Qalaa Holdings Reports 3Q 2022 Results

- *Qalaa's consolidated revenue grew 86% year-on-year to EGP 23,722.2 million in 3Q22 and recurring EBITDA reached EGP 8,841.2 million compared to EGP 1,205.5 million in 3Q21, supported by strong performances across all subsidiaries and improved refining margins at ERC;*
- *Qalaa remained profitable for the second consecutive quarter, booking a net profit of EGP 16.7 million in 3Q22 compared to a net loss of EGP 440.7 million in the same quarter last year, despite an FX loss of EGP 236.2 million in 3Q22 resulting from the depreciation of the Egyptian Pound;*
- *ERC was the primary driver behind consolidated revenue growth, contributing c.75% to Qalaa's total revenue in 3Q22;*
- *Excluding ERC, Qalaa's revenue grew by 25% year-on-year and recurring EBITDA increased by 103% year-on-year in 3Q22 driven by positive performances across almost all Qalaa's subsidiaries;*
- *TAQA Arabia's solid top line results reflect strong performance at TAQA Petroleum and were further supported by higher power generation and distribution volumes at TAQA Power and CNG volume growth at TAQA Gas;*
- *ASEC Holdings delivers stable year-on-year revenue despite Al-Takamol Cement performance being impacted by political turmoil in Sudan and a difficult rainy season, which affected sales volume;*
- *National Printing saw improved volumes and benefitted from higher prices at all its companies. El Baddar continued capitalizing on its new cutting-edge facility, while growth in domestic sales outweighed a decline in export sales at Shorouk for Modern Printing and Packaging and Uniboard;*
- *ASCOM's topline growth was driven by improved performance at ACCM and volume expansion at GlassRock;*
- *Dina Farms Holding's revenue grew year-on-year as ongoing facility enhancement projects enhance operations at Dina Farms and ICDP benefits from its direct distribution strategy as well as improved pricing;*
- *The Group's export proceeds recorded c. USD 27.1 million in 3Q22, while local foreign currency revenue recorded c. USD 987.2 million. Moving forward, the Group will continue focusing on exports and leverage the cost advantage available to local manufacturers;*
- *ERC's receivables from EGPC continue to accumulate and have reached EGP 10.2 billion as of 30 September 2022;*
- *Finalizing debt restructuring at Qalaa Holdings remains a priority, yet the process is slowed by the ongoing FX turbulence;*
- *Qalaa ideally positioned to benefit from macroeconomic dynamics and management is confident that the strategy of incremental investments and gradual deleveraging will continue to pay dividends in the future;*
- *Qalaa's bottom-line profitability will be affected in the coming period owing to the depreciation of the Egyptian pound, with an anticipated FX based loss in the fourth quarter;*

3Q 2022 Consolidated Income Statement Highlights	
Revenue EGP 23,722.2 mn vs. EGP 12,781.3 mn in 3Q21	
EBITDA* EGP 8,841.2 mn Vs. EGP 1,205.5 mn in 3Q21	Net Income After Minority EGP 16.7 mn vs. EGP (440.7) mn in 3Q21

3Q 2022 Consolidated Income Statement Highlights (excluding ERC)	
Revenue EGP 5,860.8 mn vs. EGP 4,683.0 mn in 3Q21	EBITDA* EGP 1,057.1 mn vs. EGP 520.6 mn in 3Q21

Highlights from Consolidated Balance Sheet at 30 September 2022	
Consolidated Assets EGP 115,623.2 mn At current book value vs. EGP 84,268.4 mn in FY21	Consolidated Debt EGP 71,754.3 mn Of which EGP 47,140.7 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), released today its consolidated financial results for the third quarter ending 30 September 2022. The Group recorded an 86% y-o-y increase in revenue to EGP 23,722.2 million in 3Q22, and recurring EBITDA of EGP 8,841.2 million compared to EGP 1,205.5 million in 3Q21. 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 higher global commodity prices benefitted the Group's consolidated performance during the quarter.

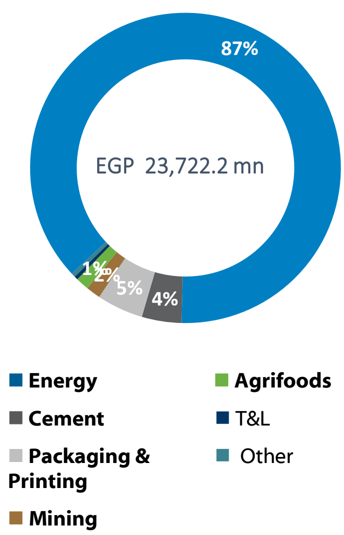
It is worth noting that ERC's refining margins averaged USD 5.0 million per day in 3Q22 compared to USD 1.2 million per day in 3Q21, as a result of higher oil product prices. Excluding ERC, Qalaa's revenue grew by 25% y-o-y to EGP 5,860.8 million in 3Q22 and recurring EBITDA increased by two-fold year-on-year to EGP 1,057.1 million in 3Q22.

At Qalaa's bottom-line, the Group remained profitable for the second consecutive quarter, booking a net income after minority of EGP 16.7 million in 3Q22 compared to a net loss of EGP 440.7 million in the same quarter last year. The net profit figure was realized despite an FX loss of EGP 236.2 million booked in 3Q22 on the back of the depreciation of the Egyptian pound.

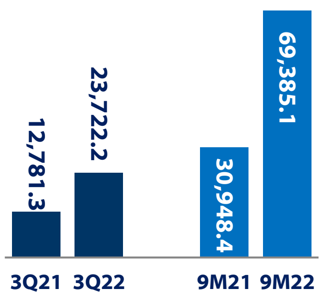
Financial and operational highlights follow, as do management's comments and overview of the performance of different business units. Full financials are now available for download at ir.qalaaholdings.com.

Financial and Operational Highlights

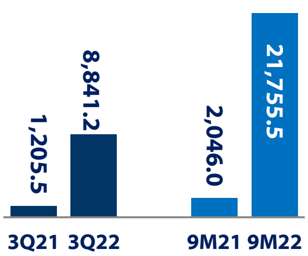
QALAA HOLDINGS CONSOLIDATED REVENUE 3Q22



REVENUE PROGRESSION
(EGP mn)



RECURRING EBITDA PROGRESSION
(EGP mn)



- **Qalaa's consolidated revenue grew by 86% y-o-y to EGP 23,772.2 million in 3Q22, primarily driven by ERC's contribution.**

  ERC's revenue increased more than two-fold year-on-year to EGP 17,861.4 million in 3Q22, constituting 75% of Qalaa Holdings' top line for the quarter. The performance was driven by higher refined petroleum product prices and improved operational efficiency exemplified by no slowdowns or shutdowns in ERC's operation during the quarter.

- **Excluding ERC, Qalaa's revenue grew by 25% y-o-y to EGP 5,860.8 million in 3Q22, driven by improved performances across all its subsidiaries.**

  TAQA Arabia's revenue grew 19% y-o-y during the quarter to EGP 2,863.5 million. Revenue growth was primarily driven by a strong performance at TAQA Petroleum and was further supported by higher power generation and distribution volumes at TAQA Power and CNG volume growth at TAQA Gas.

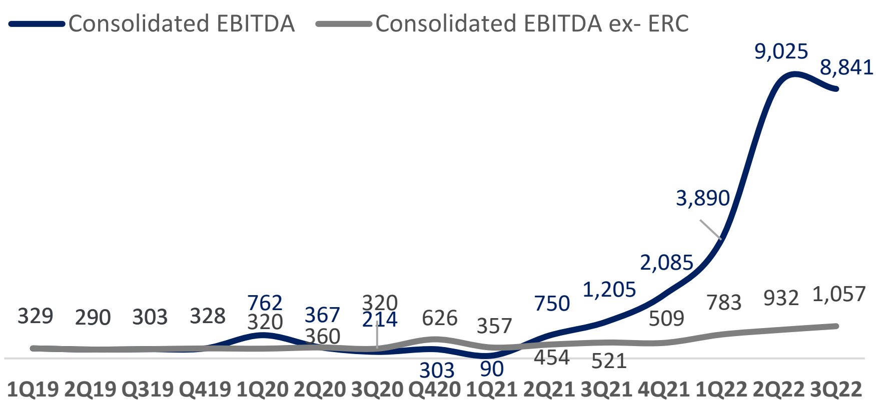
  National Printing delivered a 67% y-o-y top line increase in 3Q22 as it continued reaping the rewards of its new El Baddar state-of-the-art facility. Additionally, higher volume and an optimized pricing strategy at both Shorouk and Uniboard reflected positively on National Printing's results during the quarter. Meanwhile, ASCOM delivered a 55% y-o-y increase in top-line to EGP 357.3 million in 3Q22 supported by higher export proceeds at ACCM as well as increased volume and higher prices at GlassRock.

  At ASEC Holding revenue was stable year-on-year, standing at EGP 977.9 million in 3Q22, as Al-Takamol Cement faced a difficult rainy season and political turmoil in Sudan, which affected sales volume. Meanwhile, Dina Farms Holding's revenue reached EGP 327.0 million in 3Q22, up 42% y-o-y backed by improved operations at Dina Farms and ICDP's revenue benefiting from higher prices and direct distribution strategy. Finally, Nile Logistics delivered a 14% y-o-y increase in revenue to EGP 89.9 million in 3Q22.

- **Qalaa's recurring EBTIDA increased substantially to EGP 8,841.2 million in 3Q22 compared to EGP 1,205.5 million in 3Q21. Profitability was primarily supported by ERC's positive performance during the quarter.**

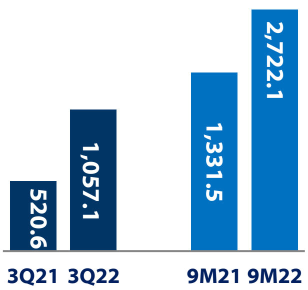
  ERC's gross refining margin improved significantly to USD 5.0 million per day versus USD 1.2 million per day in the same quarter last year on account of higher prices of refined petroleum products and improved operational efficiency.

Consolidated Recurring EBITDA Progression Chart* (EGP mn)

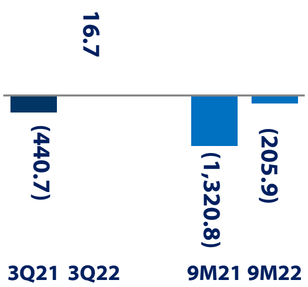


**ERC started operation in 1Q20*

RECURRING EBITDA PROGRESSION (Excluding ERC) (EGP mn)



NET PROFIT PROGRESSION (EGP mn)



Excluding ERC, Qalaa recorded a recurring EBITDA increase of 103% y-o-y to EGP 1,057.1 million in 3Q22, driven by improved profitability across most of the Group's subsidiaries.

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

- **Depreciation and amortization expenses stood at EGP 1,403.3 million in 3Q22, up 25% y-o-y compared to EGP 1,124.9 million in 3Q21, of which EGP 1,124.9 million are related to ERC. The year-on-year increase is primarily due to the depreciation of the Egyptian Pound.**

- **Bank interest expense recorded EGP 1,487.3 million in 3Q22, up 29% y-o-y versus the EGP 1,152.3 million recorded in 3Q21. The increase was attributed to higher interest rates, reflecting global monetary tightening, along with the impact of FX translations.**

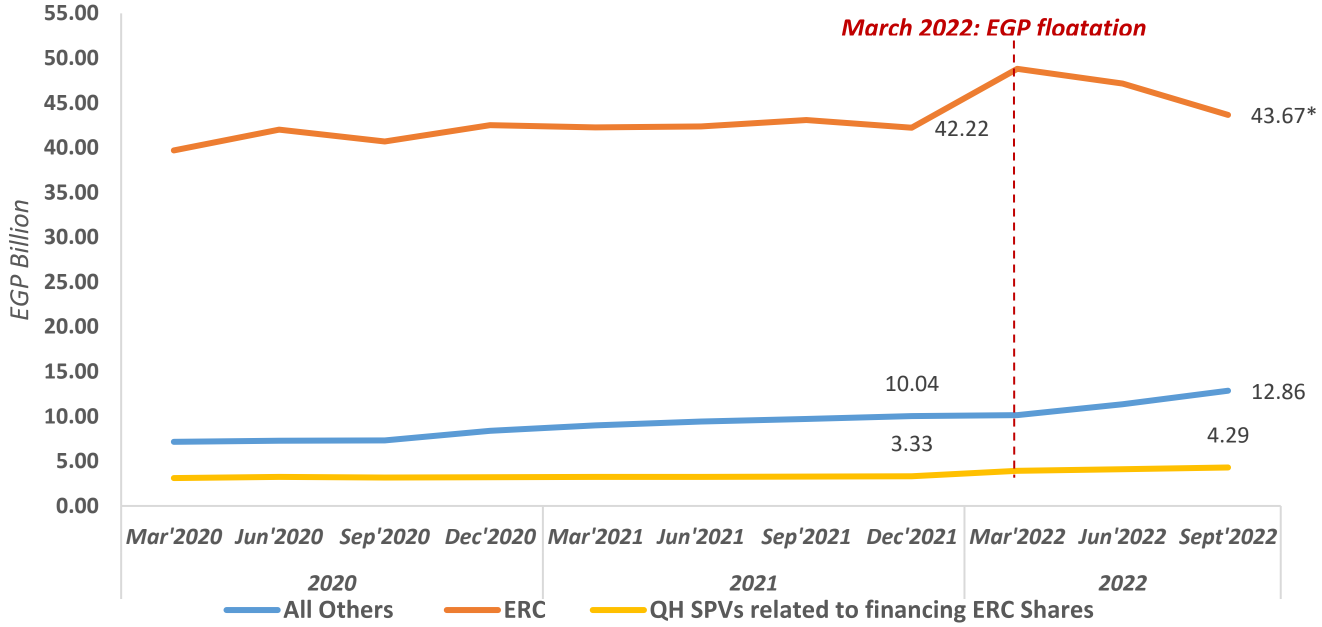
- **Qalaa recorded an FX loss of EGP 236.2 million in 3Q22 compared to a gain of EGP 82.8 million in 3Q21. The depreciation of the Egyptian Pound was the main reason behind the loss due to the predominantly dollar denominated debts at Qalaa Holdings and its fully owned affiliates.**

- **Qalaa Holdings recorded a consolidated net income after minority interest of EGP 16.7 million in 3Q22 compared to a net loss of EGP 440.7 million in 3Q21.**

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

- **Qalaa's consolidated net debt, excluding ERC and ERC-related debt, stood at EGP 12.86 billion as of 30 September 2022 compared to EGP 10.04 billion as of 31 December 2021. The increase was partially driven by exchange rate fluctuation. Meanwhile at ERC, the company paid USD 146.5 million in principal payments in 3Q22, and is on track to become current on all due principal installments by 1Q23.**

Net Debt Progression (EGP bn)



*EGPC receivables of EGP 10.2 billion were not offset from the debt

Management Comment

"Overall, Qalaa is on the right side of the macroeconomic equation and our outlook remains positive."

"I am extremely pleased with Qalaa's continued strong top-line growth and solid performance across the Group during the third quarter of the year. Qalaa continued demonstrating its resiliency and agility during tough and uncertain times," **said Qalaa Holdings' Chairman and Founder Ahmed Heikal.** "The Group delivered impressive year-on-year topline growth of 86%, a seven-fold growth in EBITDA, and despite a sizable FX loss resulting mainly from currency depreciation, it remained profitable for the second consecutive quarter this year."

"Qalaa's resilience and strengthening foundations position it well to navigate an everchanging global economic and political landscape. The world today is entering a period of long-term adjustment with the era of low inflation and cheap money ending. Today, high interest rates and elevated debt-to-GDP ratios will present a chokehold on global growth rates that will weigh heavily on emerging markets and the flow of funds over the coming decade. Yet with every challenge comes opportunity. With the rise of deglobalization and the decoupling of Western economies from their manufacturing hubs in China, countries like Egypt stand to benefit if they adopt the right policies. Despite the macroeconomic challenges Egypt is facing, we are ideally positioned to capitalize on this global re-engineering, serving as a viable manufacturing hub for European economies, an entry point to African markets, and a non-aligned economic bridge between east and west. These dynamics present significant investment opportunities for local infrastructure and manufacturing powerhouses like Qalaa," **said Heikal.**

"Across the board, our subsidiaries are already demonstrating their competitive advantage in this new dynamic and are reaping the rewards of Qalaa's carefully executed growth and investment strategies, with solid performances in our energy, cement, printing, mining, agriculture, and logistic businesses. A key theme has been the continued capitalization on high oil prices, local manufacturing, and import-substitute plays, with our portfolio structure providing a strong shield against devaluation pressures. Overall, Qalaa is on the right side of the macroeconomic equation and our outlook remains positive. We have already earmarked several small and medium-sized investments on the horizon, as well as more strategic ones to be executed within the next two-to-three years, that will continue driving our momentum forward," **Heikal added.**

"I am very pleased with Qalaa's ability to sustain its performance and deliver a positive net income for the second consecutive quarter during these challenging times, thanks to broad-based growth across our portfolio," **said Hisham El-Khazindar, Qalaa Holdings' Co-Founder and Managing Director.** "At TAQA Arabia, we continued to capture growing energy demand for our downstream operations, from natural gas distribution to power generation, CNG and fueling stations. Similarly, rising oil prices have been a boon for our oil refining business, with a solid recovery in refining margins as reflected on ERC's profitability. Meanwhile, at our mining and printing businesses, Qalaa position as an import-substitute and export play is driving sustainable consolidated growth and USD proceeds for the Group. Finally, our agriculture and logistics businesses continue to demonstrate their solid investment fundamentals and hold significant promise for the Group going forward."

"Our key focus heading in 2023 will be to continue driving EBITDA growth and build on the significant progress we have achieved when it comes to business development, cost cutting, and operational efficiencies, all of which are here to stay. These efforts have seen our recurring EBITDA excluding ERC record a significant 103% y-o-y increase to EGP 1,057.1 million on the back of broad-based growth, with the largest contributors being TAQA, National Printing and Cement."

"Equally important in the coming period is reducing our risk levels with a specific focus on deleveraging and growing the Group's cash flows. On the former, we are at the tail-end of our restructuring and deleveraging journey, with ERC on track to become current on all due principal payments by 1Q2023, while progress continues to be made on restructuring Qalaa's holding level debt. The progress, however, is being slowed by the current currency volatility. Meanwhile, our cash generation ability will continue to improve with growing EBITDA, and as inventory levels normalize following a period of prudent build up to hedge against global supply chain disruptions and spiraling inflation."

"Overall, our performance during the third quarter of 2022 is a testament to our strength, resiliency, and flexibility when coming up against unprecedented challenges and uncertainties, and we look forward to continue delivering exceptional results for many quarters to come," **concluded El-Khazindar.**

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

Methods of Consolidation

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

Qalaa Holdings Consolidated Income Statement (in EGP mn)

	1Q 2022	2Q 2022	3Q 222	9M 2022	1Q 2021	2Q 2021	3Q 2021	9M 2021
Revenue	18,681.6	26,981.2	23,722.2	69,385.1	7,994.7	10,172.4	12,781.3	30,948.4
COS	(14,308.8)	(17,413.5)	(14,288.8)	(46,011.1)	(7,442.1)	(8,907.8)	(11,181.8)	(27,531.7)
Gross Profit	**4,372.8**	**9,567.8**	**9,433.4**	**23,374.0**	**552.7**	**1,264.5**	**1,599.4**	**3,416.7**
Advisory Fee	-	-	-	-	-	-	-	-
Total Operating Profit	**4,372.8**	**9,567.8**	**9,433.4**	**23,374.0**	**552.7**	**1,264.5**	**1,599.4**	**3,416.7**
SG&A	(510.6)	(598.9)	(610.7)	(1,720.2)	(478.7)	(521.4)	(417.2)	(1,417.3)
Other revenue-Export Subsidy	37.8	51.4	35.9	125.0	9.7	8.0	27.6	45.2
Other inc/exp-Net	(10.3)	4.3	(17.3)	(23.3)	6.8	(1.0)	(4.4)	1.3
EBITDA before one-off charges	**3,889.7**	**9,024.5**	**8,841.2**	**21,755.5**	**90.5**	**750.0**	**1,205.5**	**2,046.0**
SG&A (Non recurring)	10.8	(2.7)	3.6	11.7	22.8	(17.4)	(10.0)	(4.5)
EBITDA	**3,900.5**	**9,021.8**	**8,844.8**	**21,767.2**	**113.3**	**732.7**	**1,195.5**	**2,041.4**
Dep./Amort.	(1,192.8)	(1,333.6)	(1,403.3)	(3,929.6)	(1,068.4)	(1,086.6)	(1,124.9)	(3,280.0)
EBIT	**2,707.8**	**7,688.2**	**7,441.5**	**17,837.5**	**(955.1)**	**(353.9)**	**70.5**	**(1,238.5)**
Finance Cost	(1,102.2)	(1,140.6)	(1,487.3)	(3,730.0)	(851.4)	(910.2)	(1,152.3)	(2,913.9)
Bank PIK	(37.5)	(46.1)	(62.4)	(146.0)	(32.9)	(34.7)	(35.6)	(103.1)
3rd party Shareholder	(97.3)	(99.8)	(113.6)	(310.7)	(80.2)	(84.7)	(75.2)	(240.1)
Interest income	183.3	202.5	226.3	612.1	92.8	136.8	162.9	392.5
Lease Payments	(19.5)	(74.7)	(35.0)	(129.2)	(34.3)	(38.6)	(37.7)	(110.6)
EBT (before one-offs)	**1,808.2**	**6,715.2**	**6,074.8**	**14,598.2**	**(1,812.1)**	**(1,172.3)**	**(1,071.4)**	**(4,055.8)**
Impairments/write downs	(7.6)	(17.7)	(12.4)	(37.7)	(11.8)	1.4	(16.2)	(26.6)
Acquisitions and restructuring	818.6	(8.3)	(67.2)	743.1	1.2	(1.4)	(2.8)	(3.0)
Share in associates' results	(12.3)	12.5	17.3	17.5	9.0	(4.4)	2.7	7.3
CSR	(2.5)	(3.6)	(1.0)	(7.1)	(9.5)	(2.7)	-	(12.2)
Provisions	(277.3)	(117.5)	(117.9)	(512.7)	(107.0)	(107.6)	(189.6)	(404.2)
Forex	(1,225.9)	(89.9)	(236.2)	(1,552.0)	17.4	54.9	82.8	155.0
EBT	**1,101.1**	**6,490.7**	**5,657.3**	**13,249.1**	**(1,912.8)**	**(1,232.2)**	**(1,194.6)**	**(4,339.6)**
Taxes	(131.0)	(124.5)	(1,127.1)	(1,382.6)	(42.3)	(50.1)	(84.6)	(177.0)
NP/L Including Minority Share	**970.1**	**6,366.3**	**4,530.2**	**11,866.5**	**(1,955.1)**	**(1,282.3)**	**(1,279.1)**	**(4,516.6)**
Minority Interest	1,554.2	6,004.7	4,513.5	12,072.4	(1,476.5)	(880.8)	(838.5)	(3,195.8)
NP/L for the Period	**(584.1)**	**361.6**	**16.7**	**(205.9)**	**(478.6)**	**(401.5)**	**(440.7)**	**(1,320.8)**

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

			Energy		Cement	T&L^	Mining	Agrifoods	Others				
	QH	SPVs	Orient	Silverstone	NDT	CCTO	ASCOM	Falcon	Misc.*	Grandview	Elimination	3Q 2022	3Q 2021
Revenue	-	-	17,861.4	2,863.5	977.9	89.9	357.3	327.0	99.6	1,147.1	(1.5)	23,722.2	12,781.3
Cost of Sales	-	-	(9,903.3)	(2,464.3)	(615.4)	(34.3)	(197.9)	(243.4)	(78.9)	(752.9)	1.5	(14,288.8)	(11,181.8)
Gross Profit	**-**	**-**	**7,958.0**	**399.2**	**362.5**	**55.6**	**159.4**	**83.6**	**20.7**	**394.2**	**-**	**9,433.4**	**1,599.4**
Advisory fee	25.5	-	-	-	-	-	-	-	-	-	(25.5)	-	-
Total Operating Profit	**25.5**	**-**	**7,958.0**	**399.2**	**362.5**	**55.6**	**159.4**	**83.6**	**20.7**	**394.2**	**(25.5)**	**9,433.4**	**1,599.4**
SG&A	(55.9)	0.1	(173.9)	(75.5)	(59.4)	(17.2)	(110.0)	(58.1)	(9.1)	(74.8)	23.1	(610.7)	(417.2)
Export incentive revenue	-	-	-	-	-	-	21.4	-	5.9	8.5	-	35.9	27.6
Other Income/Expenses	-	0.0	-	(3.5)	-	-	-	-	-	(13.9)	-	(17.3)	(4.4)
EBITDA (before one-offs)	**(30.4)**	**0.2**	**7,784.1**	**320.3**	**303.1**	**38.3**	**70.8**	**25.5**	**17.5**	**314.1**	**(2.4)**	**8,841.2**	**1,205.5**
Dividend Income	-	23.8	-	-	-	-	-	-	-	-	(23.8)	-	-
Non Recurring - Revenues & Costs	0.3	-	2.7	(7.6)	10.9	8.9	0.3	(9.7)	-	(3.4)	1.3	3.6	(10.0)
EBITDA	**(30.1)**	**24.0**	**7,786.8**	**312.7**	**314.0**	**47.2**	**71.1**	**15.8**	**17.5**	**310.7**	**(24.9)**	**8,844.8**	**1,195.5**
Depreciation & Amortization	(2.3)	-	(1,124.9)	(61.3)	(135.6)	(13.4)	(27.9)	(16.7)	(1.0)	(10.3)	(9.9)	(1,403.3)	(1,124.9)
EBIT	**(32.4)**	**24.0**	**6,661.9**	**251.3**	**178.4**	**33.8**	**43.3**	**(0.9)**	**16.5**	**300.5**	**(34.8)**	**7,441.5**	**70.5**
Finance Cost	(194.8)	(63.8)	(916.0)	(215.7)	(9.4)	0.1	(21.5)	(3.0)	(4.6)	(58.7)	-	(1,487.3)	(1,152.3)
Other Finance Cost	-	-	105.2	-	-	-	-	-	-	-	-	105.2	(4.1)
Bank PIK	-	(62.4)	-	-	-	-	-	-	-	-	-	(62.4)	(35.6)
3rd Party Shareholder	-	(17.3)	(31.8)	-	(191.2)	(12.7)	-	-	(0.3)	-	139.7	(113.6)	(75.2)
Interest Income	83.3	45.6	11.3	205.6	2.3	0.0	(0.1)	0.1	-	6.9	(128.7)	226.3	162.9
Finance Lease Charges/ NPV LT assets	-	-	(15.0)	-	(0.2)	(4.3)	-	(15.5)	-	-	-	(35.0)	(37.7)
EBT (before one-offs)	**(144.0)**	**(74.0)**	**5,815.6**	**241.2**	**(20.0)**	**17.0**	**21.7**	**(19.3)**	**11.6**	**248.7**	**(23.8)**	**6,074.8**	**(1,071.4)**
Impairments/Write-downs	(384.2)	(69.4)	(5.5)	(1.2)	(63.2)	(2.2)	4.9	-	2.6	54.5	451.4	(12.4)	(16.2)
Acquisitions, legal and restructuring	-	(54.6)	-	-	(12.6)	-	-	-	-	-	-	(67.2)	(2.8)
Share in Associates' Results	-	-	-	-	4.4	3.4	12.5	-	-	-	(3.1)	17.3	2.7
CSR	-	-	-	(1.0)	-	-	-	-	-	-	-	(1.0)	-
Provisions	(14.7)	(19.3)	-	2.3	(82.1)	(0.2)	(1.2)	(0.8)	(0.7)	(1.3)	-	(117.9)	(189.6)
Discontinued operation	-	-	-	-	-	-	-	-	-	-	-	-	-
FOREX	(117.8)	(17.2)	30.5	(3.9)	(133.2)	(6.3)	30.6	1.4	(29.4)	(11.1)	20.3	(236.2)	82.8
EBT	**(660.6)**	**(234.6)**	**5,840.6**	**237.4**	**(306.7)**	**11.6**	**68.5**	**(18.6)**	**(15.9)**	**290.7**	**444.9**	**5,657.3**	**(1,194.6)**
Taxes	0.3	-	(991.0)	(37.6)	(32.5)	(1.4)	-	(0.3)	(0.0)	(65.6)	1.1	(1,127.1)	(84.6)
Net P/L Before Minority Share	**(660.3)**	**(234.6)**	**4,849.6**	**199.9**	**(339.2)**	**10.2**	**68.5**	**(18.9)**	**(16.0)**	**225.1**	**445.9**	**4,530.2**	**(1,279.1)**
Minority Interest	-	-	2,904.4	42.0	111.8	1.8	1.8	(0.0)	(0.0)	126.1	1,325.5	4,513.5	(838.5)
Net Profit (Loss)	**(660.3)**	**(234.6)**	**1,945.1**	**157.9**	**(451.0)**	**8.4**	**66.7**	**(18.9)**	**(16.0)**	**99.0**	**(879.6)**	**16.7**	**(440.7)**

* Miscellaneous includes UCF, Wafra & Sphinx Egypt.

^ T&L represents Transportation & Logistics

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

			Energy		Cement	T&L^	Mining	Agrifoods	Others			
	QH	SPVs	Orient	Silverstone	NDT	CCTO	ASCOM	Falcon	Misc.*	Grandview	Elimination	9M 2022
Revenue	-	-	53,043.4	7,650.8	3,063.2	251.5	998.5	945.8	294.7	3,198.0	(60.8)	69,385.1
Cost of Sales	-	-	(33,594.4)	(6,622.4)	(2,204.2)	(101.5)	(602.7)	(706.4)	(233.3)	(2,007.1)	60.8	(46,011.1)
Gross Profit	**-**	**-**	**19,449.0**	**1,028.4**	**859.0**	**150.0**	**395.9**	**239.4**	**61.4**	**1,190.9**	**-**	**23,374.0**
Advisory fee	70.9	-	-	-	-	-	-	-	-	-	(70.9)	-
Total Operating Profit	**70.9**	**-**	**19,449.0**	**1,028.4**	**859.0**	**150.0**	**395.9**	**239.4**	**61.4**	**1,190.9**	**(70.9)**	**23,374.0**
SG&A	(178.1)	(9.6)	(465.7)	(216.7)	(160.9)	(51.6)	(292.3)	(162.0)	(27.3)	(220.7)	64.7	(1,720.2)
Export Subsidy revenue	-	-	-	-	-	-	61.2	-	22.5	41.3	-	125.0
Other Income/Expenses	-	(0.9)	-	(8.5)	-	-	-	-	-	(13.9)	-	(23.3)
EBITDA (before one-offs)	**(107.2)**	**(10.6)**	**18,983.4**	**803.3**	**698.1**	**98.4**	**164.8**	**77.4**	**56.5**	**997.6**	**(6.2)**	**21,755.5**
Dividend Income	-	57.3	-	-	-	-	-	-	-	-	(57.3)	-
Non Recurring - Revenues & Costs	(6.0)	(8.4)	42.2	(3.4)	18.4	7.2	4.1	(31.1)	0.2	(19.7)	8.3	11.7
EBITDA	**(113.2)**	**38.3**	**19,025.5**	**799.8**	**716.5**	**105.5**	**168.9**	**46.3**	**56.8**	**977.9**	**(55.2)**	**21,767.2**
Depreciation & Amortization	(6.9)	-	(3,170.0)	(171.5)	(292.6)	(44.0)	(77.4)	(69.9)	(3.3)	(61.2)	(32.7)	(3,929.6)
EBIT	**(120.1)**	**38.3**	**15,855.5**	**628.3**	**423.9**	**61.5**	**91.6**	**(23.6)**	**53.5**	**916.6**	**(87.9)**	**17,837.5**
Finance Cost	(483.2)	(154.3)	(2,262.2)	(547.3)	(33.0)	(30.8)	(62.5)	(7.3)	(7.8)	(141.8)	-	(3,730.0)
Other Finance Cost		-	464.4						-			464.4
Bank PIK	-	(146.0)	-	-	-	-	-	-	-	-	-	(146.0)
3rd Party Shareholder	-	(59.1)	(69.4)	-	(536.2)	(42.9)	-	-	(0.6)	-	397.6	(310.7)
Interest Income	236.1	171.2	12.6	552.1	6.4	0.2	0.1	1.1	-	12.0	(379.6)	612.1
Finance Lease Charges/ NPV LT assets	-	-	(44.2)	(26.7)	(0.6)	(15.7)	-	(42.1)	-	-	-	(129.2)
EBT (before one-offs)	**(367.2)**	**(149.9)**	**13,956.7**	**606.4**	**(139.5)**	**(27.6)**	**29.2**	**(71.8)**	**45.1**	**786.8**	**(69.9)**	**14,598.2**
Gain (Loss) on sale of investments	-	-	-	-	-	546.3	-	-	-	-	(546.3)	-
Impairments/Write-downs	(498.7)	(316.6)	(20.7)	(2.1)	(69.1)	(3.3)	2.7	-	(0.5)	57.6	813.0	(37.7)
Acquisitions, legal and restructuring	(30.5)	788.2	-	(1.9)	(12.7)	-	-	-	-	-	-	743.1
Share in Associates' Results	-	-	-	-	7.9	3.4	19.4	-	-	-	(13.3)	17.5
CSR	(0.3)	-	-	(6.9)	-	-	-	-	-	-	-	(7.1)
Provisions	(14.7)	(184.8)	-	(56.3)	(225.0)	(0.7)	(3.6)	(2.0)	(6.8)	(18.8)	-	(512.7)
Discontinued operation	-	-	-	-	-	-	-	-	-	-	-	-
FOREX	(579.8)	(117.7)	228.6	(18.1)	(1,059.9)	(6.4)	88.8	14.9	(165.4)	19.6	43.5	(1,552.0)
EBT	**(1,491.2)**	**19.1**	**14,164.5**	**521.0**	**(1,498.2)**	**511.6**	**136.5**	**(58.9)**	**(127.6)**	**845.2**	**227.1**	**13,249.1**
Taxes	(0.4)	-	(950.9)	(117.6)	(109.9)	(1.4)	-	(1.2)	0.2	(205.2)	3.8	(1,382.6)
Net P/L Before Minority Share	**(1,491.6)**	**19.1**	**13,213.6**	**403.5**	**(1,608.2)**	**510.2**	**136.5**	**(60.1)**	**(127.4)**	**640.0**	**230.9**	**11,866.5**
Minority Interest	-	-	7,779.9	115.5	228.1	164.2	3.5	(0.0)	(0.0)	411.3	3,369.8	12,072.4
Net Profit (Loss)	**(1,491.6)**	**19.1**	**5,433.7**	**287.9**	**(1,836.3)**	**346.0**	**133.0**	**(60.1)**	**(127.4)**	**228.7**	**(3,138.9)**	**(205.9)**

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

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

		Energy		Cement	T&L^	Mining	Agrifoods	Others					
	QH	Orient	Silverstone	NDT	CCTO	ASCOM	Falcon	Misc.*	Grandview	9M 2022 Aggregation	Eliminations/ SPVs	9M 2022	FY 2021
Current Assets													
Trade and Other Receivables	4,350.2	11,045.7	2,259.8	2,016.0	150.0	653.8	144.2	613.3	1,614.0	22,847.1	(5,405.8)	17,441.2	6,687.6
Inventory	-	1,884.8	637.7	1,513.6	7.7	144.8	328.9	54.8	834.1	5,406.4	(0.0)	5,406.4	3,255.1
Assets Held For Sale	-	-	-	4.8	-	-	-	132.7	9.8	147.3	(123.9)	23.4	22.7
Cash and Cash Equivalents	18.3	3,470.5	6,921.0	103.7	25.0	66.0	32.9	10.4	210.3	10,858.1	70.7	10,928.8	6,654.4
Others	-	-	-	-	-	-	10.4	-	-	10.4	0.0	10.4	17.4
Total Current Assets	**4,368.5**	**16,401.0**	**9,818.6**	**3,638.2**	**182.7**	**864.6**	**516.4**	**811.2**	**2,668.1**	**39,269.2**	**(5,459.0)**	**33,810.2**	**16,637.1**
Non-Current Assets													
PP&E	7.2	65,845.9	4,045.9	4,481.5	677.0	966.3	789.1	656.6	1,202.8	78,672.3	(31.4)	78,641.0	65,388.0
Investments	5,547.1	-	52.1	361.6	171.4	112.4	-	4.9	108.5	6,358.0	(5,591.1)	766.9	563.2
Goodwill / Intangible assets	9.4	322.8	412.5	-	-	1.7	-	-	-	746.5	49.7	796.2	763.4
Others	4,117.4	624.9	367.3	243.2	-	-	373.7	-	-	5,726.4	(4,117.5)	1,608.9	916.8
Total Non-Current Assets	**9,681.2**	**66,793.6**	**4,877.8**	**5,086.3**	**848.4**	**1,080.4**	**1,162.7**	**661.5**	**1,311.3**	**91,503.2**	**(9,690.3)**	**81,812.9**	**67,631.4**
Total Assets	**14,049.7**	**83,194.6**	**14,696.4**	**8,724.5**	**1,031.1**	**1,945.0**	**1,679.1**	**1,472.7**	**3,979.3**	**130,772.5**	**(15,149.3)**	**115,623.2**	**84,268.4**
Shareholders' Equity													
Total Equity Holders of the Company	**2,671.4**	**14,753.3**	**1,583.1**	**(7,720.0)**	**(850.8)**	**(4.7)**	**(139.8)**	**(1,172.1)**	**260.3**	**9,380.7**	**(21,647.3)**	**(12,266.6)**	**(12,256.3)**
Minority Interest	-	11,795.2	707.1	3,299.9	(265.7)	(89.1)	(0.0)	(1.5)	729.4	16,175.2	9,350.2	25,525.4	9,882.0
Total Equity	**2,671.4**	**26,548.5**	**2,290.2**	**(4,420.1)**	**(1,116.5)**	**(93.8)**	**(139.8)**	**(1,173.6)**	**989.7**	**25,556.0**	**(12,297.1)**	**13,258.9**	**(2,374.3)**
Current Liabilities													
Borrowings	8,630.2	37,007.9	6,022.8	1,159.8	-	499.3	72.8	97.4	1,409.2	54,899.3	3,607.0	58,506.4	51,395.8
Finance Lease Current Portion	-	226.9	65.6	1.9	18.1	5.6	20.1	-	-	338.3	-	338.3	24.5
Trade and Other Payables	2,501.4	7,245.4	3,006.7	2,182.3	1,998.6	601.9	1,287.2	2,073.5	924.5	21,821.5	(3,477.1)	18,344.4	14,435.4
Shareholder Loan	-	982.6	-	3,349.2	18.1	-	-	167.3	-	4,517.3	(18.1)	4,499.2	3,246.0
Provisions	245.5	-	309.4	2,512.9	26.0	28.1	27.1	15.9	79.4	3,244.3	558.8	3,803.1	3,436.9
Liabilities Held For Sale	-	-	-	0.2	-	-	-	0.9	-	1.1	1.0	2.2	1.8
Total Current Liabilities	**11,377.0**	**45,462.8**	**9,404.5**	**9,206.4**	**2,060.8**	**1,135.0**	**1,407.2**	**2,355.0**	**2,413.1**	**84,821.8**	**671.7**	**85,493.5**	**72,540.5**
Non-Current Liabilities													
Borrowings	-	10,132.8	1,994.3	-	-	879.4	-	28.4	213.1	13,247.9	0.0	13,247.9	10,459.5
Finance Lease	-	718.3	555.9	3.9	86.1	19.7	34.9	-	-	1,418.9	-	1,418.9	1,316.0
Shareholder Loan	-	244.8	-	3,821.6	-	-	-	262.0	-	4,328.4	(3,559.9)	768.5	708.0
Long-Term Liabilities	1.3	87.4	451.5	112.8	0.7	4.8	376.8	0.9	363.5	1,399.6	36.1	1,435.7	1,618.7
Total Non-Current Liabilities	**1.3**	**11,183.3**	**3,001.7**	**3,938.2**	**86.8**	**903.8**	**411.7**	**291.3**	**576.6**	**20,394.7**	**(3,523.8)**	**16,870.9**	**14,102.3**
Total Liabilities	**11,378.3**	**56,646.1**	**12,406.2**	**13,144.6**	**2,147.6**	**2,038.8**	**1,818.9**	**2,646.3**	**2,989.7**	**105,216.5**	**(2,852.2)**	**102,364.3**	**86,642.7**
Total Equity and Liabilities	**14,049.7**	**83,194.6**	**14,696.4**	**8,724.5**	**1,031.1**	**1,945.0**	**1,679.1**	**1,472.7**	**3,979.3**	**130,772.5**	**(15,149.3)**	**115,623.2**	**84,268.4**

* Miscellaneous includes UCF, Wafra & Sphinx Egypt.

^ T&L represents Transportation & Logistics

Sector Review: Energy

Qalaa Holdings' operational energy companies include the Egyptian Refining Company (petroleum refining) and TAQA Arabia (energy generation and distribution, natural gas distribution, petroleum products distribution as well as water treatment and desalination).

ERC

QH OWNERSHIP — c.13.1%

In 3Q22, ERC refined total feedstock of c.1,164.9 thousand tons, including 1,097.0 thousand tons of atmospheric residue. During the quarter, ERC supplied c.954.9 thousand tons of refined product to the Egyptian General Petroleum Corporation (EGPC), and approximately c.135.1 thousand tons of pet coke and 24.5 thousand tons of Sulphur to cement and fertilizer companies, respectively.

Product	LPG	Light Naphtha	Reformate	Fuel Oil	Jet Fuel	Diesel	*Total Supplied to EGPC*
3Q21 (tons)	28,645	53,696	112,149	96,140	135,210	422,113	847,954
3Q22 (tons)	33,765	66,187	124,588	62,828	66,609	600,952	954,928
Change	*18%*	*23%*	*11%*	*-35%*	*-51%*	*42%*	*13%*
9M21 (tons)	71,487	148,731	293,468	316,082	163,566	1,178,347	2,171,682
9M22 (tons)	108,107	199,420	393,212	105,271	154,498	1,906,089	2,866,597
Change	*51%*	*34%*	*34%*	*-67%*	*-6%*	*62%*	*32%*

*Excluding fuel and losses

ERC's revenue more than doubled year-on-year to EGP 17,861.4 million in 3Q22, compared to EGP 8,098.3 million in 3Q21, driven by a recovery in refined petroleum product prices and an increase in ERC's sales, supported by high operational efficiency. In 3Q22, total feedstock volume increased 12% y-o-y reaching 1.2 million tons compared to 1.0 million tons in 3Q21. Additionally, refining margins averaged USD 5.0 million per day in 3Q22 compared to USD 1.2 million per day in 3Q21, on the back of higher oil product prices. In 3Q22, ERC maintained successful operation without any slowdowns or shutdowns, compared to 7 days of shutdowns in 3Q21. In terms of profitability, ERC recorded an EBITDA of EGP 7,784.1 million in 3Q22 compared to EGP 684.8 million in 3Q21.

On a nine-month basis, ERC recorded a 191% y-o-y increase in revenue to EGP 53,043.4 million driven by a 32% y-o-y increase in sales and a recovery in refined petroleum product prices. Moreover, there were no shutdowns during 9M22 compared to 78 shutdown days in 9M21, which significantly improved profitability with EBITDA reaching EGP 18,983.4 million in 9M22 compared to EGP 714.4 million in 9M21.

ERC continues to negotiate with its lenders for a full debt restructuring. Meanwhile, ERC paid USD 146.5 million in principal payments in 3Q22. ERC expects to be current on its debt payments by the end of 1Q23, if not sooner, causing the restructure to be less pressing.

TAQA

QALAA HOLDINGS OWNERSHIP — c.55.9%

In 3Q22, TAQA Arabia's revenue increased by 19% y-o-y to EGP 2,863.5 million compared to EGP 2,403.2 million in 3Q21, while EBITDA increased by 21% y-o-y to EGP 320.3 million. In 9M22, TAQA Arabia's revenue recorded EGP 7,650.8 million, up 15% y-o-y, and a 26% y-o-y EBITDA increase to EGP 803.3 million. The company's revenue growth was primarily driven by a strong performance at TAQA Petroleum and further supported by higher power distribution and generation volume at TAQA Power and CNG volume growth at TAQA Gas. Meanwhile, TAQA Power and TAQA Gas were the primary drivers for consolidated EBITDA growth during the period.

In December 2022, TAQA with its French partner Voltalia signed a memorandum of understanding with the Egyptian government to develop, finance and operate a green hydrogen production facility near Ain Sokhna port in the Suez Canal Economic Zone.

Key Performance Indicators

	Units	3Q21	3Q22	*% chg*	9M21	9M22	*% chg*
TAQA Arabia Consolidated Revenue	**(EGP mn)**	**2,403.2**	**2,863.5**	***19%***	**6,638.1**	**7,650.8**	***15%***
TAQA Arabia Consolidated EBITDA	**(EGP mn)**	**265.5**	**320.3**	***21%***	**639.2**	**803.3**	***26%***
TAQA Arabia Gas Revenue	(EGP mn)	507.1	701.8	38%	1,384.1	1,742.0	26%
TAQA Arabia Gas EBITDA	(EGP mn)	117.2	141.7	21%	282.6	372.9	32%
Household Connections (FY cumulative)	#	33,514	30,317	-10%	1,431,872	1,549,803	8%
Cumulative Industrial Clients	#	297	346	16%	297	346	16%
Total Gas Distributed	BCM	1.8	1.8	-2%	5.6	5.7	1%
Master Gas CNG Stations	#	7	8	14%	30	51	70%
Number of converted cars	#	1,171	2,338	100%	3,151	5,509	75%
TAQA Arabia Power Revenue*	(EGP mn)	518.0	592.3	14%	1,314.0	1,505.9	15%
TAQA Arabia Power EBITDA*	(EGP mn)	96.1	130.8	36%	242.5	326.9	35%
Total Power Distributed	M KWH	344	371	8%	850	926	9%
Total Power Generated	M KWH	21	26	22%	69	75	8%
Solar Energy Generated	M KWH	42	42	-2%	121	120	-1%
Photovoltaic Energy	M KWH	0	4	NA	-	9	NA
TAQA Petroleum Revenue	(EGP mn)	1,385.9	1,577.8	14%	3,971.2	4,428.1	12%
TAQA Petroleum EBITDA	(EGP mn)	57.3	61.6	8%	130.7	138.5	6%
Total Liquid Fuels Distributed	Liters	191,386	194,810	2%	558,384	576,358	3%
Filling Stations	#	59	63	7%	59	63	7%

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

TAQA Arabia Gas

TAQA Gas' revenue increased 38% y-o-y to EGP 701.8 million in 3Q22 and 26% y-o-y to EGP 1,742.0 million in 9M22. Revenue growth was primarily attributed to an expansion in residential connections as a result of an increase in medium pressure revenue from Hayat Karima in addition to an increase in CNG volume, an expansion of CNG stations and higher gas prices. During the quarter, TAQA Gas added eight new CNG filling stations, bringing the total number of stations to 51 at the close of the period compared to 30 stations at the end of 3Q22. Consequently, CNG volume sold increased 67% y-o-y to 32.2 MCM in 3Q22 and 75% y-o-y to 89.4 MCM in 9M22. Moreover, TAQA Gas successfully converted 2,338 gasoline-powered vehicles in 3Q22, bringing the total cumulative number of converted vehicles to 5,509 at the end of 9M22 and 28,989 since inception. The company is on track to reach its annual target of converting 8,000 vehicles by year-end 2022 and aims to further accelerate the conversion rate through corporate deals to convert commercial fleets of trucks and busses to CNG.

The company holds a leading market position with TAQA Gas' strong gas distribution and construction business. As of 30 September 2022, TAQA Gas' total cumulative household connections exceeded 1.5 million, up 8% y-o-y, with approximately 30.3 thousand new connections added in 3Q22. Furthermore, the company successfully added 13 new industrial clients in 3Q22, bringing the total to 346 as of 9M22 compared to 297 in 9M21. Despite the increase in domestic and industrial connections during the quarter, total gas volume distributed remained flat year-on-year at 1.8 BCM in 3Q22 and was up 1% y-o-y to 5.7 BCM in 9M22. TAQA Gas' business lines saw EBITDA grow 21% y-o-y to EGP 141.7 million in 3Q22 and 32% y-o-y to EGP 372.9 million in 9M22.

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 3Q22, TAQA Power delivered a 9% y-o-y increase in total distribution and generation volume to 397 M KWH, which supported a 14% y-o-y increase in revenue to EGP 592.3 million in 3Q22. On a nine-month basis, total distribution and generation volume grew 9% y-o-y to 1,001 M KWH in 9M22, leading to a 15% y-o-y revenue growth to EGP 1,505.9 million. The company's strong performance in 9M22 was supported by the continuously improving market conditions, which led to an increase in the number of household and industrial clients served by 34% y-o-y and 11% y-o-y, respectively. As of 30 September 2022, the total number of household clients stood at 9,050 clients versus 6,777 clients in 9M21. In parallel, the number of industrial clients reached 298 in 9M22 compared to 269 clients during the same period last year.

At TAQA Solar with its 65MW solar power plant in Benban, Aswan, the company generated EGP 53.1 million in revenue during 3Q22, up 12% y-o-y. On a nine-month basis, revenue reached EGP 147.4 million in 9M22 versus EGP 135.8 million in 9M21. Going forward, TAQA Solar aims to capitalize on the government's plan to generate 40% of the country's energy from renewable sources by 2035.

Meanwhile, TAQA Photovoltaic (PV), which completed its first year of operations, contributed EGP 8.8 million to total revenue in 9M22. The company was founded in September 2021 as a TAQA Power subsidiary for renewable energy with the intention of establishing a private-to-private renewable energy business. Through the use of a 25-year power purchase agreement, TAQA PV sells electricity directly to Dina Farms following the completion of a 6MW solar photovoltaic power plant at Dina Farms. This plant is the first corporate financed project funded by the European Bank for Reconstruction and Development (EBRD) in Egypt that involves direct electricity supply from a privately owned generator to a privately owned off-taker.

At COP27 in Sharm El Sheikh, EBRD announced a new tranche of financing worth USD 5.5 million to a TAQA PV project in El Minya that will construct a 7MW solar photovoltaic power plant. The plant will sell all its electrical output to ASCOM Carbonate and Chemical Manufacturing (ACCM), a subsidiary of Qalaa Holdings, under a 25-year power purchase agreement (PPA). Furthermore, TAQA PV is working on other projects in the tourist hotspots of Soma Bay and Nabq, as well as the industrial zone of 6th of October City.

In terms of profitability TAQA Power EBITDA recorded a 36% y-o-y growth to EGP 130.8 million in 3Q22 and a 35% y-o-y increase to EGP 326.9 million in 9M22. The improved profitability is largely attributable to the increase in the number of clients served across all sub sectors, coupled with the new contributions from TAQA PV.

TAQA Petroleum

TAQA Petroleum's revenue grew 14% y-o-y to EGP 1,577.8 million in 3Q22 and 12% y-o-y to EGP 4,428.1 million in 9M22. The performance was driven by quarterly increases in fuel prices as well as higher diesel sales, which grew by 5% y-o-y both in 3Q22 and 9M22. Fuel revenue increased by 13% y-o-y to EGP 1,515.9 million in 3Q22 and by 10% y-o-y to reach EGP 4,273.3 million in 9M22. On the back of higher revenue, EBITDA expanded 8% y-o-y to EGP 61.6 million in 3Q22 and recorded a 6% y-o-y increase to EGP 138.5 million in 9M22.

As for the lubes division, revenue grew 60% y-o-y to EGP 61.9 million in 3Q22 and 49% y-o-y to EGP 154.8 million in 9M22. Revenue was supported by the 30% y-o-y increase in the price per ton in 9M22, which averaged EGP 70 thousand per ton in 9M22 compared to an average of EGP 54 thousand per ton in 9M21. Revenue was further supported by a 15% y-o-y increase in lubes volume sold to 2,198 tons in 9M22 compared to 1,917 tons in 9M21. TAQA Petroleum currently operates a grand total of 63 stations, with plans to expand further throughout the coming years.

TAQA Water

TAQA Water was established as a subsidiary of TAQA Arabia in March 2021 and boasts an experienced team in the water treatment industry. The company aims to develop a variety of water treatment solutions to serve the industrial, agricultural, touristic, and real estate sectors. The company is focused on investing, designing, constructing, automating, installing, and operating reliable, cost-effective, and smart water solution systems using the latest energy saving technology and utilizing a wide range of contractual models. TAQA Water successfully completed two desalination projects; one for a real-estate developer in the North Coast, which began operations in late 2Q22 and the second for a factory in the 10th of Ramadan Industrial Zone, which is expected to operate in early 2023. In 3Q22, TAQA Water booked EGP 945 thousand in revenue.

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 3Q22 ASEC Holding's revenue recorded EGP 977.9 million, down a marginal 1% y-o-y compared to 3Q21. Meanwhile, revenue reached EGP 3,063.2 million in 9M22, up 27% y-o-y, driven by a strong performance in the production segment, which accounted for 75% of total group revenue in 9M22. Successful cost reduction and restructuring initiatives across ASEC Holding's subsidiaries supported profitability, which increased over ten-fold year-on-year to EGP 303.1 million in 3Q22 and over three-fold year-on-year to EGP 698.1 million in 9M22.

Management notes that ASEC Holdings' comprehensive debt restructuring is progressing and is certain its efforts will ultimately result in a stronger balance sheet, healthier financial and leverage ratios, and increased profitability.

Key Performance Indicators

	Units	3Q21	3Q22	% chg	9M21	9M22	% chg
ASEC Holding's Cons. Revenue	**(EGP mn)**	**984.3**	**977.9**	**-1%**	**2,414.7**	**3,063.2**	**27%**
ASEC Holding's Cons. EBITDA	**(EGP mn)**	**29.7**	**303.1**	**919%**	**224.0**	**698.1**	**212%**
ASEC Cement Group Revenue	(EGP mn)	810.6	700.2	-14%	1,789.6	2,310.1	29%
ASEC Cement Group EBITDA	(EGP mn)	18.0	262.9	1,359%	202.1	659.0	226%
Al-Takamol Cement Revenue	(SDG mn)	11,385.2	10,837.1	-5%	29,958.2	50,683.7	69%
Al-Takamol Cement EBITDA	(SDG mn)	2,288.9	2,867.1	25%	5,568.2	15,619.5	181%
Al-Takamol Volume	KTons	230	117	-49%	723	625	-14%
Zahana Cement Revenue	(EGP mn)	121.8	232.3	91%	380.9	649.8	71%
Zahana Cement EBITDA	(EGP mn)	53.3	89.2	67%	149.7	213.2	42%
Zahana Volume	KTons	208	389	87%	618	1,230	99%
ARESCO Revenue	(EGP mn)	48.1	87.6	82%	179.5	213.5	19%
ARESCO EBITDA	(EGP mn)	10.8	(2.0)	N/A	19.0	(6.3)	N/A
ARESCO Backlog	(EGP mn)	203.0	211.8	4%	203.0	211.8	4%
ASEC Engineering Revenue	(EGP mn)	126.8	157.6	24%	443.8	473.2	7%
ASEC Engineering EBITDA	(EGP mn)	2.4	11.9	391%	9.4	28.6	203%
ASEC Engineering Managed Production	MTons	1.4	1.1	-20%	5.2	4.1	-20%

ASEC Cement

Due to the political unrest in Sudan, the hyperinflation calculation methodology is applied. The methodology 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. The EGP/SDG rate was highly 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 Sudanese Pound (SDG) to provide a more accurate representation of the company's performance excluding the impact of hyperinflationary adjustments.

Al-Takamol Cement revenue fell 5% y-o-y to SDG 10.8 billion in 3Q22 as volume declined 49% y-o-y during the quarter. The significant drop in volume was due to a particularly difficult rainy season resulting in floods that affected road infrastructure and impacted sales. Furthermore, since the fall of the previous regime in April 2019, Sudan has grappled with extended periods of political instability and social unrest that have negatively impacted consumer confidence, purchasing power, economic growth and trade. The volume decline was partially mitigated by an increase in average cement prices from SDG 41,463/ton to SDG 92,733/ton in 3Q22. On a nine-month basis, revenue increased 69% y-o-y to SDG 50.7 billion as average cement prices increased from SDG 39,530/ton to SDG 81,144/ton offsetting the 14% y-o-y decline in volume during the period. Prices continue to increase due to the prevalent inflationary environment and widening gap between supply and demand, as local producers struggled with fuel shortages, causing widespread production disruptions. At Al-Takamol Cement, fuel shortages and soaring fuel prices coupled with disruptions in the supply of pet-coke from a nearby refinery, led to production halts.

In terms of profitability, Al-Takamol's EBITDA increased 25% y-o-y to SDG 2.9 billion in 3Q22 and 181% y-o-y to SDG 15.6 billion in 9M22 compared to SDG 5.6 billion in 9M21. Profitability was supported by an almost 43% y-o-y increase in the price of cement, which reached USD 138/ton in 3Q22. Furthermore, the plant increased its dependence on the national grid for its electricity requirements, leading to a decline in costs.

In 3Q22, Zahana Cement recorded a revenue of EGP 232.3 million, up 91% y-o-y on the back of an 87% y-o-y increase in cement volume to 389 thousand tons compared to 208 thousand tons in 3Q21. The growth in cement volume reflected an over five-fold year-on-year increase in the total amount of clinker sold, which reached 226 thousand tons in 3Q22. The increase in clinker sales was mainly attributed to growing exports, which were facilitated by improved port infrastructure in Algeria. In 9M22, revenue was up 71% y-o-y to EGP 649.8 million driven by a 99% increase in cement volume. It is important to note that the average selling price declined 14% y-o-y from EGP 616/ton to EGP 528/ton as a result of higher clinker sales (low-price product) and lower sales of Sulphate Resistant Cement (high-price product) during the period.

In terms of profitability, Zahana's EBITDA grew 67% y-o-y to EGP 89.2 million in 3Q22, closing the nine-month period at EGP 213.2 million, up 42% y-o-y versus EGP 149.7 million in 9M21. Improved profitability was primarily driven by an increase in clinker sales.

ASEC Engineering

ASEC Engineering's revenue grew 24% y-o-y to EGP 157.6 million in 3Q22 and 7% y-o-y to EGP 473.2 million in 9M22. Revenue growth was achieved despite a 20% y-o-y decline in managed clinker production in both 3Q22 and 9M22 to 1.1 million tons and 4.1 million tons, respectively. Lower managed capacities reflect the termination of a number of low performing contracts coupled with lower production rates due to shortages in fuel and coal brought about by supply chain disruptions and surges in prices. However, the company benefitted from a new three-year contract that went into effect in 2022 and contributed 226 thousand tons to the quarter's production volume, partially offsetting the decline in production from other contracts. Furthermore, another contract was successfully renewed during the third quarter with a significantly higher production volume compared to its 3Q21 volume.

Despite the challenges facing the cement industry in Egypt, ASEC Engineering managed to record a recurring EBITDA of EGP 11.9 million in 3Q22, up nearly five-fold year-on-year, and EGP 28.6 million in 9M22 compared to EGP 9.4 million in 9M21. Profitability greatly improved due to overseas projects, which contributed over 36% of total revenue and 28% of gross margin, as well as the new and the renewal of the aforementioned local market's contracts.

To hedge against the uncertainty of the cement industry in Egypt, management is actively working towards geographically diversifying ASEC Engineering's client base and is looking to penetrate new markets, including Iraq, South Africa, and Libya.

In September 2022, an arbitral tribunal rendered an award in favor of ASEC Engineering in a contractual dispute with Misr Beni Suef Cement Company (a former client) ordering it to pay ASEC an amount in excess of EGP 360.0 million. Misr Beni Suef Cement Company has since announced that it will appeal the decision.

ARESCO

In the beginning of the year, tenders related to several construction projects were postponed for repricing given the significant cost increases and market slowdown. Since then, many projects have been successfully awarded in the second and third quarters of 2022. Consequently, ARESCO's revenue increased 82% y-o-y to EGP 87.6 million in 3Q22, and 19% y-o-y to EGP 213.5 million in 9M22 compared to EGP 179.5 million in 9M21.

In terms of profitability, ARESCO reported an EBITDA loss of EGP 2.0 million in 3Q22 and EGP 6.3 million in 9M22, compared to a gain of EGP 10.8 million and EGP 19.0 million in 3Q21 and 9M21, respectively. The loss was mainly a result of the low utilization of ARESCO's factory during 2022. As of 30 September 2022, ARESCO's backlog stood at EGP 211.8 million.

ASEC Automation

As a result of winning tenders that were previously slowed down or put on-hold during the second quarter of 2022 for repricing following the currency devaluation, ASEC Automation's revenue increased 163% y-o-y to EGP 70.3 million in 3Q22, and 59% y-o-y to EGP 158.5 million in 9M22.

On the profitability front, the company recorded a recurring EBITDA of EGP 3.3 million in 3Q22, compared to an EBITDA loss of EGP 1.3 million in 3Q21. In nine-month terms, EBITDA grew substantially reaching EGP 5.7 million in 9M22 compared to EGP 0.2 million in 9M21. ASEC Automation recently signed new contracts worth EGP 136.0 million in 3Q22, bringing its total backlog as of 30 September 2022 to c. EGP 240.7 million.

Sector Review: Packaging & Printing

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

NATIONAL PRINTING

QALAA HOLDINGS OWNERSHIP – c. 31.0%

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

Key Performance Indicators

	Units	3Q21	3Q22	% diff	9M21	9M22	% diff
Grandview (National Printing Holding Co.) Revenue	**(EGP mn)**	**686.2**	**1,147.1**	**67%**	**1,800.1**	**3,198.0**	**78%**
Grandview (National Printing Holding Co.) EBITDA	**(EGP mn)**	**138.4**	**314.1**	**127%**	**323.3**	**997.6**	**209%**
Shorouk for Modern Printing & Packaging Revenue	(EGP mn)	216.2	410.4	90%	575.1	1,113.4	94%
Shorouk for Modern Printing & Packaging EBITDA	(EGP mn)	40.5	81.7	102%	92.2	213.1	131%
Uniboard Revenue	(EGP mn)	373.6	744.4	99%	986.0	1,976.4	100%
Uniboard EBITDA	(EGP mn)	78.9	264.2	235%	182.9	783.2	328%
El Baddar Revenue	(EGP mn)	121.1	203.9	68%	330.0	563.9	71%
El Baddar EBITDA	(EGP mn)	3.6	23.1	546%	20.3	57.4	183%

Shorouk for Modern Printing & Packaging

Shorouk continued to overcome challenging market conditions and supply chain disruptions, delivering impressive results for the third quarter in a row. The company's revenue increased 90% y-o-y to EGP 410.4 million in 3Q22 compared to EGP 216.2 million in 3Q21 driven by higher volume and an increase in average price per ton. In 3Q22, Shorouk's volume grew 13% y-o-y supported by strong domestic sales, which increased 36% y-o-y, as well as a 2% y-o-y increase in export sales despite global recessionary pressures. Moreover, the average price per ton increased 59% y-o-y, resulting in a 103% y-o-y and 68% y-o-y rise in local and export revenues, respectively.

On a nine-month basis, revenue increased 94% y-o-y to EGP 1,113.4 million versus EGP 575.1 million in 9M21. Growth was supported by an increase in average price as well as growth in both local and export sales, especially during the first half of the year. Shorouk currently exports its products to 15 countries across three continents.

In terms of profitability, EBITDA doubled year-on-year in 3Q22 to EGP 81.7 million, closing 9M22 with a 131% y-o-y increase in EBITDA to EGP 213.1 million.

Uniboard

In 3Q22, Uniboard's revenue increased 99% y-o-y to EGP 744.4 million, on the back of an increase in average price per ton and a 13% y-o-y increase in sales volume. Volume growth was driven by a 48% y-o-y increase in local market sales in 3Q22 to 32,358 tons. The growth in volume coupled with an increase in average price per ton saw local revenue rise

154% y-o-y to EGP 653.6 million. On the export front, despite a significant year-on-year increase in prices in 3Q22, export revenue dropped 22% y-o-y to EGP 90.8 million as export volume fell 59% y-o-y to 4,361 tons due to the global market slowdown. Uniboard currently exports to 17 countries across three continents.

In 9M22, the company doubled its revenue year-on-year to record EGP 1,976.4 million driven by higher prices and a 7% y-o-y increase in volume sold. Volume growth during 9M22 was supported by a 19% y-o-y increase in local volume which offset the 26% y-o-y decline in export volume.

In terms of profitability, Uniboard's EBITDA rose 235% y-o-y to EGP 264.2 million in 3Q22 as the company increased prices across its product mix, offsetting the impact of a 75% y-o-y increase in raw material costs, primarily paper. On a nine-month basis, EBITDA grew 328% y-o-y to EGP 783.2 million.

El Baddar

El Baddar continued capitalizing on its new cutting-edge facility, which became operational in early 2021. The company recorded a revenue increase of 68% y-o-y to EGP 203.9 million in 3Q22. The company's strong performance was attributed to a 21% y-o-y increase in sales volume during the quarter. On a nine-month basis, revenue increased 71% y-o-y to EGP 563.9 million as sales volume expanded 21% y-o-y in 9M22.

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 revenue grew 76% y-o-y to EGP 30.6 million in 3Q22 and 62% y-o-y to EGP 75.0 million in 9M22. On the profitability front, EBITDA reached EGP 8.8 million in 3Q22, up 53% y-o-y, and EGP 22.7 million in 9M22, up 54% y-o-y. The company's improved performance was a result of higher volume across its product mix.

Sector Review: Mining

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

ASCOM GEOLOGY & MINING

QALAA HOLDINGS OWNERSHIP — c.54.1%

ASCOM's topline grew by 55% y-o-y to EGP 357.3 million in 3Q22 driven by a 39% y-o-y increase in revenue at ACCM and a 38% y-o-y increase in revenue at GlassRock. On a nine-month basis, ASCOM's revenue increased by 40% y-o-y to EGP 998.5 million on the back of higher revenue at ACCM and GlassRock.

Key Performance Indicators

	Units	3Q21	3Q22	*% chg*	9M21	9M22	*% chg*
ASCOM Revenue	**(EGP mn)**	**230.7**	**357.3**	**55%**	**713.7**	**998.5**	**40%**
ASCOM EBITDA	**(EGP mn)**	**31.2**	**70.8**	**127%**	**69.4**	**164.8**	**138%**
ACCM Revenue	(USD mn)	8.3	11.5	39%	23.3	31.8	37%
ACCM EBITDA	(USD mn)	2.0	3.3	67%	4.2	8.2	94%
GlassRock Revenue	(USD mn)	2.4	3.3	38%	6.7	10.7	61%
GlassRock EBITDA	(USD mn)	0.3	0.4	50%	(0.1)	1.2	N/A
Egypt Quarrying Revenue	(EGP mn)	67.8	52.4	-23%	222.7	158.9	-29%
Egypt Quarrying EBITDA	(EGP mn)	(3.4)	3.1	N/A	3.2	(5.0)	N/A
Other Quarry Management Revenue – ex Egypt	(EGP mn)	-	1.3	N/A	-	3.3	N/A
Other Quarry Management EBITDA – ex Egypt	(EGP mn)	(0.1)	0.1	N/A	(0.3)	0.2	162%

ACCM

ACCM recorded a revenue of USD 11.5 million in 3Q22, up 39% y-o-y. During the quarter, export revenue grew 43% y-o-y to USD 10.0 million compared to USD 7.0 million in 3Q21. The increase in exports was driven by a 26% y-o-y increase in both the average price per ton and the volume of exports, which reached 73,761 tons in 3Q22 up from 58,597 tons in 3Q21. On a nine-month basis, ACCM's revenue expanded by 37% y-o-y to USD 31.8 million. The strong performance was driven by higher export proceeds, with a 30% y-o-y increase in average price per ton coupled with a 12% y-o-y increase in export volume.

The increase in the average price per ton in 3Q22 was aimed at offsetting the increases in two vital variable cost components, namely stearic acid and global freight costs. As of October 2022, both costs have started to decline. The Russo-Ukrainian war along with ongoing supply chain disruptions have increased global freight costs resulting in substantial increases in ACCM's variable costs as it sells on a CIF basis. Furthermore, stearic acid, which is essential in the milling process, saw its price increase c. 42% y-o-y compared to 3Q21. Despite the 26% y-o-y rise in variable costs in 3Q22, ACCM's robust pricing strategy along with the government's export incentives supported profitability, with

EBITDA increasing 67% y-o-y to USD 3.3 million in 3Q22. EBITDA reached USD 8.2 million in 9M22, up 94% y-o-y versus the USD 4.2 million booked in the same period last year.

Looking ahead, ACCM will continue to capitalize on growing exports which account for the majority of ACCM's topline. The recent devaluation of the Egyptian Pound will increase ACCM's competitiveness in the international market and enable the company to increase its export volume. However, management is cognizant that volatile market conditions will continue to affect ACCM's variable costs and is thus closely monitoring developments. Management intends to simultaneously push ahead with its sales channel diversification strategy and install additional production lines to expand its capacity and meet planned growth targets.

GlassRock

GlassRock's revenue grew 38% y-o-y to USD 3.3 million in 3Q22, driven by a 4% y-o-y increase in total volume sold to 2,253 tons and higher prices across the company's product mix. On a nine-month basis, revenue grew 61% y-o-y to USD 10.7 million on the back of a 23% y-o-y increase in total volume sold and price increases in 9M22.

GlassRock successfully penetrated new markets during the quarter, expanding its portfolio to 38 export markets across Africa, Europe, and Asia. The company grew its export volume by 49% y-o-y in 3Q22 to 863 tons versus 580 tons in 3Q21. Consequently, export revenue increased 85% y-o-y to USD 1.1 million up from USD 598.6 thousand in 3Q21. The impressive growth was driven by strong performance at glasswool and rockwool's export divisions. In 3Q22, glasswool export revenue grew 19% y-o-y to USD 316.0 thousand on the back of a 33% y-o-y increase in export volume, which outweighed a 10% y-o-y decline in average price per ton. Similarly, rockwool's export revenue grew 61% y-o-y to USD 537.7 thousand driven by a 56% y-o-y increase in export volume and a 3% increase in the average price per ton in 3Q22. In 9M22, GlassRock's export revenue grew 112% y-o-y to reach USD 3.4 million compared to USD 1.6 million in 9M21, driven by substantial glasswool and rockwool volume increases.

In the domestic market, GlassRock's local sales volume decreased 12% y-o-y to 1,390 tons in 3Q22 and 10% y-o-y to 4,370 tons in 9M22. While glasswool local volume grew 78% y-o-y to 451 tons in 3Q22, rockwool local sales declined 30% y-o-y to 938 tons in the same quarter. Given that rockwool's products account for over 67% of local sales volume, the decline in rockwool's local sales weighed down on the quarter's overall local sales. In terms of revenue, glasswool's local sales recorded a 135% y-o-y increase USD 979.7 thousand in 3Q22 supported by a more efficient product mix and a 31% y-o-y increase in glasswool's local selling price to USD 2,170/ton. Meanwhile, rockwool booked USD 1.0 million in local revenue in 3Q22, down 10% y-o-y, due to a 30% y-o-y drop in sales volume, which was partially offset by a 28% y-o-y increase in average price per ton.

In terms of profitability, GlassRock's EBITDA grew 50% y-o-y in 3Q22 to USD 378.7 thousand compared to USD 252.1 thousand in 3Q21. On a nine-month basis, the company recorded an EBITDA of USD 1.2 million compared to a loss of USD 125.3 thousand in 9M21. Profitability was driven by higher export sales coupled with price increases at both the local and export levels.

Egypt Quarrying (ASCOM Mining)

ASCOM's mining operations rely primarily on the cement sector with around 90% of its revenue attributed to cement clients. The company continues to face a challenging operating environment due to sustained pressure on Egypt's cement industry, which resulted in a 23% y-o-y decline in revenue to EGP 52.4 million in 3Q22 compared to EGP 67.8 million in 3Q21. In 9M22, revenue was down 29% y-o-y to record EGP 158.9 million. Management has been actively revising contracts and implementing a minimum take criterion, as well as renewing other contracts on a take-or-pay basis to recoup costs incurred when markets are underperforming. The company is also exploring expanding into other fields such as phosphate, kaolin, sand, gypsum and mining support both locally and internationally.

After terminating defaulting contracts and shutting down some unprofitable projects, ASCOM Mining reported an EBITDA of EGP 3.1 million in the 3Q22 compared to an EBITDA loss of EGP 3.4 million in 3Q21, demonstrating a positive trend. However, EBITDA for 9M22 was negative EGP 5.0 million compared to a positive EGP 3.2 million in 9M21 given the internal restructuring carried out in the first half of the year.

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).

DINA FARMS

QALAA HOLDINGS OWNERSHIP — c.54.9%

Dina Farms Holding Co. recorded a 42% y-o-y increase in revenue to EGP 327.0 million but EBITDA decreased 34% y-o-y to EGP 25.5 million in 3Q22 due to significant price hikes of material components stemming from the Russo-Ukrainian conflict. Similarly, revenue was up 20% y-o-y in 9M22 to EGP 945.8 million while EBITDA fell 25% y-o-y to EGP 77.4 million.

Key Performance Indicators

	Units	3Q21	3Q22	% chg	9M21	9M22	% chg
Gozour (Dina Farms Holding Co.) Revenue	**(EGP mn)**	**230.3**	**327.0**	**42%**	**785.6**	**945.8**	**20%**
Gozour (Dina Farms Holding Co.) EBITDA	**(EGP mn)**	**38.9**	**25.5**	**-34%**	**103.5**	**77.4**	**-25%**
Dina Farms Revenue	(EGP mn)	193.6	249.0	29%	641.6	738.6	15%
Dina Farms EBITDA	(EGP mn)	40.3	42.5	6%	117.2	98.7	-16%
Dina Farms Raw Milk Sales/Milking Cow Ratio	Tons/Milking Cow	2.7	2.7	-2%	8.6	8.1	-6%
ICDP Revenue	(EGP mn)	93.9	135.5	44%	270.5	376.4	39%
ICDP EBITDA	(EGP mn)	11.1	10.3	-7%	20.7	34.1	65%
ICDP SKU Volume Sold	(Tons)	4,399	4,362	-1%	12,322	13,489	10%

Dina Farms' revenue grew 29% y-o-y to EGP 249.0 million in 3Q22, bringing 9M22 revenue to EGP 738.6 million, up 15% y-o-y. Revenue growth was supported by improved operations across all business segments.

At the livestock division, a 33% y-o-y increase in milk prices offset a 6% y-o-y drop in milk sales volume to 17,431 tons, driving a revenue increase of 24% y-o-y to EGP 195.1 million from fresh milk sales in 3Q22. Milk sales volume have been lower since the start of the year due an outbreak of Foot and Mouth Disease (FMD), which has since been contained. While 3Q22 results have shown improvement, they continue to be impacted due to the time needed for the herd to fully recover. Nonetheless, powdered milk sales volume grew 26% y-o-y to 44 tons, resulting in a 92% y-o-y increase in powdered milk revenue to EGP 3.3 million in 3Q22. The increase in powdered milk sales volume coupled with a 53% y-o-y increase in the price per ton, supported revenue growth during the quarter. Meanwhile, non-milk revenue dropped 44% y-o-y to EGP 3.9 million compared to EGP 6.9 million in 3Q21 on the back of lower meat sales volume. Overall, livestock revenue grew 22% y-o-y to EGP 202.3 million in 3Q22 and was up 15% y-o-y to EGP 579.2 million in 9M22.

At the agriculture division, orchard revenue increased 143% y-o-y to EGP 5.5 million in 3Q22 compared to EGP 2.3 million in 3Q21 despite a 27% y-o-y decline in fruit prices during the quarter. Higher freight costs as well as the Russo-Ukrainian conflict resulted in lower export volume and a supply increase in the domestic market, which pushed prices down across the portfolio. Revenue growth was supported by the introduction of new grape varieties with superior quality and significant growth in mango volume sold during 3Q22. Parallel to this, crops revenue grew 29% y-o-y to reach EGP 9.5 million in 3Q22 versus EGP 7.3 million in 3Q21. The main growth driver during the quarter was sugar beet, which was introduced to the crop mix for the first time by Dina Farms in 3Q22 and yielded EGP 9.0 million in revenue. Overall, agriculture revenue rose 56% y-o-y to EGP 15.0 million in 3Q22, bringing revenue for the first nine-months of the year to EGP 100.2 million, up 7% y-o-y.

Finally, revenue at the retail division grew 70% y-o-y to reach EGP 31.7 million in 3Q22 and was up 32% y-o-y to EGP 59.2 million in 9M22. Construction work on the Alex/Cairo Road, which previously hindered customers' ability to shop at the outlet, was completed in time for the busy summer season.

On the profitability front, Dina Farms booked a 6% y-o-y increase in EBITDA to EGP 42.5 million in 3Q22 despite significant price increases of key components stemming from the ongoing Russo-Ukrainian conflict. Corn, soybean fertilizer and other agricultural input prices continue to rise significantly. On a nine-month basis, EBITDA stood at EGP 98.7 million, down 16% y-o-y.

ICDP

ICDP's total SKU volume stood at 4,362 tons in 3Q22, at par with the 3Q21, but grew 10% y-o-y to 13,489 tons in 9M22 on the back of improved post-Covid-19 market conditions. Revenue grew 44% y-o-y in 3Q22 to EGP 135.5 million, on the back of price increases, and reached EGP 376.4 million in 9M22, up 39% y-o-y. Top-line performance was supported by ICDP's transition from selling through distributors to selling directly through the company's own network of branches in Cairo, Giza, Alexandria and the Delta region. This transition allowed ICDP to increase sales volume, decrease returns of sold items and offer no discounts.

Milk revenue grew 21% y-o-y to EGP 69.0 million in 3Q22 driven by a 35% y-o-y increase in milk prices, which outweighed the 10% y-o-y drop in volume. Similarly, higher prices supported skimmed milk powder revenue, which rose 60% y-o-y to EGP 2.8 million in 3Q22, despite a 6% y-o-y decline in volume. On a nine-month basis, milk revenue increased 36% y-o-y to EGP 205.9 million in 9M22 as volume rose 6% y-o-y to 9.2 thousand tons and prices climbed 29% y-o-y. On the other hand, skimmed milk powder revenue stood at EGP 14.9 million in 9M22, down 24% y-o-y, on account of lower volume.

ICDP's juice revenue rose 16% y-o-y to EGP 25.0 million in 3Q22, as the 4% y-o-y drop in sales volume was counteracted by a 22% y-o-y rise in prices during the quarter. On a nine-month basis, juice revenue increased by 41% y-o-y to EGP 63.6 million in 9M22, driven by a 19% y-o-y increase in volume to 2,059 tons and an 18% y-o-y increase in juice prices during the period.

The yogurt segment's revenue expanded 55% y-o-y to EGP 10.1 million in 3Q22 and by 45% y-o-y in 9M22 to reach EGP 33.3 million. In 3Q22, sales volume reached 412 tons, up 50% y-o-y, and prices were up 3% y-o-y. Similarly, on a nine-month basis, volume grew 39% y-o-y to 1,389 tons and prices increased 4% y-o-y.

ICDP's cheese segment delivered a turnaround performance as the company successfully commissioned its new cheese lines during the year and introduced various new products. In 3Q22, sales volume increased nearly fourfold year-on-year leading to an over sixfold year-on-year increase in revenue to EGP 24.2 million. On a nine-month basis, revenue from cheese reached EGP 42.8 million in 9M22, up from EGP 11.5 million in 9M21, on the back of a 141% y-o-y increase in sales volume. Revenue was further supported by increases in cheese prices per ton during the period.

ICDP's profitability was impacted by the relatively unchanged overall volume sold in 3Q22 as compared to 3Q21, with EBITDA recording EGP 10.3 million, down 7% y-o-y. However, a strong first half of the year helped EBITDA reach EGP

34.1 million in 9M22, up 65% y-o-y. Higher sales volume, zero discounts and lower fixed costs due to higher capacity utilization levels, supported ICDP's profitability on a nine-month basis.

Management is pushing ahead with its plans of increasing the contribution of the cheese, yogurt, and juice segments to support profitability going forward. Management successfully ramped up production of cheese and yogurt products through the installation of a new cheese line in 2Q22. To capitalize on the new asset another line was added in 3Q22 to further expand production capacity. Furthermore, ICDP will continue expanding its product range and increasing its direct distribution given that the latter has proven very effective in enhancing the company's performance.

Sector Review: Transportation & Logistics

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

NILE LOGISTICS

QALAA HOLDINGS OWNERSHIP — 67.6%

Nile Logistics is owned by CCTO, which consolidates the company's operations in Egypt and South Sudan. In 3Q22, the company's revenue increased by 14% y-o-y to EGP 89.9 million and EBITDA increased by 24% y-o-y to EGP 38.3 million.

Key Performance Indicators

	Units	3Q21	3Q22	% chg	9M21	9M22	% chg
CCTO (Nile Logistics Holding Co.) Revenue	**(EGP mn)**	**79.1**	**89.9**	**14%**	**192.1**	**251.5**	**31%**
CCTO (Nile Logistics Holding Co.) EBITDA	**(EGP mn)**	**30.8**	**38.3**	**24%**	**64.4**	**98.4**	**53%**
Nile Logistics Revenue	(EGP mn)	76.3	80.8	6%	181.0	233.0	29%
Nile Logistics EBITDA	(EGP mn)	35.6	40.5	14%	75.4	111.6	48%
Nile Logistics Coal / Pet Coke Tons Handled	(000's Tons)	497	366	-26%	925	928	0.4%
Nile Logistics Twenty-Foot Equivalent Handled	(TEU)	24,628	16,191	-34%	65,521	61,588	-6%
Nile Barges Revenue (South Sudan)	(USD mn)	0.2	0.5	112%	0.7	1.0	48%
Nile Barges EBITDA (South Sudan)	(USD mn)	0.1	0.3	340%	0.3	0.4	13%

Nile Logistics (Egypt)

Nile Logistics recorded a revenue of EGP 80.8 million in 3Q22, up 6% y-o-y bringing total revenue for the nine-month period to EGP 233.0 million, up 29% y-o-y compared to 9M21. The company's performance during the nine-month period was driven by improvements at the storage and inland container depot divisions, specifically the higher number of reefer storage and power days recorded during the period. Meanwhile, stevedoring services endured a slowdown in 3Q22 due to letter of credit requirements and foreign currency availability issues.

In 3Q22, the volume of coal and pet coke handled fell 26% y-o-y to 366 thousand tons and there was no grain stevedoring at the Nubaria warehouse during the quarter. Consequently, revenue from the company's stevedoring operations fell 23% y-o-y to EGP 25.4 million in 3Q22 compared to EGP 32.8 million in 3Q21. In 9M22, revenue from stevedoring services recorded EGP 67.4 million, down 8% y-o-y compared to 9M21, due to the lower volume handled in 3Q22. In response to lower demand for grain storage, the company recently changed the Nubaria grain warehouse usage to a general goods warehouse and has successfully attracted a number of storage clients. Meanwhile at the Tanash warehouse, the volume of coal handled reached 134.0 thousand tons in 3Q22, up 19% y-o-y, bringing the total for 9M22 up to 403.6 thousand tons versus the 296.7 thousand tons recorded in 9M21. As a result, storage revenue increased 27% y-o-y to EGP 30.9 million in 3Q22 and 33% y-o-y to EGP 79.1 million in 9M22.

At the company's inland container depot, the volume of Twenty-foot Equivalent Units (TEUs) dropped 34% y-o-y in 3Q22 to 16,191 containers and 6% y-o-y in 9M22 to 61,588 TEUs, due to a slowdown brought about by the newly introduced letter of credit requirements for all imports and limited foreign currency availability. The decline was offset by an increase in storage and reefer power days. In 3Q22, storage days more than doubled whereas for 9M22 they were up 65% y-o-y. The performance of the division was further supported by an increase in reefer power days in 3Q21 and in 9M22. Consequently, the division managed to book EGP 23.4 million in revenue in 3Q22, up 22% y-o-y, bringing the total for the first nine-month of the year to EGP 66.2 million compared to EGP 48.7 million in 9M21.

In terms of profitability, higher storage and container depot revenues drove a 14% y-o-y growth in EBITDA to EGP 40.5 million in 3Q22. On a nine-month basis, EBITDA increased 48% y-o-y to EGP 111.6 million on the back of an improved performance across the company's operations.

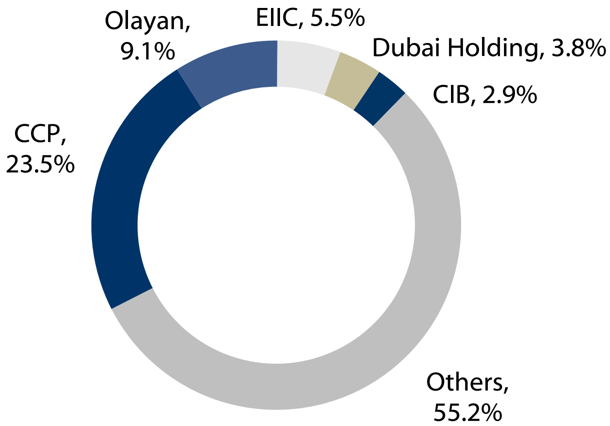
Nile Barges (South Sudan)

Nile Barges' operations in South Sudan focus on the transportation of food under the auspices of the World Food Program (WFP). The company currently has three pushers and eight barges in service following the successful addition of the last pusher in 1H22, bringing Nile Barges' entire fleet into operation.

Nile Barges successfully completed three trips in 9M22, matching the number of trips completed in 9M21. In 3Q22, revenue grew by 112% y-o-y to USD 0.5 million, bringing 9M22 revenue up to USD 1.0 million, a 48% y-o-y increase. In terms of profitability, EBITDA increased 340% y-o-y to USD 0.3 million in 3Q22 and 13% y-o-y to USD 0.4 million in 9M22. Improved results were driven by higher pricing and longer routes for trips, resulting in better margins for the period. To note, one trip is expected to be invoiced in 4Q22 with a total expected revenue of USD 0.5 million.

SHAREHOLDER STRUCTURE

(as at 30 September 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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