

Qalaa Holdings Reports 1Q 2022 Results

- Qalaa's consolidated revenues grew 134% year-on-year to EGP 18,681.6 million in 1Q22 and recurring EBITDA reached EGP 3,889.7 million compared to EGP 90.5 million in 1Q21, supported by strong performance across all subsidiaries as well as improved refined product prices and refining margins at ERC;
- ERC was the primary driver behind consolidated revenue growth, contributing c.73% to Qalaa's total revenues of EGP 18,681.6 million in 1Q22;
- Excluding ERC, Qalaa's revenues grew by 28% year-on-year and recurring EBITDA increased by 120% year-on-year in 1Q22 driven by positive performances across Qalaa's subsidiaries;
- TAQA Arabia's solid top line results reflect strong performance at TAQA Marketing and were further supported by higher power distribution volumes at TAQA Power and volume growth at TAQA Gas;
- ASEC Holding's growing revenues were driven by a strong performance in Al-Takamol Cement, which accounted for 76% of the company's revenue;
- National Printing saw improved volumes and capitalized on higher prices at all its companies. El Baddar state-of-the-art facility delivered substantial volume growth despite not operating at full capacity yet;
- Dina Farms Holding's revenue grew year-on-year as ICDP's volumes benefitted from improved post-Covid-19 market conditions and its direct distribution strategy;
- CCTO-II, which consolidates the company's transportation and logistics in Egypt and South Sudan, saw its revenues increase year-on-year on account of a strong performance at Nile Logistics. In 1Q22, Nile Logistics underwent a restructuring and settled all outstanding bank debt.
- Moving forward, the Group will continue focusing on exports to benefit from the commodity cycle and leverage the advantage available to local manufacturers as global logistic costs continue to surge;
- The Group's export proceeds recorded c. USD 30.2 million in 1Q22, while local foreign currency revenue recorded c. USD 852.7 million;
- Despite strong performances throughout the quarter, the EGP-Dollar currency movement, which took place towards the end of 1Q22, led to an FX loss of EGP 1,225.9 million and consequently a net loss after minority of EGP 584.1 million;
- Without the one-off FX loss, Qalaa would have recorded a profitable quarter;
- Finalizing debt restructurings at Qalaa Holdings and ERC remains a top priority;
- Management is confident in the fundamentals of the Egyptian economy and its ability to capitalize on shifting global macroeconomic dynamics;
- We expect the same macroeconomic global trends to prevail during 2Q22 leading to even stronger second quarter results.

1Q 2022 Consolidated Income Statement Highlights

Revenues EGP 18,681.6 mn vs. EGP 7,994.7 mn in 1Q21	
EBITDA* EGP 3,889.7 mn vs. EGP 90.5 mn in 1Q21	Net Loss After Minority EGP 584.1 mn vs. EGP 478.6 mn in 1Q21

1Q 2022 Consolidated Income Statement Highlights (excluding ERC)

Revenues EGP 4,972.5 mn vs. EGP 3,875.5 mn in 1Q21	
EBITDA* EGP 783.4 mn vs. EGP 356.7 mn in 1Q21	Net Loss After Minority EGP 1,304.6 mn vs. EGP 223.0 mn in 1Q21

Highlights from Consolidated Balance Sheet at 31 March 2022

Consolidated Assets EGP 99,672.5 mn At current book value vs. EGP 84,268.4 mn in FY21	Consolidated Debt EGP 71,889.5 mn Of which EGP 50,452.3 mn related to ERC
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**Recurring EBITDA excludes one-off selling, general and administrative expenses*

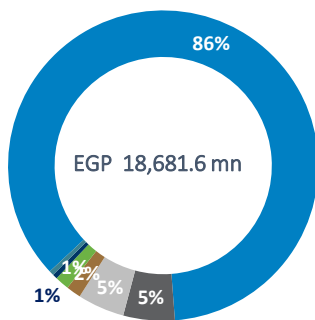
Qalaa Holdings, a leader in energy and infrastructure (CCAP.CA on the Egyptian Exchange, formerly Citadel Capital), released today its consolidated financial results for the first quarter ended 31 March 2022. The Group recorded a 134% y-o-y increase in revenues to EGP 18,681.6 million in 1Q22 and recurring EBITDA of EGP 3,889.7 million compared to EGP 90.5 million in 1Q21. The solid performance reflects the success of Qalaa's robust operational and growth strategies across its subsidiaries. Furthermore, improved refining margins at ERC along with a turnaround in market conditions and global surge in commodity prices, benefitted the Group's consolidated performance during the quarter.

To note, refining margins continued to improve in 1Q22 to average USD 2.7 million per day as a result of oil product price hikes and the Russo-Ukrainian war. Excluding ERC, Qalaa's revenues grew by 28% y-o-y to EGP 4,972.5 million in 1Q22 and recurring EBITDA increased more than two-fold year-on-year to EGP 783.4 million in 1Q22. At Qalaa's bottom-line, the Group booked a net loss of EGP 584.1 million in 1Q22 compared to a net loss of EGP 478.6 million in the same quarter the previous year.

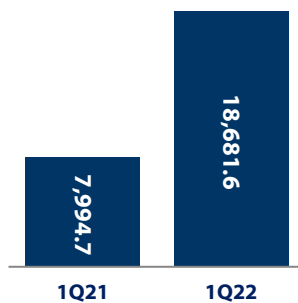
Financial and operational highlights follow, as do management's comments and overview of the performance of different business units. Full financials are now available for download at ir.qalaaholdings.com.

Financial and Operational Highlights

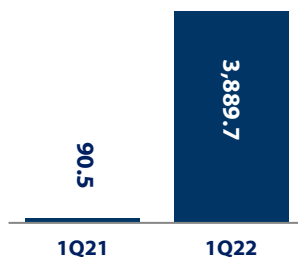
**QALAA HOLDINGS
CONSOLIDATED REVENUES
1Q22**



**REVENUE PROGRESSION
(EGP mn)**



**RECURRING EBITDA
PROGRESSION
(EGP mn)**



- **Qalaa's consolidated revenues grew by 134% y-o-y to EGP 18,681.6 million in 1Q22, primarily driven by ERC's contribution.**

ERC's revenues increased over three-fold year-on-year to EGP 13,709.1 million in 1Q22, constituting 73% of Qalaa Holdings' top line for the quarter. The performance was driven by a recovery in refined petroleum prices coupled with an increasing gross refining margin. Additionally, there were no slowdowns or shutdowns in operation during the quarter.

- **Excluding ERC, Qalaa's revenues grew by 28% y-o-y to EGP 4,972.5 million in 1Q22, driven by improved performances across all its subsidiaries.**

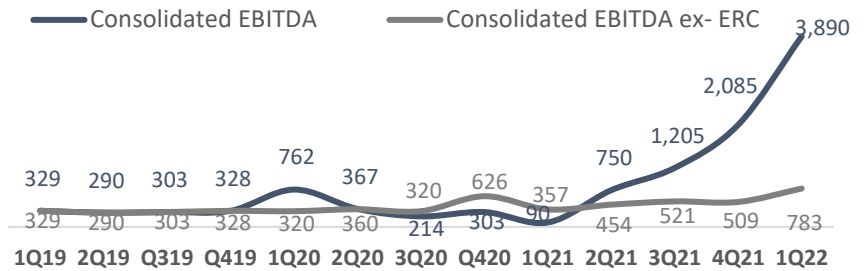
TAQA Arabia's revenue grew 13% y-o-y during the quarter to EGP 2,308.7 million. Revenue growth was primarily driven by increased fuel sales at TAQA Marketing and further supported by higher power distribution volumes at TAQA Power as well as CNG stations expansions and CNG volume growth at TAQA Gas.

National Printing delivered a 69% y-o-y top line increase in 1Q22 as it reaped the rewards of its new El Baddar state-of-the-art facility. Higher export volumes and an optimized pricing strategy at both Shorouk and Uniboard reflected positively on National Printing's results during the first quarter of the year. Meanwhile, ASEC Holdings' revenues reached EGP 1,001.3 million in 1Q22, up 46% y-o-y, driven by a strong performance at Al-Takamol Cement.

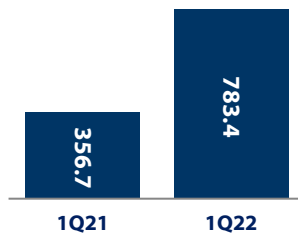
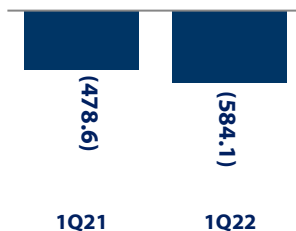
Additionally, ASCOM delivered 24% y-o-y top-line growth in 1Q22 to EGP 286.4 million supported by increased volumes and higher prices at ACCM. Dina Farms Holding's recorded EGP 275.8 million in revenues, up 9% y-o-y, driven by strong performance at ICDP characterized by increased sales volumes, lower return rates and zero discounts during the quarter. Finally, Nile Logistics Holding delivered a turnaround performance with revenues increasing 92% y-o-y to EGP 93.6 million in 1Q22.

- **Qalaa's recurring EBITDA increased substantially to EGP 3,889.7 million in 1Q22 compared to EGP 90.5 million in 1Q21. Profitability was primarily supported by ERC's positive performance during the quarter.**

ERC's gross refining margin continues to improve as a result of surges in refined petroleum prices and the effects of the Russo-Ukrainian war. It is also worth noting that ERC did not experience any slowdowns or shutdown days during the quarter.

Consolidated Recurring EBITDA Progression Chart* (EGP mn)


*ERC started operation in 1Q20

RECURRING EBITDA PROGRESSION (Excluding ERC)
(EGP mn)

NET PROFIT PROGRESSION
(EGP mn)


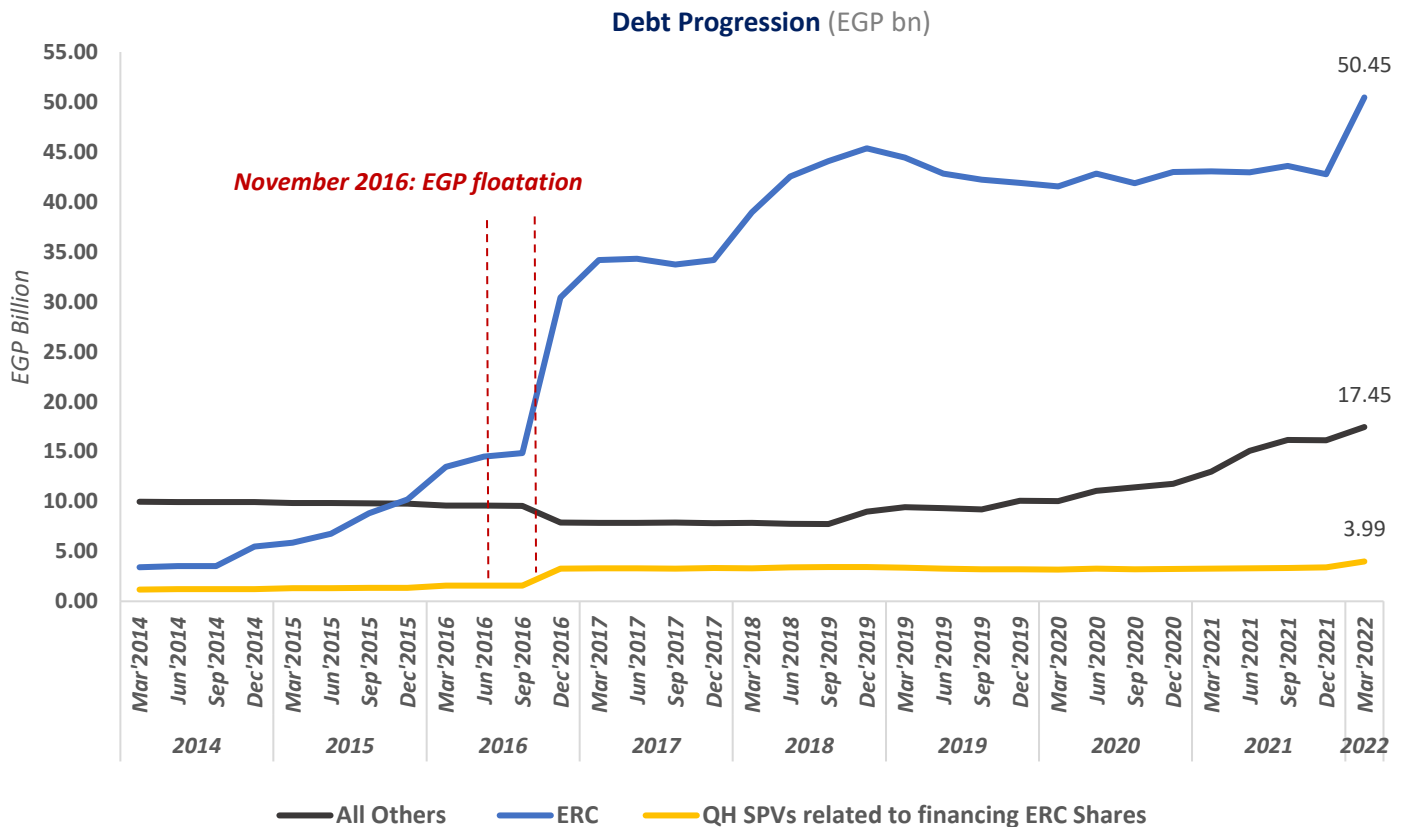
- Excluding ERC, Qalaa recorded a recurring EBITDA increase of 120% y-o-y to EGP 783.4 million in 1Q22, driven by improved profitability across all of the Group's subsidiaries.

Qalaa's EBITDA excluding ERC was primarily driven by contributions from National Printing, ASEC Holding, as well as TAQA Arabia, which benefitted from higher volumes and capitalized on increased prices.

- Selling, general and administrative expenses (SG&A) recorded EGP 510.6 million in 1Q22, up 7% y-o-y, of which EGP 122.9 million are related to ERC.
- Depreciation and amortization expenses stood at EGP 1,192.8 million in 1Q22 up 12% y-o-y compared to EGP 1,068.4 million in 1Q21.
- Bank interest expense recorded EGP 1,102.2 million in 1Q22, up 29% y-o-y from the EGP 851.4 million recorded in 1Q21. The increase was attributed to additional loans at TAQA Arabia to fund its expansion plans.
- Qalaa Holdings recorded an FX loss of EGP 1,225.9 million in 1Q22 compared to a gain of EGP 17.4 million in 1Q21. The EGP-Dollar movement, which took place towards the end of 1Q22, resulted in a negative impact on dollar dominated debts and liabilities at Qalaa Holdings and its subsidiaries.
- Total impairments and write downs recorded EGP 7.6 million in 1Q22 down 36% y-o-y from EGP 11.8 million in 1Q21.
- Qalaa recorded provisions of EGP 277.3 million in 1Q22 compared to EGP 107.0 million in 1Q21. Unpaid interest on restructured loans accounted for the majority of the provisions, while the remaining amount was attributed to contract termination obligations, taxes and social insurance.
- Qalaa Holdings recorded a consolidated net loss after minority interest of EGP 584.1 million in 1Q22 compared to a net loss of EGP 478.6 million in 1Q21.

Bottom line losses were driven by an FX loss following the EGP-Dollar movement, which impacted the dollar dominated debts and liabilities at Qalaa Holdings and its subsidiaries.

- Qalaa's debt restructuring efforts at the holding level and at the 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. In 1Q22, Nile Logistics underwent a restructuring and settled all its outstanding bank debt.
- Qalaa's consolidated debt, excluding ERC and ERC-related debt, stood at EGP 17.45 billion as of 31 March 2022 compared to EGP 12.99 as of 31 March 2021. In addition to the notable expansions at TAQA Arabia, which contributed to the increase in debt, the currency movement towards the end of 1Q22 had a significant impact on the valuation of the Group's foreign currency-denominated debt.



Management Comment

"The Group delivered a remarkable 134% year-on-year top line growth in the first quarter of the year"

"Following a year during which our Company showcased resilience and agility in the face of shifting macroeconomic dynamics, we headed into 2022 well-equipped to navigate the new operating environment," **said Qalaa Holdings' Chairman and Founder Ahmed Heikal.** "The Group delivered a remarkable 134% year-on-year top line growth in the first quarter of the year. Our robust investment and growth strategies led to positive performances across Qalaa's subsidiaries."

"Heading into the first quarter of the year, significant inflationary pressures persisted and monetary tightening around the world was well underway. In this environment local manufacturing continues to gain support and pricing power is shifting to producers across all sectors, trends that favor companies like Qalaa Holdings. We have successfully navigated and capitalized on the prevailing environment, benefiting from higher capacity utilization at our manufacturing businesses and leveraging our pricing advantage to grow exports. Meanwhile, tight energy markets drove ERC's performance with higher product prices and a recovery in refining margins," **said Heikal.**

"In the coming year, we will continue to push forward our growth strategies across our platforms, with a focus on making incremental investments in our existing companies whilst remaining vigilant regarding potential acquisition opportunities. We believe the private sector will be encouraged to take equity position in state owned companies. Furthermore, I am confident in Qalaa's strong fundamentals and ability to navigate ongoing resource constraints and supply chain shortages. Our portfolio of companies is now better equipped than ever to operate in this new reality, which we expect to prevail for a number of years ahead. Nonetheless, the Egyptian government is steadfast on expanding local production, agriculture and service sectors whilst leveraging the expertise of the private sector. Qalaa is pleased with the progress thus far and looks forward to capitalizing on this support to further grow its investments in multiple sectors."

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

"Qalaa carried forward the positive momentum from 2021 into the new year to deliver higher revenues and EBITDA across every platform. The remarkable performance was achieved despite a highly uncertain macroeconomic environment and a multitude of shifting dynamics throughout the quarter. Across the Group's subsidiaries, first quarter results were driven by higher prices and export volumes. In addition to ERC's strong contribution, TAQA Arabia benefitted from increased fuel revenues at its marketing division, higher power distribution volumes at TAQA Power as well as CNG stations expansions and CNG volume growth at TAQA Gas. Meanwhile, National Printing reaped the rewards of its new El Baddar state-of-the-art facility, higher export volumes and an optimized pricing strategy. Finally, ASEC Holdings capitalized on an exceptionally strong performance at Al-Takamol Cement," **said Hisham El-Khazindar, Qalaa Holdings' Co-Founder and Managing Director.**

"In terms of profitability, Qalaa's recurring EBITDA excluding ERC recorded a 120% y-o-y increase to 783.4 million in 1Q22, driven by improved profitability across all of

the Group's subsidiaries. The Group's performance was further supported by management's prudent pricing and cost-cutting strategies, operational efficiencies and restructuring efforts across platforms."

"Furthermore, the Group's profitability was greatly supported by contributions from ERC, which recorded a stellar quarter driven by a recovery in refined petroleum prices and an increasing gross refining margin. On the debt restructuring front, finalizing Qalaa Holdings' and ERC's debt restructurings remain key priorities for us."

"Our performance in the first quarter of the year is a testament to our commitment to drive growth and ability to push ahead in the face of a testing operating environment. We look forward to another quarter of growth and strong results across our operations and markets." **concluded El-Khazindar.**

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

Methods of Consolidation

Fully Consolidated Companies	Energy	 Egyptian Refining Company	 TAQA Arabia
	Cement	 ASEC Holding	
	Packaging and Printing	 National Printing (Grandview)	
	Mining	 ASCOM	
	Agrifoods	 ICDP & Dina Farms	
	Transportation & Logistics	 Nile Logistics	Nile Barges (Sudan)
	Metallurgy	 United Foundries	

Equity Method Consolidated Companies (Share of Associates)	Mining	 ASCOM Precious Metal (APM - Ethiopia)	
	Cement	Zahana Cement	
	Energy	Castrol Egypt (TAQA Marketing – British Petroleum JV)	 Tawazon
	Publishing & Retail	 Tanweer	
	Healthcare	 Allmed	

Qalaa Holdings Consolidated Income Statement (in EGP mn)

	1Q 2022	1Q 2021
Revenue	18,681.6	7,994.7
COS	(14,308.8)	(7,442.1)
Gross Profit	4,372.8	552.7
Advisory Fee	-	-
Total Operating Profit	4,372.8	552.7
SG&A	(510.6)	(478.7)
Other revenue-Export Subsidy	37.8	9.7
Other inc/exp-Net	(10.3)	6.8
EBITDA before one-off charges	3,889.7	90.5
SG&A (Non recurring)	10.8	22.8
EBITDA	3,900.5	113.3
Dep./Amort.	(1,192.8)	(1,068.4)
EBIT	2,707.8	(955.1)
Finance Cost	(1,102.2)	(851.4)
Other Finance Cost	173.4	49.0
Bank PIK	(37.5)	(32.9)
3rd party Shareholder	(97.3)	(80.2)
Interest income	183.3	92.8
Lease Payments	(19.5)	(34.3)
EBT (before one-offs)	1,808.2	(1,812.1)
Impairments/write downs	(7.6)	(11.8)
Acquisitions and restructuring	818.6	1.2
Share in associates' results	(12.3)	9.0
CSR	(2.5)	(9.5)
Provisions	(277.3)	(107.0)
Forex	(1,225.9)	17.4
EBT	1,101.1	(1,912.8)
Taxes	(131.0)	(42.3)
NP/L Including Minority Share	970.1	(1,955.1)
Minority Interest	1,554.2	(1,476.5)
NP/L for the Period	(584.1)	(478.6)

Qalaa Holdings Consolidated Income Statement by Sector for the three-month period ending 31 March 2022 (in EGP mn)

	QH	SPVs	Energy		Cement	T&L [^]	Mining	Agrifoods		Others	Elimination	1Q 2022	1Q 2021
			Orient	Silverstone	NDT	CCTO	ASCOM	Falcon	Misc.*	Grandview			
Revenue	-	-	13,709.1	2,308.7	1,001.3	93.6	286.4	275.8	92.0	914.9	(0.2)	18,681.6	7,994.7
Cost of Sales	-	-	(10,479.8)	(2,018.1)	(737.5)	(35.7)	(182.4)	(197.3)	(75.4)	(582.8)	0.2	(14,308.8)	(7,442.1)
Gross Profit	-	-	3,229.3	290.6	263.8	58.0	104.0	78.5	16.6	332.1	-	4,372.8	552.7
Advisory fee	20.8	-	-	-	-	-	-	-	-	-	(20.8)	-	-
Total Operating Profit	20.8	-	3,229.3	290.6	263.8	58.0	104.0	78.5	16.6	332.1	(20.8)	4,372.8	552.7
SG&A	(54.0)	(1.8)	(122.9)	(71.9)	(42.7)	(15.9)	(83.5)	(50.3)	(8.6)	(78.1)	19.2	(510.6)	(478.7)
Export Subsidy revenue	-	-	-	-	-	-	17.2	-	9.8	10.7	-	37.8	9.7
Other Income/Expenses	-	(0.8)	0.0	(15.0)	-	-	-	-	-	5.5	-	(10.3)	6.8
EBITDA (before one-offs)	(33.2)	(2.6)	3,106.3	203.7	221.1	42.1	37.7	28.3	17.7	270.3	(1.7)	3,889.7	90.5
Dividend Income	-	33.4	-	-	-	-	-	-	-	-	(33.4)	-	-
Non Recurring - Revenues & Costs	-	-	0.2	1.6	6.3	0.0	3.6	(7.4)	0.2	0.3	6.0	10.8	22.8
EBITDA	(33.2)	30.8	3,106.5	205.4	227.4	42.1	41.3	20.9	17.9	270.6	(29.0)	3,900.5	113.3
Depreciation & Amortization	(2.3)	-	(955.7)	(53.0)	(84.4)	(15.1)	(23.1)	(27.8)	(1.1)	(18.8)	(11.4)	(1,192.8)	(1,068.4)
EBIT	(35.5)	30.8	2,150.8	152.4	143.0	27.0	18.2	(6.9)	16.7	251.8	(40.4)	2,707.8	(955.1)
Finance Cost	(129.8)	(49.4)	(671.8)	(145.5)	(13.9)	(31.5)	(22.1)	(1.5)	(2.2)	(34.6)	-	(1,102.2)	(851.4)
Other Finance Cost	-	-	173.4	-	-	-	-	-	-	-	-	173.4	49.0
Bank PIK	-	(37.5)	-	-	-	-	-	-	-	-	-	(37.5)	(32.9)
Bank fees (ERC-PIK)	-	-	-	-	-	-	-	-	-	-	-	-	-
3rd Party Shareholder	-	(23.5)	(17.0)	-	(161.6)	(20.5)	-	-	(0.1)	-	125.6	(97.3)	(80.2)
Interest Income	76.4	58.1	-	164.9	1.9	0.1	0.7	0.4	-	1.1	(120.4)	183.3	92.8
Finance Lease Charges/ NPV LT assets	-	-	9.5	(9.8)	(0.2)	(5.8)	-	(13.2)	-	-	-	(19.5)	(34.3)
EBT (before one-offs)	(88.9)	(21.5)	1,644.9	162.0	(30.8)	(30.7)	(3.2)	(21.2)	14.4	218.3	(35.2)	1,808.2	(1,812.1)
Gain (Loss) on sale of investments	-	-	-	-	-	546.3	-	-	-	-	(546.3)	-	-
Impairments/Write-downs	(52.1)	(192.0)	(1.1)	(0.7)	(3.5)	(3.0)	(0.9)	-	(1.3)	2.7	244.4	(7.6)	(11.8)
Acquisitions, legal and restructuring	(24.2)	842.8	-	-	(0.0)	-	-	-	-	-	-	818.6	1.2
Share in Associates' Results	-	-	-	-	0.4	-	(4.5)	-	-	-	(8.2)	(12.3)	9.0
CSR	(0.3)	-	-	(2.3)	-	-	-	-	-	-	-	(2.5)	(9.5)
Provisions	-	(140.7)	-	(52.8)	(64.3)	(0.2)	(1.3)	(0.6)	(1.7)	(15.7)	-	(277.3)	(107.0)
Discontinued operation	-	-	-	-	-	-	-	-	-	-	-	-	-
FOREX	(406.1)	(67.5)	118.6	(16.8)	(802.8)	0.2	21.6	10.8	(112.4)	18.7	9.8	(1,225.9)	17.4
EBT	(571.5)	421.1	1,762.5	89.5	(901.1)	512.5	11.6	(11.0)	(101.0)	224.1	(335.5)	1,101.1	(1,912.8)
Taxes	(0.7)	-	(5.6)	(31.0)	(35.0)	-	-	(2.3)	0.2	(57.9)	1.4	(131.0)	(42.3)
Net P/L Before Minority Share	(572.2)	421.1	1,756.8	58.5	(936.1)	512.5	11.6	(13.3)	(100.8)	166.1	(334.1)	970.1	(1,955.1)
Minority Interest	-	-	1,036.3	26.0	58.5	161.3	(0.3)	(0.0)	(0.0)	116.1	156.2	1,554.2	(1,476.5)
Net Profit (Loss)	(572.2)	421.1	720.5	32.4	(994.6)	351.1	11.8	(13.3)	(100.8)	50.0	(490.2)	(584.1)	(478.6)

* Miscellaneous includes UCF, Wafra & Sphinx Egypt.

[^] T&L represents Transportation & Logistics

Qalaa Holdings Consolidated Balance Sheet as at 31 March 2022 (in EGP mn)

		Energy		Cement	T&L [^]	Mining	Agrifoods	Others					
	QH	Orient	Silverstone	NDT	CCTO	ASCOM	Falcon	Misc.*	Grandview	1Q 2022 Aggregation	Eliminations/ SPVs	1Q 2022	1Q 2021
Current Assets													
Trade and Other Receivables	3,109.8	4,442.4	2,080.3	1,954.8	127.0	482.8	123.9	561.9	1,102.2	13,985.2	(4,043.3)	9,942.0	5,464.8
Inventory	-	1,785.7	516.2	756.4	22.2	102.7	278.8	39.8	440.2	3,942.2	(0.0)	3,942.2	2,869.3
Assets Held For Sale	-	-	-	5.7	-	-	-	137.5	9.5	152.7	(129.2)	23.5	35.0
Cash and Cash Equivalents	39.7	1,646.9	6,463.8	95.5	218.6	67.4	71.8	12.7	352.0	8,968.3	74.7	9,043.0	4,832.9
Others	-	-	-	-	-	-	16.0	-	-	16.0	(0.0)	16.0	13.2
Total Current Assets	3,149.5	7,875.0	9,060.3	2,812.5	367.9	652.9	490.6	751.9	1,903.9	27,064.4	(4,097.8)	22,966.6	13,215.2
Non-Current Assets													
PP&E	8.2	63,607.4	3,438.5	3,118.8	707.6	860.0	791.0	654.6	1,195.5	74,381.6	(20.6)	74,361.0	66,111.3
Investments	5,547.1	-	52.1	353.3	-	88.5	-	4.9	101.4	6,147.3	(5,586.6)	560.7	622.0
Goodwill / Intangible assets	13.1	308.6	413.5	-	-	1.8	-	-	-	737.0	60.1	797.1	794.4
Others	4,315.9	40.0	373.3	238.7	-	-	356.1	-	-	5,324.0	(4,336.9)	987.1	1,092.8
Total Non-Current Assets	9,884.3	63,955.9	4,277.4	3,710.8	707.6	950.3	1,147.1	659.5	1,297.0	86,589.9	(9,884.0)	76,705.9	68,620.5
Total Assets	13,033.8	71,830.9	13,337.7	6,523.3	1,075.6	1,603.1	1,637.7	1,411.4	3,200.9	113,654.3	(13,981.8)	99,672.5	81,835.7
Shareholders' Equity													
Total Equity Holders of the Company	3,590.8	8,678.9	1,328.6	(7,433.7)	(793.3)	(122.5)	(44.6)	(1,090.7)	163.5	4,277.1	(17,312.4)	(13,035.3)	(10,851.1)
Minority Interest	-	5,059.9	610.9	1,913.9	(276.3)	(92.1)	(0.0)	(1.5)	537.5	7,752.2	5,182.6	12,934.8	10,992.8
Total Equity	3,590.8	13,738.8	1,939.5	(5,519.7)	(1,069.6)	(214.6)	(44.7)	(1,092.2)	701.0	12,029.3	(12,129.8)	(100.5)	141.8
Current Liabilities													
Borrowings	7,327.1	41,210.0	5,292.7	1,149.8	-	278.1	80.3	84.1	1,058.3	56,480.4	3,314.4	59,794.9	49,076.5
Trade and Other Payables	1,883.6	5,740.9	3,073.0	2,052.4	2,013.0	591.7	1,108.6	1,968.3	729.9	19,161.3	(2,670.2)	16,491.1	14,069.1
Shareholder Loan	-	760.0	-	2,975.2	-	-	-	150.8	-	3,886.0	(0.0)	3,886.0	2,735.7
Provisions	230.7	-	335.1	2,352.5	25.5	27.7	27.9	16.7	62.7	3,078.8	639.0	3,717.8	2,141.3
Liabilities Held For Sale	-	-	-	0.2	-	-	-	0.8	-	1.1	1.0	2.0	1.8
Total Current Liabilities	9,441.5	47,710.9	8,700.8	8,530.2	2,038.6	897.4	1,216.8	2,220.7	1,850.9	82,607.7	1,284.2	83,891.9	68,024.3
Non-Current Liabilities													
Borrowings	-	9,242.3	1,750.5	-	-	887.2	-	28.4	186.3	12,094.6	0.0	12,094.6	10,245.8
Shareholder Loan	-	337.3	-	3,395.5	-	-	-	253.6	-	3,986.4	(3,174.8)	811.6	1,059.7
Long-Term Liabilities	1.5	801.7	946.9	117.3	106.6	33.2	465.6	0.9	462.7	2,936.3	38.5	2,974.9	2,364.2
Total Non-Current Liabilities	1.5	10,381.2	2,697.4	3,512.8	106.6	920.4	465.6	282.9	649.0	19,017.3	(3,136.2)	15,881.1	13,669.6
Total Liabilities	9,443.0	58,092.1	11,398.2	12,043.0	2,145.2	1,817.8	1,682.4	2,503.6	2,499.9	101,625.0	(1,852.0)	99,773.0	81,693.9
Total Equity and Liabilities	13,033.8	71,830.9	13,337.7	6,523.3	1,075.6	1,603.1	1,637.7	1,411.4	3,200.9	113,654.3	(13,981.8)	99,672.5	81,835.7

* Miscellaneous includes UCF, Wafra & Sphinx Egypt.

[^] T&L represents Transportation & Logistics



Sector Review: Energy

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



QH OWNERSHIP — c.13.1%

In 1Q22, ERC refined total feedstock of c.1,150.1 thousand tons, including 1,092.4 thousand tons of atmospheric residue. During the quarter, ERC supplied c.991.7 thousand tons of refined product to the Egyptian General Petroleum Corporation (EGPC), and approximately c.134.2 thousand tons of pet coke and 24.2 thousand tons of Sulphur to cement and fertilizer companies, respectively.

Product	LPG	Light Naphtha	Reformat	Fuel Oil	Jet Fuel	Diesel	Total Supplied to EGPC
1Q21 (tons)	19,536	48,643	82,106	122,435	-	333,918	606,637
1Q22 (tons)	36,350	65,250	132,035	39,489	21,142	649,694	943,960
Change	86%	34%	61%	-68%	High	95%	56%

ERC's revenue more than tripled year-on-year to EGP 13,709.1 million in 1Q22, compared to EGP 4,119.2 million in 1Q21, driven by a recovery in refined petroleum product prices and an increase in ERC's sales. In 1Q22, total feedstock volume increased 55% y-o-y reaching 1.2 million tons compared to 0.7 million tons in 1Q21. Moreover, refining margins continued to improve in 1Q22 to average USD 2.7 million per day as a result of the Russo-Ukrainian war and oil product price hikes. Additionally, there were no slowdowns or shutdowns in operation during the quarter compared to 20 days of slowdowns and 29 days of shutdowns in 1Q21. In terms of profitability, ERC recorded an EBITDA of EGP 3,106.3 million in 1Q22 compared to an EGP 266.2 million loss in 1Q21.

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


QALAA HOLDINGS OWNERSHIP — c.55.9%

In 1Q22, TAQA Arabia's revenues increased by 13% y-o-y to EGP 2,308.7 million compared to EGP 2,050.2 million in 1Q21, while EBITDA increased by 33% y-o-y to EGP 203.7 million. The company's revenue growth was primarily driven by a strong performance at TAQA Marketing and further supported by higher power distribution volumes at TAQA Power and volume growth at TAQA Gas. Meanwhile, TAQA Power and TAQA Gas were the primary drivers for consolidated EBITDA growth during the quarter.

Key Performance Indicators

	Units	1Q21	1Q22	% chg
TAQA Arabia Consolidated Revenues	(EGP mn)	2,050.2	2,308.7	13%
TAQA Arabia Consolidated EBITDA	(EGP mn)	153.0	203.7	33%
TAQA Arabia Gas Revenues	(EGP mn)	424.5	477.0	12%
TAQA Arabia Gas EBITDA	(EGP mn)	95.8	129.2	35%
Household Connections (Cumulative)	#	39,001	27,204	-30%
Industrial Clients (Cumulative)	#	270	323	20%
Total Gas Distributed	BCM	1.9	1.9	0%
Master Gas CNG Stations (Cumulative)	#	21	41	95%
Mobile CNG Distributed	MCM	0.4	1.3	225%
TAQA Arabia Power Revenues*	(EGP mn)	353.0	408.5	16%
TAQA Arabia Power EBITDA*	(EGP mn)	42.3	81.6	93%
Total Power Distributed	M KWH	228	251	10%
Total Power Generated	M KWH	25	24	-2%
Solar Energy Generated	M KWH	35	35	-1%
Photovoltaic Energy	M KWH	0	2	N/A
TAQA Marketing Revenues	(EGP mn)	1,284.5	1,432.7	12%
TAQA Marketing EBITDA	(EGP mn)	35.1	36.3	3%
Total Liquid Fuels Distributed	Liters	183,613	192,773	5%
Filling Stations (Cumulative)	#	59	60	2%

* Includes distribution, conventional generation, renewable generation and photovoltaic

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

TAQA Arabia Gas

In 1Q22, TAQA Gas' revenues grew 12% y-o-y to EGP 477.0 million and EBITDA increased 35% y-o-y to EGP 129.2 million, driven by CNG station expansions and CNG volume increases. During the quarter, TAQA Gas added seven new CNG filling stations, bringing the total number of stations to 41 compared to 21 stations at the end of 1Q21. Consequently, CNG gas volumes sold for vehicles increased 89% y-o-y to 27.4 MCM in 1Q22 compared to 14.5 MCM in 1Q21. Through a growing network of mobile CNG units, TAQA Gas also more than tripled its mobile CNG distribution in 1Q22 reaching 1.3 MCM compared to 0.4 MCM in 1Q21. Moreover, TAQA Gas successfully converted 1,662 gasoline-powered vehicles in 1Q22, bringing the total cumulative number of converted vehicles to 5,895. Through corporate deals to convert

commercial fleets of trucks and buses to CNG, the company hopes to accelerate the rate of vehicle conversion to CNG by the end of 2022.

The company holds a leading market position with TAQA Gas' strong gas distribution and construction business. As of 31 March 2022, TAQA Gas' total cumulative household connections exceeded 1.49 million, up 9% y-o-y, with c. 27 thousand new connections in 1Q22. The company successfully added 10 new industrial connections during the quarter, bringing the total to 323 connections in 1Q22 compared to 270 in 1Q21. Industrial connections account for the majority of total gas consumption and while 10 new connections were made, a large industrial client experienced a slowdown resulting in lower industrial consumption. As such, despite the increase in domestic and industrial connections during the quarter, total gas volumes distributed remained flat year-on-year at 1.9 BCM in 1Q22.

TAQA Arabia Power

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

In 1Q22, TAQA Power delivered a 9% y-o-y increase in total distribution and generation volumes to 275M KWH, leading to a 15% y-o-y increase in revenues to EGP 405.7 million compared to EGP 353.0 million in 1Q21. The company's performance in 1Q22 was supported mainly by the improving market conditions, which drove growth in TAQA Power's number of industrial and household clients served up by 10% y-o-y and 16% y-o-y, respectively, as of 31 March 2022.

Meanwhile, TAQA Solar, with its 65MW solar power plant in Benban, Aswan, generated EGP 41.9 million in revenues, up 6% y-o-y, primarily due to the effect of the currency movement at the end of March 2022. Looking ahead, TAQA Solar aims to capture value from the government's plan of generating 40% of the country's energy from renewable sources by 2035.

In addition, TAQA Photovoltaic (PV) was incorporated in September 2021 as a renewable energy subsidiary of TAQA Power, to develop a private-to-private renewable energy business. TAQA PV sells electricity directly to Dina Farms under a 25-year power purchase agreement (PPA) after having completed the 6MW solar photovoltaic power plant. The plant located in Dina Farms is the first private-to-private renewable energy project financed by the EBRD in Egypt involving direct electricity supply from a privately owned generator to a private off-taker through a corporate PPA. TAQA PV is also currently developing other projects in touristic zones in Soma Bay and Nabq as well as in the industrial zones of 6th of October City and Minya.

In terms of profitability, TAQA Power and TAQA Solar combined delivered a 56% y-o-y increase in gross profit to EGP 95.8 million in 1Q22 compared to EGP 61.4 million in 1Q21. EBITDA recorded a 93% y-o-y growth to EGP 81.6 million in 1Q22. The improved profitability was primarily attributed to operations at the industrial zone substation in 6th of October City for the full period during 1Q22 compared to one month only in 1Q21. Furthermore, TAQA PV recorded revenues of EGP 2.8 million and a gross profit of EGP 1.7 million in 1Q22.

TAQA Marketing

TAQA Marketing's revenues grew 12% y-o-y to EGP 1,432.7 million in 1Q22 compared to EGP 1,284.5 million in 1Q21. EBITDA grew 3% y-o-y to EGP 36.3 million in 1Q22 compared to EGP 35.1 million in the same quarter of the previous year. The performance was primarily driven by diesel and gasoline sales, which grew by 6% y-o-y and 4% y-o-y, respectively, leading to a 10% y-o-y increase in fuel revenues to EGP 1,379.1 million in 1Q22.

Furthermore, the lubes division saw its revenues increase by 70% y-o-y to EGP 53.6 million in 1Q22 compared to EGP 31.6 million in same quarter of last year. Revenues were supported by a 22% y-o-y increase in volumes to 859 tons in 1Q22 versus 701 tons in 1Q21. Revenues were further supported by an increase in the price per ton, which reached EGP 62.5 thousand per ton in 1Q22 up from EGP 45.0 thousand per ton in 1Q21. Moreover, TAQA Marketing currently has a total of 60 refueling stations as of 31 March 2022 and is planning to bring the total up to 69 stations by year-end.

TAQA Water

TAQA Water was established as a subsidiary of TAQA Arabia in March 2021 and boasts an experienced team in the water treatment industry. The company aims to develop a variety of water treatment solutions to serve the industrial, agricultural, touristic, and real estate sectors. The company is focused on investing, designing, constructing, automating, installing, and operating reliable, cost-effective, and smart water solution systems using the latest energy saving technology and utilizing a wide range of contractual models. TAQA Water completed the construction of two new water plants, which are expected to begin operations in the second quarter of 2022.



Sector Review: Cement

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



QALAA HOLDINGS OWNERSHIP — c.69.3%

In 1Q22, ASEC Holding's revenue increased 46% y-o-y to EGP 1,001.3 million compared to EGP 683.8 million in 1Q21, driven by a strong performance at Al-Takamol Cement, which accounted for 76% of total group revenue. Due to the political unrest in Sudan, the hyperinflation calculation methodology is applied, which uses the spot index for revenue translation and the historical index (which is higher than the spot index) for COGS translation, resulting in a disproportionate increase in cost of sales compared to revenue. Successful cost reduction and restructuring efforts across ASEC Holding's subsidiaries supported an over two-fold increase in profitability, with an EBITDA of EGP 221.1 million in 1Q22 compared to EGP 85.9 million in 1Q21.

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

Key Performance Indicators

	Units	1Q21	1Q22	% chg
ASEC Holding's Cons. Revenue	(EGP mn)	683.8	1,001.3	46%
ASEC Holding's Cons. EBITDA	(EGP mn)	85.9	221.1	157%
ASEC Cement Group Revenues	(EGP mn)	447.2	756.0	69%
ASEC Cement Group EBITDA	(EGP mn)	99.7	199.7	100%
Al-Takamol Cement Revenues	(SDG mn)	7,827	20,563	163%
Al-Takamol Cement EBITDA	(SDG mn)	1,324.5	6,626.7	400%
Al-Takamol Volumes (Sales)	MTPA	241	304	26%
Zahana Cement Revenues	(EGP mn)	139.7	197.3	41%
Zahana Cement EBITDA	(EGP mn)	68.1	51.7	-24%
Zahana Volumes (Sales)	KTPA	213	394	85%
ARESCO Revenues	(EGP mn)	80.1	53.7	-33%
ARESCO EBITDA	(EGP mn)	5.4	(8.6)	N/A
ARESCO Backlog	(EGP mn)	178.0	289.4	63%
ASEC Engineering Revenues	(EGP mn)	158.7	171.7	8%
ASEC Engineering EBITDA	(EGP mn)	(0.8)	13.2	N/A
ASEC Engineering Managed Production	MTons	1.7	1.6	-11%

ASEC Cement

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

Al-Takamol Cement recorded revenues of SDG 20.6 billion in 1Q22, up from SDG 7.8 billion in 1Q21 on the back of increased prices coupled with volume growth. The depreciation of the Sudanese pound resulted in a significant increase in average cement prices from SDG 32,501/ton in 1Q21 to SDG 67,667/ton in 1Q22. Prices also benefitted from the widening demand gap, as local producers struggled with fuel and spare parts shortages, causing widespread production disruptions. In 1Q22, volumes reached 304 thousand tons, up 26% y-o-y compared to 241 thousand tons in 1Q21.

In terms of profitability, Al-Takamol's EBITDA surged 400% y-o-y to SDG 6,626.7 million in 1Q22 compared to SDG 1,324.5 in 1Q21. However, management is cognizant that Sudan's challenging operating environment with recurring fuel and raw material shortages may impact performance in the future.

In 1Q22, Zahana Cement recorded EGP 197.3 million in revenues, up 41% y-o-y on the back of an 85% y-o-y increase in cement volumes to 394 thousand tons compared to 213 thousand tons in 1Q21. Revenues were further supported by an over twenty-two-fold year-on-year increase in total amount of clinker sold reaching 199 thousand tons in 1Q22. However, due to slowing demand in Algeria, volumes of Ordinary Portland Cement and Sulphate Resistant Cement (high-price, high-margin products) were lower than those sold in the same period the previous year by 2% and 45% y-o-y, respectively. Consequently, a product mix skewed toward lower margin products saw Zahana's EBITDA decline by 24% y-o-y to EGP 51.7 million in 1Q22 compared to EGP 68.1 million in 1Q21.

ASEC Engineering

ASEC Engineering's revenue increased by 8% y-o-y to EGP 171.7 million in 1Q22 compared to EGP 158.7 million in 1Q21. Growth comes despite an 11% y-o-y decline in managed clinker production to 1.6 million tons during the quarter. Lower managed capacities reflect the termination of a number of low performing contracts as well as lower production rates due to shortages in fuel and coal brought about by supply chain disruptions and surges in prices. However, the company benefitted from a new three-year contract that went into effect in early 1Q22 and contributed 514,000 tons to the quarter's production volume, partially offsetting the decline in clinker production from other contracts.

Despite the challenges faced by Egypt's cement industry, ASEC Engineering recorded a recurring EBITDA of EGP 13.2 million in 1Q22 compared to an EGP 0.8 million loss in 1Q21. Profitability was protected thanks to contributions from overseas projects as well as a new contract with a minimum fixed fee, which offset the performance of the local market.

To mitigate the negative performance of the cement industry in Egypt, management is actively working to geographically diversify ASEC Engineering's client base and is looking to penetrate new markets, including Iraq, South Africa, and Libya. It's worth noting that international contracts presently account for c. 35% of ASEC Engineering's revenue.

ARESCO

As a result of Egypt's underperforming cement market, ARESCO has transitioned from a cement-focused company to a general contracting firm, successfully landing several construction contracts.

In 1Q22, ARESCO revenues fell 33% y-o-y to EGP 53.7 million, down from EGP 80.1 million in 1Q21. The decline in revenue was caused by tenders being postponed for re-pricing given the significant cost increases and market slowdown. The underutilization of assets due to postponed projects coupled with FOREX losses led to an EBITDA loss of EGP 8.6 million in 1Q22 compared to a gain of EGP 5.4 million in 1Q21. As of 1Q22, ARESCO's backlog stood at EGP 289.4 million and the company is actively seeking to acquire additional contracts in both local and international markets.

ASEC Automation

ASEC Automation's revenues increased 49% y-o-y to EGP 54.2 million in 1Q22 compared to EGP 36.4 million in 1Q21. The revenue growth resulted from management's decision to shift to non-cement clients such as MEP, panels, solar and industrial contracts to mitigate the decline in the cement-related activities.

On the profitability front, the company recorded positive recurring EBITDA of EGP 2.3 million in 1Q22 compared to an EGP 668 thousand loss in 1Q21 on the back of improved pricing as well as the ongoing restructuring and cost optimization exercise. ASEC Automation acquired new contracts worth approximately EGP 42.9 million in 1Q22, bringing its total backlog to approximately EGP 311.1 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.


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	1Q21	1Q22	%chg
Grandview (National Printing Holding Co.) Revenues	(EGP mn)	542.3	914.9	69%
Grandview (National Printing Holding Co.) EBITDA	(EGP mn)	96.5	270.3	180%
Shorouk for Modern Printing & Packaging Revenues	(EGP mn)	182.4	320.0	75%
Shorouk for Modern Printing & Packaging EBITDA	(EGP mn)	28.9	62.0	115%
Shorouk for Modern Printing & Packaging Volumes	(Tons)	7,768	9,892	27%
Uniboard Revenues	(EGP mn)	294.5	563.0	91%
Uniboard EBITDA	(EGP mn)	51.2	209.0	308%
Uniboard Duplex Board Volumes	(Tons)	33,984	34,725	2%
El Baddar Revenues	(EGP mn)	97.5	179.0	84%
El Baddar EBITDA	(EGP mn)	10.9	18.0	65%
El Baddar Corrugated Sheets Volumes	(Tons)	8,328	10,543	27%

Shorouk for Modern Printing & Packaging

Shorouk overcame challenging market conditions and supply chain disruptions to record impressive results for the first quarter of the year. The company's revenues increased 75% y-o-y to EGP 320.0 million in 1Q22 compared to EGP 182.4 million in 1Q21 on the back of higher volumes and an increase in average price per ton. In 1Q22, Shorouk's volumes grew 27% y-o-y to 9,892 tons versus 7,768 tons in 1Q21 supported by both local sales and exports. Local sales increased by 18% y-o-y to 7,023 tons while exports grew 56% y-o-y to 2,869 tons in 1Q22. Shorouk exported its products to two new overseas market during the year, bringing its international portfolio up to 15 countries across three continents. Furthermore, average price reached EGP 32,310 per ton in 1Q22, up 38% y-o-y compared to EGP 23,487 per ton in the same quarter the previous year. Consequently, local revenue increased 64% y-o-y to EGP 228.0 million 1Q22 and export revenue nearly doubled on a year-on-year basis recording EGP 92.0 million during the quarter compared to EGP 43.4 million in 1Q21.

In terms of profitability, EBITDA grew substantially, recording a 115% y-o-y increase in 1Q22 to EGP 62.0 million in 1Q22 compared to EGP 28.9 million in 1Q21.

Uniboard

Uniboard's revenues increased by 91% y-o-y to EGP 563.0 million in 1Q22 compared to EGP 294.5 million in 1Q21 driven by an 87% y-o-y increase in price to EGP 16,203 per ton during the quarter. In 1Q22, volumes grew by a marginal 2% y-o-y to 34,725 tons compared to 33,984 tons in 1Q21. Export sales increased 20% y-o-y to 8,352 tons, which generated revenue of EGP 130.0 million, up 130% y-o-y in 1Q22. On the local front, management's pricing strategy delivered an 82% y-o-y increase in local sales revenues to EGP 433.0 million during the quarter despite a 3% y-o-y decline in local sales volumes to 26,373 tons in 1Q22.

In terms of profitability, Uniboard's EBITDA increased four-folds year-on-year to EGP 209.0 million in 1Q22 compared to EGP 51.2 million in 1Q21 primarily due to price hikes. The company continues to implement price increases to mitigate the impact of soaring raw material costs, primarily paper. It is worth noting that raw material constitutes c.80% of Uniboard's total variable cost.

El Baddar

El Baddar's revenues increased by 84% y-o-y to EGP 179.0 million in 1Q22 compared to EGP 97.5 million in 1Q21 as the company continues to benefit from its relocation to its state-of-the-art facility, which became operational in early 2021. Performance was supported by a 27% y-o-y increase in sales volume to 10,543 tons in 1Q22 compared to 8,328 tons same quarter in last year. Furthermore, average price reached EGP 16,929 per ton in 1Q22, up 42% y-o-y compared to EGP 11,958 per ton in 1Q21.

El Baddar has yet to reach full capacity due to a lack of craft paper – a critical input in the manufacturing process – that is being impacted by ongoing supply chain disruptions. Global paper production shortages forced the company to import paper from more expensive sources, leading to a significant rise in cost per ton in the first quarter of the year. Despite a substantial increase in raw material costs, EBITDA increased 65% y-o-y to EGP 18.0 million in 1Q22 compared to EGP 10.9 million in the same quarter of the previous year.

Windsor

Windsor is a factory specialized in the production of paper packaging and chemical additives with a significant share in the production of paper cups and boxes. Windsor's clients include multinational corporations such as Unilever, Coca-Cola and PepsiCo, to name a few. The company's revenues increased by 33% y-o-y to EGP 20.0 million in 1Q22 compared to EGP 15.0 million in 1Q21. EBITDA grew 4% y-o-y to EGP 5.2 million in 1Q22 despite significant surges in raw material costs during the quarter.



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).



QALAA HOLDINGS OWNERSHIP — c.54.1%

ASCOM's topline grew by 24% y-o-y to EGP 286.4 million in 1Q22 driven by a 35% y-o-y increase in revenues at ACCM and a 38% y-o-y increase in revenues at GlassRock.

Key Performance Indicators

	Units	1Q21	1Q22	% chg
ASCOM Revenues	(EGP mn)	230.4	286.4	24%
ASCOM EBITDA	(EGP mn)	13.1	37.7	188%
ACCM Revenues	(USD mn)	7.2	9.8	35%
ACCM EBITDA	(USD mn)	1.1	2.2	92%
GlassRock Revenues	(USD mn)	2.6	3.5	38%
GlassRock EBITDA	(USD mn)	(0.3)	0.3	N/A
Egypt Quarrying Revenues	(EGP mn)	81.7	52.0	-36%
Egypt Quarrying EBITDA	(EGP mn)	3.4	(2.2)	N/A
Other Quarry Management Revenues – ex Egypt	(EGP thousand)	-	929.7	N/A
Other Quarry Management EBITDA – ex Egypt	(EGP thousand)	(47.3)	(25.9)	45%

ACCM

ACCM recorded revenues of USD 9.8 million in 1Q22, up a strong 35% y-o-y from USD 7.2 million in 1Q21. During the quarter, export revenue grew 41% y-o-y to USD 8.2 million compared to USD 5.8 million in the same quarter of last year. The performance was primarily driven by a 32% y-o-y increase in average price per ton from c. USD 75 in 1Q21 to c. USD 99 in 1Q22, coupled with a 10% y-o-y increase in export volumes sold which reached 66,477 tons in 1Q22.

Management's decision to continuously adjust the average price per ton in 1Q22 is aimed at offsetting the significant surges in two vital variable cost components, namely global freight costs and stearic acid. The Russo-Ukrainian war along with ongoing supply chain disruptions have doubled global freight costs resulting in substantial increases in ACCM's variable costs as it sells on CIF basis. In addition, stearic acid, which is essential in the milling process, saw its price increase by c. 42% y-o-y when compared to 1Q21. Despite the 48% y-o-y rise in variable costs in 1Q22, the government's export incentives along with a successful pricing strategy supported profitability, with an impressive 92% y-o-y increase in ACCM's EBITDA to USD 2.2 million compared to USD 1.1 million in 1Q21.

Looking ahead, ACCM will continue to capitalize on growing exports which account for the majority of ACCM's topline. The recent currency movement of the Egyptian Pound will increase ACCM's competitiveness in the global market,

allowing the company to achieve higher export volumes. Moreover, the export incentives which came into effect on 1 July 2021 have multiplied the export incentive proceeds received by ACCM. However, management is also cognizant of the impacts on ACCM's variable costs due to the turbulent global market conditions and will closely monitor development accordingly. Management intends to simultaneously push ahead with its sales channel diversification strategy and install additional production lines in the coming year to expand its capacity and meet planned growth targets.

GlassRock

GlassRock's revenues increased 38% y-o-y to USD 3.5 million in 1Q22 compared to USD 2.6 million in 1Q21, driven by a 13% y-o-y increase in total volumes sold to 2,936 tons and higher prices across the company's product mix.

GlassRock successfully penetrated new international markets during the quarter, expanding its portfolio to 17 export markets across Africa, Europe and Asia. The company grew its export volumes by 25% y-o-y in 1Q22, reaching 915 tons versus 732 tons in 1Q21. Consequently, export revenues recorded a 53% y-o-y increase to USD 1.1 million compared to USD 689.3 thousand in 1Q21. The growth was driven by strong performances at glasswool and rockwool's export divisions. In 1Q22, glasswool export revenues grew 58% y-o-y to USD 582.5 thousand on the back of a 43% y-o-y increase in export volumes and a 10% y-o-y rise in average price per ton. Similarly, rockwool saw its export revenues increase by 47% y-o-y to USD 471.1 thousand in 1Q22 supported by a 15% y-o-y growth in export volumes and a 29% y-o-y increase in average price per ton.

In the domestic market, GlassRock's local sales volume in 1Q22 dropped 2% y-o-y to 1,828 tons compared to 1,857 tons in 1Q21. The somewhat flat performance came as a 23% y-o-y decline in local glasswool volumes sold in 1Q22 was offset by a 9% y-o-y increase in rockwool volumes during the same period. Given that rockwool products account for over 68% of local sales volumes, the decline in glasswool's local sales had a marginal impact on the quarter's overall local sales. In terms of revenues, the glasswool division recorded a 5% y-o-y decline to USD 765.1 thousand compared to USD 803.4 thousand in 1Q21, with lower volumes being partially offset by a 24% y-o-y increase in glasswool's local prices to USD 1,680/ton. Meanwhile, the rockwool division recorded USD 1.4 million in local revenues, up 39% y-o-y in 1Q22 driven by higher volumes and a 28% y-o-y rise in price per ton to USD 1,041. It is worth noting that the price increases at glasswool and rockwool were successfully absorbed by the market.

On the profitability front, GlassRock recorded an EBITDA of USD 274.4 thousand in 1Q22 compared to a loss of USD 304.7 thousand in 1Q21. Profitability during the quarter was driven by higher export sales coupled with price increases at both the local and export levels.

Egypt Quarrying (ASCOM Mining)

ASCOM's mining operations rely primarily on the cement sector with around 90% of its revenues attributed to cement clients. The company continues to face a challenging operating environment due to sustained pressure on Egypt's cement industry, characterized by oversupply and strong market competition, resulting in a 36% y-o-y decline in sales to EGP 52.0 million in 1Q22 compared to EGP 81.7 million in 1Q21. 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 reported a negative EBITDA of EGP 2.2 million in 1Q22 compared to a positive EBITDA of EGP 3.4 million in 1Q21. Profitability was impacted by the non-renewal of some contracts as clients shifted to own-operations for cost saving purposes. In addition, ASCOM had also terminated defaulting contracts and voluntarily shutdown some non-profitable projects to replace them with profitable ones in the future.



Sector Review: Agrifoods

Agrifood companies consolidated under parent company Dina Farms Holding Co. (multicategory agriculture and consumer foods) include Dina Farms and ICDP (Dina Farms' fresh dairy & juice producer).



QALAA HOLDINGS OWNERSHIP — c.54.9%

Dina Farms Holding Co. booked a 2% y-o-y increase in revenues to EGP 257.8 million and a 41% y-o-y increase in EBITDA to EGP 28.3 million on the back of ICDP's solid profitability in 1Q22.

Key Performance Indicators

	Units	1Q21	1Q22	% chg
Gozour (Dina Farms Holding Co.) Revenues	(EGP mn)	253.0	257.8	2%
Gozour (Dina Farms Holding Co.) EBITDA	(EGP mn)	20.1	28.3	41%
Dina Farms Revenues	(EGP mn)	204.1	212.2	4%
Dina Farms EBITDA	(EGP mn)	28.8	29.6	3%
Dina Farms Raw Milk Sales/Milking Cow Ratio	Tons/Milking Cow	2.9	2.7	-8%
ICDP Revenues	(EGP mn)	83.9	108.6	29%
ICDP EBITDA	(EGP mn)	2.4	12.2	411%
ICDP SKU Volumes Sold	(Tons)	3,737	4,388	17%

Dina Farms' revenue grew by 4% y-o-y to EGP 212.2 million in 1Q22 versus EGP 204.1 million in 1Q21. At the livestock division, a c. 20% y-o-y increase in milk prices offset an 8% y-o-y drop in milk sales volume to 19,381 tons, driving a revenue increase of 10% y-o-y to EGP 162.3 million from fresh milk sales in 1Q22. It is important to note that the drop in milk sales volume was due to an outbreak of Foot and Mouth Disease (FMD) in 1Q22, which has since been contained. Parallel to this, powdered milk volume sales fell by 71% y-o-y which led to a revenue decline of 60% y-o-y to EGP 4.4 million in 1Q22. The decline in powdered milk volume sales during the period was due to a 38% y-o-y increase in powdered milk prices. Overall, livestock revenues grew by 4% y-o-y to EGP 176.5 million in 1Q22, compared to EGP 170.3 million in the same quarter last year.

At the agriculture division, despite an increase in the parsley cultivated area to 600 feddans in 1Q22 from 350 feddans in 1Q21, revenues remained largely unchanged at EGP 22.7 million in 1Q22. The flat revenue was due to an 87% y-o-y decline in summer citrus sales to EGP 1 million, which was driven by a fall in prices during the period.

Finally, revenues at the retail division grew by 15% y-o-y to EGP 13.1 million following the completion of road construction work on the Alex/Cairo Road, which had previously hindered customers' ability to shop at the outlet.

On the profitability front, Dina Farms booked a 3% y-o-y increase in EBITDA to EGP 29.9 million in 1Q22 despite significant price increases of key components stemming from the ongoing Russo-Ukraine conflict. Corn and soybean prices recorded significant increases and pressured contribution margins, while milk prices increased by 17% y-o-y in 1Q22. Fertilizer and agricultural input prices have also increased, with some items increasing by 100% y-o-y during the period.

ICDP

ICDP's total SKU volumes grew by 17% y-o-y to 4,388 tons in 1Q22 on the back of improved post-Covid-19 market conditions, resulting in a revenue increase of 29% y-o-y to EGP 108.6 million in 1Q22. Top line performance was further supported as ICDP transitioned from selling through distributors to selling directly through its own network of branches in Cairo, Giza, Alexandria and the Delta region. This transition allowed the company to increase sales volumes, lower return rates and saw it offer zero discounts during the year.

Milk revenue increased by 51% y-o-y to EGP 66.7 million due to an increase in milk prices and volumes in 1Q22. Milk prices were up 24% y-o-y to EGP 20,470 per ton, while volumes grew by 22% y-o-y to 3,256 tons in 1Q22. On the other hand, skimmed milk powder revenues declined by 56% y-o-y to EGP 4.6 million in 1Q22 on account of lower volumes.

ICDP's juice revenues continued to exceed expectations and grew by 83% y-o-y to EGP 16.4 million in 1Q22. The strong performance was fueled by a 66% y-o-y increase in juice volumes to 561 tons, coupled with a 10% y-o-y increase in juice prices during the period.

The yogurt segment recorded a 34% y-o-y increase in revenues to EGP 8.6 million 1Q22 driven by a 10% y-o-y increase in prices as well as a 22% y-o-y increase in volume sales to 348 tons during the period. Yogurt revenue was further supported by the new direct distribution channels and various product launches introduced throughout the year.

Meanwhile at ICDP's cheese segment, a 40% y-o-y increase in volume sales to 84 tons coupled with a 5% y-o-y increase in prices led to a 47% y-o-y increase in the segment's revenues to EGP 5.8 million in 1Q22. Management at ICDP is looking forward to the new cheese line that is planned to be commissioned in 2022, which will help introduce new cheese products to the market.

ICDP delivered robust profitability in 1Q22, with EBITDA increasing five-fold y-o-y to EGP 12.2 million during the period. The strong EBITDA performance reflects higher sales volumes, zero discounts and lower fixed costs due to full capacity utilization.

Looking ahead, management aims to increase contribution from its juice segment and generate higher value to continue supporting profitability. Management is also planning to ramp up production of cheese and yogurt products through the installation of a new cheese line. Furthermore, ICDP will continue to expand its product range and increase its direct distribution given that the latter has proven very effective in improving 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-II, which consolidates the company's operations in Egypt and South Sudan. In 1Q22, the Nile logistics underwent a restructure following an EGP 1.0 billion loan settlement with two banks, thereby settling all outstanding bank debt. CCTO-II revenues increased by 92% y-o-y to EGP 93.6 million in 1Q22 on account of a strong performance at Nile Logistics, while EBITDA more than tripled year-on-year from EGP 11.8 million in 1Q21 to EGP 42.1 million in 1Q22.

Key Performance Indicators

	Units	1Q21	1Q22	% chg
CCTO-II (Nile Logistics Holding Co.) Revenues	(EGP mn)	48.8	93.6	92%
CCTO-II (Nile Logistics Holding Co.) EBITDA	(EGP mn)	11.8	42.1	256%
Nile Logistics Revenues	(EGP mn)	45.8	84.3	84%
Nile Logistics EBITDA	(EGP mn)	15.9	42.9	169%
Nile Logistics Coal / Pet Coke Tons Handled	(000's Tons)	110	284	159%
Nile Logistics Twenty-Foot Equivalent Handled	(TEU)	18,856	26,004	38%
Nile Barges Revenues (South Sudan)	(USD mn)	0.2	0.6	199%
Nile Barges EBITDA (South Sudan)	(USD mn)	0.11	0.4	254%

Nile Logistics (Egypt)

Nile Logistics recorded revenues of EGP 84.3 million in 1Q22, up by a solid 84% y-o-y compared to the EGP 45.8 million in 1Q21. The company's strong performance during the quarter was driven by broad based improvement across all divisions.

Revenue from the stevedoring operations grew by 77% y-o-y to EGP 21.7 million in 1Q22, an impressive feat considering the challenges related to anchorage operations in Alexandria, including the closure of the small lock all through the quarter – reopened in May 2022 – while the main lock had been closed for nearly 15 days during 1Q22 due to bad weather conditions and maintenance works. Additionally, with the start of dredging works at the port, the inner anchorage area was unavailable during the quarter.

Nonetheless, the company was able to handle 284 thousand tons of coal and pet coke in 1Q22, up 159% y-o-y, while grain stevedoring recorded an increase of 189% y-o-y to 40 thousand tons during the same period. In 1Q22, coal volume handled at Tanash's coal warehouse grew substantially by 57% y-o-y to 27.1 thousand tons. Similarly, grain storage operations at the Nubaria warehouse were up 54% y-o-y to 138 thousand tons in 1Q22.

At the inland container depot, volumes of Twenty-foot Equivalent Units (TEUs) handled increased 38% y-o-y in 1Q22 to 26,004 containers, generating EGP 22.1 million in revenue or a 36% y-o-y increase compared to 1Q21. The growth was also driven by a 13% y-o-y increase in the number of storage days for the TEUs which reached 38,866 days in 1Q22 versus 34,471 days in 1Q21. Additionally, reefer power-days increased 28% y-o-y to 38,042 days in 1Q22.

Improved revenue performance across the company's operations saw Nile Logistics' EBITDA increase nearly threefold to EGP 42.9 million in 1Q22 compared to EGP 15.9 million in 1Q21.

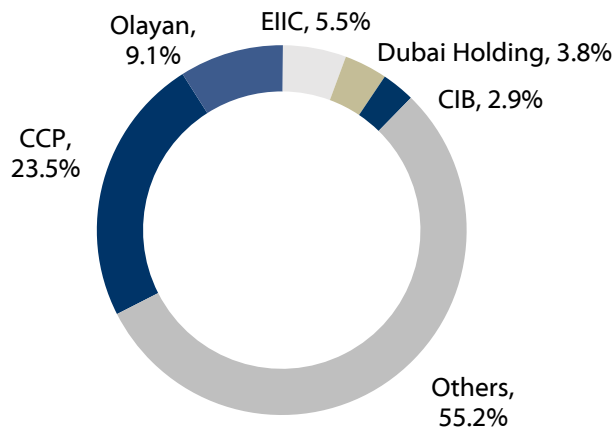
Nile Barges (South Sudan)

Nile Barges' operations in South Sudan focus on the transportation of food under the auspices of the World Food Program (WFP). The company currently has two pushers and eight barges in service, with plans to add a third pusher by late 1H22 dependent on the country's political situation. This would be the company's final pusher and will bring its targeted fleet size to completion.

In 1Q22 Nile Barges completed and invoiced two trips with an additional two in progress and expected to conclude in late 2Q22. This compares to only one trip completed in 1Q21 and consequently revenues doubled year-on-year to USD 576.0 thousand in 1Q22, while EBITDA increased 254% y-o-y to USD 378.0 thousand. The improved performance was driven by a higher number of trips and also reflects higher volumes of food items transported, which totaled 2,685 tons in 1Q22 versus 81 tons in 1Q21.

SHAREHOLDER STRUCTURE

(as at 31 March 2022)



SHARE INFORMATION

CCAP.CA on the EGX

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

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