Qalaa Holdings Reports 3Q 2021 Results

- *Qalaa's consolidated revenues increased 46% year-on-year and recurring EBITDA grew nearly sevenfold in 3Q21, supported by strong performance across almost all subsidiaries and improved refining margins at ERC;*
- *Excluding ERC, Qalaa's revenues grew by 39% year-on-year and recurring EBITDA increased by a solid 63% year-on-year in 3Q21 driven by positive performances across Qalaa Holdings' portfolio companies;*
- *TAQA Arabia's growing revenues were driven by CNG station expansions at TAQA Gas as well as increasing distribution and generation volumes at TAQA Power in 3Q21;*
- *National Printing reaped the rewards of improved export sales and an adjusted pricing strategy at Uniboard as well as growing revenues at its El Baddar subsidiary as it benefits from its new facility;*
- *ASEC Holding's solid top line results reflect a base line effect with hindered performance in 3Q20 as well as a significant increase in average cement prices in Sudan and higher volumes at Al-Takamol Cement;*
- *Several of Qalaa's business are benefiting from the commodity cycle with a key focus over the next three years to leverage this further and grow Group-wide exports;*
- *The Group's export proceeds recorded c. USD 27.5 million in 3Q21, while local foreign currency revenue recorded c. USD 528.0 million;*
- *Management expects continued growth in 4Q21;*
- *For the coming period, management remains optimistic about Qalaa's organic growth strategies through incremental investments to unlock the potential of its subsidiaries;*
- *Debt restructuring at Qalaa Holdings and ERC remains a top priority;*
- *Continuous adherence to health, safety, and business continuity measures to help manage risks related to COVID-19, especially with the emergence of new variants of concern, and navigate upcoming period of uncertainty without layoffs;*
- *Despite a global environment that is less favorable for emerging markets, management remains confident in the Egyptian economy.*

3Q 2021 Consolidated Income Statement Highlights	
Revenues EGP 12,796.5 mn vs. EGP 8,760.1 mn in 3Q20	
EBITDA* EGP 1,205.5 mn vs. EGP 182.1 mn in 3Q20	Net Income After Minority EGP (440.7) mn vs. EGP (443.5) mn in 3Q20
3Q 2021 Consolidated Income Statement Highlights (Excluding ERC)	
Revenues EGP 4,698.2 mn vs. EGP 3,383.3 mn in 3Q20	
EBITDA* EGP 520.6 mn vs. EGP 320.3 mn in 3Q20	Net Income After Minority EGP (308.0) mn vs. EGP (193.6) mn in 3Q20
Highlights from Consolidated Balance Sheet at 30 September 2021	
Consolidated Assets EGP 84,982.3 mn At current book value vs. EGP 81,987.5 mn in FY20	Consolidated Debt EGP 63,104.1 mn Of which EGP 43,603.4 mn related to ERC

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

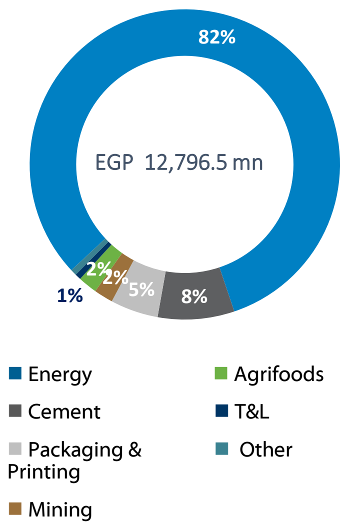
Qalaa Holdings, a leader in energy and infrastructure (CCAP.CA on the Egyptian Exchange, formerly Citadel Capital), released today its consolidated financial results for the quarter ended 30 September 2021. The Group recorded a 46% y-o-y increase in revenues to EGP 12,796.5 million in 3Q21 and a near sevenfold year-on-year increase in recurring EBITDA to EGP 1,205.5 million during the period. The solid performance reflects the success of Qalaa's operational and growth strategies across its platform companies, with improved performance across almost all subsidiaries, as well as a global rally in commodity prices and improved refining margins at ERC.

It is worthy to note that ERC's refining margin as of 4Q21 has risen to more than USD 2.0 million per day, however, still short of its pre-COVID-19 levels of over USD 3 million per day. Excluding ERC, Qalaa's revenues grew by 39% y-o-y to EGP 4,698.2 million in 3Q21 and recurring EBITDA increased by 63% y-o-y to EGP 520.6 million during the quarter. At Qalaa's bottom-line, the Group booked a net loss of EGP 440.7 million in 3Q21 compared to a net loss of EGP 443.5 million in the same period last year.

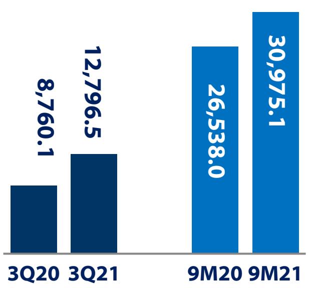
Financial and operational highlights follow, as do management's comments and overview of the performance of different business units. Full financials are now available for download at ir.qalaaholdings.com.

Financial and Operational Highlights

QALAA HOLDINGS CONSOLIDATED REVENUES 3Q21



REVENUE PROGRESSION
(EGP mn)



- **Qalaa's consolidated revenues grew by 46% y-o-y to EGP 12,796.5 million in 3Q21 driven by improved refining margins reflecting positively on ERC's performance.**

  ERC's revenues grew by 51% y-o-y to EGP 8,098.3 million in 3Q21, constituting 63% of Qalaa Holdings' top line for the period.

- **Excluding ERC, Qalaa's revenues grew by 39% y-o-y to EGP 4,698.2 million in 3Q21, driven by positive performances across Qalaa Holdings' portfolio companies during the period.**

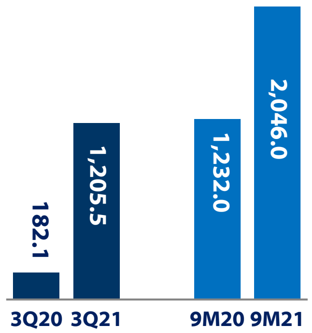
  Revenue growth in 3Q21 was primarily supported by TAQA Arabia, which recorded a 16% y-o-y increase in revenues during the quarter. TAQA's revenue was buoyed by CNG station expansions at TAQA Gas coupled with improved market conditions reflecting positively on total power distribution and generation at TAQA Power. Additionally, National Printing delivered a 37% y-o-y top line increase in 3Q21 as it reaped the rewards of improved export sales and an adjusted pricing strategy at Uniboard. National Printing's performance also reflects growing revenues at El Baddar as it benefits from its new state-of-the-art facility.

  The Group's revenue was also supported by ASEC Holding, which delivered over a fourfold year-on-year increase in revenues in 3Q21. This reflects an increase in average cement prices as well as a low base effect for Al Takamol's volumes, with production having been halted in September 2020 during a lengthy overhaul process to transfer technical management to ASEC Engineering.

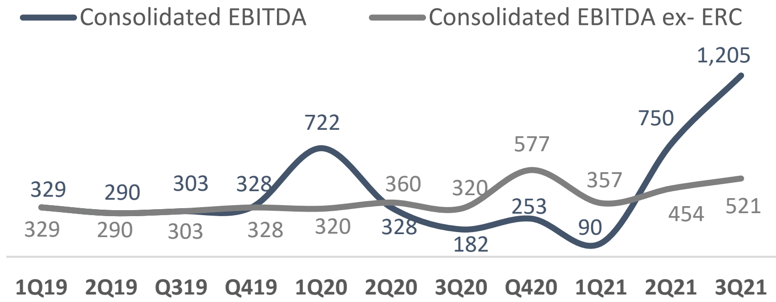
- **Qalaa's recurring EBTIDA increased to EGP 1,205.5 million in 3Q21 compared to EGP 182.1 million in 3Q20, primarily driven by ERC's positive performance during the period.**

  It is worth noting that ERC's gross refining margin as of 4Q21 has risen to more than USD 2.0 million per day but is still short of its pre-COVID-19 levels of over USD 3 million per day.

RECURRING EBITDA PROGRESSION
(EGP mn)



Consolidated Recurring EBITDA Progression Chart* (EGP mn)

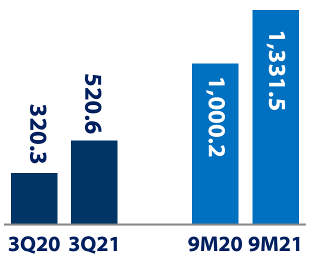


**ERC started operation in 1Q20*

Excluding ERC, Qalaa would record a recurring EBITDA increase of 63% y-o-y to EGP 520.6 million in 3Q21, driven by improved profitability across the majority of the Group's subsidiaries.

Qalaa's EBITDA excluding ERC was primarily driven by improved profitability at TAQA Arabia, which benefited from the CNG station expansions and the new industrial connections at TAQA Gas, as well as an increase in household and industrial clients at TAQA Power in 3Q21. EBITDA performance was also supported by a turnaround at ASEC Holding's EBITDA in 3Q21, which was driven by higher cement prices and volumes sold as well as management's cost reduction and restructuring efforts.

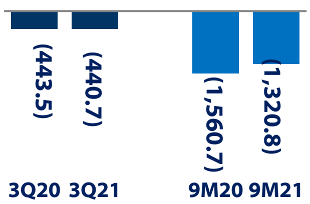
RECURRING EBITDA PROGRESSION (Excluding ERC)
(EGP mn)



- **Selling, general and administrative expenses (SG&A) recorded EGP 417.2 million in 3Q21, up 5.3% y-o-y. The figure includes EGP 82.7 million related to ERC.**
- **Depreciation and amortization expenses stood at EGP 1,124.9 million in 3Q21 compared to EGP 948.2 million in 3Q20.**
- **Bank interest expense recorded EGP 1,152.3 million in 3Q21 compared to EGP 878.9 million in 3Q20.**

The increase in interest expense in 3Q21 was partly driven by TAQA Arabia which utilized long-term loans to finance CAPEX requirements at Master Gas and the Sixth of October substation, as well as other short-term loans to finance inventory stock piling and avoid delays in shipments.

NET PROFIT PROGRESSION
(EGP mn)



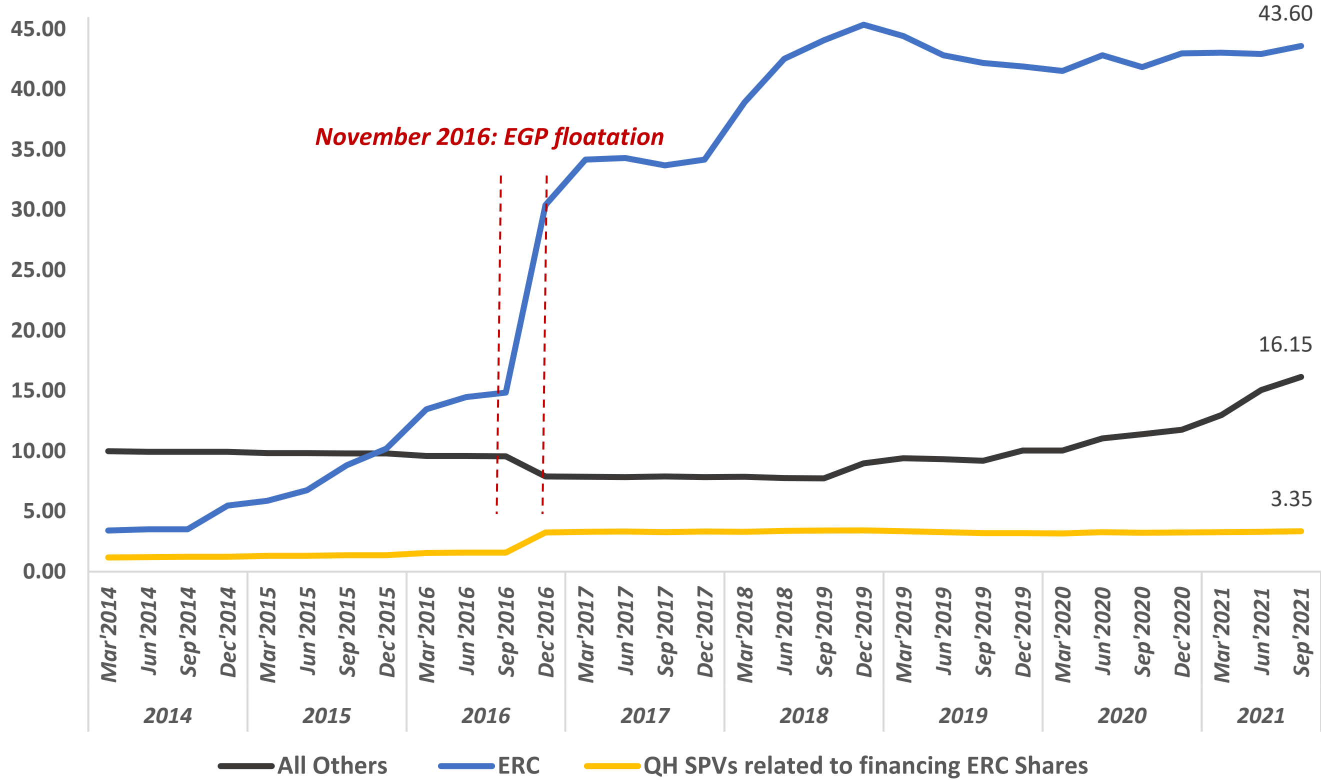
- **Qalaa recorded an FX gain of EGP 82.8 million in 3Q21.**
- **Impairments declined by 81% y-o-y to EGP 16.5 million in 3Q21 compared to EGP 85.7 million in 3Q20.**
- **Qalaa Holdings recorded a consolidated net loss after minority interest of EGP 440.7 million in 3Q21 compared to a net loss of EGP 443.5 million in 3Q20.**

Despite narrowing bottom line losses at ERC, the Group's net loss remained largely flat due to widening net losses at ASEC Holding in 3Q21.

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

- **Qalaa's consolidated debt, excluding ERC and ERC-related debt, stood at EGP 16.15 billion as of 30 September 2021 compared to EGP 11.78 billion as of 31 December 2020. The increase was mainly driven by expansions at TAQA Arabia.**

Debt Progression (EGP bn)



Management Comment

"Qalaa Holdings successfully delivered strong top line results in 3Q21 … driven by the success of our operational and growth strategies across our platform companies"

"Qalaa Holdings successfully delivered strong top line results in 3Q21, with revenues growing by a solid 46% year-on-year driven by the success of our operational and growth strategies across our platform companies," **said Qalaa Holdings' Chairman and Founder Ahmed Heikal.** "Our results reflect the positive impact of a global rally in commodity prices across Qalaa's businesses, and the recovery in ERC's refining margins during the period."

"I would like to highlight a number of positive factors that will continue to influence our results going forward. First, supply chain restrictions and energy shortages in China are giving pricing power to global producers in almost all sectors. Second, the global recovery is causing inflation to pick up. Companies with a high percentage of local inputs and resources will benefit. Third, lack of hydrocarbon investments will put a floor under oil prices and consequently refinery margins. Fourth, high hydrocarbon prices will encourage the shift to renewables, a key focus for TAQA going forward. Fifth, with pressing global environmental issues, general energy efficiency projects will be a focus. Sixth, Egypt's spending on infrastructure will give rise to O&M companies in a variety of sectors to maintain new assets. Seventh, the recovery of tourism and the Egyptian economy along with population growth will drive consumption growth. Eighth, the global political environment will see many global manufacturers to distribute their manufacturing base; a trend that could benefit Egypt. Finally, the pressure on the trade deficit will give rise to an environment supportive of local manufacturing. Qalaa is in the right spot to capitalize on these trends," **said Heikal**.

"I would also like to reiterate that the true value of Qalaa's performing assets is masked due to the adoption of international accounting standards, which account for assets at their historical cost and adjust for impairments, while not taking into consideration any revaluation adjustments," **Heikal added**.

"On the profitability front, Qalaa's recurring EBITDA ex-ERC recorded a robust 63% y-o-y increase in the third quarter to EGP 520.6 million, carrying forward the strong momentum witnessed since the start of the year," **said Hisham El-Khazindar, Qalaa Holdings' Co-Founder and Managing Director**. "Management's operational efficiency, pricing, and cost-cutting strategies, as well as our restructuring efforts across our platform companies helped drive profitability in the face of rising global challenges."

"At TAQA Arabia, we continue to reap the rewards of expanding in the CNG space and successfully capitalized on increased industrial activity with growing gas and power distribution volumes. At National Printing, management's revised pricing strategy at the Uniboard subsidiary helped offset the rise in raw materials and further supported EBITDA during the period. Meanwhile, at ASEC Holding, increasing cement volumes and prices as well as cost reduction and restructuring efforts led to the turnaround in EBITDA."

"The Group is also pressing on with its debt restructuring efforts and is negotiating new agreements at the Qalaa Holding level and at ERC. In parallel, we are focused on unlocking new opportunities and generating increased value through strategic, incremental investments in our portfolio companies."

"We look forward to closing the year with stronger footing and better operating performance across our diverse operations and markets. We also reiterate our commitment to upholding Qalaa's comprehensive health and safety measures to protect our c. 17,000 employees who are the key success driver," **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	Egyptian Refining Company; TAQA Arabia
	Cement	ASEC Holding
	Packaging and Printing	National Printing (Grandview)
	Mining	ASCOM
	Agrifoods	ICDP & Dina Farms
	Transportation & Logistics	Nile Logistics; Nile Barges (Sudan)
	Metallurgy	United Foundries
Equity Method Consolidated Companies (Share of Associates)	Mining	ASCOM Precious Metal (APM - Ethiopia)
	Cement	Zahana Cement
	Energy	Castrol Egypt (TAQA Marketing – British Petroleum JV); Tawazon
	Publishing & Retail	Tanweer
	Healthcare	Allmed

Qalaa Holdings Consolidated Income Statement (in EGP mn)

	1Q 2021	2Q 2021	3Q 2021	9M 2021	1Q 2020	2Q 2020	3Q 2020*	9M 2020
Revenue	8,000.3	10,178.3	12,796.5	30,975.1	10,375.4	7,402.5	8,760.1	26,538.0
COS	(7,442.1)	(8,907.8)	(11,181.8)	(27,531.7)	(9,288.0)	(6,717.5)	(8,193.7)	(24,199.2)
Gross Profit	**558.2**	**1,270.5**	**1,614.6**	**3,443.3**	**1,087.4**	**685.0**	**566.3**	**2,338.8**
Advisory Fee	-	-	-	-	-	-	-	-
Total Operating Profit	**558.2**	**1,270.5**	**1,614.6**	**3,443.3**	**1,087.4**	**685.0**	**566.3**	**2,338.8**
SG&A	(478.7)	(521.4)	(417.2)	(1,417.3)	(368.6)	(360.7)	(396.2)	(1,125.5)
Other inc/exp-Net	10.9	1.0	8.0	19.9	3.0	3.3	12.0	18.4
EBITDA before one-off charges	**90.5**	**750.0**	**1,205.5**	**2,046.0**	**721.9**	**327.6**	**182.1**	**1,231.6**
SG&A (Non recurring)	22.8	(17.4)	(10.0)	(4.5)	21.8	(15.0)	(7.9)	(1.1)
EBITDA	**113.3**	**732.7**	**1,195.5**	**2,041.4**	**743.7**	**312.6**	**174.2**	**1,230.6**
Dep./Amort.	(1,068.4)	(1,086.6)	(1,124.9)	(3,280.0)	(667.7)	(1,126.0)	(948.2)	(2,741.9)
EBIT	**(955.1)**	**(353.9)**	**70.5**	**(1,238.5)**	**76.1**	**(813.4)**	**(774.0)**	**(1,511.4)**
Bank interest exp.	(851.4)	(910.2)	(1,152.3)	(2,913.9)	(1,039.5)	(1,032.4)	(878.9)	(2,950.8)
Other Finance Cost	49.0	113.1	(4.1)	158.0	-	-	-	-
Bank PIK	(32.9)	(34.7)	(35.6)	(103.1)	(32.6)	(26.4)	(26.4)	(85.5)
3rd party Shareholder	(80.2)	(84.7)	(75.2)	(240.1)	(74.3)	(79.7)	(68.5)	(222.5)
Interest income	92.8	136.8	162.9	392.5	104.6	98.0	92.3	294.9
Lease Payments	(34.3)	(38.6)	(37.7)	(110.6)	(32.7)	(13.7)	(66.4)	(112.7)
EBT (before one-offs)	**(1,812.1)**	**(1,172.3)**	**(1,071.4)**	**(4,055.8)**	**(998.5)**	**(1,867.6)**	**(1,721.9)**	**(4,588.0)**
Gain (Loss) on sale of investments	-	-	-	-	47.0	0.0	-	47.0
Impairments/write downs	(11.8)	1.4	(16.2)	(26.6)	(18.5)	(15.6)	(85.7)	(119.8)
Acquisitions and restructuring	1.2	(1.4)	(2.8)	(3.0)	(31.2)	(0.3)	(1.2)	(32.7)
Share in associates' results	9.0	(4.4)	2.7	7.3	(2.4)	(8.8)	21.6	10.4
CSR	(9.5)	(2.7)	-	(12.2)	(6.3)	(2.8)	(1.5)	(10.7)
Provisions	(107.0)	(107.6)	(189.6)	(404.2)	(108.3)	(96.8)	(52.2)	(257.3)
Discontinued operations **	-	-	-	-	(14.6)	(28.0)	(35.1)	(77.7)
Forex	17.4	54.9	82.8	155.0	150.4	(166.5)	147.4	131.3
EBT	**(1,912.8)**	**(1,232.2)**	**(1,194.6)**	**(4,339.6)**	**(982.5)**	**(2,186.4)**	**(1,728.6)**	**(4,897.5)**
Taxes	(42.3)	(50.1)	(84.6)	(177.0)	(600.6)	(315.3)	(450.4)	(1,366.3)
NP/L Including Minority Share	**(1,955.1)**	**(1,282.3)**	**(1,279.1)**	**(4,516.6)**	**(1,583.1)**	**(2,501.7)**	**(2,178.9)**	**(6,263.7)**
Minority Interest	(1,476.5)	(880.8)	(838.5)	(3,195.8)	(1,178.0)	(1,789.6)	(1,735.4)	(4,703.0)
NP/L for the Period	**(478.6)**	**(401.5)**	**(440.7)**	**(1,320.8)**	**(405.1)**	**(712.1)**	**(443.5)**	**(1,560.7)**

* Reclassified to add ERC's catalyst depreciation to its cost of sales
** Discontinued operations include:
(1) Assets included in 2020: Tawazon

Qalaa Holdings Consolidated Income Statement by Sector for the three-month period ending 30 September 2021 (in EGP mn)

			Energy		Cement	T&L^	Mining	Agrifoods		Others				
	QH	SPVs	Orient	Silverstone	NDT	CCTO	ASCOM	Falcon	Wafra	Misc.*	Grandview	Elimination	3Q 2021	3Q 2020
Revenue	-	-	8,098.3	2,403.2	984.3	79.1	245.9	230.3	-	70.6	685.0	(0.2)	12,796.5	8,760.1
Cost of Sales	-	-	(7,330.7)	(2,075.5)	(898.6)	(35.1)	(143.9)	(147.6)	-	(61.8)	(488.9)	0.2	(11,181.8)	(8,193.7)
Gross Profit	**-**	**-**	**767.6**	**327.6**	**85.7**	**44.0**	**102.0**	**82.8**	**-**	**8.8**	**196.1**	**-**	**1,614.6**	**566.3**
Advisory fee	20.9	-	-	-	-	-	-	-	-	-	-	(20.9)	-	-
Total Operating Profit	**20.9**	**-**	**767.6**	**327.6**	**85.7**	**44.0**	**102.0**	**82.8**	**-**	**8.8**	**196.1**	**(20.9)**	**1,614.6**	**566.3**
SG&A	(40.4)	(2.1)	(82.7)	(63.1)	(56.0)	(13.2)	(70.8)	(43.3)	-	(8.1)	(58.0)	20.6	(417.2)	(396.2)
Other Income/Expenses (Net)	-	0.4	-	1.0	-	-	-	(0.6)	-	6.9	0.3	-	8.0	12.0
EBITDA (before one-offs)	**(19.6)**	**(1.7)**	**684.8**	**265.5**	**29.7**	**30.8**	**31.2**	**38.9**	**-**	**7.6**	**138.4**	**(0.3)**	**1,205.5**	**182.1**
Dividend Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non Recurring - Rev. & Costs	-	2.7	12.4	(0.4)	1.3	0.2	(17.8)	(7.8)	-	5.2	(5.8)	0.1	(10.0)	(7.9)
EBITDA	**(19.6)**	**1.1**	**697.2**	**265.1**	**31.0**	**31.0**	**13.5**	**31.1**	**-**	**12.8**	**132.5**	**(0.2)**	**1,195.5**	**174.2**
Depreciation & Amortization	(2.3)	-	(903.6)	(48.2)	(76.1)	(15.1)	(22.0)	(24.6)	-	(1.1)	(18.7)	(13.2)	(1,124.9)	(948.2)
EBIT	**(21.9)**	**1.1**	**(206.4)**	**216.9**	**(45.1)**	**15.9**	**(8.5)**	**6.5**	**-**	**11.8**	**113.8**	**(13.4)**	**70.5**	**(774.0)**
Interest Expense	(101.3)	(56.0)	(753.5)	(134.0)	(15.4)	(34.1)	(12.3)	(3.4)	-	(1.2)	(41.1)	-	(1,152.3)	(878.9)
Other Finance Cost	-	-	(4.1)	-	-	-	-	-	-	-	-	-	(4.1)	-
Bank PIK	-	(35.6)	-	-	-	-	-	-	-	-	-	-	(35.6)	(26.4)
Bank fees (ERC-PIK)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3rd Party Shareholder	-	(34.7)	(13.7)	-	(140.6)	(14.8)	-	-	-	0.1	-	128.6	(75.2)	(68.5)
Interest Income	66.3	49.7	-	162.0	1.4	0.0	(0.0)	0.1	-	-	5.3	(121.9)	162.9	92.3
Finance Lease Charges/ NPV LT	-	-	(14.2)	(11.4)	0.4	(5.8)	-	(6.7)	-	-	-	-	(37.7)	(66.4)
EBT (before one-offs)	**(57.0)**	**(75.5)**	**(991.8)**	**233.5**	**(199.3)**	**(38.8)**	**(20.9)**	**(3.6)**	**-**	**10.6**	**78.1**	**(6.7)**	**(1,071.4)**	**(1,721.9)**
Gain (Loss) on sale of investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairments/Write-downs	(47.9)	35.1	(13.1)	(0.7)	2.0	0.4	(4.5)	(0.3)	-	0.1	(0.8)	13.5	(16.2)	(85.7)
Acquisitions and restructuring	(2.0)	-	-	-	(0.8)	-	-	-	-	-	-	-	(2.8)	(1.2)
Share in Associates' Results	-	-	-	-	(2.9)	-	6.7	-	-	-	-	(1.1)	2.7	21.6
CSR	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.5)
Provisions	(2.5)	(63.2)	-	(30.1)	(92.0)	(0.2)	(0.4)	1.1	-	2.8	(3.1)	(2.0)	(189.6)	(52.2)
Discontinued Operations **	-	-	-	-	-	-	-	-	-	-	-	-	-	(35.1)
FOREX	3.0	(5.7)	0.2	(0.8)	80.0	(1.0)	13.1	1.3	-	(0.3)	(1.9)	(5.2)	82.8	147.4
EBT	**(106.3)**	**(109.3)**	**(1,004.7)**	**201.9**	**(213.0)**	**(39.7)**	**(6.0)**	**(1.5)**	**-**	**13.2**	**72.3**	**(1.6)**	**(1,194.6)**	**(1,728.6)**
Taxes	(0.2)	-	(0.8)	(49.2)	(16.6)	-	-	(0.7)	-	(0.2)	(18.3)	1.4	(84.6)	(450.4)
Net P/L Before Minority Share	**(106.5)**	**(109.3)**	**(1,005.5)**	**152.7**	**(229.6)**	**(39.7)**	**(6.0)**	**(2.2)**	**-**	**13.0**	**54.1**	**(0.2)**	**(1,279.1)**	**(2,178.9)**
Minority Interest	-	-	(587.8)	44.7	(9.9)	(11.5)	(1.0)	0.0	-	-	40.3	(313.3)	(838.5)	(1,735.4)
Net Profit (Loss)	**(106.5)**	**(109.3)**	**(417.8)**	**108.0**	**(219.6)**	**(28.2)**	**(5.0)**	**(2.2)**	**-**	**13.0**	**13.8**	**313.1**	**(440.7)**	**(443.5)**

* Miscellaneous includes UCF & Sphinx Egypt.
** Discontinued operations include: Tawazon

^ T&L represents Transportation & Logistics

Qalaa Holdings Consolidated Income Statement by Sector for the nine-month period ending 30 September 2021 (in EGP mn)

			Energy		Cement	T&L^	Mining	Agrifoods		Others			
	QH	SPVs	Orient	Silverstone	NDT	CCTO	ASCOM	Falcon	Wafra	Misc.*	Grandview	Elimination	9M 2021
Revenue	-	-	18,231.9	6,638.1	2,414.7	192.1	713.7	785.6	-	203.2	1,798.9	(3.1)	30,975.1
Cost of Sales	-	-	(17,090.5)	(5,804.3)	(2,051.9)	(87.5)	(451.8)	(554.4)	-	(170.6)	(1,323.9)	3.1	(27,531.7)
Gross Profit	-	-	**1,141.3**	**833.9**	**362.8**	**104.6**	**261.9**	**231.3**	-	**32.6**	**475.0**	-	**3,443.3**
Advisory fee	62.4	-	-	-	-	-	-	-	-	-	-	(62.4)	-
Total Operating Profit	**62.4**	-	**1,141.3**	**833.9**	**362.8**	**104.6**	**261.9**	**231.3**	-	**32.6**	**475.0**	**(62.4)**	**3,443.3**
SG&A	(137.1)	(8.4)	(426.9)	(185.9)	(157.4)	(40.1)	(203.3)	(128.1)	-	(23.6)	(163.1)	56.7	(1,417.3)
Other Income/Expenses (Net)	-	(0.0)	-	(1.6)	3.0	-	-	0.3	-	15.8	2.5	-	19.9
EBITDA (before one-offs)	**(74.7)**	**(8.4)**	**714.4**	**646.3**	**208.4**	**64.4**	**58.6**	**103.5**	-	**24.9**	**314.3**	**(5.7)**	**2,046.0**
Dividend Income	-	100.4	-	-	-	-	-	-	-	-	-	(100.4)	-
Non Recurring - Rev. & Costs	-	4.8	12.4	(7.1)	(3.8)	16.8	(10.2)	(18.6)	-	5.2	(5.0)	0.9	(4.5)
EBITDA	**(74.7)**	**96.8**	**726.8**	**639.2**	**204.6**	**81.2**	**48.4**	**84.9**	-	**30.1**	**309.3**	**(105.2)**	**2,041.4**
Depreciation & Amortization	(7.1)	-	(2,710.3)	(132.0)	(148.5)	(46.0)	(66.8)	(72.3)	-	(3.5)	(53.8)	(39.7)	(3,280.0)
EBIT	**(81.8)**	**96.8**	**(1,983.6)**	**507.2**	**56.1**	**35.2**	**(18.4)**	**12.7**	-	**26.6**	**255.5**	**(144.9)**	**(1,238.5)**
Interest Expense	(297.8)	(131.5)	(1,881.1)	(302.8)	(44.9)	(97.4)	(48.5)	(14.3)	-	(3.0)	(92.5)	-	(2,913.9)
Other Finance Cost		-	158.0	-	-	-	-	-	-	-	-	-	158.0
Bank PIK	-	(103.1)	-	-	-	-	-	-	-	-	-	-	(103.1)
3rd Party Shareholder	-	(71.6)	(37.5)	-	(417.0)	(44.1)	-	-	-	(16.9)	-	346.9	(240.1)
Interest Income	202.7	118.7	-	381.4	5.4	0.1	3.7	0.3	-	-	7.6	(327.5)	392.5
Finance Lease Charges/ NPV LT assets	-	-	(42.0)	(30.6)	0.0	(17.2)	-	(17.7)	-	-	(3.1)	-	(110.6)
EBT (before one-offs)	**(176.9)**	**(90.7)**	**(3,786.2)**	**555.3**	**(400.4)**	**(123.4)**	**(63.2)**	**(19.0)**	-	**6.6**	**167.6**	**(125.6)**	**(4,055.8)**
Gain (Loss) on sale of investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairments/Write-downs	(141.3)	20.3	2.9	(28.0)	(3.7)	(1.4)	6.6	(2.5)	-	(2.6)	(2.3)	125.5	(26.6)
Acquisitions and restructuring	(4.7)	-	-	-	(1.3)	-	3.0	-	-	-	-	-	(3.0)
Share in Associates' Results	-	-	-	-	(6.7)	-	21.3	-	-	-	-	(7.4)	7.3
Layoffs/Severances	-	-	-	-	-	-	-	-	-	-	-	-	-
CSR	(0.3)	-	-	(10.2)	-	-	(1.8)	-	-	-	-	-	(12.2)
Provisions	(2.5)	(114.8)	-	(72.1)	(214.1)	6.6	(1.4)	(0.3)	-	9.6	(8.4)	(6.9)	(404.2)
Discontinued Operations **	-	-	-	-	-	-	-	-	-	-	-	-	-
FOREX	25.0	(18.9)	(2.6)	(1.2)	156.6	1.6	(2.7)	0.8	-	1.5	(1.9)	(3.2)	155.0
EBT	**(300.5)**	**(204.1)**	**(3,785.9)**	**443.6**	**(469.5)**	**(116.6)**	**(38.2)**	**(21.0)**	-	**15.1**	**155.1**	**(17.5)**	**(4,339.6)**
Taxes	(1.0)	-	(2.5)	(121.1)	(30.3)	-	-	(1.3)	-	(0.1)	(25.0)	4.2	(177.0)
Net P/L Before Minority Share	**(301.5)**	**(204.1)**	**(3,788.3)**	**322.6**	**(499.8)**	**(116.6)**	**(38.2)**	**(22.3)**	-	**15.1**	**130.0**	**(13.3)**	**(4,516.6)**
Minority Interest	-	-	(2,217.6)	98.4	85.7	(34.8)	(5.8)	0.0	-	-	98.1	(1,219.8)	(3,195.8)
Net Profit (Loss)	**(301.5)**	**(204.1)**	**(1,570.7)**	**224.2**	**(585.6)**	**(81.8)**	**(32.5)**	**(22.3)**	-	**15.1**	**31.9**	**1,206.5**	**(1,320.8)**

* Miscellaneous includes UCF & Sphinx Egypt.

^ T&L represents Transportation & Logistics

Qalaa Holdings Consolidated Balance Sheet as at 30 September 2021 (in EGP mn)

		Energy		Cement	T&L^	Mining	Agrifoods		Others					
	QH	Orient	Silverstone	NDT	CCTO	ASCOM	Falcon	Wafra	Misc.*	Grandview	9M 2021 Aggregation	Eliminations/ SPVs	9M 2021	FY 2020
Current Assets														
Trade and Other Receivables	2,055.0	1,710.3	1,933.8	1,785.4	115.7	384.2	124.6	(0.0)	461.9	755.1	9,325.9	(2,876.9)	6,449.0	5,755.8
Inventory	-	1,249.2	452.6	1,006.1	11.3	95.4	108.1	-	44.2	339.9	3,306.9	(0.0)	3,306.9	2,650.3
Assets Held For Sale	-	-	-	5.7	-	-	-	-	118.0	22.4	146.1	(111.0)	35.1	35.1
Cash and Cash Equivalents	5.1	531.6	6,038.6	60.7	20.1	16.9	12.8	-	3.5	287.1	6,976.4	56.9	7,033.3	3,904.3
Others	-	-	-	0.0	-	-	4.5	-	-	-	4.5	10.3	14.8	18.2
Total Current Assets	**2,060.1**	**3,491.1**	**8,425.0**	**2,858.0**	**147.1**	**496.6**	**249.9**	**(0.0)**	**627.6**	**1,404.5**	**19,759.8**	**(2,920.8)**	**16,839.1**	**12,363.7**
Non-Current Assets														
PP&E	9.2	56,401.8	2,896.0	2,364.8	768.3	729.1	760.1	-	47.6	1,129.1	65,106.0	538.9	65,644.9	67,096.8
Investments	5,547.0	-	52.1	348.4	-	141.7	-	-	4.9	101.0	6,195.0	(5,578.4)	616.6	610.4
Goodwill / Intangible assets	16.8	270.7	413.3	-	-	0.4	-	-	-	-	701.2	71.3	772.4	782.8
Others	4,091.6	39.5	236.5	339.3	-	-	449.9	-	-	51.4	5,208.3	(4,099.0)	1,109.2	1,133.8
Total Non-Current Assets	**9,664.5**	**56,712.1**	**3,597.9**	**3,052.5**	**768.3**	**871.2**	**1,210.0**	**-**	**52.4**	**1,281.6**	**77,210.5**	**(9,067.3)**	**68,143.2**	**69,623.8**
Total Assets	**11,724.6**	**60,203.2**	**12,022.9**	**5,910.5**	**915.4**	**1,367.7**	**1,459.9**	**(0.0)**	**680.1**	**2,686.0**	**96,970.3**	**(11,988.0)**	**84,982.3**	**81,987.5**
Shareholders' Equity														
Total Equity Holders of the Company	**4,370.9**	**5,895.6**	**1,164.8**	**(5,584.4)**	**(964.7)**	**(40.5)**	**61.3**	**(1,103.3)**	**(395.7)**	**116.5**	**3,520.4**	**(14,874.0)**	**(11,353.6)**	**(10,191.8)**
Minority Interest	-	3,784.6	600.6	1,994.7	(449.8)	(84.0)	0.0	(12.9)	11.5	417.6	6,262.2	3,760.7	10,022.9	12,533.5
Total Equity	**4,370.9**	**9,680.2**	**1,765.4**	**(3,589.6)**	**(1,414.5)**	**(124.5)**	**61.3**	**(1,116.2)**	**(384.3)**	**534.1**	**9,782.6**	**(11,113.3)**	**(1,330.7)**	**2,341.8**
Current Liabilities														
Borrowings	5,571.7	35,729.3	4,807.7	1,139.5	984.5	194.8	84.8	-	54.2	981.8	49,548.4	2,855.3	52,403.7	47,788.6
Trade and Other Payables	1,619.3	4,867.3	2,814.3	1,884.9	92.6	458.5	956.2	1,115.0	637.5	494.9	14,940.4	(516.2)	14,424.2	13,336.0
Shareholder Loan	-	486.7	-	2,417.3	984.5	-	-	-	131.9	-	4,020.4	(984.5)	3,035.9	2,675.5
Provisions	162.1	-	272.5	1,288.5	24.2	28.0	28.0	1.2	12.8	68.6	1,885.8	434.0	2,319.8	2,109.0
Liabilities Held For Sale	-	-	-	0.2	-	-	-	-	0.7	-	1.0	0.8	1.8	1.8
Total Current Liabilities	**7,353.1**	**41,083.3**	**7,894.5**	**6,730.3**	**2,085.8**	**681.2**	**1,069.0**	**1,116.2**	**837.1**	**1,545.3**	**70,396.0**	**1,789.4**	**72,185.4**	**65,910.9**
Non-Current Liabilities												-		
Borrowings	-	7,874.1	1,519.4	-	-	780.4	71.5	-	-	454.9	10,700.4	(0.0)	10,700.4	10,227.9
Shareholder Loan	-	419.5	-	2,758.2	130.2	-	-	-	226.6	84.1	3,618.6	(2,705.4)	913.1	1,040.6
Long-Term Liabilities	0.6	1,146.1	843.6	11.7	113.9	30.6	258.1	-	0.6	67.6	2,472.7	41.3	2,514.1	2,466.3
Total Non-Current Liabilities	**0.6**	**9,439.7**	**2,363.0**	**2,769.8**	**244.2**	**811.0**	**329.6**	**-**	**227.2**	**606.6**	**16,791.7**	**(2,664.1)**	**14,127.5**	**13,734.9**
Total Liabilities	**7,353.7**	**50,523.1**	**10,257.5**	**9,500.2**	**2,329.9**	**1,492.2**	**1,398.6**	**1,116.2**	**1,064.3**	**2,151.9**	**87,187.7**	**(874.7)**	**86,313.0**	**79,645.7**
Total Equity and Liabilities	**11,724.6**	**60,203.2**	**12,022.9**	**5,910.5**	**915.4**	**1,367.7**	**1,459.9**	**(0.0)**	**680.1**	**2,686.0**	**96,970.3**	**(11,988.0)**	**84,982.3**	**81,987.5**

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

Sector Review: Energy

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

ERC

QH OWNERSHIP — c.13.1%

In 3Q21, ERC refined total feedstock of c. 1,039.7 thousand tons, including 980.7 thousand tons of atmospheric residue. During the same period, ERC supplied c. 907.2 thousand tons of refined product to the Egyptian General Petroleum Corporation (EGPC), and approximately c. 112.4 thousand tons of pet coke and 20.1 thousand tons of Sulphur to cement and fertilizer companies, respectively.

Product	LPG	Light Naphtha	Reformate	Fuel Oil	Jet Fuel	Diesel	Total Supplied to EGPC
3Q20 (tons)	32,454	68,675	135,140	99,702	2	624,232	960,206
3Q21 (tons)	28,645	53,696	112,149	96,140	135,210	422,113	847,954
Change	*-12%*	*-22%*	*-17%*	*-4%*	*High*	*-32%*	-12%
9M20 (tons)	91,673	218,886	376,389	344,040	147,635	1,813,762	2,992,386
9M21 (tons)	71,487	148,731	293,468	316,082	163,566	1,178,347	2,171,682
Change	*-22%*	*-32%*	*-22%*	*-8%*	*11%*	*-35%*	-27%

ERC recorded revenues of EGP 8,098.0 million in 3Q21, a 51% increase from the EGP 5,376.8 million recorded in 3Q20 driven by a recovery in refined petroleum product prices coupled with an increasing gross refining margin. This comes despite a 13% y-o-y decline in ERC's sales, which averaged one million tons in 3Q21 compared to 1.2 million tons in the same period of the previous year. Lower volumes reflect management's decision to cease tolling crude oil at Cairo Oil Refining Company for part of its inputs to increase ERC's gross refining margin. This together with rising refined oil product prices and operating with no stoppages or slowdowns during the quarter supported profitability, with EBITDA of EGP 684.8 million in 3Q21 compared to an EBITDA loss of EGP 106.3 million in 3Q20.

ERC's gross refining margin has recently (4Q21) risen to more than USD 2.0 million per day, however, still short of its pre-COVID-19 levels of over USD 3 million per day. ERC's technical management is contracted to the Egyptian Projects Operations and Maintenance company (EPROM), a wholly owned subsidiary of the Egyptian General Petroleum Corporation (EGPC).

ERC continues to negotiate with its lenders for a full debt restructuring.

TAQA ARABIA

QALAA HOLDINGS OWNERSHIP — c.55.6%

In 3Q21, TAQA Arabia's revenues increased by 16% y-o-y to EGP 2,403.1 million compared to EGP 2,075.6 in 3Q20, while EBITDA increased by 19% y-o-y to EGP 265.4 million. The company's strong performance reflects improved market conditions driving higher power distribution volumes by TAQA Power and volume growth at TAQA Gas.

Key Performance Indicators

	Units	3Q20	3Q21	% chg	9M20	9M21	% chg
TAQA Arabia Consolidated Revenues	**(EGP mn)**	**2,076**	**2,403**	***16%***	**5,784**	**6,638**	***15%***
TAQA Arabia Consolidated EBITDA	**(EGP mn)**	**224**	**265**	***19%***	**542**	**655**	***10%***
TAQA Arabia Gas Revenues	**(EGP mn)**	397	507	*28%*	1,198	1,384	*15%*
TAQA Arabia Gas EBITDA	**(EGP mn)**	98	129	*32%*	273	319	*17%*
Household Connections (9M cumulative)	#	39,379	33,514	*-15%*	*1,276,962*	*1,431,872*	*12%*
Cumulative Industrial Clients	#	256	297	*16%*	256	297	*16%*
Total Gas Distributed	BCM	1.7	1.8	*6%*	*5.0*	*5.6*	*12%*
Master Gas CNG Stations	#	1	7	*600%*	*11*	*30*	*173%*
TAQA Arabia Power Revenues*	**(EGP mn)**	409	518	*27%*	1,032	1,314	*27%*
TAQA Arabia Power EBITDA*	**(EGP mn)**	75	98	*30%*	198	247	*25%*
Total Power Generated	M KWH	281	344	*22%*	*680*	*850*	*25%*
Total Power Distributed	M KWH	24	21	*-12%*	*77*	*69*	*-10%*
Solar Energy Generated	M KWH	42	42	*1%*	*121*	*121*	*0%*
TAQA Marketing Revenues	**(EGP mn)**	1,270	1,386	*9%*	3,554	3,971	*12%*
TAQA Marketing EBITDA	**(EGP mn)**	56	59	*6%*	126	137	*9%*
Total Liquid Fuels Distributed	Liters	181,973	191,386	*5%*	*510,488*	*558,384*	*9%*
Filling Stations	#	1	0	*N/A*	*57*	*59*	*4%*

** Includes distribution, conventional generation, and renewable generation*
Note: The EBITDA figures in the table above are pre-consolidation.

TAQA Gas

In 3Q21, TAQA Gas' revenues increased by 28% y-o-y to EGP 507.1 million and EBITDA grew by 32% y-o-y to EGP 128.9 million, driven by CNG station expansions and volume increases. Both positive contributing factors helped mitigate the decrease in new direct and infill household connections to the grid, which fell 14.9 % y-o-y to 33,514 in 3Q21 compared to 39,379 in 3Q20. During 3Q21, 17 new industrial connections were commissioned up from the seven in 3Q20. Total gas volumes distributed increased by 6% y-o-y to 1.8 BCM in 3Q21 compared to 1.7 BCM in 3Q20 due to higher industrial gas consumption. As of 30 September 2021, TAQA Gas' total cumulative household connections exceeded 1.4 million and its total industrial clients reached 297.

Along with TAQA Gas' strong gas distribution and construction business where the company holds a leading market position, TAQA Gas is also well positioned to capture growth in the CNG field serving off-grid clients through a growing network of CNG filling stations and mobile CNG units. On this front, TAQA Gas added seven additional CNG filling stations in 3Q21, bringing the total number of stations to 30, leading to an increase in CNG gas volumes sold for vehicles to 50.9 MCM in 9M21. By the end of 2021, the company aims to have 41 stations in operation. TAQA Gas also converted 1,171 gasoline-powered vehicles in 3Q21, bringing the year-to-date total to 3,151 with a goal of converting 4,000 gasoline-powered vehicles by the end of the year. Furthermore, Ostool Transport's agreement with Master Gas, a subsidiary of TAQA Gas, to convert its truck fleet from diesel to a mix of diesel and CNG is underway.

TAQA Power
In 3Q21, TAQA Power increased total distribution and conventional generation flows by 20% y-o-y to 365 M KWH, leading to a c.30% y-o-y increase in revenues to EGP 470.4 million. The company's performance in 3Q21 was supported by improving market conditions driving growth in TAQA Power's number of industrial and household clients served by 20% y-o-y and 17% y-o-y, respectively, as of 30 September 2021. During the quarter, TAQA Power delivered a 24% y-o-y increase in gross profit to EGP 106.3 million and a 30% y-o-y increase in EBITDA to EGP 97.5 million compared to 75.2 million in 3Q20. The improved profitability was primarily attributed to the increase in distribution volumes.

TAQA Solar
TAQA's renewable energy arm, TAQA Solar, with its 65MW solar power plant in Benban, Aswan delivered a largely flat performance and generated EGP 47.4 million in revenue in 3Q21. TAQA successfully commissioned a 6 MW solar photovoltaic power plant at Dina Farms in 3Q21 and plans to replicate across the group with a goal of aggressively expanding its renewable energy footprint in the future.

Looking ahead, 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.

TAQA Marketing
In 3Q21, TAQA Marketing's diesel and gasoline sales grew by 5% y-o-y, which increased revenue for the division by 9% y-o-y to EGP 1,385.9 million. TAQA Marketing currently operates 59 stations and plans to open two additional stations by the end of 2021, bringing the total number of stations to 61. In addition, lube sales volume grew by 24% y-o-y to 619 tons compared 498 tons in 3Q20, resulting in a 32% y-o-y increase in revenue to EGP 38.7 million in 3Q21 compared to EGP 29.3 million in 3Q20.

TAQA Water
TAQA Water was established as a subsidiary of TAQA Arabia in March 2021 and boasts an experienced team in the water treatment industry. The company aims to develop a variety of water treatment solutions to serve the industrial, agricultural, touristic, and real estate sectors. The company is focused on investing, designing, constructing, automating, installing, and operating reliable, cost-effective and smart water solution systems using the latest energy-saving technology and utilizing a wide range of contractual models.

Sector Review: Cement

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

QALAA HOLDINGS OWNERSHIP — c.69.3%

ASEC Holding recorded revenues of EGP 984.3 million in 3Q21, up over four times year-on-year from the EGP 237.7 million recorded in 3Q20, driven by a strong performance at ASEC Cement Group. Successful cost reduction and restructuring efforts across ASEC Holding's subsidiaries supported profitability, with an EBITDA of EGP 24.0 million in 3Q21 compared to an EBITDA loss of EGP 62.6 million in 3Q20. Furthermore, management is making progress at ASEC Holding's comprehensive debt restructuring and is confident that its efforts will result in a stronger balance sheet, healthier financial and leverage ratios, and improved profitability in the future.

Key Performance Indicators

	Units	3Q20	3Q21	% chg	9M20	9M21	% chg
ASEC Holding's Cons. Revenue	**(EGP mn)**	**237.7**	**984.3**	***314%***	**1574.0**	**2414.7**	***53%***
ASEC Holding's Cons. EBITDA	**(EGP mn)**	**(62.6)**	**24.0**	***N/A***	**(5.1)**	**214.1**	***N/A***
ASEC Cement Group Revenues	**(EGP mn)**	(53.2)	810.6	*N/A*	731.8	1789.6	*145%*
ASEC Cement Group EBITDA	**(EGP mn)**	(72.2)	18.0	*N/A*	21.9	202.1	*822%*
Al-Takamol Cement Revenues	(SDG mn)	1,709.2	11,385.2	*566%*	6,625	29,958	*352%*
Al-Takamol Cement EBITDA	(SDG mn)	(190.3)	2,288.9	*N/A*	680	5,568	*719%*
Al-Takamol Volumes	MTPA	120	230	*91%*	602	723	*20%*
Zahana Cement Revenues	(EGP mn)	123.5	121.8	*-1%*	255.9	380.9	*49%*
Zahana Cement EBITDA	(EGP mn)	50.2	53.3	*6%*	66.7	149.7	*125%*
Zahana Volumes	KTPA	101	164	*63%*	273	528	*93%*
ARESCO Revenues	(EGP mn)	119.2	48.1	*-60%*	259.8	179.5	*-31%*
ARESCO EBITDA	(EGP mn)	18.0	10.8	*-40%*	35.1	22.5	*-36%*
ARESCO Backlog	(EGP mn)	281.6	203.0	*-28%*	281.6	203.0	*-28%*
ASEC Engineering Revenues	(EGP mn)	177.1	126.8	*-28%*	575.3	443.8	*-23%*
ASEC Engineering EBITDA	(EGP mn)	19.1	2.4	*-87%*	18.7	1.5	*-92%*
ASEC Engineering Managed Production	MTons	1.8	1.4	*-21%*	6.5	5.2	*-20%*

ASEC Cement

Owing to the hyperinflationary environment in Sudan, Al Takamol's auditors opted to apply the market spot rate for the Sudanese pound when translating the year end financials to Egyptian pound, as opposed to applying the average rate for the period. The EGP/SDG rate was significantly volatile over the course of the period and consequently impacted the company's top line when reflected in EGP terms. Al Takamol's figures are thus presented in SDG to provide a more accurate representation of the company's performance excluding the impact of hyperinflationary adjustments.

Al Takamol Cement recorded revenues of SDG 11.3 billion in 3Q21, up from SDG 1.7 billion in 3Q20 driven by a significant increase in both prices and total quantity sold. Sales volumes increased by over 91% y-o-y in 3Q21 to 230.0 thousand tons compared to 120.0 thousand tons in 3Q20. The significant year-to-year increase reflects a low base effect with Al Takamol's production having been halted in September 2020 during a lengthy overhaul process to transfer technical management to ASEC Engineering. Meanwhile, the depreciation of the Sudanese pound resulted in a significant increase in average cement prices from SDG 11,013/ton in 3Q20 to SDG 41,463/ton in 3Q21. Prices were further driven by a widening demand gap as local producers struggled with fuel and spare parts shortages, causing widespread production disruptions. In the third quarter of this year, Al Takamol's EBITDA increased to SDG 2,288.9 million compared to an EBITDA loss of SDG 190.3 million in 3Q20. Improved profitability came despite the rise in diesel prices as higher production volumes improved cost efficiencies and led to economies of scale with lower fixed and electricity costs per ton of cement produced. However, management notes that Sudan's challenging operating environment with recurring fuel and raw material shortages will remain a volatile drag on performance, and are likely to impact 4Q21 results.

Zahana Cement's volumes increased by 93% y-o-y to c.164.5 thousand tons in 3Q21 compared to c.100.8 thousand tons in 3Q20, following the commissioning of the company's new production line. The old dry line was only operative for seven days in total with an output of 9.9 thousand tons of clinkers and 26.7 thousand tons of cement during the quarter.

Despite higher volumes, Zahana's revenues remained flat at EGP 122 million in 3Q21 due to changes in product mix. The company sold over 97.7 thousand tons of clinker (a low-cost, low-margin product) in 3Q21, compared to zero tons in 3Q20. On the other hand due to slowing demand in Algeria, volumes of Sulphate-Resistant Cement (a high price, high margin product) were lower than those sold in the same period the previous year. Nevertheless, Zahana delivered improved profitability with EBTIDA up 15% y-o-y to EGP 460.3 million in 3Q21, owing to increased efficiency in both energy and spare part consumption as the company relies primarily on its new line.

ASEC Engineering

ASEC Engineering's managed clinker production declined by 21% to 1.5 million tons in 3Q21 due to the termination of operational contracts with Misr Beni Suef Cement Company (MBSC). Consequently, revenues declined in 3Q21 by 28% y-o-y to EGP 126.8 million, whilst the contract's high-margin nature impacted EBITDA which declined 87% y-o-y to EGP 2.4 million during the quarter.

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

ARESCO

As a result of an underperforming cement market in Egypt, ARESCO has transitioned from being focused on the cement industry to a mainstream contracting company and has successfully landed several construction contracts.

ASEC Automation

In 3Q21, ASEC Automation's revenues increased by 30% y-o-y to EGP 26.7 million, with positive gross margins. The strong results were supported by contracts from non-cement clients, such as MEP, panels, solar, and industrial contracts. Overall, ASEC Automation acquired new contracts for approximately EGP 72 million in 3Q21, bringing its total backlog to approximately EGP 105 million.

Sector Review: Packaging & Printing

Through its subsidiary National Printing Company, Qalaa Holdings has invested in the printing and packaging sector with investments of over USD 60 million to date.

NATIONAL PRINTING

QALAA HOLDINGS OWNERSHIP – c. 27.0%

National Printing stands today as one of the largest producers of packaging and printing products in Egypt. Through its subsidiaries, namely Shorouk and El Baddar, National Printing has been able to diversify and expand its product range, including corrugated cartons and various types of boxes. Meanwhile Uniboard produces duplex boards using wastepaper, and Windsor manufactures 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.

Key Performance Indicators

Description	Units	3Q20	3Q21	% chg	9M20	9M21	% chg
Grandview (National Printing Holding Co.) Revenues	**(EGP mn)**	**501.5**	**686.2**	***37%***	**1,356.2**	**1,800.1**	***33%***
Grandview (National Printing Holding Co.) EBITDA	**(EGP mn)**	**113.1**	**126.1**	***11%***	**301.1**	**311.0**	***3%***
Shorouk for Modern Printing & Packaging Revenues	(EGP mn)	215.5	216.2	*0.3%*	590.9	575.1	*-3%*
Shorouk for Modern Printing & Packaging EBITDA	(EGP mn)	52.2	40.5	*-22%*	141.0	92.2	*-35%*
Shorouk for Modern Printing & Packaging Volumes	(Tons)	8,590	7,920	*-8%*	24,230	22,266	*-8%*
Uniboard Revenues	(EGP mn)	284.8	373.6	*31%*	717.7	986.0	*37%*
Uniboard EBITDA	(EGP mn)	41.6	78.9	*90%*	120.1	182.9	*52%*
Uniboard Duplex Board Volumes	(Tons)	30,537	32,412	*6%*	91,036	97,186	*7%*
El Baddar Revenues	(EGP mn)	59.4	121.1	*104%*	170.2	330.0	*94%*
El Baddar EBITDA	(EGP mn)	4.8	3.6	*-25%*	12.5	20.3	*62%*
El Baddar Corrugated Sheets Volumes	(Tons)	5,526	8,889	*61%*	16,074	25,443	*58%*

Shorouk for Modern Printing & Packaging

Shorouk's revenues recorded EGP 216.2 million in 3Q21, which is consistent with the revenue generated in 3Q20. This is a particularly noteworthy achievement when considering the 8% y-o-y decline in volumes to 7,920 tons in 3Q21 due to the challenging market conditions coupled with supply chain disruptions that hindered Shorouk's ability to source adequate supplies. This primarily impacted local sales which fell 17% y-o-y to 4,982 tons with a consequent 8% y-o-y decline in local revenues to EGP 136.0 million in 3Q21. The drop in local sales was partially offset by continued export growth, recording a 19% y-o-y increase in 3Q21 and accounting for 37% of Shorouk's revenue for the quarter. In terms of profitability, an increase in paper costs pressured Shorouk's EBITDA, which declined by 22% y-o-y to EGP 40.5 million in 3Q21.

Uniboard

Uniboard's revenues increased by 31% y-o-y to EGP 373.6 million in 3Q21 driven by a 6% y-o-y increase in volumes to 32,412 tons during the same period. Volume growth was primarily attributed to a remarkable 99% y-o-y increase in exports sales to 10,584 tons, which generated revenues of EGP 117.0 million in 3Q21. On the local front, management's pricing strategy delivered an 8% y-o-y increase in local sales revenues to EGP 257.0 million during the period despite a 13% y-o-y decline in local sales volume to 21,824 tons in 3Q21. Uniboard implemented a 23% price increase during the period to offset the 59% increase in raw material costs – primarily paper – resulting in a 90% y-o-y increase in EBITDA to EGP 78.9 million in 3Q21. It is worth noting that raw material constitutes c. 80% of Uniboard's total variable cost.

El Baddar

El Baddar's revenues increased by 104% y-o-y to EGP 121.1 million in 3Q21 as the company capitalized on its new state-of-the-art facility, which became operational in early 2021. El Baddar has yet to operate at full capacity due to limited availability of craft paper – a critical input in the manufacturing process – that is being significantly affected by COVID-19-related supply chain disruptions. Global paper production shortages forced the company to import paper from more expensive sources, including Russia, leading to a significant rise in cost per ton from c. USD 465 to c. USD 1,100 in the last nine months of 2021. Such an increase in the cost of raw materials pressured EBITDA down to EGP 3.6 million in 3Q21 from EGP 4.8 million in 3Q20.

Windsor

Windsor is a factory specialized in the production of paper packaging and chemical additives with a significant share in the manufacturing of paper cups and boxes. The company's main products are paper cups, corrugated board, sheeting, lamination, and chemicals. Unilever, Coca-Cola, and PepsiCo are just a few of Windsor's clients. In 3Q21, revenues increased 15% y-o-y to EGP 17.4 million despite a significant increase in raw material costs, which resulted in a 6% drop in EBITDA to EGP 5.7 million during the period. Looking ahead, the industry anticipates benefitting from the regulatory requirements banning the use of plastic boxes in food packaging.

Sector Review: Mining

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

ASCOM GEOLOGY & MINING

QALAA HOLDINGS OWNERSHIP — c.54.1%

ASCOM's revenues grew by 8% y-o-y to EGP 245.9 million in 3Q21 driven by a 29% y-o-y increase in revenues at ACCM

Key Performance Indicators

	Units	3Q20	3Q21	% chg	9M20	9M21	% chg
ASCOM Revenues	**(EGP mn)**	**227.0**	**245.9**	***8%***	**613.9**	**713.7**	***16%***
ASCOM EBITDA	**(EGP mn)**	**23.3**	**32.2**	***38%***	**46.3**	**69.4**	***50%***
ACCM Revenues	(USD mn)	7.0	9.0	*29%*	16.0	24.8	*55%*
ACCM EBITDA	(USD mn)	1.1	1.7	*55%*	1.3	4.0	*208%*
GlassRock Revenues	(USD mn)	2.4	2.4	-1%	5.9	6.7	12%
GlassRock EBITDA	(USD mn)	(0.7)	0.2	*N/A*	0.3	(0.1)	*N/A*
Egypt Quarrying Revenues	(EGP mn)	78.0	67.8	*-13%*	260.8	222.7	*-15%*
Egypt Quarrying EBITDA	(EGP mn)	2.0	(3.4)	*N/A*	20.5	4.3	*-79%*
Other Quarry Management Revenues – ex Egypt	(EGP mn)	0.3	0.0	*N/A*	7.2	0.0	*N/A*
Other Quarry Management EBITDA – ex Egypt	(EGP mn)	(0.2)	(0.1)	*50%*	(0.5)	(0.3)	*40%*

ACCM

ACCM recorded revenues of USD 9 million in 3Q21, up from USD 7 million in 3Q20 driven by a 31% y-o-y increase in average price per ton from c. USD 70 in 3Q20 to c. USD 92 in 3Q21. Improved pricing helped offset a decline in volumes due to global container shortages, with ACCM exporting 58,597 tons in 3Q21, down 7% y-o-y, while total volumes dipped 5% y-o-y to 89,793 tons during the quarter.

Management's decision to adjust the average price per ton in 3Q21 also helped offset the significant hikes in two essential variable cost components, namely global freight costs and the cost of stearic acid, which was up 125% y-o-y and is used in the milling process. Global freight costs nearly doubled for several destinations in 3Q21, consequently causing a rise in ACCM's variable costs as it sells on a CIF basis. Despite the increase in variable costs, management's successful pricing strategy along with the government's most recent export incentive regulations supported a 55% y-o-y increase in ACCM's EBITDA to USD 1.7 million in 3Q21.

Going forward, whilst ACCM will continue to capitalize on growing exports and the recovery across regional markets, management will remain cognizant of the impacts on ACCM's variable costs due to volatile global market conditions and will monitor developments accordingly. Parallel to this, management plans to push ahead with its sales channel diversification as well as adding more production lines during the coming years. This will allow the company to expand its capacity as well as penetrate new local and international markets, hence meeting its planned growth targets.

Additionally, increased contribution from local markets will act as a hedge against foreign exchange risk and allow ACCM to benefit from the local market's greater working capital dynamics, improved cashflow and healthy margins.

GlassRock

GlassRock's revenue remained largely flat at USD 2.4 million in 3Q21despite the 17% y-o-y decline in sales volumes to 2,285 tons compared to 2,756 tons in 3Q20, which was offset by an increase in average selling prices across the products mix. GlassRock managed to penetrate new markets during the quarter and successfully grew export sales by 41% y-o-y to USD 596 thousand in 3Q21, driven primarily by a 76% y-o-y increase in glass-wool sales to USD 262.4 thousand during the period. Parallel to this, GlassRock's export sales growth was similarly driven by a 21 % y-o-y increase in rock-wool sales to USD 333.6 thousand in 3Q21 compared to 275.1 thousand in 3Q20. The increase in export sale volumes supported profitability, with EBITDA of USD 228.3 thousand in 3Q21 compared to an EBITDA loss of USD 718.3 thousand in 3Q20.

Egypt Quarrying (ASCOM Mining)

ASCOM's mining operations rely primarily on the cement sector with around 90% of its revenue attributed to cement clients. ASCOM continues to face an increasingly difficult operating environment due to sustained pressure on Egypt's cement industry, characterized by oversupply and strong market competition, resulting in a 13% y-o-y decline in sales to EGP 67.8 million in 3Q21. However, management has been actively revising contracts and implementing a minimum take criterion, as well as renewing other contracts on a take-or-pay basis to recoup costs incurred when markets are underperforming. ASCOM Mining posted a negative EBITDA of EGP 3.4 million in 3Q21, as the company implemented maintenance work for its equipment during the quarter and relied on more costly equipment rentals.

Sector Review: Agrifoods

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

DINA FARMS

QALAA HOLDINGS OWNERSHIP — c.54.9%

Dina Farms Holding Co. recorded a 10% y-o-y increase in revenues to EGP 230.3 million in 3Q21 owing to strong results at Dina Farms and ICDP during the period. In 3Q21, EBITDA increased by 43% y-o-y to EGP 38.9 million, similarly driven by robust EBITDA performance at both subsidiaries.

Key Performance Indicators

	Units	3Q20	3Q21	% chg	9M20	9M21	% chg
Gozour (Dina Farms Holding Co.) Revenues	**(EGP mn)**	**209.0**	**230.3**	***10%***	**672.4**	**785.6**	***17%***
Gozour (Dina Farms Holding Co.) EBITDA	**(EGP mn)**	**27.3**	**38.9**	***43%***	**95.9**	**103.5**	***8%***
Dina Farms Revenues	(EGP mn)	159.1	193.6	*22%*	552.8	641.6	*16%*
Dina Farms EBITDA	(EGP mn)	31.1	40.3	*29%*	125.2	117.2	*-6%*
Dina Farms Raw Milk Sales/Milking Cow Ratio	Tons/Milking Cow	2.7	2.7	*1%*	8.9	8.5	*-4%*
ICDP Revenues	(EGP mn)	67.1	93.9	*40%*	180.8	270.5	*50%*
ICDP EBITDA	(EGP mn)	7.3	11.1	*53%*	9.6	20.7	*115%*
ICDP SKU Volumes Sold	(Tons)	3,377	4,399	*30%*	9,266	12,097	*31%*

Dina Farms continues to reap the benefits of its facility enhancement projects, which improved overall operations across its segments and drove a 22% y-o-y increase in revenues to EGP 193.6 million in 3Q21.

Dina Farms' total milk sales volume remained largely flat at 18,611 tons in 3Q21. However, due to a 22% y-o-y increase in prices which reached c. EGP 8.3/liter in 3Q21 compared to c. EGP 6.8/liter in 3Q20, livestock revenue increased 23% y-o-y to EGP 165.4 million during the same quarter. Meanwhile, revenues from the agriculture division increased by 85% y-o-y to EGP 9.6 million in 3Q21, with growth being mainly driven by new contributions from fruit exports which totaled 119 tons in 3Q21. The division targeted markets in Europe and the Middle East, as well as Far-East Asian markets which exhibited increased demand for grapes. At the retail division, revenues declined by 8% y-o-y to EGP 18.6 million in 3Q21, however, they were up 2% y-o-y to EGP 44.8 million in 9M21.

Dina Farms booked a 29% y-o-y increase in EBITDA to EGP 40.3 million in 3Q21 despite higher costs for key components of cattle feed, such as corn and soya. However, feed costs showed quarter-on-quarter improvements in 3Q21, which management anticipates will reflect positively on profitability as costs further stabilize.

ICDP's total SKU volumes increased by 30.3% y-o-y to 4,399 tons due to improved market conditions, particularly at the HORECA sector (i.e., hotels, restaurants, and cafés). Consequently, ICDP's revenues grew by 40% y-o-y to EGP 93.9 million in 3Q21.

ICDP's total milk sales volume increased by 29% y-o-y to 3,169 tons in 3Q21, which along with higher milk prices drove a 46% y-o-y increase in milk revenues to EGP 56.9 million for the quarter. Meanwhile, ICDP's juice volumes increased 55% y-o-y to 818 tons in 3Q21, leading to a 69% y-o-y increase in revenues to EGP 56.9 million. The yoghurt segment also delivered improved performance with both volumes and revenues up 25% y-o-y to 274 tons and EGP 6.4 million, respectively, in 3Q21. At ICDP's cheese segment, volumes increased by 39% y-o-y to 64 tons and revenues grew by 47% y-o-y to EGP 3.7 million in 3Q21.

ICDP recorded improved profitability with EBITDA up 53% y-o-y to EGP 11.1 million in 3Q21. The company's profitability was further supported by a decline in sales returns to 3.9% in 9M21 compared to 4.9% in 9M20.

Looking ahead, management aims to increase contribution from its new juice segment and generate higher value to continue supporting profitability. Management is also planning a ramp up production at ICDP's yogurt line as well as increase direct distribution and product range to further bolster the company's performance.

Sector Review: Transportation & Logistics

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

QALAA HOLDINGS OWNERSHIP — 67.6%

Nile Logistics is owned by CCTO, which consolidates the company's operations in Egypt and South Sudan. In 3Q21, the company's revenues increased by 18% y-o-y to EGP79.1 million compared to EGP 67.3 million in 3Q20, while EBITDA increased by 47% y-o-y to EGP 30.8 million. The company's results were positively impacted by higher volumes at the inland container depot as well as a one-off high margin rescue job.

Key Performance Indicators

	Units	3Q20	3Q21	*% chg*	9M20	9M21	*% chg*
CCTO (Nile Logistics Holding Co.) Revenues	**(EGP mn)**	**67.3**	**79.1**	***18%***	**225.3**	**192.1**	***-15%***
CCTO (Nile Logistics Holding Co.) EBITDA	**(EGP mn)**	**21.0**	**30.8**	***47%***	**89.3**	**64.4**	***-28%***
Nile Logistics Revenues	(EGP mn)	59.4	76.3	*28%*	194.1	181.0	*-7%*
Nile Logistics EBITDA	(EGP mn)	23.7	35.6	*50%*	84.7	75.4	*-11%*
Nile Logistics Coal / Pet Coke Tons Handled	(000's Tons)	401.0	496.8	*24%*	914.5	924.8	*1%*
Nile Logistics Twenty-Foot Equivalent Handled	(TEU)	13,435	24,628	*83%*	53,096	65,521	*23%*
Nile Barges Revenues (South Sudan)	(USD mn)	0.4	0.2	*-43%*	2.0	0.7	*-64%*
Nile Barges EBITDA (South Sudan)	(USD mn)	0.2	0.1	*-68%*	1.4	0.3	*-76%*

Nile Logistics (Egypt)

In 3Q21, the company's stevedoring services handled over 496 thousand tons of coal/pet coke, reflecting a 24% y-o-y increase. This was primarily due to a general rush by cement plants to recover from the drop caused by maintenance work in the Noubareya canal locks at the beginning of the year, as well as to stockpile coal and mitigate against anticipated price increases. Consequently, Nile Logistics' revenues increased by 28% y-o-y to EGP 76.3 million in 3Q21 compared to EGP 59.4 million in 3Q20. On the other hand, coal volumes handled at Tanash's coal storage yard declined 12% y-o-y in 3Q21 to c. 112 thousand tons, and there was no stevedoring at the grain storage warehouse during the quarter. After successful rescue efforts, 6,000 tons of sunflower seeds were transported from a beached vessel in August 2021, yielding roughly EGP 4.0 million in 3Q21.

Volumes at the company's inland container depot increased over 83% y-o-y to 24,628 Twenty-foot Equivalent Units (TEUs), resulting in revenue growth of 71% y-o-y to EGP 19.2 million in 3Q21 compared to EGP 11.2 million in 3Q20. The growth was attributed to the increase in Maersk's overall volumes following the closure of its own yard on the Cairo-Alexandria desert road, the impact of which was especially evident in reefer power-days, increasing 59% y-o-y to 26,630 days in 3Q21.

In terms of profitability, higher inland depots volumes as well as the rescue operation drove a 50% y-o-y growth in EBITDA to EGP 35.6 million in 3Q21 compared to EGP 23.7 million in 3Q20.

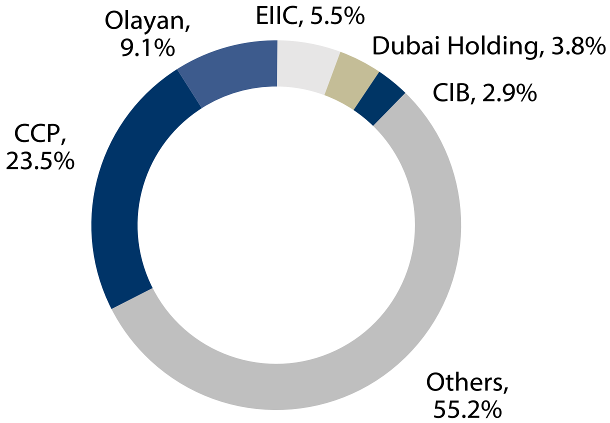
Nile Barges (South Sudan)

In South Sudan, Nile Barges' operations are focused on transporting food products under the auspices of the World Food Program (WFP). The company added its second pusher during 3Q21 and, depending on the country's political situation, expects to add the final pusher by early 2022 bringing Nile Barges' entire fleet to completion.

In 3Q21, Nile Barges completed one trip bringing the total number of successful journeys in the nine-month period to four trips, up from three trips in the same period last year. However, operations have been paused due to the political unrest and are expected to resume by the end of the 4Q21. Revenues declined 43% y-o-y to USD 222.0 thousand in 3Q21 while EBITDA fell 68% y-o-y to USD 65 thousand, with the decline in performance being due to shorter trips compared to 3Q20.

SHAREHOLDER STRUCTURE

(as at 30 September 2021)



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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