Qalaa Holdings Reports 1Q 2023 Results

- *Qalaa's consolidated revenue grew 62% y-o-y to EGP 30.3 billion in 1Q23 and recurring EBITDA reached EGP 10.3 billion compared to EGP 3.9 billion in 1Q22, supported by strong performances across all subsidiaries;*
- *ERC was the primary driver behind consolidated revenue growth, contributing c.77% to Qalaa's total revenue in 1Q23. ERC's refining margins have remained strong during the quarter but have significantly tapered in 2Q23, heading towards normalized margins.*
- *Despite ERC's receivables from EGPC having reached USD 699 million as of 31 March 2023, EGPC continues to make payments that have since reduced the outstanding balance to USD c. 510 million as of end of June 2023. This is a positive development that enabled ERC to pay USD 445 million towards the settlement of debt and the funding of the Debt Service Reserve Account in June 2023;*
- *Excluding ERC, Qalaa's revenue grew by 38% y-o-y and recurring EBITDA increased by 105% y-o-y in 1Q23, driven by positive performances across Qalaa's subsidiaries, which saw improved results on the back of the Group's long-standing strategy of focusing on import substitution, export-oriented businesses, and businesses with very high local value added;*
- *TAQA Arabia's solid top line results were primarily driven by a strong performance at its gas division (TAQA Gas), including the increase in CNG volumes sold as a result of the expansion in CNG station numbers. Revenue was also supported by the increase in fuel prices at TAQA Arabia's petroleum product distribution division (TAQA Petroleum);*
- *ASEC Holdings delivered a 26% y-o-y revenue growth on the back of the depreciation of the EGP against foreign currencies in which the revenues of some of the platform's subsidiaries are denominated;*
- *National Printing's revenue was up across all its product lines. The segment benefitted from a combination of higher prices and improved volume;*
- *ASCOM's growth was mostly driven by the impact of the EGP devaluation on the USD denominated businesses such as Ascom for Chemicals and Carbonates Manufacturing, and insulation material producer GlassRock;*
- *Dina Farms' revenue grew y-o-y supported by improved operations across all business segments; ICDP, the dairy and juice producer, benefited from selling price increases across the board, coupled with new product launches;*
- *The Group's export proceeds reached c. USD 24.2 million in 1Q23, while local foreign currency revenue recorded c. USD 798.4 million. Moving forward, Qalaa will continue focusing on exports to benefit from the cost advantage available to local manufacturers;*
- *Finalizing debt restructuring at Qalaa Holdings remains a priority. Some of the debts related to Qalaa and its subsidiaries have been successfully settled or restructured. Moreover, Qalaa is negotiating the settlement of other debt obligations using the shares of its recently listed subsidiary TAQA Arabia, with the option of repurchasing these shares in the future. Qalaa may continue to employ this strategy with other assets going forward, as it reaches agreements with its creditors around debt settlement and restructuring. Going forward, Qalaa may also divest a few small non-core or under-performing businesses and assets;*
- *The aforementioned debt settlement/restructuring may see Qalaa recognize gains in the coming period, driven by capital gains from the sale of a few assets;*

- *Qalaa has been resilient despite highly challenging macroeconomic conditions. The Group will continue driving growth by making small incremental investments in its subsidiaries, expanding its cashflows, and thereby reducing debt to cash flow ratios. Management is confident this strategy will continue to deliver;*
- *Qalaa is currently studying several new medium-sized, export oriented, predominantly green, and high local value-added investments, to be executed through its subsidiaries;*
- *The staff and assets of Qalaa's Sudan affiliate Takamol Cement are safe and continue to operate at a limited capacity. Qalaa continues to closely monitor the ongoing developments within the country;*
- *Starting 1Q23, Qalaa applied the optional exceptional accounting treatment introduced to the Egyptian Accounting Standards which allows for the FX gains/losses incurred following the devaluation of the EGP to be reclassified into other comprehensive income (OCI) under equity on the balance sheet. 1Q22 financials were restated accordingly for ease of comparison.*

1Q 2023 Consolidated Income Statement Highlights	
Revenue EGP 30.3 bn vs. EGP 18.7 bn in 1Q22	Revenue (excluding ERC) EGP 6.9 bn vs. EGP 5.0 bn in 1Q22
EBITDA* EGP 10.3 bn vs. EGP 3.9 bn in 1Q22	EBITDA (excluding ERC) EGP 1.6 bn vs. EGP 783.4 mn in 1Q22
Net Income After Minority** EGP 73.0 mn vs. EGP 468.9 mn in 1Q22***	Net Income After Minority (excluding ERC)** EGP (475.6) mn vs. EGP 255.1 mn in 1Q22***

Highlights from Consolidated Balance Sheet at 31 March 2023	
Consolidated Assets EGP 184.2 bn At current book value vs. EGP 144.9 bn in FY22	Consolidated Debt EGP 95.2 bn Of which EGP 61.9 bn related to ERC△

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

***In 1Q23 QH applied the optional exceptional accounting treatment of reclassifying the FX to the Other Comprehensive Income (OCI). Comparative figures of 1Q22 have been restated accordingly.*

****Including a one-off gain of EGP 842 million booked as a result of debt restructuring at the Transportation and Logistics sector*

△ERC's debt consists of the USD Equivalent of EGP 37.57 billion in Senior Net Debt (Senior Debt – Cash) and EGP 16.6 billion in Mezzanine Debt

Qalaa Holdings, a leader in energy and infrastructure (CCAP.CA on the Egyptian Exchange), released today its consolidated financial results for the first quarter ending 31 March 2023. The Group recorded a 62% y-o-y increase in revenue to EGP 30.3 billion in 1Q23, and recurring EBITDA of EGP 10.3 billion compared to EGP 3.9 billion in 1Q22. The solid performance reflects solid refining margins at ERC and strong performances across all subsidiaries.

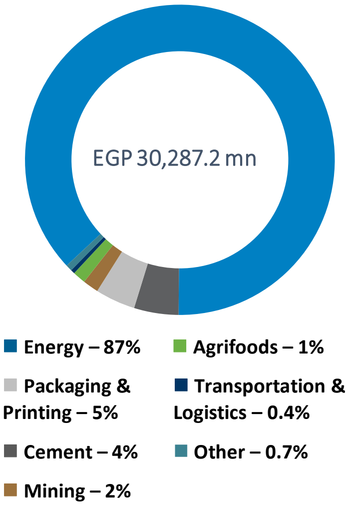
It is worth noting that ERC's refining margins remained strong in 1Q23 despite beginning to taper, averaging USD 3.7 million per day during the quarter compared to USD 2.7 million per day in 1Q22 and USD 4.9 million per day in 4Q22. Refining margins continued to taper in 2Q23 as they head towards normalized margins. Excluding ERC, Qalaa's revenue grew by 38% y-o-y to EGP 6.9 billion in 1Q23 and recurring EBITDA increased by 105% y-o-y to EGP 1.6 billion in 1Q23.

At Qalaa's bottom line, the Group recorded a net income after minority of EGP 73.0 million, down 84% from the EGP 468.9 million recorded in the same period last year. It is to be noted that in 1Q22, the Transportation & Logistics segment underwent a debt restructuring process which led to a one-off gain of EGP 842 million during that quarter. Furthermore, 1Q23 Net Profit was negatively affected by the significantly higher finance costs following globally elevated interest rates, as well as higher taxes during the period.

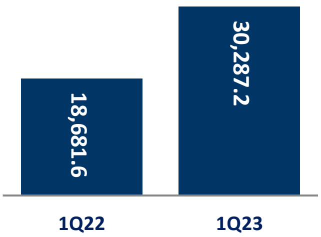
Financial and operational highlights follow, as do the management's comments and overview of the performance of different business units. Full financials are now available for download at ir.qalaaholdings.com.

Financial and Operational Highlights

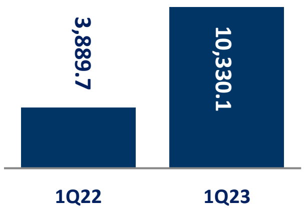
QALAA HOLDINGS CONSOLIDATED REVENUE 1Q23



REVENUE PROGRESSION
(EGP mn)



RECURRING EBITDA PROGRESSION
(EGP mn)



- **Qalaa's consolidated revenue grew by 62% y-o-y in 1Q23 to EGP 30.3 billion, primarily driven by ERC's revenue contribution.**

ERC's USD denominated revenue increased in EGP terms by 71% y-o-y to EGP 23.4 billion in 1Q23, compared to EGP 13.7 billion in 1Q22. ERC's revenue constitutes around 77% of Qalaa Holdings' top line for the quarter. No slowdowns or shutdowns took place at ERC during the quarter.

- **Excluding ERC, Qalaa's 1Q23 revenue was up 38 % y-o-y, recording EGP 6.9 billion, driven by improved performances across all subsidiaries.**

TAQA Arabia's revenue grew 27% y-o-y in 1Q23 reaching EGP 2.9 billion compared to EGP 2.3 billion in 1Q22. The company's revenue growth was primarily driven by a strong performance at TAQA Gas, including the increase in CNG volumes sold as a result of the expansion in CNG station numbers. Revenues were also supported by the increase in fuel prices at TAQA Petroleum.

National Printing delivered a 54% y-o-y increase in revenue, reaching EGP 1.4 billion during 1Q23 from EGP 915 million in 1Q22, as it continued reaping the rewards of its new El Baddar state-of-the-art facility. Revenue was up across all three of the segment's companies, owing to a combination of increased volumes and higher prices.

Meanwhile, ASCOM delivered a 74% y-o-y increase in top line to EGP 498.3 million in 1Q23, mostly driven by the impact of the EGP devaluation on the USD denominated businesses such as ACCM and GlassRock.

In 1Q23 ASEC Holding's revenue was EGP 1.3 billion, up 26% y-o-y compared to 1Q22, owing to the depreciation of the EGP against foreign currencies in which the revenues of some of the platform's subsidiaries are denominated.

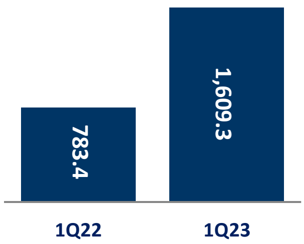
Meanwhile, Dina Farms revenue reached EGP 409.8 million in 1Q23, up 49% y-o-y. The company's performance was backed by improved operations and ICDP's revenue benefiting from higher selling prices, coupled with new product launches.

Finally, CCTO delivered a 40% y-o-y revenue increase to EGP 130.7 in 1Q23 driven by improvements across all revenue streams at its Egypt arm NRPMC.

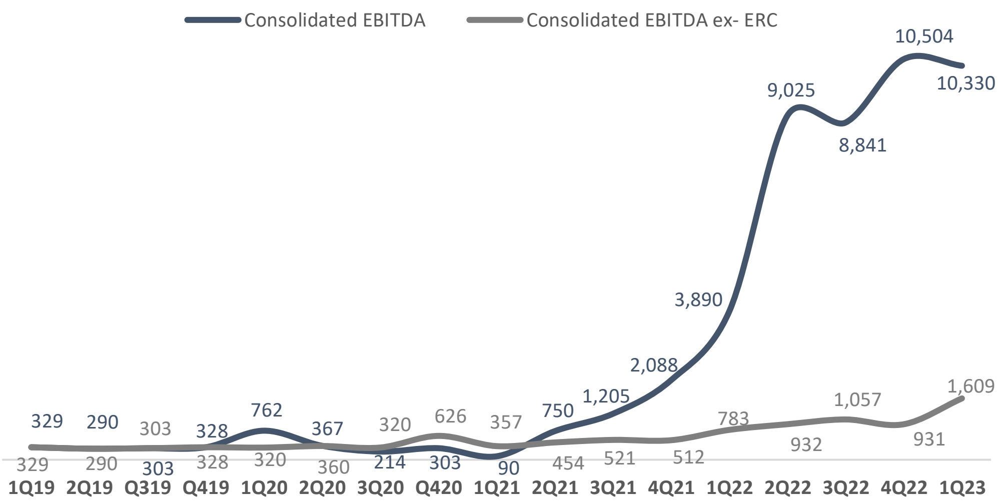
- **Qalaa's recurring EBITDA grew substantially in 1Q23 to EGP 10.3 billion compared to EGP 3.9 billion in 1Q22. Profitability was primarily supported by ERC's positive performance during the year.**

ERC's gross refining margin averaged USD 3.7 million per day in 1Q23, up from USD 2.7 million per day in 1Q22, following higher oil product prices. Refining margins have started to normalize in 2023 after reaching a peak in 2022, declining versus the USD 4.9 million per day in 4Q22.

RECURRING EBITDA PROGRESSION (Excluding ERC)
(EGP mn)



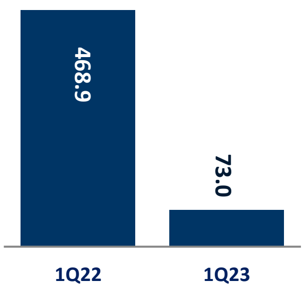
Consolidated Recurring EBITDA Progression Chart* (EGP mn)



- **Excluding ERC, Qalaa recorded a recurring EBITDA increase of 105% y-o-y to EGP 1.6 billion in 1Q23 compared to EGP 783.4 million in 1Q22, driven by improved profitability across all the Group's subsidiaries.**

  Qalaa's EBITDA excluding ERC was primarily driven by contributions from TAQA, National Printing, and ACH. Additionally, ASCOM's export-driven businesses delivered a strong performance, capitalizing on its competitive advantage in global markets, with increased pricing at GlassRock and higher volumes at ACCM.

NET PROFIT PROGRESSION
(EGP mn)

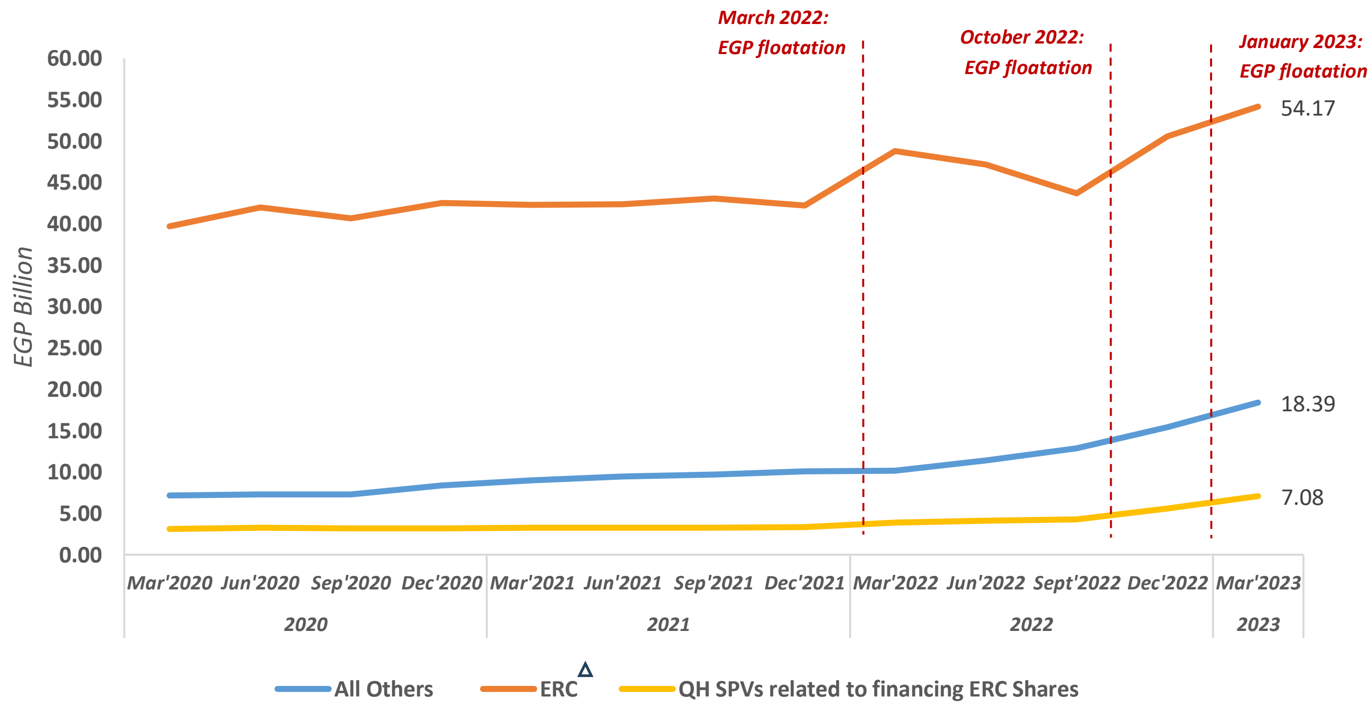


- **Depreciation and amortization expenses stood at EGP 2.2 billion in 1Q23, up 82% y-o-y compared to EGP 1.2 billion in 1Q22, of which EGP 1.8 billion are related to ERC.**
- **Bank interest expense recorded EGP 2.1 billion in 1Q23, up 93% y-o-y versus the EGP 1.1 billion recorded in 1Q22. The increase was attributed to higher interest rates, reflecting global monetary tightening, along with the impact of FX translations.**
- **As per the exceptional accounting treatment adopted by Qalaa, all FX gains/losses incurred following the devaluation of the EGP were reclassified into other comprehensive income (OCI) under equity on the balance sheet. It is worth noting that in 1Q23, Qalaa recorded an FX gain of EGP 350.6 million as a result of hyperinflation treatment in Sudan, compared to a loss of EGP 37.7 million in 1Q22.**
- **Qalaa Holdings recorded a consolidated net income after minority interest of EGP 73.0 million for 1Q23, down 84% from the EGP 468.9 million recorded in**

1Q22. This decline came on the back of back of significantly higher finance costs following globally elevated interest rates, as well as higher taxes during the period. Furthermore, in 1Q22 the Transportation & Logistics segment underwent a debt restructuring process which led to a one-off gain of EGP 842 million at Qalaa's consolidated bottom line during that quarter.

- **Qalaa's debt restructuring efforts at the holding level are progressing and remain a priority for the Group. Qalaa is in the process settling some of its debt obligations using the shares of its recently listed subsidiary TAQA Arabia, with the option of repurchasing these shares in the future. Qalaa may continue to employ this strategy with other assets going forward as it reaches agreements with its creditors around debt settlement and restructuring. Additionally, ERC's negotiations with its lenders for a full debt restructuring remain underway.**

Net Bank Debt Progression (EGP bn)



∆ *ERC's debt consists of the USD equivalent of in Senior Net Debt (Senior Debt – Cash) and EGP 16.6 billion in Mezzanine Debt*

Management Comment

"All our business segments have recorded solid performances this quarter, setting the tone for what is expected to be a year of continued positive results."

"The global economic landscape continues to present significant challenges, with the world grappling with one of the most difficult economic periods in recent memory. With debt levels still at historic highs and inflation and interest rates yet to normalize, there are continued expectations of long-term depressed economic growth, higher long-term interest rates, and a heightened focus on reducing debt," **said Qalaa Holdings' Chairman and Founder Ahmed Heikal**.

"These challenges are equally daunting on a regional level. On the local front, inflation rates continue their upward trajectory. However, as global inflationary pressures begin to ease, the Central Bank has decided to maintain interest rates for the time being. Despite this difficult environment, we at Qalaa are well-positioned to successfully navigate these challenges," **continued Heikal.**

"With resilience, flexibility and efficiency ingrained into the core of our DNA, Qalaa continues to be well-positioned to capitalize on this global transition. Egypt's positioning as an attractive hub for European markets and an entry point to African and Middle Eastern markets paves the way for unique investment opportunities for Qalaa,"

"I am increasingly proud of Qalaa's continued positive top line performance, driven by the Group's resilience," **Heikal continued.** "The Group delivered a nearly twofold y-o-y top line growth and nearly three-fold y-o-y EBITDA increase amid this highly uncertain operating environment, thanks to our robust investment and growth strategies across our portfolio companies. Furthermore, Qalaa managed to achieve a positive net income during the quarter, turning a bottom line profit following the net loss recorded in the previous quarter. Growing our subsidiaries' cashflows before making investments and carefully deploying our cashflows in a way that balances between high yield incremental investments on the one hand, and debt repayment on the other, remains our main focus."

"We will continue to push forward our growth strategies across our platforms this coming year, keeping a keen eye on investment opportunities. Our portfolio companies remain resilient in the face of pressures and continue to benefit from Qalaa's meticulous growth strategy. All our business segments have recorded solid performances this quarter, setting the tone for what is expected to be a year of continued positive results. Qalaa's outlook remains bright as a result, despite the ongoing challenges," **Heikal added.**

"I am also excited by the recent listing of TAQA Arabia on the Egyptian Stock Exchange, which commenced on the 9th of July. The listing of TAQA Arabia enables Qalaa to follow through on its plan to settle some of its debt obligations through the sale of some of its assets. Qalaa is now in the process of settling some debt obligations through the sale of 20% of TAQA Arabia shares as part of phase one of TAQA's ownership restructuring, with the Group retaining the option of repurchasing these shares in the future. Going forward, Qalaa may continue using a similar strategy with other assets as we reach agreements with our creditors on debt settlement and restructuring."

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

"Qalaa has kicked off the year with a positive and promising performance, amid a difficult operating environment," **said Hisham El-Khazindar, Qalaa Holdings' Co-Founder and Managing Director**. Over the past quarter, our energy segment delivered solid results as TAQA Arabia continued to expand its energy distribution network, adding new CNG and liquid fuel filling stations. Meanwhile, despite beginning to normalize in 2023, ERC's refining margins remained strong on the back of higher oil product prices. It is of note that ERC continued to operate without any shutdowns or slowdowns during 1Q23. In parallel, our position as an import substitute and export play across our mining and printing businesses continued to drive both consolidated growth, and valuable USD proceeds for the Group. Finally, our agriculture and logistics segments have continued to record robust top and bottom line growth owing to their robust investment fundamentals."

"The past period has seen us focus on reducing our risk levels, primarily by deleveraging and growing Qalaa's cash flows. As a result, ERC has become current on all of its due interest and principal payments as scheduled this quarter. We are also continuing our efforts to restructure Qalaa's holding level debt, which remains a priority."

"Our performance in the first quarter of the year is a testament to our continued ability to push ahead during difficult times. 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

Method	Sector	Companies
Fully Consolidated Companies	Energy	Egyptian Refining Company; TAQA Arabia
	Cement	ASEC Holding
	Packaging and Printing	National Printing (Grandview)
	Mining	ASCOM
	Agrifoods	ICDP & Dina Farms
	Transportation & Logistics	National River Port Management Company; 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 2023	Restated 1Q 2022*	As Previously Reported 1Q 2022
Revenue	30,287.2	18,681.6	18,681.6
Cost of Sales	(19,316.1)	(14,365.3)	(14,365.3)
Gross Profit	**10,971.1**	**4,316.3**	**4,316.3**
Total Operating Profit	**10,971.1**	**4,316.3**	**4,316.3**
SG&A	(733.8)	(454.1)	(454.1)
Export Subsidy Revenue	40.3	37.8	37.8
Other Income/Expense	52.5	(10.3)	(10.3)
EBITDA before one-off charges	**10,330.1**	**3,889.7**	**3,889.7**
Non Recurring - Revenues & Costs	14.6	10.8	10.8
EBITDA	**10,344.7**	**3,900.5**	**3,900.5**
Depreciation & Amortization	(2,175.6)	(1,192.8)	(1,192.8)
EBIT	**8,169.1**	**2,707.8**	**2,707.8**
Finance Cost	(2,126.1)	(1,102.2)	(1,102.2)
Other Finance Cost	(8.8)	173.4	173.4
Bank PIK	(120.3)	(37.5)	(37.5)
3rd party Shareholder	(219.9)	(97.3)	(97.3)
Interest income	322.0	183.3	183.3
Finance Lease Charges/ NPV LT assets	(40.2)	(19.5)	(19.5)
EBT (before one-offs)	**5,975.7**	**1,808.2**	**1,808.2**
Impairments/Write-downs	(36.1)	(7.6)	(7.6)
Acquisitions, Legal & Restructuring	(2.9)	818.6	818.6
Share in Associates' Results	(27.4)	(12.3)	(12.3)
CSR	(4.2)	(2.5)	(2.5)
Provisions	(230.8)	(277.3)	(277.3)
FOREX*	350.6	(37.7)	(1,225.9)
EBT	**6,024.8**	**2,289.3**	**1,101.1**
Taxes	(1,569.4)	(126.4)	(131.0)
Net P/L Including Minority Share	**4,455.4**	**2,162.9**	**970.1**
Minority Interest	4,382.3	1,694.0	1,554.2
Net Profit/(Loss) for the Period	**73.0**	**468.9**	**(584.1)**

* QH applied the optional exceptional accounting treatment of reclassifying the FX to the Other Comprehensive Income (OCI). Comparative figures have been restated accordingly.

Qalaa Holdings Consolidated Income Statement by Sector for the three-month period ending 31 March 2023 (in EGP mn)

			Energy		Cement	T&L^	Mining	Agrifoods	Others				
	QH	SPVs	Orient	Silverstone	NDT	CCTO	ASCOM	Falcon	Misc.*	Grandview	Elimination	1Q 2023	Restated 1Q 2022**
Revenue	-	-	23,435.7	2,938.3	1,266.2	130.7	498.3	409.8	201.3	1,406.9	-	30,287.2	18,681.6
Cost of Sales	-	-	(14,446.4)	(2,530.6)	(553.7)	(46.6)	(357.3)	(273.0)	(147.3)	(961.3)	-	(19,316.1)	(14,365.3)
Gross Profit	**-**	**-**	**8,989.4**	**407.7**	**712.5**	**84.1**	**141.0**	**136.8**	**54.1**	**445.6**	**-**	**10,971.1**	**4,316.3**
Advisory fee	40.1	-	-	-	-	-	-	-	-	-	(40.1)	-	-
Total Operating Profit	**40.1**	**-**	**8,989.4**	**407.7**	**712.5**	**84.1**	**141.0**	**136.8**	**54.1**	**445.6**	**(40.1)**	**10,971.1**	**4,316.3**
SG&A	(66.3)	(3.9)	(268.6)	(114.2)	(74.1)	(24.0)	(43.7)	(72.6)	(16.0)	(87.4)	37.0	(733.8)	(454.1)
Export Subsidy Revenue	-	-	-	-	-	-	16.3	-	10.3	13.7	-	40.3	37.8
Other Income/Expenses	-	75.7	-	(21.0)	-	-	-	-	0.0	(2.2)	-	52.5	(10.3)
EBITDA (before one-offs)	**(26.2)**	**71.8**	**8,720.8**	**272.5**	**638.4**	**60.1**	**113.6**	**64.2**	**48.4**	**369.6**	**(3.1)**	**10,330.1**	**3,889.7**
Non Recurring - Revenues & Costs	(4.3)	-	2.0	(16.7)	1.2	27.4	0.3	(2.1)	0.1	4.4	2.4	14.6	10.8
EBITDA	**(30.5)**	**71.8**	**8,722.8**	**255.8**	**639.6**	**87.5**	**113.8**	**62.0**	**48.6**	**374.0**	**(0.7)**	**10,344.7**	**3,900.5**
Depreciation & Amortization	(2.3)	-	(1,795.7)	(73.4)	(176.4)	(14.3)	(44.5)	(33.3)	(1.0)	(24.4)	(10.4)	(2,175.6)	(1,192.8)
EBIT	**(32.8)**	**71.8**	**6,927.1**	**182.5**	**463.2**	**73.2**	**69.3**	**28.7**	**47.6**	**349.6**	**(11.1)**	**8,169.1**	**2,707.8**
Finance Cost	(333.4)	(104.5)	(1,247.2)	(273.3)	(16.7)	(0.1)	(40.1)	(21.1)	(5.6)	(84.1)	-	(2,126.1)	(1,102.2)
Other Finance Cost		-	(8.8)						-			(8.8)	173.4
Bank PIK	-	(120.3)	-	-	-	-	-	-	-	-	-	(120.3)	(37.5)
3rd Party Shareholder	135.7	54.9	(68.9)	-	(330.4)	(18.5)	-	-	(0.2)	1.4	6.1	(219.9)	(97.3)
Interest Income	0.0	-	54.1	250.8	4.6	3.4	0.4	0.2	0.4	8.0	-	322.0	183.3
Finance Lease Charges/ NPV LT assets	-	-	(15.3)	(20.7)	(0.2)	(4.1)	-	-	-	-	-	(40.2)	(19.5)
EBT (before one-offs)	**(230.4)**	**(98.1)**	**5,641.1**	**139.2**	**120.5**	**53.8**	**29.7**	**7.8**	**42.2**	**274.9**	**(5.0)**	**5,975.7**	**1,808.2**
Impairments/Write-downs	(697.7)	(250.4)	(14.3)	(0.0)	(12.3)	(6.3)	(0.7)	(2.3)	(1.3)	-	949.2	(36.1)	(7.6)
Acquisitions, Legal & Restructuring	-	-	-	(2.7)	(0.2)	-	-	-	-	-	-	(2.9)	818.6
Share in Associates' Results	-	-	-	-	(48.3)	0.0	15.1	-	-	-	5.7	(27.4)	(12.3)
CSR	-	-	-	(4.2)	-	-	-	-	-	-	-	(4.2)	(2.5)
Provisions	-	(39.1)	(48.2)	(23.1)	(113.4)	(1.9)	(2.0)	(0.7)	0.1	-	(2.4)	(230.8)	(277.3)
FOREX**	-	-	-	-	350.6	-	-	-	-	-	-	350.6	(37.7)
EBT	**(928.0)**	**(387.7)**	**5,578.6**	**109.3**	**296.9**	**45.6**	**42.0**	**4.8**	**41.0**	**274.9**	**947.5**	**6,024.8**	**2,289.3**
Taxes	0.3	-	(1,350.9)	(23.0)	(85.3)	(20.6)	-	(14.0)	(0.6)	(76.0)	0.5	(1,569.4)	(126.4)
Net P/L Including Minority Share	**(927.8)**	**(387.7)**	**4,227.7**	**86.3**	**211.6**	**25.0**	**42.0**	**(9.1)**	**40.4**	**198.9**	**948.0**	**4,455.4**	**2,162.9**
Minority Interest	-	-	2,499.5	35.2	455.0	54.4	(0.2)	0.0	-	133.4	1,205.0	4,382.3	1,694.0
Net Profit/(Loss)	**(927.8)**	**(387.7)**	**1,728.2**	**51.1**	**(243.4)**	**(29.4)**	**42.2**	**(9.1)**	**40.4**	**65.5**	**(257.0)**	**73.0**	**468.9**

* Miscellaneous includes UCF, Wafra & Sphinx

** QH applied the optional exceptional accounting treatment of reclassifying the FX to the Other Comprehensive Income (OCI). Comparative figures have been restated accordingly.

Qalaa Holdings Consolidated Balance Sheet as at 31 March 2023 (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 2023	FY 2022
Current Assets													
Trade and Other Receivables	6,806.8	21,314.4	2,715.7	2,738.1	268.6	730.2	191.7	1,523.0	1,929.8	38,218.3	(8,639.1)	29,579.2	22,861.4
Inventory	-	3,563.7	1,109.3	2,493.4	11.1	231.9	365.9	61.5	1,081.4	8,918.1	0.0	8,918.1	6,349.4
Assets Held For Sale	-	-	-	4.8	-	-	-	158.2	11.1	174.2	(144.3)	29.9	27.1
Cash and Cash Equivalents	14.7	7,774.3	6,755.4	165.6	38.9	122.8	37.1	113.4	450.5	15,472.6	95.8	15,568.4	9,291.7
Others	-	-	-	-	-	-	25.5	-	-	25.5	0.0	25.5	20.0
Total Current Assets	**6,821.6**	**32,652.3**	**10,580.4**	**5,402.0**	**318.5**	**1,084.9**	**620.1**	**1,856.1**	**3,472.7**	**62,808.6**	**(8,687.6)**	**54,121.0**	**38,549.6**
Non-Current Assets													
PP&E	6.3	101,054.6	5,142.5	8,419.6	755.5	1,563.5	806.8	675.0	1,221.4	119,645.2	(36.1)	119,609.0	96,846.5
Investments	5,565.5	-	52.1	302.6	50.4	120.7	-	4.9	156.4	6,252.6	(5,587.0)	665.6	679.8
Goodwill / Intangible assets	5.8	500.0	627.8	-	-	2.3	-	-	-	1,135.9	37.6	1,173.4	872.4
Others	4,070.6	7,335.9	419.5	313.9	-	-	508.9	-	18.3	12,667.0	(4,008.5)	8,658.5	7,934.3
Total Non-Current Assets	**9,648.2**	**108,890.5**	**6,241.8**	**9,036.0**	**805.8**	**1,686.5**	**1,315.7**	**679.9**	**1,396.1**	**139,700.6**	**(9,594.1)**	**130,106.5**	**106,333.1**
Total Assets	**16,469.8**	**141,542.9**	**16,822.2**	**14,438.0**	**1,124.4**	**2,771.4**	**1,935.8**	**2,536.0**	**4,868.9**	**202,509.2**	**(18,281.7)**	**184,227.6**	**144,882.7**
Shareholders' Equity													
Total Equity Holders of the Company	**(1,271.1)**	**36,320.9**	**2,076.7**	**(11,035.1)**	**(1,435.3)**	**(239.0)**	**(531.2)**	**(2,104.7)**	**750.0**	**22,531.2**	**(36,484.4)**	**(13,953.3)**	**(13,255.3)**
Minority Interest	-	18,073.7	543.4	6,211.2	(206.8)	(114.7)	0.0	(1.5)	671.7	25,177.0	23,105.4	48,282.4	35,626.1
Total Equity	**(1,271.1)**	**54,394.6**	**2,620.1**	**(4,823.9)**	**(1,642.1)**	**(353.7)**	**(531.2)**	**(2,106.2)**	**1,421.7**	**47,708.2**	**(13,379.1)**	**34,329.1**	**22,370.8**
Current Liabilities													
Borrowings	13,546.5	61,940.1	5,900.1	1,132.9	-	849.3	86.7	151.9	1,556.3	85,163.7	5,678.9	90,842.6	77,025.1
Borrowings from Financial Leasing Entities	-	-	-	-	-	-	54.3	-	40.3	94.6	-	94.6	89.6
Finance Lease Current Portion	-	341.0	47.4	2.9	18.1	3.2	27.5	-	-	440.2	0.0	440.2	370.6
Trade and Other Payables	3,834.4	11,472.9	3,920.1	2,683.5	2,610.8	773.5	1,830.3	3,758.9	1,087.7	31,972.3	(5,087.8)	26,884.5	18,784.0
Shareholder Loan	-	1,870.8	-	5,490.1	18.1	-	-	252.8	-	7,631.9	(18.1)	7,613.8	5,922.0
Provisions	359.8	-	393.3	3,280.2	26.2	46.9	28.2	25.9	141.4	4,301.9	610.0	4,911.9	4,442.6
Liabilities Held For Sale				0.2				1.4		1.6	1.6	3.3	2.7
Total Current Liabilities	**17,740.7**	**75,624.8**	**10,260.9**	**12,589.9**	**2,673.3**	**1,673.0**	**2,027.1**	**4,190.9**	**2,825.7**	**129,606.2**	**1,184.6**	**130,790.8**	**106,636.6**
Non-Current Liabilities													
Borrowings	-	-	2,709.6	52.2	-	1,442.8	-	21.3	136.9	4,362.7	0.0	4,362.7	3,813.5
Borrowings from Financial Leasing Entities	-	-	-	-	-	-	322.7	-	332.1	654.7	-	654.7	686.4
Finance Lease	-	634.3	700.4	1.2	84.4	3.3	48.6	-	-	1,472.2	-	1,472.2	1,456.0
Shareholder Loan	-	197.4	-	6,510.0	-	-	-	428.5	-	7,136.0	(6,122.2)	1,013.8	813.2
Long-Term Liabilities	0.1	10,691.8	531.3	108.5	8.7	6.0	68.7	1.5	152.5	11,569.2	35.0	11,604.2	9,106.1
Total Non-Current Liabilities	**0.1**	**11,523.5**	**3,941.3**	**6,671.9**	**93.1**	**1,452.1**	**439.9**	**451.2**	**621.5**	**25,194.8**	**(6,087.2)**	**19,107.6**	**15,875.2**
Total Liabilities	**17,740.8**	**87,148.3**	**14,202.2**	**19,261.9**	**2,766.5**	**3,125.1**	**2,467.0**	**4,642.1**	**3,447.2**	**154,801.1**	**(4,902.6)**	**149,898.5**	**122,511.9**
Total Equity and Liabilities	**16,469.8**	**141,542.9**	**16,822.2**	**14,438.0**	**1,124.4**	**2,771.4**	**1,935.8**	**2,536.0**	**4,868.9**	**202,509.2**	**(18,281.7)**	**184,227.6**	**144,882.7**

* Miscellaneous includes UCF, Wafra & Sphinx

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 1Q23, ERC refined total feedstock of c.1,221.2 thousand tons, including c.1,143.0 thousand tons of atmospheric residue. During the quarter, total output excluding fuel and losses recorded 1,167.3 tons, from which ERC produced and supplied a total of c.974.9 thousand tons of refined product to the Egyptian General Petroleum Corporation (EGPC), as well as c.143.5 thousand tons of pet coke and 25.1 thousand tons of sulfur to cement and fertilizer companies, respectively.

Product	LPG	Light Naphtha	Reformate	Fuel Oil	Jet Fuel	Diesel	*Total Supplied to EGPC*	*AVG GRM per day (USD)*	*Downtime (Days)*
1Q22 (tons)	36,350	65,250	132,035	39,489	21,142	649,694	*943,960*	*2.74*	*0*
1Q23 (tons)	36,042	64,203	125,889	113,207	196,441	439,166	*974,949*	*3.70*	*0*
Change	*-1%*	*-2%*	*-5%*	*187%*	*829%*	*-32%*	*3%*	*35%*	*0%*

ERC's USD denominated revenue increased by 71% y-o-y in EGP terms to EGP 23.4 billion in 1Q23, compared to EGP 13.7 billion in 1Q22. ERC continued to operate without any shutdowns during 1Q23.

In 1Q23, total feedstock volume remained largely stable year-on-year at 1.2 million tons. Meanwhile, refining margins averaged USD 3.7 million per day, up from USD 2.7 million per day in 1Q22, following higher oil product prices. After reaching peak levels in 2022, refining margins have significantly tapered in 2023, declining from USD 4.9 million per day in 4Q22 as they head towards normalized levels.

In terms of profitability, ERC recorded an EBITDA of EGP 8.72 billion in 1Q23 compared to EGP 3.1 billion in 1Q22 on the back of higher refined petroleum product prices and an optimized product mix.

ERC is still in talks with its creditors for a comprehensive debt restructuring. After successfully paying all its arrears in 1Q23, ERC has also made a payment of USD 445 million to the settlement of debt and the funding of the Debt Service Reserve Account in June 2023, and continues to be fully current on all its scheduled debt payments.

TAQA

QALAA HOLDINGS OWNERSHIP — c.55.3%

TAQA Arabia's revenue grew 27% y-o-y in 1Q23 reaching EGP 2.9 billion compared to EGP 2.3 billion in 1Q22. The company's revenue growth was primarily driven by a strong performance at TAQA Gas, including the increase in CNG volume sold as a result of the expansion in CNG station numbers. Revenue was also supported by the increase in fuel prices at TAQA Petroleum.

In December 2022, TAQA Arabia, alongside its French partner Voltalia, signed a memorandum of understanding with the Egyptian government to develop, finance, and operate a green hydrogen production facility in the Suez Canal Economic Zone. Furthermore, TAQA Arabia is currently in process of establishing a limited liability company in partnership with the Saudi National Gas Distribution Company 'Gas', aimed at developing gas distribution in the kingdom.

On July 9th 2023, TAQA Arabia's shares began trading on the Egyptian Exchange (EGX) under the ticker (TAQA). The company's shares were listed directly on the EGX without initially being offered to investors via an Initial Public Offering (IPO). TAQA Arabia's shares have been valued by an independent financial advisor at EGP 8.90 apiece, handing the company an EGP 12 billion valuation.

After completing the process of listing the company's capital shares on the EGX and after the start of trading, a restructuring of the company's ownership will be implemented through several ownership transfer operations. It is expected that the restructuring process will take place in several stages, some of which have been agreed upon and others that are still under negotiation. In the first stage, Qalaa will transfer 20% of TAQA Arabia shares to one of its creditors in lieu of debt repayment, with the right to buy back the shares within four years.

Key Performance Indicators

	Units	1Q22	1Q23	*% chg*
TAQA Arabia (Holding Co,) Revenues	**(EGP mn)**	**2,308.7**	**2,938.3**	**27%**
TAQA Arabia (Holding Co.) EBITDA	**(EGP mn)**	**203.7**	**272.5**	**34%**
TAQA Gas Revenues	**(EGP mn)**	**477.0**	**837.7**	**76%**
TAQA Gas EBITDA	**(EGP mn)**	**116.6**	**178.1**	**53%**
Household Connections (Cumulative)	# 000	1,486,807	1,599,416	8%
Industrial Clients (Cumulative)	#	323	363	12%
Total Gas Distributed	BCM	1.9	1.7	-13%
Master Gas CNG Stations (Cumulative)	#	41	61	49%
Mobile CNG Distributed	MCM	1.3	0.9	-32%
TAQA Power Revenues*	**(EGP mn)**	**408.5**	**455.7**	**12%**
TAQA Power EBITDA*	**(EGP mn)**	**79.5**	**99.9**	**26%**
Total Power Distributed	M KWH	251	257	3%
Total Power Generated	M KWH	24	19	-22%
Solar Energy Generated	M KWH	35	35	-1%
Photovoltaic Energy	M KWH	2	9	315%
TAQA Petroleum Revenues	**(EGP mn)**	1,432.7	1,651.2	15%
TAQA Petroleum EBITDA	**(EGP mn)**	32.4	33.4	3%
Total Liquid Fuels Distributed	Liters	192,773	196,942	2%
Filling Stations (Cumulative)	#	60	64	7%

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

TAQA Gas

TAQA Gas' revenue increased 76% y-o-y to EGP 837.7 million in 1Q23, supported by a higher number of connections, coupled with an increase in connection prices. Revenue was also positively impacted by the increase in CNG volume brought about by the expansion in the number of CNG stations to 61 by the end of 1Q23, up from 41 at the end of 1Q22. This enabled the company to capture a larger portion of the ballooning CNG market driven by the increase in CNG converted vehicles in Egypt.

The volume of CNG sold for vehicles increased by 51% y-o-y to 41.2 MCM during the quarter. Furthermore, in 1Q23 TAQA Gas successfully converted 1,500 gasoline-powered vehicles to run on CNG, out of a total cumulative number of converted vehicles to 33,121. The company continues to work towards accelerating the rate of vehicle conversion to CNG via the use of corporate deals to convert commercial fleets of trucks and buses.

Owing to its robust gas distribution and construction businesses, TAQA Gas enjoys a strong and dominant market position. During 1Q23, TAQA Gas added around 16.4 thousand new household connections, bringing total cumulative connections at the end of the quarter to around 1.6 million connections, an 8% y-o-y increase. Additionally, the company successfully added seven new industrial clients in 1Q23, reaching a total of 363 industrial clients, up from 323 in 1Q22. However, despite the increase in the number of domestic and industrial connections during the quarter, the total amount of gas distributed fell by 13% y-o-y to 1.7 BCM in 1Q23, on the back of a decline in consumption.

On the profitability front, TAQA Gas recorded an EBITDA of EGP 178.1 million in 1Q23, up 53% y-o-y from the EGP 116.6 million recorded during the same quarter last year.

TAQA Power

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

Despite TAQA Power's total distribution and generation volume remaining flat y-o-y at 276M KWH, revenue from distribution and generation rose by 4% y-o-y to EGP 378.6 million in 1Q23 compared to 363.8 million in 1Q22. Revenue growth was driven by the positive impact from foreign currency linked prices for generation clients.

The company's positive performance in 1Q23 was supported by the increase in the number of household and industrial clients served during the period, which rose by 27% y-o-y and 20% y-o-y, respectively. As of 1Q23, the total number of household clients stood at 9,814. In parallel, the number of industrial clients reached 342 in 1Q23.

With its 65MW solar power plant in Benban, Aswan, TAQA Solar generated EGP 66.5 million in revenue during 1Q23, a 59% y-o-y expansion on the back of the increase in the EGP/USD rate to which prices are tied.

TAQA Photovoltaic (PV), contributed EGP 10.5 million of revenue in 1Q23. The company was founded in September 2021 as a TAQA Power subsidiary for renewable energy, with the aim of developing a private-to-private renewable energy market. Under 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.

EBRD has also committed to financing TAQA PV's project in El Minya, where a 7MW solar photovoltaic power plant will be built with a value of USD 5.5 million. As part of a 25-year power purchase agreement (PPA), TAQA began the construction of a plant, the entire electrical output of which will be sold to ASCOM Carbonate and Chemical Manufacturing (ACCM), a subsidiary of Qalaa Holdings. Furthermore, TAQA PV successfully started the operation of two projects in the tourist hotspots of Soma Bay and Nabq, and is currently working on Nabq phase 2 as well as the industrial zone of 6th of October City.

Profitability wise, TAQA Power’s EBITDA grew by 26% y-o-y, reaching EGP 99.9 million in 1Q23. The improved profitability is largely attributable to the revenue increase associated with the Benban solar power plant, in addition to the new contributions from TAQA PV.

TAQA Petroleum

TAQA Petroleum’s revenue grew 15% y-o-y to EGP 1.7 billion in 1Q23 following increases in fuel and lube prices, as well as higher diesel, gasoline, and lubes sales, which grew by 1% y-o-y, 3% y-o-y, and 5% y-o-y, respectively. During the quarter, revenue from fuel rose by 13% y-o-y to reach EGP 1.6 billion. On the back of the increased revenue, the fuel contribution margin expanded by 18% y-o-y in 1Q23 to EGP 51.9 million. As for the lubes division, revenue was up 79% y-o-y in 1Q23, rising to EGP 96.1 million, largely owing to a 70% y-o-y increase in price per ton.

TAQA Petroleum currently operates a total of 64 stations, and is planning 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. Since its inception, TAQA Water has successfully completed three desalination projects; two for real-estate developers in the North Coast and Port Said, which began operations in late 2Q22 and 1Q23, respectively. The third is a factory in the 10th of Ramadan Industrial Zone, which is expected to begin operations later in 2023 along with two other projects which are currently under construction. In 1Q23, TAQA Water booked EGP 0.8 million 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 1Q23 ASEC Holding's revenue was EGP 1.3 billion, up 26% y-o-y compared to 1Q22, owing to the depreciation of the EGP against foreign currencies in which the revenues of some of the platform's subsidiaries are denominated. Profitability wise, the group's EBITDA improved by 189% y-o-y in 1Q23 when compared to the same quarter in the previous year, reaching EGP 638.4 million compared to EGP 221.1 million in 1Q22.

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

Key Performance Indicators

	Units	1Q22	1Q23	% chg
ASEC Holding's Cons. Revenue	**(EGP mn)**	1,001.3	1,266.2	26%
ASEC Holding's Cons. EBITDA	**(EGP mn)**	221.1	638.4	189%
ASEC Cement Group Revenue	(EGP mn)	756.0	897.7	19%
ASEC Cement Group EBITDA	(EGP mn)	199.7	495.3	148%
Al-Takamol Cement Revenue	(SDG mn)	20,563.2	15,944.9	-22%
Al-Takamol Cement EBITDA	(SDG mn)	6,626.7	4,931.9	-26%
Al-Takamol Volume	KTons	303.9	181.0	-40%
Zahana Cement Revenue	(EGP mn)	197.3	288.1	46%
Zahana Cement EBITDA	(EGP mn)	51.7	91.1	76%
Zahana Volume	KTons	393.9	292.1	-26%
ARESCO Revenue	(EGP mn)	53.7	117.0	118%
ARESCO EBITDA	(EGP mn)	(8.6)	28.2	N/A
ARESCO Backlog	(EGP mn)	289.4	633.7	119%
ASEC Engineering Revenue	(EGP mn)	171.7	234.3	36%

ASEC Engineering EBITDA	(EGP mn)	13.2	33.7	155%
ASEC Engineering Managed Production	MTons	1.6	1.7	13%

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's revenue dropped 22% y-o-y to SDG 15.9 billion in 1Q23 following a 40% y-o-y decline in sales volume during the quarter compared to 1Q22. The drop in volume was primarily a consequence of a one-off hike in volumes during the first quarter of last year as one of the company's major competitors was temporarily out of business at the time. The volume decline was partially mitigated by an increase in average cement prices from SDG 67,667/ton to SDG 88,091/ton in 1Q23.

In terms of profitability, Al-Takamol's EBITDA dropped 26% y-o-y to SDG 4.9 billion in 1Q23 compared to SDG 6.6 billion in 1Q22. The drop in profitability was mainly due to the decline in volumes while the company's fixed costs remained unchanged when compared to 1Q22.

In 1Q23, Zahana Cement recorded a revenue of EGP 288.1 million, up 46% y-o-y. Top line growth came on the back of a 97% y-o-y increase in the average selling price to EGP 986.3/ton compared to EGP 500.9/ton in 1Q22 which more than offset the 26% drop in total sales. The drop in both cement and clinker volume by 16% and 36%, respectively, was mainly due to weaker demand across both local and export markets.

In terms of profitability, Zahana's EBITDA grew 76% y-o-y to EGP 91.1 million in 1Q23, versus EGP 51.7 million in 1Q22. Improved profitability was primarily driven by a delay in maintenance works which regularly take place in the first quarter of each year but were postponed to 2Q23 this year. As a result, the company did not incur the costs normally associated with the aforementioned maintenance works this quarter.

ASEC Engineering
ASEC Engineering's revenue grew 36% y-o-y to EGP 234.3 million in 1Q23 on the back of a 13% y-o-y growth in managed clinker production during the quarter to 1.7 million tons, in addition to improved pricing and minimum fee requirements added to the company's contracts.

ASEC Engineering managed to record a recurring EBITDA of EGP 33.7 million in 1Q23, up 155% y-o-y, mainly due to the aforementioned contract renewals involving enhanced pricing and greater volume.

ARESCO

ARESCO has recently signed a contract with FCB in Senegal, generating a 118% y-o-y revenue increase to EGP 117.0 million in 1Q23.

In terms of profitability, ARESCO reported an EBITDA gain of EGP 28.2 million in 1Q23, versus a loss of EGP 8.6 million in 1Q22. EBITDA turned positive on the back of the implementation of new projects in Egypt and Senegal, taking ARESCO's backlog up to EGP 633.7 million, a 119% increase compared to 1Q22.

ASEC Automation

As a result of a new project in the Philippines, ASEC Automation's revenue increased 41% y-o-y to EGP 76.2 million in 1Q23. On the profitability front, the company recorded a recurring EBITDA of EGP 8.1 million in 1Q23, compared to an EBITDA of EGP 2.3 million in 1Q22 on the back of higher utilization while maintaining the same level of fixed costs. Moreover, the company recently began increasing its focus on becoming the main contractor for all its new contracts as opposed to sub-contracting. This led to the significant improvement in ASEC Automation's profitability. In 1Q23, ASEC Automation signed new contracts worth approximately EGP 200 million, bringing its total backlog to c. EGP 600 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	1Q22	1Q23	*%chg*
Grandview (National Printing Holding Co.) Revenues	**(EGP mn)**	**914.9**	**1,406.9**	**54%**
Grandview (National Printing Holding Co.) EBITDA	**(EGP mn)**	**270.3**	**369.6**	**37%**
Shorouk for Modern Printing & Packaging Revenues	(EGP mn)	320.0	462.6	45%
Shorouk for Modern Printing & Packaging EBITDA	(EGP mn)	62.0	92.0	48%
Uniboard Revenues	(EGP mn)	563.0	774.4	38%
Uniboard EBITDA	(EGP mn)	209.0	238.3	14%
El Baddar Revenues	(EGP mn)	179.0	283.7	58%
El Baddar EBITDA	(EGP mn)	18.0	26.5	47%

Shorouk for Modern Printing & Packaging

Shorouk continued to overcome challenging market conditions and supply chain disruptions, delivering impressive results for the first quarter of the year. The company’s revenue increased 45% y-o-y to EGP 462.6 million in 1Q23 compared to EGP 320.0 million in 1Q22. Top line growth came on the back of an increase in average price per ton, which more than offset the 5% y-o-y decline in sales volume. During the quarter, Shorouk’s export volume dropped 26% y-o-y to record 2,134 tons. This was offset by an increase in price which resulted in a 25% y-o-y rise in export revenue to EGP 114.6 million compared to EGP 92.0 million during the same quarter last year. Similarly, while local sales volume rose by just 4% y-o-y, the increases in prices drove a 53% y-o-y rise in local revenue to EGP 348.0 million. Currently, Shorouk exports its products to 17 countries worldwide.

In terms of profitability, EBITDA grew by 48% y-o-y in 1Q23 to EGP 92.0 million compared to EGP 62.0 million in 1Q22.

Uniboard

In 1Q23, Uniboard's revenue increased 38% y-o-y to EGP 774.4 million on the back of both an increase in volumes as well as the average price per ton. Total sales grew 10% y-o-y during the quarter, supported by the 23% y-o-y increase in local market volume, which more than offset the 31% y-o-y drop in export volume. Following the growth in local prices and volume, local revenue grew to EGP 672.3 million, up 55% y-o-y from the EGP 433.0 million reported in 1Q22. Meanwhile on the export front, despite an increase in prices during 1Q23, revenue from exports dropped by 21% y-o-y to EGP 102.1 million following a volume drop resulting from a change in strategy that favors the higher margins provided by the local market. Today, Uniboard exports its products to 25 countries worldwide.

Profitability-wise, Uniboard's EBITDA rose 14% y-o-y to EGP 238.3 million in 1Q23, as the company increased prices across its product mix to mitigate the impact of soaring raw material costs, which have risen 59% y-o-y this quarter. It is worth noting that raw materials constitute c.80% of Uniboard's total variable cost.

El Baddar

El Baddar continued capitalizing on its cutting-edge facility, which became operational in early 2021. The company recorded a revenue increase of 58% y-o-y to EGP 283.7 million in 1Q23 versus EGP 179.0 million in 1Q22. El Baddar's strong performance was attributed to a 35% y-o-y increase in sales volume during the quarter, coupled with a rise in sales price. Despite a substantial increase in raw material costs, EBITDA increased 47% y-o-y to EGP 26.5 million in 1Q23 compared to EGP 18.0 million in the same quarter of the previous year, on the back of the higher selling price.

Windsor

Windsor is a factory specialized in the production of paper packaging and chemical additives, a significant portion of which relates to the manufacturing of paper cups and boxes. Windsor's clients include multinational corporations such as Unilever, Coca-Cola, and PepsiCo, to name a few. In 1Q23, the company's revenue grew 88% y-o-y to EGP 37.6 million. Meanwhile, EBITDA reached EGP 12.5 million in 1Q23, up 140% y-o-y, despite a significant surge in raw material costs during the quarter. The company's improved performance came as a result of product mix optimization.

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 top line grew by 74% y-o-y to EGP 498.3 million in 1Q23, mostly driven by the impact of the EGP devaluation on the USD denominated businesses such as ACCM and GlassRock.

Key Performance Indicators

	Units	1Q22	1Q23	*% chg*
ASCOM Revenues	**(EGP mn)**	**286.4**	**498.3**	**74%**
ASCOM EBITDA	**(EGP mn)**	**37.7**	**113.6**	**201%**
ACCM Revenues	(USD mn)	9.8	9.2	-6%
ACCM EBITDA	(USD mn)	2.2	2.4	11%
GlassRock Revenues	(USD mn)	3.5	3.7	4%
GlassRock EBITDA	(USD mn)	0.3	0.9	184%
Egypt Quarrying Revenues	(EGP mn)	52.0	87.6	69%
Egypt Quarrying EBITDA	(EGP mn)	(2.2)	11.2	N/A
Other Quarry Management Revenues – ex Egypt	(USDmn)	0.9	0.1	-94%
Other Quarry Management EBITDA – ex Egypt	(USDmn)	0	0	N/A

ACCM

In 1Q23, ACCM reported revenue of USD 9.2 million, a 6% y-o-y decline. This came despite a 6% increase in volumes to 105,084 tons during the quarter, primarily driven by a 12% y-o-y decrease in average price per ton in 1Q23. The price decrease was a result of the decline in global freight costs, which are incorporated in the price, following the stabilization of supply chains after a period of disruptions and instability. Moreover, selling prices in Egypt have not risen at a rate that reflects the devaluation of the EGP, and have therefore declined in USD terms.

In terms of profitability, EBITDA increased 11% y-o-y to USD 2.4 million in 1Q23 compared to USD 2.2 million in 1Q22. EBITDA growth came on the back of a 25% y-o-y decrease in variable costs, mainly driven by the EGP devaluation (which resulted in a decrease in some local cost components such as electricity and local materials, etc.), as well as the drop in the cost of stearic acid and shipping.

Looking ahead, ACCM will continue to capitalize on growing exports, which account for the majority of the company's top line. The recent EGP devaluation should increase ACCM's competitiveness in the international markets. In parallel, management intends to simultaneously push ahead with its sales channel diversification strategy, as well as the installation of additional production lines to expand its capacity and meet planned growth targets.

GlassRock

GlassRock's revenue grew 4% y-o-y to USD 3.7 million in 1Q23, driven by higher prices across the company's product mix that more than offset a 22% y-o-y decrease in total volume sold.

GlassRock's portfolio covers 52 export markets across Africa, Europe, and Asia, and the company has been working on expanding into a number of European countries impacted by the Russia-Ukraine war. During the quarter, GlassRock's export volume declined by 20% y-o-y versus 1Q22. However, export revenue increased 22% y-o-y to USD 0.9 million, up from USD 0.8 million in 1Q22, supported by the 99% y-o-y and 25% y-o-y increase in the export price of Rockwool and Glasswool respectively.

In the domestic market, GlassRock's sales volume decreased by 23% y-o-y in 1Q23, mainly driven by a 34% y-o-y decline in Rockwool's sales volume during the quarter, which more than countered the 9% y-o-y increase in Glasswool sales volume. The decline in local sales volume was mainly driven by the devaluation of the EGP which has put cost cutting pressure on building materials, hence adversely affecting GlassRock's sales. In terms of revenue, Glasswool's domestic sales revenue rose by 78% y-o-y to USD 1.4 million in 1Q23, supported by a more efficient product mix and an increase in selling price. Meanwhile, Rockwool booked USD 1.1 million in revenue in 1Q23, down 25% y-o-y following the significant decline in volumes, despite a 14% y-o-y increase in price.

With regards to profitability, GlassRock's EBITDA grew 184% y-o-y in 1Q23 to USD 0.9 million compared to USD 0.3 million in 1Q22. Profitability was driven by price increases across the board in both the export and local markets, coupled with the impact of the EGP devaluation which resulted in a cost decrease in some local cost components.

Egypt Quarrying (ASCOM Mining)

ASCOM's mining operations rely primarily on the cement sector, with around 90% of its revenue attributable to cement clients. The company continues to face a challenging operating environment due to sustained pressure on Egypt's cement industry. 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 during periods where markets are underperforming. The company has also successfully renegotiated a number of contracts, passing on the effects of a weakening EGP on its expenses onto its clients. In addition, ASCOM managed to terminate defaulting contracts and voluntarily shutdown some non-profitable projects to replace them with profitable ones. This has resulted in a 69% y-o-y increase in revenue to EGP 87.6 million in 1Q23 compared to EGP 52.0 million in 1Q22, as well as a significant improvement in EBITDA, which reached EGP 11.2 in 1Q23 compared to an EBITDA loss of EGP 2.2 million in 1Q22.

Going forward, the company is exploring diversification options through expansion into other fields such as phosphate, kaolin, sand, gypsum, and mining support both locally and internationally.

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. recorded a 49% y-o-y increase in revenue to EGP 409.8 million, driven by improved operations at Dina Farms and ICDP's revenue benefiting from higher selling, prices coupled with new product launches. Meanwhile, EBITDA rose by 127% y-o-y to EGP 64.2 million in 1Q23, driven by EBITDA growth at Dina Farms, which made up for the shrinking margins at ICDP.

Key Performance Indicators

	Units	1Q22	1Q23	% chg
Gozour (Dina Farms Holding Co.) Revenues	**(EGP mn)**	**275.8**	**409.8**	49%
Gozour (Dina Farms Holding Co.) EBITDA	**(EGP mn)**	**28.3**	**64.2**	127%
Dina Farms Revenues	(EGP mn)	212.2	372.0	75%
Dina Farms EBITDA	(EGP mn)	29.6	74.8	153%
Dina Farms Raw Milk Sales/Milking Cow Ratio	Tons/Milking Cow	2.7	2.6	-2%
ICDP Revenues	(EGP mn)	108.6	228.2	110%
ICDP EBITDA	(EGP mn)	12.2	12.3	1%
ICDP SKU Volumes Sold	(Tons)	4,388	4,349	-1%

Dina Farms' revenue grew 75% y-o-y to EGP 372.0 million in 1Q23. Revenue growth was supported by improved operations across all business segments.

At the livestock division, revenue from milk sales increased 72% y-o-y to EGP 287.8 million in 1Q23 following the increase in milk prices. This more than offset the 13% y-o-y drop in milk sales volume caused by a decline in demand. Similarly, powdered milk sales volume fell by 13% y-o-y to 61.5 tons. However, the increase in powdered milk prices more than made up for this drop in sales. As such, powdered milk revenue increased by 89% y-o-y to EGP 8.3 million in 1Q23. Meanwhile, non-milk revenue dropped 31% y-o-y to

EGP 6.3 million in 1Q23 compared to EGP 9.1 million during the same quarter last year, on the back of lower sales.

At the agriculture division, orchard revenue reached EGP 12.9 million in 1Q23, a 27% y-o-y increase following an improvement in crop performance, coupled with an increase in prices. Additionally, in 4Q22 Dina Farms had started processing and drying its parsley crop in-house as opposed to selling it to a third party in order to capture the value-added from this. Furthermore, the company's cultivated herb area increased by 31% y-o-y to 788 feddans in 1Q23. As a result, crop revenue increased by 289% y-o-y to EGP 39.1 million during the quarter, up from EGP 10.0 million in 1Q22.

Finally, revenue at the retail division grew 91% y-o-y to reach EGP 24.9 million in 1Q23, driven by increased prices for the products being sold.

On the profitability front, Dina Farms booked a 153% y-o-y increase in EBITDA to EGP 74.8 million in 1Q23, on the back of improved profitability across the board. The livestock division recorded a 73% y-o-y increase in gross profit to EGP 59.0 million in 1Q23. Meanwhile, agriculture division gross profit was up 280% y-o-y to EGP 20.1 million.

International Company for Dairy Products (ICDP)

In 1Q23, ICDP's total SKU volume stood at 4,349 tons, down slightly from the 4,388 tons recorded during 1Q22.

Revenue increased by 110% y-o-y in 1Q23 to reach EGP 228.2 million. Growth was supported by price increases across the board, as well as a continuation of the noticeable increase in the volume of cheese, skimmed milk powder, and yogurt sold, all of which enabled the company to boost its top line despite a drop in milk and juice volumes sold. Revenue growth was also supported by new product launches during the quarter. 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 played an important role in supporting full-year top line performance. Such changes enabled ICDP to continue to increase sales volume, significantly reduce returns, and stop offering distributor discounts.

With its two new cheese lines commissioned during 2022, as well as the introduction of several new products throughout the year, the cheese division saw its sales volume rise by almost fivefold y-o-y in 1Q23. This resulted in an almost tenfold y-o-y increase in revenue to EGP 56.9 million during the quarter compared to EGP 5.7 million in 1Q22.

Fresh milk revenue increased 19% y-o-y to EGP 79.6 million in 1Q23, despite a 21% y-o-y drop in volume on the back of a rise in milk prices. In parallel, powdered milk volume sold reached 241 tons in 1Q23, up 201% from the 80 tons sold in 1Q22. In addition to the increased volume, the 130% y-o-y increase in the price per ton of powdered milk further boosted sales revenue, which reached EGP 31.3 million in 1Q23 compared to EGP 4.6 million in 1Q22.

The yogurt segment's revenue expanded 126% y-o-y to EGP 19.5 million in 1Q23, following an increase in both sales volume and prices. During the quarter, sales volume was up 49% y-o-y, while prices were up 51% y-o-y.

Juice revenue expanded by 6% y-o-y to EGP 17.4 million in 1Q23. Top line growth was backed by a 21% y-o-y increase in prices during the quarter, which offset the 12% y-o-y decline in sales volume witnessed during the quarter.

ICDP's EBITDA stood at EGP 12.3 million in 1Q23, up slightly by 1% y-o-y. Despite the strong growth in revenue, the EBITDA margin has declined by six percentage points year-on-year, dropping to 5% in 1Q23 from 11% in 1Q22. Profitability has suffered following increases in the prices of raw milk and other raw materials in addition to weaker overall demand and fierce competition, all of which led to a shrinkage in the company's margins during 1Q23.

Given that direct distribution has proven to be very effective in improving the company's performance, ICDP will continue growing its product lines and direct distribution network.

Sector Review: Transportation & Logistics

Qalaa Holdings' operational platform in the Transportation & Logistics sector is CCTO, which includes NRPMC (seaport, stevedoring and storage services in Egypt) as well as Nile Barges (river transportation in South Sudan)

QALAA HOLDINGS OWNERSHIP — 67.6%

Citadel Capital Transportation Opportunities Ltd ('CCTO') is Qalaa Holdings transport and logistics platform company which consolidates the company's operations in Egypt (under National River Port Management Company 'NRPMC') and South Sudan (under Nile Barges). In 1Q23, the company's revenue increased by 40% y-o-y to EGP 130.7 million and EBITDA increased by 43% y-o-y to EGP 60.1 million.

Key Performance Indicators

	Units	1Q22	1Q23	*% chg*
CCTO (Holding Co.) Revenue	**(EGP mn)**	**93.6**	**130.7**	**40%**
CCTO (Holding Co.) EBITDA	**(EGP mn)**	**42.1**	**60.1**	**43%**
NRPMC Revenue	(EGP mn)	84.3	115.0	37%
NRPMC EBITDA	(EGP mn)	42.9	63.3	48%
NRPMC Coal / Pet Coke Tons Handled	(000's Tons)	284.0	379.3	34%
NRPMC Twenty-Foot Equivalent Handled	(TEU)	26,004	19,843	-24%
NRPMC Storage days for TEUs (# of days)	Days	38,866	150,088	286%
Nile Barges Revenue (South Sudan)	(USD mn)	0.6	0.5	-11%
Nile Barges EBITDA (South Sudan)	(USD mn)	0.4	0.2	-39%

National Company for River Ports Management (NRPMC) (Egypt)

NRPMC recorded a revenue of EGP 115.0 million in 1Q23, up 37% y-o-y versus 1Q22. The company's performance during the quarter was mainly supported by improvements across all revenue streams, especially in the storage and inland container depot service.

During 1Q23, coal storage volume at Tanash warehouse dropped 9% y-o-y, yet revenue from coal storage was up 68% y-o-y during the quarter on the back of USD based contracts, rising to EGP 45.6 million in 1Q23 compared to EGP 27.1 million in 1Q22.

Stevedoring services showed an increase in revenue in 1Q23, reaching EGP 25.2 million during the quarter compared to EGP 21.7 million in 1Q22, a 16% y-o-y expansion. The increase was mainly driven by a 34% y-o-y rise in coal stevedoring, offsetting the effect of the halt in grain stevedoring operations.

Moreover, inland container depot revenue increased nearly twofold year-on-year in 1Q23 to EGP 44.2 million. Growth was supported by a 286% y-o-y increase in the container storage days which reached 150,088 days compared to 38,886 days in 1Q22. The increase in storage days was a consequence of the slowdown brought about by the letter of credit requirements for all imports, as well as foreign currency availability issues. This made up for the decrease in the revenue from container entry activities which dropped by 24% y-o-y due to the aforementioned importation challenges.

It should be noted that following the COVID-19 pandemic, grain importers started preselling grain shipments prior to the ship's arrival, hence reducing need for storage. Moreover, the launch of the National Project for Silos, through which the government built dozens of silos with an additional storage capacity of nearly 1.5 million tons distributed over 17 governorates, reduced demand for grain storage in the Nubaria warehouse. As such, the Nubaria grain storage warehouse was repurposed into a general cargo warehouse that is currently rented to a tire importer.

In terms of profitability, the company's EBITDA rose by a strong 48% y-o-y to EGP 63.3 million in 1Q23 on the back of higher storage and container depot revenues.

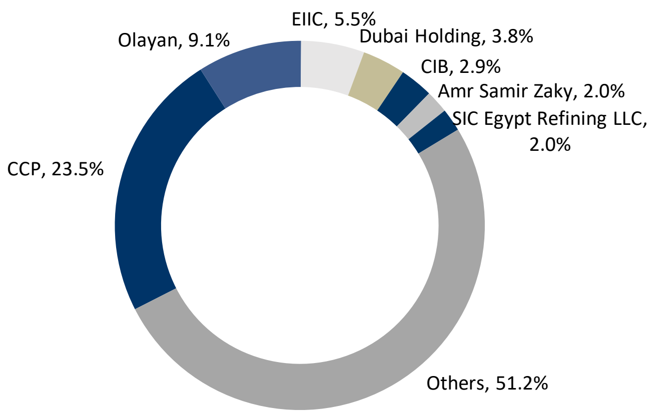
Nile Barges (South Sudan)

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 ten barges in service following the successful addition of the last pusher in 1H22, bringing Nile Barges' entire fleet into operation.

Nile Barges successfully completed two trips in 1Q23, matching the number of trips completed in 1Q22. The company recorded a revenue of USD 0.5 million during the quarter, down 11% y-o-y. With regards to profitability, EBITDA dropped 39% y-o-y to USD 0.23 million in 1Q23. The decline in the company's revenues and EBITDA was a result of lower pricing associated with shorter trip routes due to operating only within South Sudan with no trips to and from Sudan following the turmoil taking place there.

SHAREHOLDER STRUCTURE

(as at 31 March 2023)



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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