster profitability."

"Meanwhile, ERC continued to be severely impacted by a lower gross refining margin on the back of highly challenging market conditions and significant price pressure on global petroleum products. To that end, we have pivoted our product mix to reduce jet fuel production and focus on diesel, as well as shifting the refinery's input to 100% atmospheric residue oil to support the refinery's overall profitability. Looking forward, we are optimistic about ERC long-term outlook and are encouraged by the recent uptick in oil prices following the news of a potential vaccine for COVID-19 and its anticipated impact on the global economy. Nonetheless, as an exercise in caution and given the relative uncertainty, we are in discussions with ERC's lenders to engage in a full debt restructuring next year, with the aim of better aligning the refinery's debt service with prevailing market conditions. This also aligns with Qalaa's priority to restructure debt at its subsidiaries, including ASEC Holding, Nile Logistics and at ASCOM's subsidiary GlassRock," added El-Khazindar.

"Our optimism is grounded by a high degree of caution particularly with the resurgence of a second wave of the pandemic. We stand ready with proven health, safety and business continuity measures that have anchored our performance during these challenging times and allowed us to retain Qalaa Holdings' entire staff of c. 17,500 employees. Our people continue to be our most prized asset without whom Qalaa would not be the resilient company it is today." concluded El-Khazindar.

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

Methods of Consolidation

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

Qalaa Holdings Consolidated Income Statement (in EGP mn)

	1Q 2020	2Q 2020	3Q 2020	9M 2020	1Q 2019	2Q 2019	3Q 2019	9M 2019
Revenue	10,375.4	7,402.5	8,760.1	26,538.0	3,426.4	3,519.6	3,924.1	10,870.2
COS	(9,248.1)	(6,678.5)	(8,161.9)	(24,088.5)	(2,838.1)	(2,957.1)	(3,328.5)	(9,123.7)
Gross Profit	**1,127.3**	**724.0**	**598.2**	**2,449.4**	**588.4**	**562.4**	**595.7**	**1,746.5**
Advisory Fee	-	-	-	-	-	-	-	-
Share in associates' results	(0.8)	(2.6)	(0.2)	(3.6)	0.3	(1.5)	(0.2)	(1.4)
Total Operating Profit	**1,126.4**	**721.4**	**598.0**	**2,445.8**	**588.7**	**560.9**	**595.4**	**1,745.1**
SG&A	(368.6)	(360.7)	(396.2)	(1,125.5)	(270.7)	(281.7)	(290.8)	(843.2)
Other inc/exp-Net	3.0	3.3	12.0	18.4	10.8	9.7	1.5	22.1
EBITDA before one-off charges	**760.9**	**364.0**	**213.8**	**1,338.7**	**328.9**	**288.9**	**306.1**	**923.9**
SG&A (Non recurring)	21.8	(15.0)	(7.9)	(1.1)	(5.3)	(8.4)	(27.8)	(41.4)
EBITDA	**782.8**	**348.9**	**205.9**	**1,337.6**	**323.6**	**280.5**	**278.4**	**882.5**
Dep./Amort.	(707.5)	(1,165.0)	(980.1)	(2,852.6)	(122.2)	(132.4)	(137.1)	(391.7)
EBIT	**75.2**	**(816.0)**	**(774.2)**	**(1,515.0)**	**201.4**	**148.1**	**141.3**	**490.8**
Bank interest exp.	(1,039.5)	(1,032.4)	(878.9)	(2,950.8)	(365.3)	(375.6)	(372.5)	(1,113.4)
Bank PIK	(32.6)	(26.4)	(26.4)	(85.5)	(32.8)	(24.3)	(23.6)	(80.7)
Bank Fees (ERC - PIK)	-	-	-	-	(37.6)	3.3	0.5	(33.8)
3rd party Shareholder	(74.3)	(79.7)	(68.5)	(222.5)	(64.8)	(71.8)	(76.6)	(213.2)
Interest income	104.6	98.0	92.3	294.9	72.2	64.3	60.7	197.2
Lease Payments	(32.7)	(13.7)	(66.4)	(112.7)	(8.6)	(3.7)	(13.6)	(25.9)
EBT (before one-offs)	**(999.3)**	**(1,870.2)**	**(1,722.0)**	**(4,591.6)**	**(235.5)**	**(259.6)**	**(283.9)**	**(779.1)**
Gain (Loss) on sale of investments	47.0	-	-	47.0	-	27.8	-	27.8
Impairments/write downs	(18.5)	(15.6)	(85.7)	(119.8)	(4.8)	(3.0)	2.2	(5.5)
Acquisitions and restructuring	(25.9)	(0.3)	-	(26.1)	(6.8)	(3.9)	(2.7)	(13.4)
Layoffs/Severances	(5.3)	(10.8)	(1.2)	(17.4)	(2.7)	(1.4)	(4.9)	(9.1)
CSR	(6.3)	(2.8)	(1.5)	(10.7)	(2.5)	(0.1)	(0.2)	(2.9)
Provisions	(103.7)	(84.1)	(46.1)	(233.9)	(67.4)	(126.9)	(166.2)	(360.6)
Discontinued operations *	(20.9)	(29.4)	(26.0)	(76.3)	30.1	(49.6)	(3.8)	(23.2)
Forex	150.4	(166.5)	147.4	131.3	181.3	221.1	189.1	591.5
EBT	**(982.5)**	**(2,179.7)**	**(1,735.3)**	**(4,897.5)**	**(108.4)**	**(195.7)**	**(405.5)**	**(709.6)**
Taxes	(600.6)	(315.3)	(450.4)	(1,366.3)	(63.1)	(82.5)	(46.0)	(191.7)
NP/L Including Minority Share	**(1,583.1)**	**(2,495.0)**	**(2,185.7)**	**(6,263.7)**	**(171.5)**	**(278.2)**	**(451.6)**	**(901.2)**
Minority Interest	(1,178.0)	(1,790.0)	(1,735.0)	(4,703.0)	(16.8)	(53.7)	(56.2)	(126.8)
NP/L for the Period	**(405.1)**	**(705.0)**	**(450.7)**	**(1,560.7)**	**(154.6)**	**(224.5)**	**(395.3)**	**(774.4)**

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

Qalaa Holdings Consolidated Income Statement by Sector for the three-month period ending 30 September 2020 (in EGP mn)

			Energy			Cement	T&L^	Mining	Agrifoods		Others			
	QH	SPVs	Orient	Silverstone	Tawazon	NDT	CCTO	ASCOM	Falcon	Wafra	Misc.*	Grandview	Elimination	3Q 2020
Revenue	-	-	5,376.8	2,075.6	-	261.2	67.3	227.0	209.0	-	42.2	501.5	(0.5)	8,760.1
Cost of Sales	-	-	(5,386.1)	(1,807.2)	-	(274.5)	(31.4)	(144.5)	(144.9)	-	(33.8)	(340.1)	0.5	(8,161.9)
Gross Profit	**-**	**-**	**(9.3)**	**268.4**	**-**	**(13.4)**	**35.9**	**82.6**	**64.1**	**-**	**8.4**	**161.5**	**-**	**598.2**
Advisory fee	24.4	-	-	-	-	-	-	-	-	-	-	-	(24.4)	-
Share in Associates' Results	-	-	-	-	-	-	-	-	-	-	-	-	(0.2)	(0.2)
Total Operating Profit	**24.4**	**-**	**(9.3)**	**268.4**	**-**	**(13.4)**	**35.9**	**82.6**	**64.1**	**-**	**8.4**	**161.5**	**(24.6)**	**598.0**
SG&A	(54.6)	(1.6)	(97.0)	(51.4)	(0.2)	(37.0)	(13.8)	(59.8)	(39.5)	-	(7.8)	(55.9)	22.3	(396.2)
Other Income/Expenses (Net)	-	(0.1)	-	(1.8)	-	0.8	(1.1)	0.5	2.6	-	2.4	7.5	1.2	12.0
EBITDA (before one-offs)	**(30.2)**	**(1.7)**	**(106.3)**	**215.3**	**(0.2)**	**(49.6)**	**21.0**	**23.3**	**27.3**	**-**	**3.0**	**113.1**	**(1.0)**	**213.8**
Dividends Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SG&A (Non recurring)	0.2	(28.4)	-	-	-	1.1	-	-	(6.1)	-	-	0.2	25.2	(7.9)
EBITDA	**(30.0)**	**(30.2)**	**(106.3)**	**215.3**	**(0.2)**	**(48.5)**	**21.0**	**23.3**	**21.1**	**-**	**3.0**	**113.3**	**24.2**	**205.9**
Depreciation & Amortization	(0.6)	-	(836.9)	(34.9)	-	(18.6)	(16.7)	(22.8)	(19.9)	-	(1.0)	(15.1)	(13.6)	(980.1)
EBIT	**(30.6)**	**(30.2)**	**(943.2)**	**180.4**	**(0.2)**	**(67.1)**	**4.3**	**0.4**	**1.2**	**-**	**2.0**	**98.3**	**10.6**	**(774.2)**
Bank Interest Expense	(102.4)	(56.8)	(532.5)	(82.1)	-	(9.2)	(34.2)	(15.7)	(13.4)	-	(1.1)	(31.5)	-	(878.9)
Bank PIK	-	(26.4)	-	-	-	-	-	-	-	-	-	-	-	(26.4)
3rd Party Shareholder	-	(13.2)	(11.8)	-	-	(127.8)	(15.4)	-	-	-	(8.4)	-	108.2	(68.5)
Interest Income	65.2	36.6	(14.1)	98.2	-	1.7	-	-	0.1	-	-	2.8	(98.4)	92.3
Lease Payments	-	-	(46.5)	(8.2)	-	(0.2)	(7.3)	(1.4)	(1.4)	-	-	(1.4)	-	(66.4)
EBT (before one-offs)	**(67.8)**	**(90.1)**	**(1,548.1)**	**188.3**	**(0.2)**	**(202.7)**	**(52.6)**	**(16.7)**	**(13.5)**	**-**	**(7.5)**	**68.2**	**20.4**	**(1,722.0)**
Gain (Loss) on sale of investments	(12.6)	-	-	-	-	-	-	-	-	-	-	-	12.6	-
Impairments/Write-downs	(43.3)	(15.4)	9.2	(3.4)	(78.6)	(1.5)	(2.6)	(1.0)	(0.1)	-	(0.6)	(2.5)	54.3	(85.7)
Acquisitions and restructuring	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Layoffs/Severances	(0.9)	-	-	-	-	(0.4)	-	-	-	-	-	-	-	(1.2)
CSR	(0.2)	-	(1.3)	-	-	-	-	-	-	-	-	-	-	(1.5)
Provisions	-	0.4	-	0.7	(0.2)	(47.9)	(0.8)	11.9	-	-	(0.1)	(0.8)	(9.5)	(46.1)
Discontinued Operations **	-	-	-	-	(35.1)	9.0	-	-	-	-	-	-	-	(26.0)
FOREX	38.9	21.7	(22.4)	(14.4)	0.9	141.3	(7.3)	(29.6)	6.4	(1.5)	20.2	(2.4)	(4.5)	147.4
EBT	**(85.9)**	**(83.4)**	**(1,562.5)**	**171.3**	**(113.1)**	**(102.1)**	**(63.3)**	**(35.3)**	**(7.2)**	**(1.5)**	**12.0**	**62.6**	**73.3**	**(1,735.3)**
Taxes	0.1	-	(394.7)	(46.2)	-	0.4	-	-	(0.3)	-	(0.2)	(10.9)	1.4	(450.4)
Net P/L Before Minority Share	**(85.8)**	**(83.4)**	**(1,957.2)**	**125.1**	**(113.0)**	**(101.8)**	**(63.3)**	**(35.3)**	**(7.5)**	**(1.5)**	**11.8**	**51.7**	**74.6**	**(2,185.7)**
Minority Interest	-	-	(1,147.1)	36.9	(13.7)	(31.0)	(13.4)	(3.4)	-	-	-	34.2	(597.6)	(1,735.0)
Net Profit (Loss)	**(85.8)**	**(83.4)**	**(810.1)**	**88.2**	**(99.3)**	**(70.8)**	**(49.9)**	**(32.0)**	**(7.5)**	**(1.5)**	**11.8**	**17.4**	**672.3**	**(450.7)**

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

^ T&L represents Transportation & Logistics

Qalaa Holdings Consolidated Income Statement by Sector for the nine-month period ending 30 September 2020 (in EGP mn)

			Energy			Cement	T&L^	Mining	Agrifoods		Others			
	QH	SPVs	Orient	Silverstone	Tawazon	NDT	CCTO	ASCOM	Falcon	Wafra	Misc.*	Grandview	Elimination	9M 2020
Revenue	-	-	16,158.7	5,784.4	-	1,597.4	225.3	613.9	672.4	-	142.9	1,356.2	(13.3)	26,538.0
Cost of Sales	-	-	(15,506.2)	(5,066.1)	-	(1,494.7)	(96.0)	(422.8)	(462.9)	-	(119.9)	(930.3)	10.3	(24,088.5)
Gross Profit	**-**	**-**	**652.5**	**718.3**	**-**	**102.7**	**129.3**	**191.1**	**209.6**	**-**	**23.1**	**425.9**	**(3.0)**	**2,449.4**
Advisory fee	74.1	-	-	-	-	-	-	-	-	-	-	-	(74.1)	-
Share in Associates' Results	-	-	-	-	-	-	-	-	-	-	-	-	(3.6)	(3.6)
Total Operating Profit	**74.1**	**-**	**652.5**	**718.3**	**-**	**102.7**	**129.3**	**191.1**	**209.6**	**-**	**23.1**	**425.9**	**(80.7)**	**2,445.8**
SG&A	(147.3)	(12.2)	(311.3)	(152.4)	(0.2)	(104.3)	(39.0)	(145.8)	(114.6)	(0.4)	(22.8)	(143.7)	68.4	(1,125.5)
Other Income/Expenses (Net)	-	(0.3)	0.9	(0.4)	-	2.4	(1.0)	1.0	0.9	-	6.0	7.6	1.2	18.4
EBITDA (before one-offs)	**(73.2)**	**(12.5)**	**342.0**	**565.6**	**(0.2)**	**0.9**	**89.3**	**46.3**	**95.9**	**(0.4)**	**6.3**	**289.7**	**(11.1)**	**1,338.7**
Dividends Income	-	2.7	-	-	-	-	-	-	-	-	-	-	(2.7)	-
SG&A (Non recurring)	-	(28.4)	(15.0)	-	-	19.2	-	-	(13.4)	-	-	11.3	25.2	(1.1)
EBITDA	**(73.2)**	**(38.2)**	**327.0**	**565.6**	**(0.2)**	**20.1**	**89.3**	**46.3**	**82.5**	**(0.4)**	**6.3**	**301.1**	**11.3**	**1,337.6**
Depreciation & Amortization	(1.8)	-	(2,413.0)	(105.4)	-	(71.0)	(49.0)	(68.6)	(56.4)	(0.2)	(3.5)	(42.9)	(40.7)	(2,852.6)
EBIT	**(75.0)**	**(38.2)**	**(2,086.0)**	**460.2**	**(0.2)**	**(50.9)**	**40.3**	**(22.3)**	**26.2**	**(0.5)**	**2.8**	**258.2**	**(29.4)**	**(1,515.0)**
Bank Interest Expense	(303.7)	(161.4)	(1,937.4)	(245.4)	-	(30.9)	(105.6)	(42.5)	(18.8)	-	(3.2)	(101.9)	-	(2,950.8)
Bank PIK	-	(85.5)	-	-	-	-	-	-	-	-	-	-	-	(85.5)
3rd Party Shareholder	-	(38.8)	(46.8)	-	-	(384.3)	(44.5)	-	-	-	(24.9)	-	316.7	(222.5)
Interest Income	193.1	108.6	4.7	261.1	-	4.9	0.1	5.1	0.2	-	0.0	8.1	(291.2)	294.9
Lease Payments	-	-	(41.7)	(22.4)	-	(0.7)	(21.9)	(18.0)	(3.9)	-	-	(4.0)	-	(112.7)
EBT (before one-offs)	**(185.7)**	**(215.3)**	**(4,107.1)**	**453.5**	**(0.2)**	**(461.8)**	**(131.7)**	**(77.7)**	**3.7**	**(0.5)**	**(25.2)**	**160.4**	**(4.0)**	**(4,591.6)**
Gain (Loss) on sale of investments	(12.6)	(6.5)	-	-	-	-	-	-	47.0	-	-	-	19.0	47.0
Impairments/Write-downs	(129.7)	(285.0)	12.3	(22.1)	(80.3)	(11.6)	(2.6)	(2.1)	(0.3)	-	(6.9)	(12.1)	420.5	(119.8)
Acquisitions and restructuring	(10.0)	-	-	(16.1)	-	-	-	-	-	-	-	-	-	(26.1)
Layoffs/Severances	(5.5)	-	(6.7)	-	-	(4.8)	-	-	(0.3)	-	-	-	-	(17.4)
CSR	(0.1)	-	(1.4)	(6.1)	-	(3.0)	-	-	-	-	-	-	-	(10.7)
Provisions	(0.2)	(93.8)	-	(12.3)	-	(134.1)	(1.2)	21.4	-	-	(0.1)	(4.0)	(9.5)	(233.9)
Discontinued Operations **	-	-	-	-	(77.7)	1.4	-	-	-	-	-	-	-	(76.3)
FOREX	(2.2)	12.7	(18.8)	(11.9)	-	172.0	13.4	(35.2)	4.7	(3.1)	14.7	(2.8)	(12.3)	131.3
EBT	**(346.1)**	**(587.8)**	**(4,121.8)**	**385.1**	**(158.1)**	**(441.9)**	**(122.1)**	**(93.5)**	**54.7**	**(3.6)**	**(17.5)**	**141.4**	**413.7**	**(4,897.5)**
Taxes	-	-	(1,192.5)	(138.7)	-	(5.9)	-	-	(6.7)	-	0.2	(26.9)	4.2	(1,366.3)
Net P/L Before Minority Share	**(346.1)**	**(587.8)**	**(5,314.2)**	**246.4**	**(158.1)**	**(447.9)**	**(122.1)**	**(93.5)**	**48.0**	**(3.6)**	**(17.3)**	**114.6**	**417.9**	**(6,263.7)**
Minority Interest	-	-	(3,114.6)	74.7	(32.0)	1.5	(42.4)	(6.9)	-	(0.2)	-	77.7	(1,660.9)	(4,703.0)
Net Profit (Loss)	**(346.1)**	**(587.8)**	**(2,199.6)**	**171.7**	**(126.1)**	**(449.4)**	**(79.7)**	**(86.6)**	**48.0**	**(3.4)**	**(17.3)**	**36.8**	**2,078.9**	**(1,560.7)**

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

^ T&L represents Transportation & Logistics

Qalaa Holdings Consolidated Balance Sheet as at 30 September 2020 (in EGP mn)

		Energy			Cement	T&L^	Mining	Agrifoods		Others				
	QH	Orient	Silverstone	Tawazon	NDT	CCTO	ASCOM	Falcon	Wafra	Misc.*	Grandview	Aggregation	Eliminations/ SPVs	9M 2020
Current Assets														
Trade and Other Receivables	2,020.9	1,927.9	1,674.9	-	1,904.7	98.8	365.6	90.7	-	388.3	534.7	9,006.3	(2,730.4)	6,275.9
Inventory	-	274.0	401.2	-	625.9	11.0	106.2	164.3	-	28.0	357.6	1,968.3	-	1,968.3
Assets Held For Sale	-	-	-	314.2	342.2	-	-	-	-	118.4	-	774.7	(111.3)	663.4
Cash and Cash Equivalents	3.4	1,167.3	3,835.4	-	39.3	21.3	24.8	10.2	-	3.6	143.9	5,249.3	50.9	5,300.2
Others	-	-	-	-	-	-	-	11.1	-	-	-	11.1	4.2	15.2
Total Current Assets	**2,024.2**	**3,369.2**	**5,911.4**	**314.2**	**2,912.1**	**131.1**	**496.6**	**276.3**	**-**	**538.3**	**1,036.2**	**17,009.6**	**(2,786.6)**	**14,223.0**
Non-Current Assets														
PP&E	33.5	61,182.2	2,434.6	-	1,171.2	805.8	771.6	750.6	-	30.2	972.5	68,152.3	568.2	68,720.6
Investments	4,566.7	-	52.1	-	0.2	-	176.4	-	-	-	101.4	4,896.7	(4,580.7)	316.1
Goodwill / Intangible assets	-	-	414.6	-	-	-	0.6	-	-	-	-	415.2	95.2	510.4
Others	5,078.6	192.1	206.6	-	460.1	-	-	410.6	-	-	46.2	6,394.1	(5,069.7)	1,324.5
Total Non-Current Assets	**9,678.8**	**61,374.4**	**3,107.9**	**-**	**1,631.5**	**805.8**	**948.6**	**1,161.1**	**-**	**30.2**	**1,120.1**	**79,858.4**	**(8,986.9)**	**70,871.6**
Total Assets	**11,703.0**	**64,743.5**	**9,019.3**	**314.2**	**4,543.6**	**936.9**	**1,445.2**	**1,437.5**	**-**	**568.5**	**2,156.2**	**96,868.1**	**(11,773.5)**	**85,094.6**
Shareholders' Equity														
Total Equity Holders of the Company	**4,837.9**	**8,487.4**	**1,070.0**	**(12.6)**	**(4,856.8)**	**(865.7)**	**(16.1)**	**93.0**	**(1,111.0)**	**(395.9)**	**94.9**	**7,325.0**	**(16,631.1)**	**(9,306.1)**
Minority Interest	-	7,036.4	544.5	72.4	1,074.0	(403.5)	(84.1)	-	(12.9)	11.5	292.6	8,530.9	5,748.7	14,279.6
Total Equity	**4,837.9**	**15,523.8**	**1,614.5**	**59.9**	**(3,782.8)**	**(1,269.2)**	**(100.2)**	**93.0**	**(1,124.0)**	**(384.4)**	**387.5**	**15,855.9**	**(10,882.4)**	**4,973.5**
Current Liabilities														
Borrowings	3,787.0	6,181.3	2,625.7	-	1,102.7	850.5	754.1	77.0	-	41.5	776.3	16,196.0	2,690.0	18,886.0
Trade and Other Payables	2,974.6	3,952.0	2,464.8	4.0	1,845.6	200.8	594.3	1,054.3	1,122.8	540.2	486.6	15,239.9	(701.5)	14,538.5
Shareholder Loan	-	159.6	-	-	2,176.3	850.5	-	-	-	126.3	-	3,312.7	(850.5)	2,462.2
Provisions	103.6	-	237.3	0.4	702.0	29.2	33.1	26.9	1.2	17.6	46.3	1,197.5	390.2	1,587.7
Liabilities Held For Sale	-	-	-	250.0	-	-	-	-	-	0.7	-	250.7	0.8	251.5
Total Current Liabilities	**6,865.2**	**10,292.9**	**5,327.7**	**254.3**	**5,826.5**	**1,930.9**	**1,381.5**	**1,158.2**	**1,124.0**	**726.3**	**1,309.3**	**36,196.9**	**1,529.1**	**37,726.0**
Non-Current Liabilities														
Borrowings	-	35,672.2	1,407.0	-	-	-	128.3	116.4	-	-	272.6	37,596.5	-	37,596.5
Shareholder Loan	-	705.0	-	-	2,483.2	139.3	-	-	-	226.1	101.6	3,655.2	(2,535.2)	1,120.0
Long-Term Liabilities	-	2,549.6	670.1	-	16.8	135.9	35.6	69.9	-	0.5	85.3	3,563.6	115.0	3,678.6
Total Non-Current Liabilities	**-**	**38,926.8**	**2,077.1**	**-**	**2,500.0**	**275.2**	**163.9**	**186.3**	**-**	**226.6**	**459.4**	**44,815.3**	**(2,420.2)**	**42,395.1**
Total Liabilities	**6,865.2**	**49,219.7**	**7,404.8**	**254.3**	**8,326.5**	**2,206.1**	**1,545.4**	**1,344.5**	**1,124.0**	**952.9**	**1,768.7**	**81,012.1**	**(891.1)**	**80,121.0**
Total Equity and Liabilities	**11,703.0**	**64,743.5**	**9,019.3**	**314.2**	**4,543.6**	**936.9**	**1,445.2**	**1,437.5**	**-**	**568.5**	**2,156.2**	**96,868.1**	**(11,773.5)**	**85,094.6**

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

Sector Review: Energy

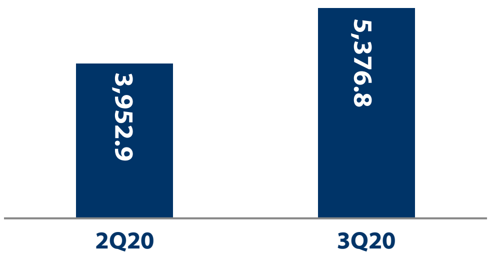
Qalaa Holdings' operational energy companies include the Egyptian Refining Company (petroleum refining), TAQA Arabia (energy generation and distribution) and Tawazon (solid waste management).

QH OWNERSHIP — c.13.1%

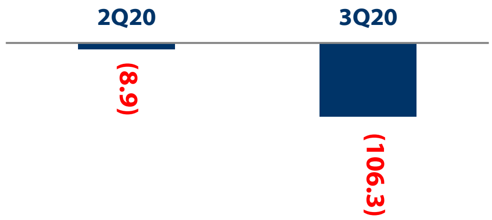
ERC records an uptick in revenues; profitability pressured due to global challenges related to COVID-19 and soft global petroleum markets.

Egyptian Refining Company (ERC) is a USD 4.4 billion second-stage greenfield petroleum refinery in the Greater Cairo Area (GCA). The project was completed in early 2019 and all project units have been in operation since August 2019. ERC's official inauguration by President Abdel Fattah El Sisi on the 27th of September 2020 is testament to the project's strategic importance for Egypt's economy and energy security as it provides a local alternative to imports and helps meet growing local demand. Starting January 2020, ERC was recognized as an operational asset and thus began booking sales revenue and a full income statement for the first time in 1Q20.

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



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



In 3Q20, ERC refined total feedstock of c.1.2 million tons, including 1.0 million tons of HFO (atmospheric residue) and c.0.2 million tons of tolling crude. During the same period, ERC supplied c.1.0 million tons of refined product to the Egyptian General Petroleum Corporation (EGPC), and approximately 123 thousand tons of pet coke and 26 thousand tons of sulphur to key cement and fertilizer players, respectively.

Product	**LPG**	**Light Naphtha**	**Reformate**	**Fuel Oil**	**Jet Fuel**	**Diesel**	***Total Supplied to EGPC***
3Q20 Quantity (tons)	32,454	68,682	135,139	99,701	2	624,231	***960,210***
9M20 Quantity (tons)	92,130	220,832	376,440	329,336	147,784	1,816,434	***2,982,957***

ERC's Gross Refining Margin (GRM) was growing steadily since the start of production in August 2019 and peaked at c.USD 3 million per day during the Nov-Dec 2019 period. However, the challenging external environment caused by COVID-19, coupled with global petroleum markets volatility and pressure on prices has narrowed the spread between heavy fuel oil (HFO) and diesel. In 3Q20, the GRM declined to c. USD 500k per day, leading to a significant quarter-on-quarter drop in ERC's EBITDA performance during the quarter.

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

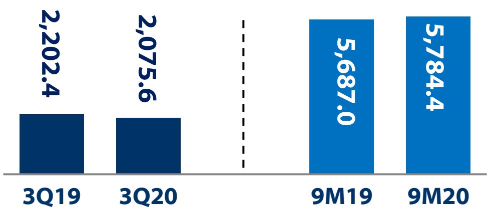
ERC had deferred its June and December 2020 senior loan principal payments for 12 months. Additionally, management expects to start engaging in a full debt restructuring in 2021.

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

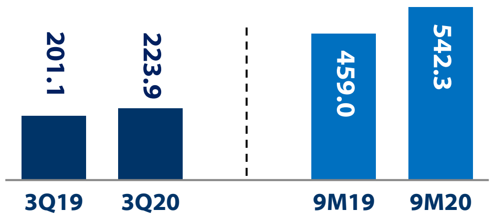
QALAA HOLDINGS OWNERSHIP — 55.9%

TAQA Arabia recorded an 11% year-on-year increase in EBITDA on the back of improved performance by its gas division

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



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



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

The company's gas division contributed 19% to TAQA's 3Q20 consolidated revenue and 44% to EBITDA, with the latter being driven by increased volumes of the higher-margin infill clients. Meanwhile, TAQA's power division contributed 20% to revenue in 3Q20 and 34% to EBITDA. Finally, TAQA's marketing arm contributed the lion's share of TAQA Arabia's top line at 61% in 3Q20, while the division's EBITDA contribution was 25%, in line with the lower margins typically associated with the nature of the business.

Segment Breakdown

(EGP mn)	3Q19	3Q20	% chg	9M19	9M20	% chg
TAQA Arabia Gas Revenues	367.6	396.7	*8%*	1,026.2	1,198.4	*17%*
TAQA Arabia Gas EBITDA	72.9	97.8	*34%*	202.3	272.8	*35%*
TAQA Arabia Power Revenues*	491.6	408.5	*-17%*	1,161.1	1,032.2	*-11%*
TAQA Arabia Power EBITDA*	80.7	75.3	*-7%*	186.3	198.1	*6%*
TAQA Marketing Revenues	1,343.3	1,270.3	*-5%*	3,499.8	3,553.8	*2%*
TAQA Marketing EBITDA	53.1	55.9	*5%*	118.1	125.8	*6%*

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

TAQA Gas

TAQA's gas division recorded an 8% y-o-y increase in top line in 3Q20 driven by a 10% y-o-y growth in gas volumes distributed to 1.7 BCM. The improved performance came despite a 3% decline in conversions to 25,913 households, which was offset by the focus on higher-margin infill clients having recorded a 7% y-o-y growth to 13,466 units in 3Q20. Additionally, the increase in infill clients drove TAQA Arabia's accelerated EBITDA growth for the period. On a year-to-date basis, the division implemented 111,469 household connections and recorded a 7% y-o-y increase in gas volumes to 5 BCM in 9M20.

Parallel to TAQA's strong gas distribution and construction business, where the company holds a leading market position, the company is also ideally positioned to capture growth in the CNG field, serving off-grid clients through a growing network of CNG filling stations and mobile CNG units. TAQA successfully increased its number of CNG filling stations to 11 in 3Q20, up from seven stations in 3Q19, which led to a 54% y-o-y increase in Natural Gas for Vehicles to 8 MCM during the period. It is worthy to note that the gas division has reached a total of 16 CNG filling stations as of October 2020 and is on track to reach its target of 21 stations by year end.

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

Total Gas Distributed (3Q20)

1.7
BCM
▲10% y-o-y

Master Gas CNG Stations (3Q20)

11
Stations
vs. 7 as at 3Q19

TAQA Power

TAQA Power's performance was muted in 3Q20 as the comparable period last year reflected contributions from the Marsa Allam contract that concluded at the end of 2019. Subsequently, power generation declined by 23% y-o-y in 3Q20. Additionally, the slowdown in tourism led to a decline of 14% y-o-y in power distribution for the period. Overall, these adverse conditions saw revenue decline 17% y-o-y in 3Q20 while EBITDA booked a 7% y-o-y decrease during the same period.

TAQA Power expects to start operations of its Sixth of October industrial zone substation by the end of 2020, which management anticipates will improve the division's profitability going forward.

Total Power Generated (3Q20)

24.0
M KW/hr
▼23% y-o-y

Total Power Distributed (3Q20)

279
M KW/hr
▼14% y-o-y

TAQA Solar

TAQA's renewable energy arm, TAQA Solar, began commercial production at its 65MW solar power plant in Benban, Aswan, in February 2019. TAQA Solar contributed EGP 45.8 million in revenues in 3Q20, down 4% y-o-y. Consequently, EBITDA for the period recorded a decline of 7% y-o-y to EGP 41.0 million. However, TAQA Solar recorded robust margins on the back of the feed-in-tariff 2 program's pricing formula.

Looking forward, TAQA Solar aims to capture value from the government's plan of generating 20% of the country's energy from renewable sources by 2022 and doubling that by 2035.

World Bank President visit at Benban Solar Plant, May 2019

TAQA's Solar PV Plant - Benban, Aswan

Solar Energy Generated (3Q20)

41.9
M kW/hr
▲3% y-o-y

TAQA Marketing

TAQA's marketing arm recorded a 5% y-o-y decline in revenues on the back of reduced diesel and gasoline sales in 3Q20. However, EBITDA witnessed an increase of 5% y-o-y for the period driven by improved operational efficiencies.

As of 3Q20, the company operated a total of 57 stations across 14 governorates. The company's expansion plan is to roll out eight new stations per annum. TAQA opened two stations on a year-to-date basis in 2020 due to delays related to COVID-19 and the suspension of new permits. However, management successfully completed the construction of two more stations in Ismailia and Hurghada, which are expected to commence operations during the final quarter of 2020.

Total Liquid Fuels Distributed (3Q20)

181,973
M Liters
▼5% y-o-y

Filling Stations (3Q20)

57
Stations
vs. 51 as at 3Q19

Sector Review: Cement

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

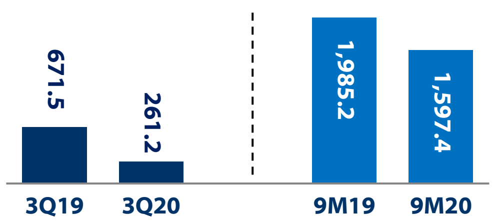
Operational and Financial Performance

QALAA HOLDINGS OWNERSHIP — 69.3%

ASEC Holding records top line and EBITDA declines due technical difficulties at Al Takamol as well as hyperinflation-related accounting treatments in 3Q20

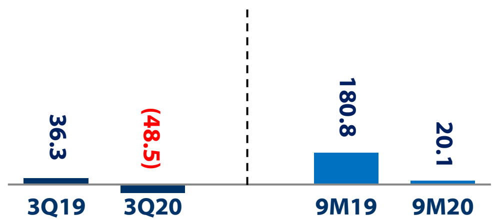
ASEC Holding Consolidated Revenues

(EGP mn)



ASEC Holding Consolidated EBITDA

(EGP mn)



ASEC Holding recorded a decline at the top line and EBITDA level in the third quarter of the year primarily due to the operational difficulties at Al Takamol that disrupted operations at the facility for over a month.

Management had previously initiated efforts to restructure ASEC Holdings' debts, resulting in the conclusion of restructuring agreements with all relevant banks. The finalized restructuring is expected to significantly decrease ASEC Holding's interest over the coming period, in turn supporting stronger profitability. Additionally, current borrowings will drop significantly, resulting in a stronger balance sheet and healthier financial/leverage ratios.

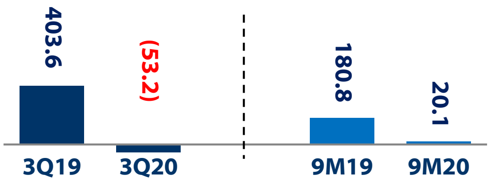
As a result of an underperforming cement market, ARESCO has transitioned from being cement sector dependent to a mainstream contracting company and has successfully landed a number of construction contracts. Moreover. ASEC Automation is expected to follow suit and begin to offer its services to non-cement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

ASEC CEMENT | **QALAA HOLDINGS EFFECTIVE OWNERSHIP — 51.8%^**

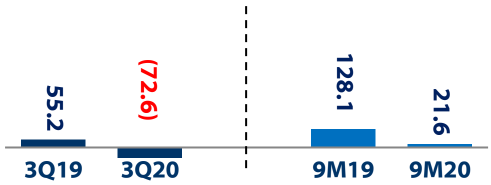
ASEC Cement records revenue and EBITDA declines on the back of technical difficulties at Al Takamol Cement in 3Q20

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

ASEC Cement Revenues
(EGP mn)



ASEC Cement EBITDA
(EGP mn)



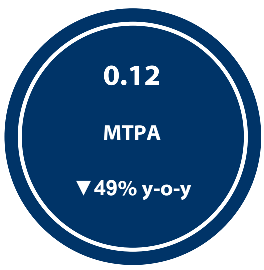
Owing to the hyperinflationary environment in Sudan, Al Takamol's local auditors opted to implement the accounting principle of applying the market spot rate for the Sudanese pound when translating the year-to-date financials to Egyptian pound, as opposed to applying the average rate for the period. The EGP/SDG rate on 30 June 2020 was c. SDG 8.7 and c. SDG 15.6 on 30 September 2020, leading to a negative top line for ASEC Cement in 3Q20. Al Takamol's figures are thus presented in SDG to provide a more accurate representation of the company's performance excluding the impacts of hyperinflationary adjustments.

ASEC Cement Subsidiaries (SDG mn)	3Q19	3Q20	% chg	9M19	9M20	% chg
Al Takamol Cement Revenues	1,650.7	1,709.2	*4%*	4,248.8	6,625.2	*56%*
Al Takamol Cement EBITDA	193.9	(190.3)	*N/A*	656.5	679.8	*4%*

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

Al Takamol Cement recorded an increase of 4% y-o-y in revenues to SDG 1,709.2 million in 3Q20. However, due to logistical difficulties in importing refractories in Sudan, Al Takamol faced multiple production stoppages during the quarter and an overall 49% y-o-y decline in volumes for 3Q20. Consequently, the company posted an EBITDA loss of SDG 190.3 million in 3Q20.

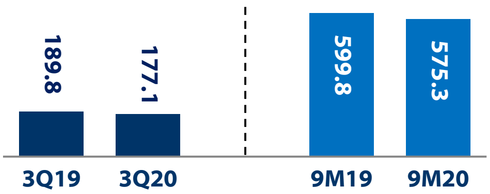
Al-Takamol Total Sales Volume
(3Q20)



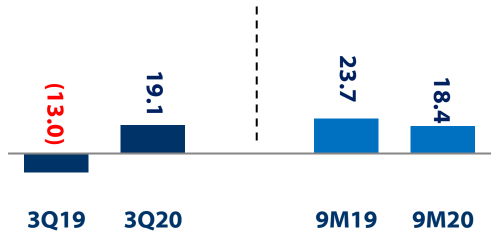
ASEC HOLDING OWNERSHIP — 99.9% (QH effective ownership c.70%)

ASEC Engineering revenues decline 7% y-o-y to EGP 177.1 million in 3Q20

ASEC Engineering Revenues
(EGP mn)



ASEC Engineering EBITDA
(EGP mn)



ASEC Engineering recorded a 2% y-o-y decline in managed clinker production to 1.83 MT in 3Q20, which led to a revenue decline of 7% y-o-y for the quarter. However, EBITDA recorded a positive EBITDA of EGP 19.1 million in 3Q20 compared a negative EBITDA of 13.0 million in 3Q19. The improvement in profitability is mainly a result of expensing spare parts costs on an accrual basis which, depending on the quarter, supports EBITDA.

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

Managed Clinker Production
(3Q20)

Sector Review: Packaging & Printing

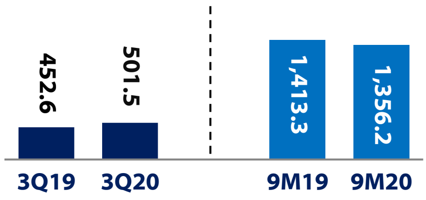
Through its subsidiary National Printing Company, Qalaa Holdings has invested in the printing and packaging sector with investments of over USD 60 million to date. National Printing Company stands today as one of the largest producers of its kind in Egypt

QALAA HOLDINGS OWNERSHIP – 26%

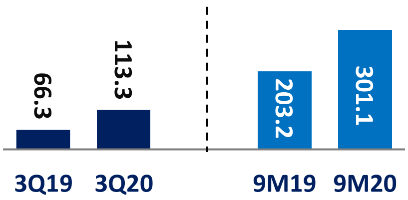
National Printing was established in 2006 under Qalaa's small and mid-cap investments company, "Grandview". Qalaa Holdings has an effective stake of 48% in Grandview, which owns c.53% of National Printing. National Printing's two subsidiaries, Shorouk for Modern Printing and Packaging ("Shorouk") and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

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

Grandview (National Printing Holding Co.) Revenues
(EGP mn)



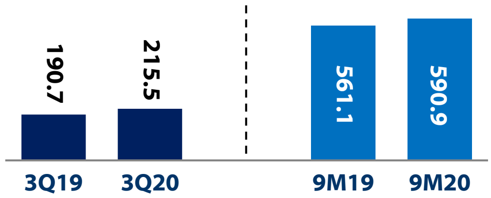
Grandview (National Printing Holding Co.) EBITDA
(EGP mn)



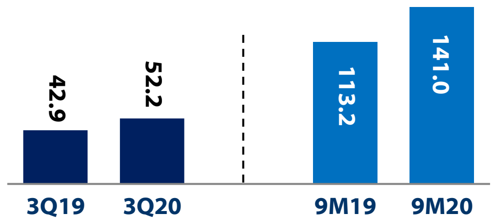
(EGP mn unless otherwise stated)	3Q19	3Q20	% chg	9M19	9M20	% chg
Modern Shorouk Printing & Packaging Revenues	190.7	215.5	13%	561.1	590.9	5%
Modern Shorouk Printing & Packaging EBITDA	42.9	52.2	22%	113.2	141.0	25%
Uniboard Revenues	247.0	253.8	3%	695.0	717.7	3%
Uniboard EBITDA	25.2	41.6	65%	67.0	120.1	79%
El Baddar Revenues	74.2	59.4	-20%	265.9	170.2	-36%
El Baddar EBITDA	7.5	4.8	-36%	26.0	12.5	-52%

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

Shorouk Revenues
(EGP mn)



Shorouk EBITDA
(EGP mn)



Shorouk Printing – Duplex and Laminated Carton Production

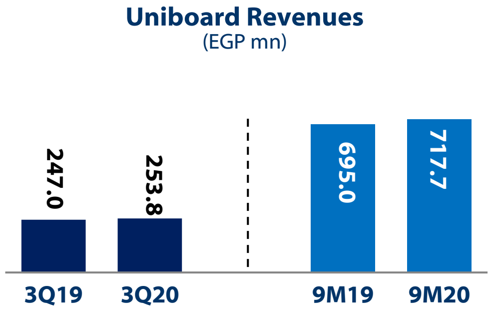
Shorouk recorded a 13% y-o-y increase in revenues to EGP 215.5 million in 3Q20 on the back of better pricing and higher volumes. This was supported by the lifting of COVID-19 related restrictions that had previously hindered production at Shorouk's facility. Improved pricing along with a tight rein on fixed expense and overall lower production costs supported EBITDA, which grew by 22% y-o-y to EGP 52.2 million in 3Q20.

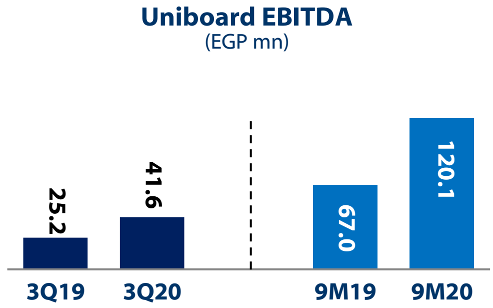
Shorouk Total Volumes Sold
(3Q20)

8,590
Tons

▲10% y-o-y

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

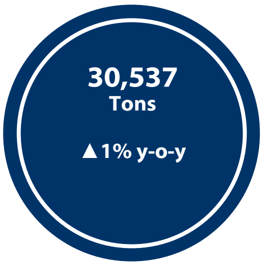




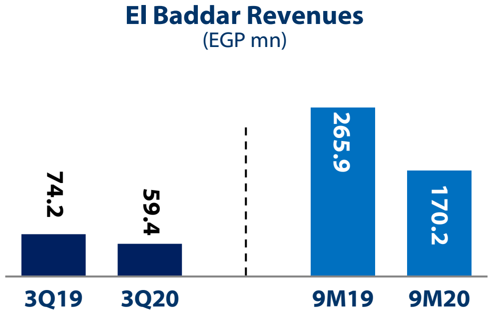
Uniboard's revenues increased by 3% y-o-y on the back of a 1% y-o-y uptick in volumes to 30,537 tons in 3Q20. Meanwhile, improved operational efficiencies and a decline in raw material costs led to a 65% y-o-y growth in EBITDA for 3Q20. It is worth noting that raw materials constitute 60% of Uniboard's total variable cost. Looking forward, management aims to double production in 2021 in comparison to the current year.

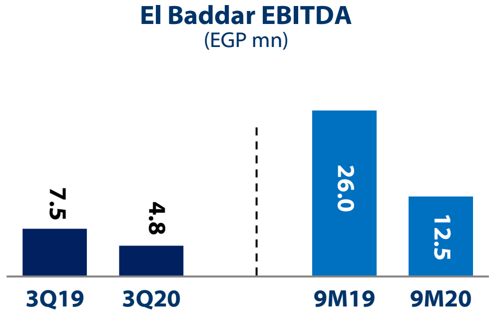
Uniboard – Duplex Board Production

Duplex Board Volumes Sold (3Q20)



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





El Baddar – Corrugated Sheet Production

El Baddar's revenues declined by 20% y-o-y due to a 13% y-o-y drop in corrugated sheets and boxes volumes. Lower output was due to the lengthy relocation process of El Baddar's plant to its new state-of-the-art facility, which led to significant operational disruptions. However, the company has finalized the relocation and commenced initial production, with the plant expected to become fully operational by the beginning of 2021. Management is confident that the new facility will expand El Baddar's product range and better position the company to penetrate new markets. The company has set a target to achieve production levels of 33,000 tons in 2021.

Corrugated Sheets/Boxes Volumes Sold (3Q20)

5,526
Tons

▼13% y-o-y

Sector Review: Mining

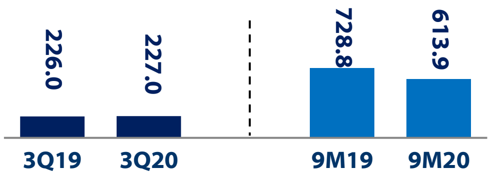
Qalaa Holdings' operational platform in the mining sector is ASCOM, which includes operating companies ASCOM, ASCOM for Chemicals & Carbonates Manufacturing (ACCM), GlassRock, and ASCOM Precious Metals (which is consolidated under the equity method as a share of associates' results).

ASCOM GEOLOGY & MINING

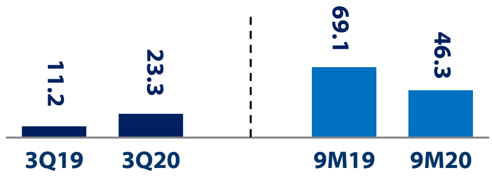
QALAA HOLDINGS OWNERSHIP — 54%

ASCOM's EBITDA records a twofold increase in 3Q20 driven by recovering exports

ASCOM Consolidated Revenues
(EGP mn)



ASCOM Consolidated EBITDA
(EGP mn)



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

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

ASCOM's revenues remained flat year-on-year in 3Q20 but witnessed an increase of 43% compared to 2Q20. The positive performance reflects improved market conditions with the easing of COVID-19 restrictions, particularly on export activity for ACCM and Glassrock.

ASCOM Subsidiaries (EGP mn unless otherwise stated)	3Q19	3Q20	% chg	9M19	9M20	% chg
ACCM Revenues (in USD mn)	6.0	7.0	*17%*	18.7	16.0	*-15%*
ACCM EBITDA (in USD mn)	0.7	1.1	*54%*	3.2	1.3	*-58%*
GlassRock Revenues (in USD mn)	2.3	2.4	*4%*	7.2	5.9	*-18%*
GlassRock EBITDA (in USD mn)	0.2	0.3	*27%*	0.6	0.3	*-47%*
Egypt Quarrying Revenues	89.9	78.0	*-13%*	290.4	260.8	*-10%*
Egypt Quarrying EBITDA	(3.3)	2.0	*N/A*	5.7	20.5	*262%*
Other Quarry Management Revenues – ex Egypt	0.2	0.3	*N/A*	0.2	7.2	*N/A*
Other Quarry Management EBITDA – ex Egypt	(1.2)	(0.2)	*81%*	(1.9)	(0.5)	*73%*

ACCM

Improved market conditions that came on the back of easing restrictions saw ACCM operate at full capacity and increase its volumes by 20% y-o-y in 3Q20. Volume growth was also supported by the opening of ports, driving an increase in ACCM's exports, and subsequently leading to a 17% growth in revenue in 3Q20. The positive performance trickled down to ACCM's EBITDA, which witnessed a significant 54% y-o-y increase for the period. Going forward, whilst ACCM will continue to capitalize on growing exports and the recovery across regional markets, management will also push ahead with its sales channel diversification strategy with the aim of growing its local market presence. This strategy will act as a hedge against foreign exchange risk and will allow ACCM to benefit from the local market's greater working capital dynamics, improved cashflow and healthy margins.

ASCOM – Calcium Carbonate Facility

GlassRock

The lifting of restrictions and opening of ports drove a recovery in export markets for GlassRock, leading to an 8% y-o-y increase in volumes and 4% growth in revenue in 3Q20. Additionally, the growing share of exports reflected positively on profitability, with EBITDA witnessing a solid 27% y-o-y increase in 3Q20. Parallel to recovering market conditions and growing volumes, GlassRock is also pushing its debt restructuring efforts to better align its repayment schedules and extract savings on interest expense, further supporting the company's profitability going forward.

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 which were further compounded by the freeze on construction licenses. However, the construction ban has been lifted as of October 2020, paving the way for renewed market activity. Moreover, management has been focusing on adjusting contracts and adopting the minimum take criteria as well as renewing other contracts to be on a take-or-pay basis in attempt to cover the costs incurred when markets are not performing well. These contract adjustments have helped the company reduce its variable and fixed costs, leading to better profitability margins in 3Q20.

ACCM Volumes Sold (3Q20)	Egypt Quarrying Volumes Sold (3Q20)	GlassRock Volumes Sold (3Q20)
93.3	3.6	2.7
K Tons	M Tons	K Tons
▲20% y-o-y	▼33% y-o-y	▲8% y-o-y

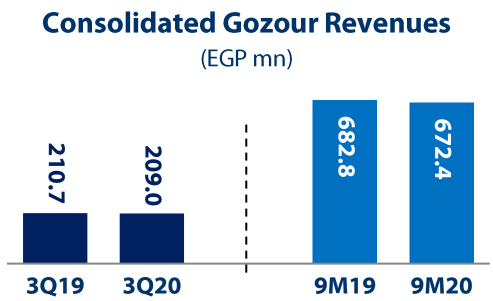
Sector Review: Agrifoods

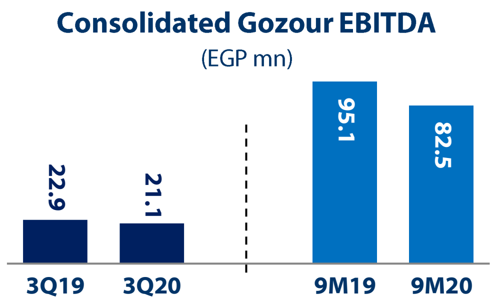
Agrifoods companies consolidated under parent company Gozour (multicategory agriculture and consumer foods) include Dina Farms and ICDP (Dina Farms' fresh dairy producer).

Gozour

QALAA HOLDINGS OWNERSHIP — 54.9%

Dina Farms continued its facility enhancement initiatives; ICDP reaps the rewards of its diversification strategy





Gozour (Dina Farms Holding Co) recorded revenues of EGP 209 million in 3Q20, remaining relatively stable compared to the same period last year. It is worth noting that the company's subsidiaries both recorded volume and top line growth before intercompany eliminations during the quarter, reflecting the success of management's growth and efficiency strategies as well as the easing of COVID-19 restrictions. Gozours's EBITDA declined by 8% y-o-y on the back of a 6% y-o-y drop in Dina Farms' EBITDA in 3Q20. In 9M20, revenues declined by 2% y-o-y to EGP 672.4 million, while EBITDA declined by 13% y-o-y to EGP 82.5 million.

Gozour Subsidiaries (EGP mn)	3Q19	3Q20	*% chg*	9M19	9M20	*% chg*
Dina Farms Revenues	152.0	159.1	*5%*	521.0	552.8	*6%*
Dina Farms EBITDA	33.0	31.1	*-6%*	125.5	125.2	*-0%*
ICDP Revenues (Fresh Dairy producer)	58.4	67.1	*15%*	176.3	180.8	*3%*
ICDP EBITDA	1.7	7.3	*322%*	9.9	9.6	*-3%*

Dina Farms' management pressed on with the implementation of multiple efficiency and facility enhancements initiatives. Most notable was the investments in curtains and cooling stations at Dina Farms' milking operation, which were completed in 3Q20. Additionally, management continued to focus on increasing yields from healthier and higher milk-producing cows through the culling process. This strategy, coupled with a 6% y-o-y increase in milking cows, led to an increase in raw milk production by 14% y-o-y to 18,603 tons in 3Q20. Additionally, raw milk sales per milking cow increased by 8% y-o-y, a metric that has seen a positive upward trend since the implementation of management's efficiency efforts.

ICDP's total SKU volumes increased by 6% y-o-y on the back of easing COVID-19 restrictions, subsequently leading to a 15% y-o-y increase in revenues to EGP 67.1 million in 3Q20. The company also recorded a significant improvement in profitability, with EBITDA recording a fourfold year-on-year increase to EGP 7.3 million in 3Q20. The surge in EBITDA was driven by a 6% reduction in milk costs, noting that it is the largest contributor to ICDP's COGS and stood at c. 60% for the period. Additionally, a decline of 52% in ICDP's PET bottle costs (which constitute c. 10% of ICDP's COGS) supported profitability in 3Q20.

Key business development initiatives included the recently launched juice product line, which displayed positive performance with consistent sales growth and healthy margins. Management is optimistic that the new product line will help grow ICDP's profitability over the coming period and is planning a ramp up of production at ICDP's yogurt line to further promote growth and support the company's performance going forward.

Raw Milk Sales Per Milking Cow Ratio (3Q20)

2.7
Tons/milking cow
▲8% y-o-y

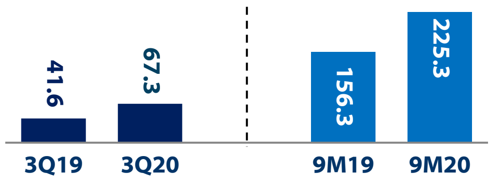
Sector Review: Transportation & Logistics

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

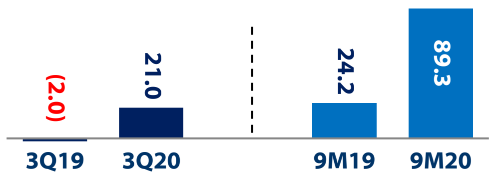
QALAA HOLDINGS OWNERSHIP — 67.6%

Nile Logistics recorded strong top line and EBITDA growth driven by the company's stevedoring operations and improved operational efficiencies

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



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



CCTO is the holding company that owns Nile Logistics and consolidates its operations in Egypt and Sudan. The company recorded a revenue increase of 62% y-o-y in 3Q20 to EGP 67.3 million. EBIITDA recorded EGP 21.0 million in 3Q20 versus a loss of EGP 2.0 million in 3Q19 on the back of improved operational efficiencies. On a year-to-date basis, the company recorded a 44% y-o-y increase in revenue in 9M20, while EBITDA recorded a strong 369% y-o-y growth.

CCTO Subsidiaries (EGP mn)	3Q19	3Q20	*% chg*	9M19	9M20	*% chg*
Nile Logistics Revenues (EGP mn)	42.5	59.4	*40%*	136.9	194.1	*42%*
Nile Logistics EBITDA (EGP mn)	7.0	29.5	*319%*	29.4	85.6	*192%*
Nile Barges (South Sudan) Revenues (USD mn)	0.0	0.4	*N/A*	1.2	2.0	*68%*
Nile Barges (South Sudan) EBITDA (USD mn)	(0.1)	0.2	*N/A*	0.7	1.4	*89%*

Nile Logistics (Egypt)

Nile Logistics maintains operations in Egypt across four main divisions:

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

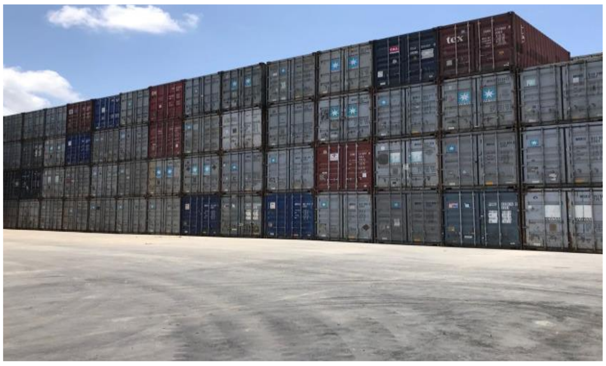
Nile Logistics recorded a strong 40% y-o-y growth in revenues in 3Q20, driven by recovering stevedoring operations as demand for coal/pet coke picked up significantly during the quarter. The company also delivered robust profitability, with EBITDA increasing more than fourfold to EGP 29.5 million in 3Q20, supported by improved operational efficiencies across its divisions.

Nile Logistics' stevedoring operations handled 527 thousand tons of coal/pet coke in 3Q20, a twofold year-on-year increase. The strong growth was driven by pent up demand following a period of port closures, as well as an uptick in construction activity and growing demand from cement producers in anticipation of the lifting of the government's construction freeze, which took place in October 2020.

Nahda Coal/Pet Coke Storage Facility

At the company's inland container depot, volumes of Twenty-foot Equivalent Units (TEUs) handled declined 29% y-o-y to 13.4 thousand in 3Q20, with the operation continuing to be impacted by COVID-19 and its effect on international trade. Nonetheless, the impact on revenue was less profound thanks to the depot's value-added services, with top line for the period declining by a slower 9% y-o-y in 3Q20.

The inland container depot helped drive the strong EBITDA performance by Nile Logistics as the company reaped the rewards of the depot's recent connection to the national electricity grid as opposed to the previous reliance on diesel generators. This is in line with management's strategy of enhancing efficiency, reducing operational costs – with c.EGP 1 million in monthly savings – and curbing the portfolio's carbon footprint. Moreover, management remains committed to its policy of minimizing the use of third-party outsourcing contracts while maintaining full in-house ownership of assets.



Nile Logistics Storage Facilities near Alexandria Port

Finally, Nile Logistics' grain storage warehouse did not handle shipments in 3Q20 as activity was impacted by COVID-19. However, as of October 2020 the division handled one vessel, with more in the pipeline expected to arrive throughout the remainder of the year.


Grain Storage Warehouse, Nubareya Port

Coal/Pet Coke Tons Handled (3Q20)

527
K Tons
▲119% y-o-y

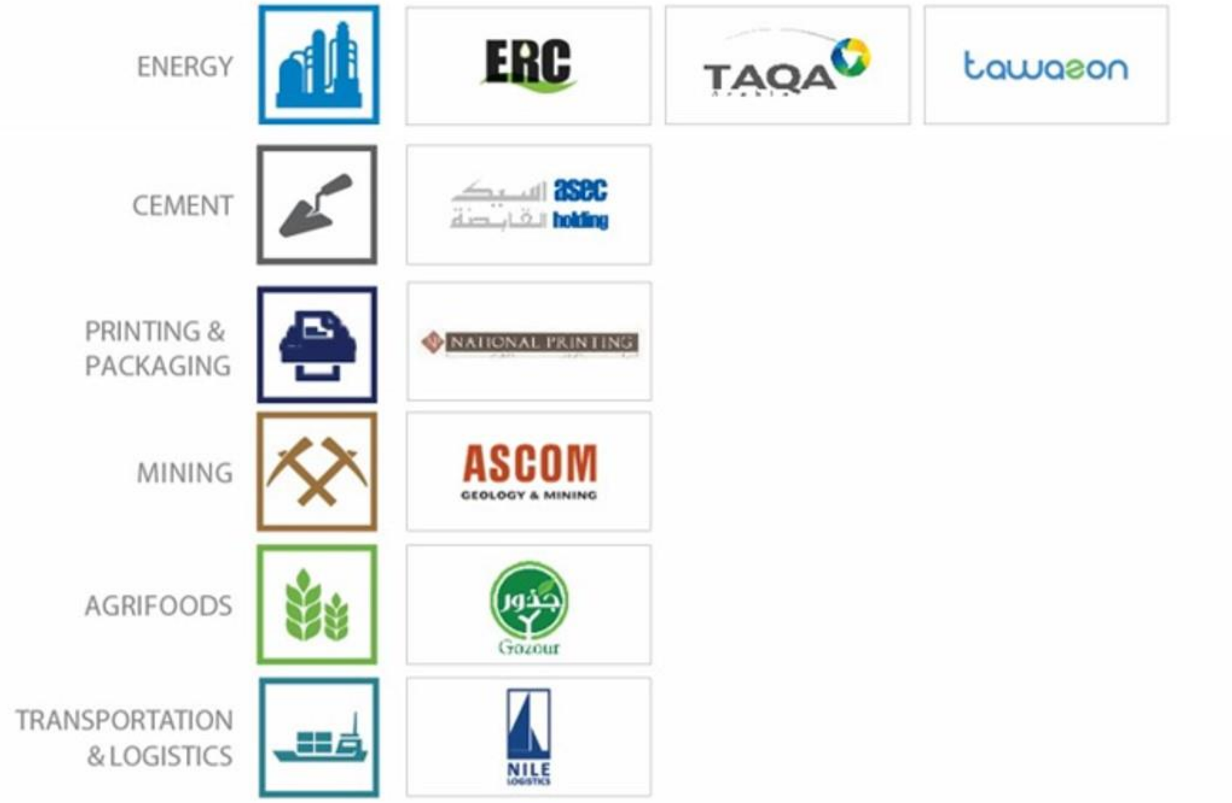
Twenty-foot Equivalent Unit (3Q20)

13.4
Thousand
▼29% y-o-y

Nile Barges (Sudan)

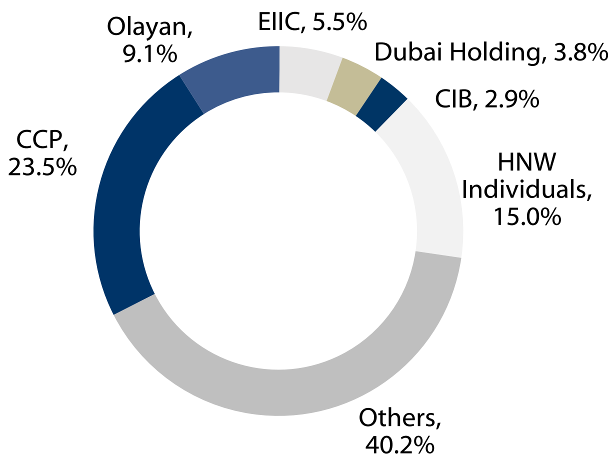
Nile Barges operations in Sudan focuses on the transportation of food products under the auspices of the World Food Program (WFP). The company currently operates using one pusher, with a second currently undergoing refurbishment and is expected to commence operations within the next few months. Annually,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

Nile Barges had zero activity during the third quarter of 2020, however, the company completed 3 trips in 9M20.



SHAREHOLDER STRUCTURE

(as at 30 September 2020)



SHARE INFORMATION

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

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