A YEAR OF UPWARD
MOMENTUM

QALAA HOLDINGS القلعة

AFRICAN LEADER IN
ENERGY & INFRASTRUCTURE

ANNUAL REPORT
2018

Qalaa subsidiaries ERC and TAQA Arabia are forging ahead with transformative refining and solar projects in Egypt.

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A NOTE FROM OUR **CHAIRMAN & FOUNDER**

More than a decade ago, we outlined a simple investment thesis—Egypt's unique growth drivers and the inevitable need to restructure the economy would create unique and sustainable opportunities in energy and infrastructure. The year ending 31 December 2018 has once again proved us right, as Qalaa delivered 25% top-line growth on the back of consistent double-digit growth each quarter.

Financially and operationally, the majority of our companies had strong years thanks to our careful emphasis on operational expansion and efficiencies. At the head of the class was TAQA Arabia, a leading player in Egypt's energy sector with a portfolio of products and services spanning natural gas, power and petroleum products—sectors that are all benefitting from the removal of subsidies and an ongoing process of market liberalization. Moreover, TAQA diversified its energy portfolio with an emphatic expansion in renewable energy through the inauguration in 1Q19 of its 50 MW, EGP 1.35 billion solar plant in Benban, Egypt, the world's largest solar park. The low-carbon-footprint plant will generate 154 million KWh of energy per year.

2018 was also a year in which we hit exceptionally important pre-operational milestones at our transformative Egyptian Refining Company (ERC), which has now seen all units operational after the successful commissioning of the facility's hydrocracker unit. 4Q19 is set to see a steady ramp up in utilization rates. As of September 2019, ERC has supplied EGPC with over 890,000 tons of environmentally friendly, low-sulfur, Euro-V specification diesel, naphtha and high-octane gasoline.

In parallel, I am pleased to note that we are reaching the end of our portfolio restructuring program, which has seen us continue to shore-up our financials. The quarter just ended marked a milestone event where we fully deconsolidated Africa Railways' liabilities including its debt obligations from Qalaa's consolidated financials. The impairments we had previously booked in our financials were almost entirely netted out by the gains from the deconsolidation of the liabilities, leaving us with minimal losses and closing that chapter in our history.

All of this leaves us very well-positioned for 2019, as this progress at TAQA and ERC underscores, as we continue to operate from the same playbook. By the end of 2019, we will:

- **Bring ERC into full commercial production** by 4Q19
- **Continue making small, incremental investments** in our existing portfolio companies, with a particular emphasis on energy- and energy-driven investments such as TAQA, Tawazon and Nile Logistics
- **Exploit opportunities at existing investments** where, to cite but one example, Dina Farms will grow its total area under cultivation, add to its herd of milking cows and build stronger distribution networks for existing products
- **Opportunistically sell** smaller, non-core assets
- **Begin preparing the groundwork for the IPO** in 2020 of TAQA Arabia and the Arab Refining Company (ARC, the lead shareholder of ERC), market conditions permitting
- **Strengthen the management teams** at individual companies to ensure we have the right talent in place to exploit these opportunities
- **Continue to deleverage** not in absolute terms, but relative to what we expect will be a significant expansion in EBTDA. In parallel, we will continue to restructure specific pockets of debt and regularize a number of financing facilities to keep us on a steady footing
- **Emphasize improvements in governance**, a theme at Qalaa for several years now, including continued investment in our system-wide ERP system.
- **Achieve sustainable, well-rounded economic, environmental, and social impact** across our investments.

> “ As of September 2019, ERC has supplied EGPC with over 890,000 tons of environmentally friendly, low-sulfur, Euro-V specification diesel, naphtha and high-octane gasoline.

In short, we are very pleased with our current portfolio and with the prevailing macroclimate in Egypt, which together will lead us to see compelling, unexploited growth opportunities across our portfolio of companies, whose assets, people, and markets we know intimately and care about deeply. The success of our portfolio is underpinned by our four-prism strategy, which looks at any investment through four lenses: the benefits for shareholders, the government, the community, and employees.

As we do so, our emphasis will continue to be on improving cashflows by driving EBITDA growth across our portfolio—ERC will be a game-changer in this respect, but we have good opportunities to drive growth in EBITDA at all of our companies.

Yes, the global macroeconomic climate looks like it could become challenging at any moment. Globally, the growth cycle is coming to an end amid tensions over trade and other issues. But the outlook for Egypt is strong—from an active reform program to the liberalization of the economy, from the lifting of subsidies to the float of the Egyptian pound, from improvements in our current account and budget deficit to rising remittances, tourism receipts and natural gas—the growth drivers are putting wind in our sails.

Egypt is positioned to become the region's premier energy hub and has a continued starring role in MENA's geopolitical landscape. In short, our medium-term outlook on our core market is positive, and we look forward to delivering attractive results by investing behind the assets we have already spent years shepherding. I am absolutely confident that we can do much more with our existing portfolio—more than anyone can believe, every one of our platforms can grow substantially larger.

With that, I wish to thank all of our staff and employees, board members and shareholders at the Qalaa and subsidiary levels alike for a strong 2018. I look forward to reporting back to you in this same space next year on what I believe will be another strong year for your company.

Ahmed Heikal
Chairman and Founder

2018
HIGHLIGHTS

As of September 2018, the Egyptian Refining Company (ERC), Qalaa's USD 4.4 billion Greenfield petroleum refinery in Greater Cairo is in the final stages of pre-launch trial operations.

ERC Refinery

TRANSFORMATIVE **INVESTMENTS**

Qalaa Holdings has worked for more than a decade to build and develop world-class businesses that create thousands of jobs in multiple strategic sectors of the economy. As a leading African investor in energy and infrastructure, Qalaa seeks to invest in projects that are sustainable, profitable and transformative for the long-term development of Egypt and the African continent. Through the efforts of over 15,000 employees across its subsidiaries in the energy, cement, transportation & logistics, agrifoods, mining and printing & packaging sectors, Qalaa delivers energy to both consumers and businesses, provides reliable logistics solutions, grows and manufactures safe food, adds value to natural resources and helps build vital infrastructure.

13.2 EGP BN
Revenues

1.27 EGP BN
EBITDA

16.1 EGP BN
Total Equity

88.8 EGP BN
Total Assets

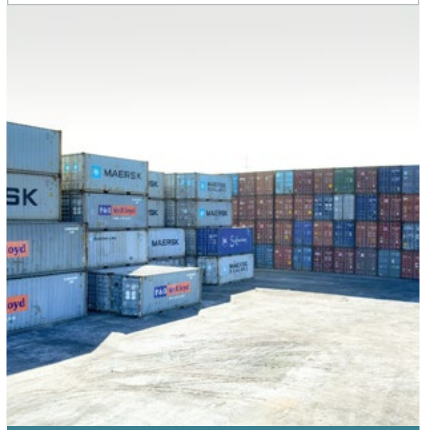
ERC TAQA tawazon

ENERGY

asec holding اسيك القابضة

CEMENT & CONSTRUCTION

NILE LOGISTICS NRPMC



TRANSPORTATION & LOGISTICS

OUR SECTORS

AGRIFOOD

Gozour DINA FARMS

MINING

GlassRock ASCOM GEOLOGY & MINING

PRINTING & PACKAGING*

NATIONAL PRINTING EL BADDAR UNIBOARD

*Previously Grandview

2018 MILESTONES

January

- Qalaa Chairman and Founder, Ahmed Heikal joins heads of state and global CEOs at the 48th annual World Economic Forum in Davos, participating in session on Peacebuilding in Africa and penning an op-ed on the official WEF Blog entitled “3 benefits of public-private mega-projects that most people ignore.”
- Qalaa Holdings is named one of Egypt’s top 100 companies for third consecutive year.
- Qalaa executives Marianne Ghali, Chairman and Managing Director of Sphinx Private Equity Management and Hala Abou Bakr, Chairman and CEO of City Gas and CFO of TAQA Gas are named among Egypt’s 50 Most Influential Women.

- ERC awards second annual round of “Mostakbaly” Teachers Scholarships, granting 30 public school teachers in Mostorod, El Khesous, Shobra El Kheima and El Matarreya scholarships to study at the American University in Cairo’s “Teaching Early Learners” (CELE) program.
- Ghada Hammouda, Qalaa Holdings’ Chief Marketing & Sustainability Officer showcases Responsible Investing model at ENID Youth Entrepreneurship conference in Luxor.

February

March

- For the third consecutive year, Qalaa Holdings is the proud sponsor of the “Best Short Film Award” and “the Forum on African Development” at the 7th annual Luxor African Film Festival.

- Qalaa Holdings reports 22% increase in FY17 revenues on the back of strong growth from its energy subsidiaries, TAQA Arabia and Tawazon.

May

June

- QHSF announces its 12th class of scholars, reaching a total of 184 scholarships to 60 leading global universities in 23 different majors.
- Qalaa Holdings reports 48% increase revenues and 84% growth in EBITDA for 1Q18 reflecting its continued portfolio optimization.
- Qalaa Holdings begins consolidation of National Printing into 1Q18 results as it begins to make significant top- and bottom-line contributions.

July

- Qalaa Holdings exits Bonyan, the holding company of the award-winning mall Designopolis.

> Throughout 2018, Qalaa continued to grow its existing businesses with particular emphasis on energy-led investments.

- Qalaa Holdings reports 39% growth in revenues and a 52% increase in EBITDA for 2Q18 and announces intention to increase ownership in ERC.
- ERC reaches 98% completion and starts commissioning.

September

November

- Hisham El-Khazindar, Co-Founder and Managing Director of Qalaa Holdings, highlights the importance of entrepreneurship as a key pillar for a successful economy in a seminar organized by the Egyptian Center for Economic Studies (ECES).
- Ahmed Heikal, Qalaa Chairman and Founder, presents ERC's USD 4.4 billion greenfield refinery at the Africa Investment Forum in Johannesburg, South Africa, as a successful example of a private sector-led infrastructure mega-project.

- ERC showcases its community development programs, celebrates reaching 53 Mostakbaly Scholarships for Students.
- Qalaa Holdings reports 40% increase in revenues and a 43% increase in EBITDA for 3Q18.

December

A YEAR OF **UPWARD MOMENTUM** ACROSS ALL SUBSIDIARIES

Qalaa's double-digit revenue growth in 2018 is a direct consequence of the group's **prudent investment strategy** and its **constant drive** for operational expansion across the group's entire portfolio

2018 saw Qalaa deliver yet another year of solid financial results, reporting double-digit revenue growth every quarter to record EGP 13.2 billion, representing an exceptional year-on-year expansion of 25%. Top-line growth was driven by strong results from all subsidiaries, especially Qalaa's energy subsidiary TAQA Arabia and Sudan's Al-Takamol Cement.

The energy sector continued to make up the lion's share of total consolidated revenues, contributing to 48% of the group's top-line, and expanding 38% compared to 2017. TAQA Arabia continues to position itself as a leading player in Egypt's energy sector including gas, power and petroleum products, and is successfully capitalizing on the favorable market liberalization initiatives. To this end, the company recorded revenues of EGP 5,904.8 million in 2018 compared to the EGP 4,143.5 million reported in 2017, representing a 43% expansion. The company's revenue growth for the year was driven by strong performances across all three of TAQA Arabia's subsidiaries. Throughout 2018, TAQA continued to work on diversifying its energy portfolio, with its Benban solar project commencing during the first quarter of 2019.

Qalaa's operational cement platform, ASEC Holding, reported robust revenue growth in 2018 of 20% year on year to record EGP 2,712.0 million, which contributed 21% to the group's consolidated top-line. Strong performance for the segment came on the back of solid year-on-year revenue growth at Al-Takamol Cement's operations in Sudan. Despite the ongoing unrest in Sudan and the operational difficulties facing Al-Takamol Cement, the company was able to leverage its reputation for quality and drive volume growth while simultaneously increasing prices in US dollar terms to record an impressive 60% expansion in revenues for the year.

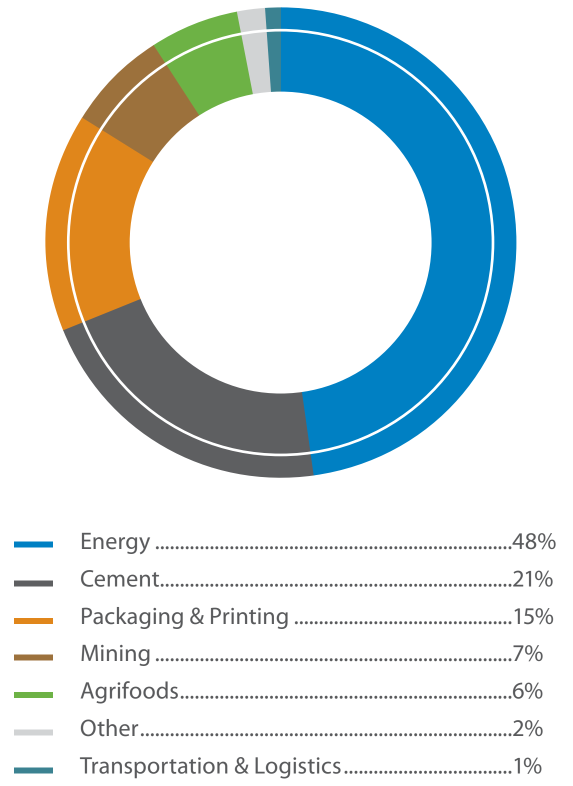
Qalaa's subsidiary, National Printing posted revenues of EGP 1,959.6 million in 2018, making up 15% of total consolidated group revenues for the period. The division's revenue expansion was driven primarily by a 6% rise in Shorouk's top-line for the year. On a similar note, Uniboard, a Greenfield project that aims to capitalize on domestic waste paper as one of the main raw materials in the production of duplex boards, recorded total revenues of EGP 969.0 million, up 41% from 2017 on the back of a 22% increase in volumes to 103 thousand tons. The division's third subsidiary, El Baddar, reported a 9% contraction in revenues for 2018 totalling EGP 420.5 million.

At the group's mining division, revenues contracted by 4% in 2018, contributing to 7% of Qalaa's total revenues. The division's top-line contraction was driven by a 13% fall in quarrying revenues during 2018 which was partially offset by a 21% and 35% top-line expansion reported by ACCM and GlassRock respectively.

Qalaa's other sectors also performed well during the year, with the transportation and logistics (T&L) operations recording a solid 17% y-o-y increase in top-line. The T&L and agrifoods segments together constituted a 7% share of total revenue in FY18.

Strong top-line results trickled down to the EBITDA level which climbed 36% to EGP 1,277.3 million in 2018. The

Qalaa Holdings Consolidated Revenues by Sector FY18



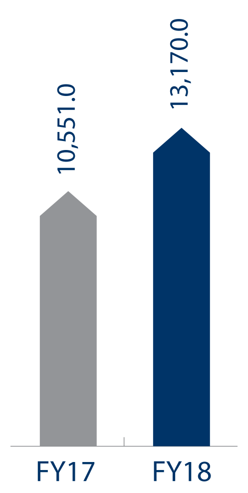
13.2 USD BN

revenue FY18

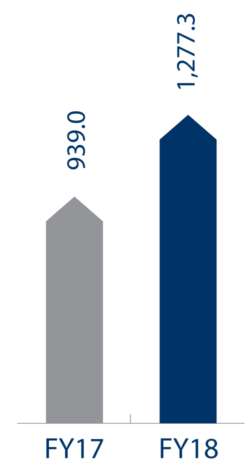
25%

growth in revenue y-o-y

Revenue Progression (EGP mn)



EBITDA Progression (EGP mn)



TAQA's Benban solar project has successfully launched

rise in consolidated EBITDA was driven by operational growth at Qalaa's energy sector, which recorded a 43% y-o-y increase in EBITDA in 2018, with both TAQA Arabia and Tawazon delivering strong double-digit EBITDA growth of 38% and 65%, respectively. Meanwhile, Sudan's Al-Takamol Cement recorded an impressive threefold increase in EBITDA to EGP 603.3 million, with the cement market proving resilient and cement prices keeping in step with the hyperinflationary environment in Sudan.

The group's consolidated EBITDA has been growing steadily since 2016, standing almost three times as high in 2018. Qalaa's management expects the group's EBITDA to deliver growth rates of 35% to 40% over the coming two years excluding contributions from ERC.

Qalaa booked a non-cash one-off gain of EGP 3,726.8 million in 2018 following the deconsolidation of Africa Railways' operational liabilities in both Kenya and Uganda. The deconsolidation generated a gain of EGP 2,554.7 million in the fourth quarter of the year, with the balance having been booked during the second and third quarter of 2018.

Qalaa booked a net consolidated impairment of EGP 485.9 million in 2018, the bulk of which was booked during the fourth quarter of the year at EGP 502.1 million, including an impairment reversal of EGP 93.1 million recorded in 1Q18. Impairments booked during the fourth quarter of the year were primarily concentrated in ASEC Holding.

The group's total provisions recorded EGP 1,070.1 million in 2018, up almost fourfold compared to 2017, with the bulk of the amount recorded in the last quarter of the year at EGP 706.5 million. Provisions during the fourth quarter were taken against probable claims from external parties in relation to the group's activities. Management believes that disclosing details with regards to such provisions may affect the outcome of ongoing negotiations with said parties. Management will continue reviewing these provisions on a yearly basis, adjusting the allocated amount in accordance with the latest developments.

Losses from discontinued operations stood at EGP 137.6 million in 2018, down 83% compared to the EGP 817.0 million recorded in the previous year. Losses from discontinued operations were mainly related to a loss at Zahana Cement in Algeria, as well as ARESCO and ESACO under ASEC Holding. All three companies are currently in the process of being sold, with ESACO's exit being concluded at the end of 2018. In November 2018, Qalaa announced the signing of a Memorandum of Understanding (MoU) between Groupe Industriel Des Ciments (GICA) and ASEC Cement, which should see GICA purchase ASEC's shares in Zahana with the sale expected to be completed by June 2019.

Qalaa Holdings recorded a consolidated net profit of EGP 1,350.8 million in 2018 versus a loss of EGP 4,771.0 million in 2017. The group's profitability was driven by a non-cash one-off gain mainly related to the deconsolidation of Africa Railway's liabilities.

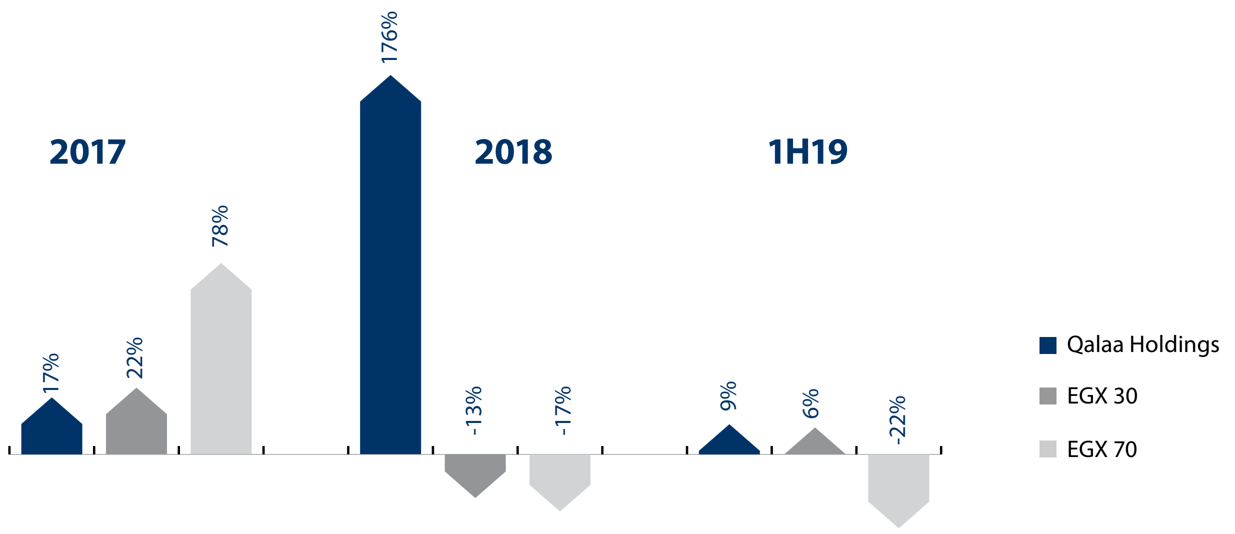
Qalaa's consolidated debt, excluding Egyptian Refining Company (ERC) and ERC-related debt as of 31 December 2018, stood at EGP 8.97 billion. Meanwhile, ERC's total debt as of year-end 2018 increased to EGP 45.4 billion up, while Qalaa's SPVs debt related to financing ERC shares stood at c. EGP 3.4 billion (c. USD 191 million) as of 31 December 2018.

Outlook

Heading into 2019, Qalaa will continue to drive revenue growth from existing operations with minimal incremental investments. The launch of commercial operations at ERC, planned for July 2019, is expected to drive substantial top-line growth for the second half of 2019. The company expects to complete trial operations for all of its units by August 2019, with the operation of the Diesel Hydrocracker. As of September 2019, ERC is 100% complete and has supplied upwards of 890,000 tons of low sulfur European specs diesel, naphtha, and high-octane gasoline to the Egyptian General Petroleum Corporation (EGPC).

As ERC gears up for commercial production in 4Q19, Qalaa is nearing the tail end of its portfolio restructuring program and the shoring up of the group's financial statements. The results of Qalaa's restructuring efforts have already begun to bear fruit, with the company recording a strong 36% increase in EBITDA in 2018, maintaining a positive growth trajectory since 2016. The company looks forward to delivering operational profitability as they push the restructuring program forward to completion and create shareholder value with the imminent start of production at ERC and continued growth across other subsidiaries.

Share Price Performance



SUSTAINABILITY & RESPONSIBLE INVESTING

1. Economic Impact
2. Environmental Impact
3. Social Impact

Dina Farms - Agricultural Land

A REGIONAL PIONEER IN **SUSTAINABILITY** AND INCLUSIVE GROWTH

Qalaa leads by example and positions itself within a larger private-sector-led effort to affect meaningful change in Egypt and the region

Since inception, Qalaa Holdings has built a responsible investing and human capital development strategy that has become a core component of its DNA. The company looks at every facet of its operation in terms of how it benefits four prisms; the economy, the country, the community, and its employees. Social responsibility has always been a main pillar that guides how the company measures success and how it evaluates its performance in every new investment that it makes.

Over the years, we have forged successful partnerships and led by example to actively encourage other private sector entities in Egypt to take similar steps.

Our current social impact and human capital development strategy is focused on achieving a sustainable future through responsible investments that produce profits for shareholders and positive outcomes for communities, whether it's through job creation and knowledge transfer or through the provision of products and services that are crucial to the economic well-being of the developing economies we invest in.

In an effort to align our vision with international best practices, we became early adopters of the UN Sustainable Development Goals (SDGs) honing in on six SDGs in particular as integral parts of our responsible investment strategy. Currently, Qalaa is also working to facilitate Egypt Vision 2030 by uniting private sector, government, and civil society efforts in an attempt to amplify individual impact, set clear targets, and access resources.

We define success in terms of benefits realized for every stakeholder in our businesses and positive impact on the environment. By adopting this triple-bottom-line strategy, Qalaa Holdings has played a pioneering role in advancing sustainable business practices while helping to fuel inclusive growth and economic development in Egypt and Africa. Adopting the SDG's has helped us achieve better governance, attract a more skilled work force, and gain access to finance via DFI's and international investors.

> It has ultimately been proven that shared value creation for our investors, employees and communities is not only doable, but economically beneficial.

> Qalaa has been championing and integrating the UN Sustainable Development Goals into both its investment thesis and its sustainability programs.

Aligning Qalaa's Investment and ESG Strategy With the UN's SDGs

Our Contribution to Egypt's Economic Growth

Economic Impact - Profit

Investing in and supporting a diverse array of companies that will fuel sustainable economic growth and job creation in Egypt and across Africa is a key component of our mission. Since our founding in 2004, we have built more than 50 companies, creating thousands of temporary and permanent jobs in the process of helping these companies thrive. Our investment strategy also reflects our core belief in entrepreneurship.

50+
Businesses Founded

40K+
Jobs Created

Acquired & Developed by Qalaa Holdings

Developed by Qalaa's Chairman and Founder Dr. Ahmed Heikal

Social Impact - Investing in People

At Qalaa Holdings, we firmly believe that quality education and vocational training is the key to transforming society and spurring economic growth. Investing in the development of human capital through providing opportunities for education and vocational training is therefore a key focus of our sustainability strategy. Quality educational and vocational training opportunities equip students with knowledge and skills that they are then able to use to add value to their lives, communities and the country as a whole.

> An integrated and Inclusive Approach to Education and Human Capital Development.

The Qalaa Holdings Scholarship Foundation (QHSF)

Qalaa Holdings established QHSF in 2007 to give talented youth from across Egypt the opportunity to pursue graduate studies at some of the world's most prestigious universities. Upon the completion of their programs, QHSF scholars are required to return to work in Egypt. As such, QHSF allows bright young men and women from various Egyptian governorates the chance to positively impact their local communities as they put their new skills to launch new businesses and lead change across a wide variety of sectors.

QHSF is currently Egypt's largest private sector funded scholarship program, having awarded a total of 195 scholarships (including the class of 2019-20) to top universities in Europe and North America including Harvard, Stanford, Oxford, Cambridge, London School of Economics, Columbia and many others. Alumni of the foundation have gone to establish businesses and successfully pursue careers in a number of fields including education, archaeology, renewable energy and architecture.

In addition to its core QHSF scholarships, for the third year in a row, the Foundation awarded scholarships funded by subsidiaries TAQA Arabia and ERC or students pursuing graduate-level degrees in the renewable energy and petroleum related studies respectively.

To ensure QHSF's sustainability, Qalaa's founders established an endowment to support the activities of the Foundation. The endowment has allowed QHSF's programs to continue uninterrupted for 12 consecutive years.

Qalaa Holdings Financial Services Center (QHFSC)

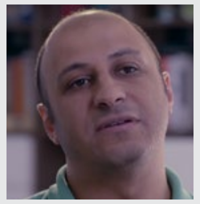
Since 2006, Qalaa Holdings has seed funded the **Qalaa Holdings Financial Services Center (QHFSC)**, at the American University in Cairo (AUC), the first center of its kind in the MENA region offering students training and qualifications to pursue careers in risk management, securities trading and asset allocation. To date, the center has benefited 2,738 graduates.

195+	15	60	45%
Scholarships*	Governorates Represented	Universities	Female Scholars

QHSF class of 2019-20

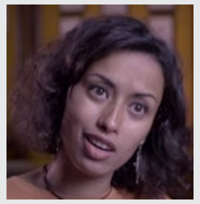
Joyce Rafla, 2011-12 Education

Meet QHSF's Entrepreneurial Alumni



Hisham Wahby

MBA, Wharton (2007-2008), Co-Founder of Innoventures, an early stage venture capital firm that provides funding, training and administrative support for start-ups.



Amina Abo Doma

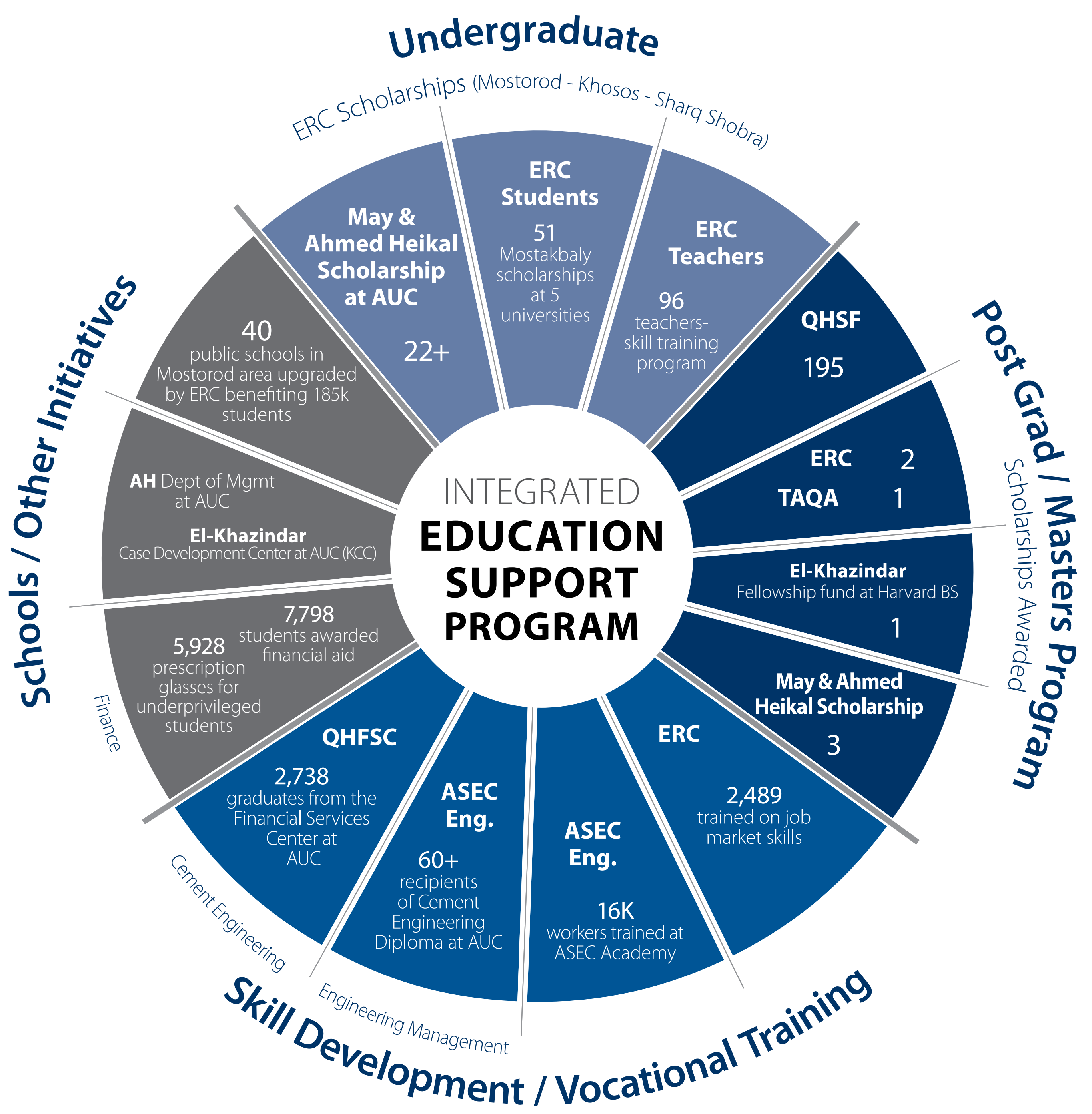
MA in Cultural Entrepreneurship, Goldsmith University (2012-2013), established Theatro Eskendria, an art space and social hub in Alexandria that offers a wide range of cultural services and hosts international theater events.

Randa Fahmy

MA in Sustainable Engineering, Cambridge (2012-2013), manages the R&D program at KarmSolar, an off-grid solar technology company that she co-founded in 2011.

32,000

Beneficiaries from Qalaa's Human Capital Development Programs



ASEC Academy

Across our subsidiaries, we encourage our management teams to add value to their employees' experience by offering training programs and on-the-job learning opportunities. Relying on skilled labor is a sustainable business practice that will create a brighter future for Egypt and its citizens.

Qalaa and its cement subsidiary ASEC Group have been providing vocational training and other educational opportunities in order to close skills gaps. ASEC Engineering Academy has been established to provide technical and cement engineering training programs. ASEC Academy, which is accredited by the Arab Union for Cement and Building Materials, encompasses multiple programs designed to train engineers, chemists, geologists, and technicians employed in the cement industry. To date, it has trained over 16,000 people.

In 2015, ASEC Engineering partnered with AUC to create a training center that offers comprehensive academic and practical education in the field of cement engineering and management. Thus far, more than 60 people have completed the ASEC Engineering Professional Diploma.

ASEC Cement Manufacturing Course (ACMC)

ERC Development Initiatives

ERC, Qalaa's USD 4.4 billion greenfield refinery in Greater Cairo, has made a long-term commitment to bringing positive change to its neighboring communities and believes in grassroot, sustainable initiatives that address the real needs of communities. The project delivers on five SDGs through the tireless work of a dedicated community development team. It operates five main programs: "Mostaqbaly Scholarship for Students and Teachers", youth volunteering program "Reyada", economic development programs "Tamkeen" and "Mashrou3y", and special needs Takaful". Community development programs were created based on the outcome of needs assessment sessions that have been conducted through focus groups, discussions with community members, stakeholders, and other entities.

Education Program - "Mostaqbaly Scholarship for Students and Teachers"

Based on the needs assessment outcome it was determined that education is a priority. In order to address the issues, ERC designed the Mostaqbaly Scholarship Program for Students and Teachers. Now in its third year, "Mostakbaly for Students" has awarded a total of 78 scholarships to students to pursue undergraduate degrees in various specialties at some of Egypt's most prestigious public and private universities such as the Zewail University of Science and Technology, the Arab Academy for Science, Technology & Maritime Transport, Nile University, Ain Shams University, and AUC.

Since 2017, "Mostakbaly for Teachers" has given approximately 30 public school teachers each year the opportunity to receive high-level training in early-years education at the American University in Cairo. Including the 2019 round of scholarships, the program has thus far, awarded a total of 96 beneficiaries from Mostorod, El Khesous, Shobra El Kheima and Matarreya.

In addition to the scholarships, ERC is highly active in other areas impacting educational development in its local communities, with programs in place for school refurbishments, teacher capacity building, in addition to support for students. Since its launch in 2017, the Mostakbaly program has provided 7,798 students with in-kind aid and 939 teachers with educational training. Three students pursuing master's degrees at the universities of Sheffield, Imperial and Manchester in the United Kingdom have also been sponsored by the program.

Mostaqbaly Teachers 2017/18

Reyada beneficiaries

Youth Volunteering Program - "Reyada"

"Reyada", which was established to encourage youth to volunteer and participate in community initiatives, has thus far trained 100 volunteers on managing social initiatives, 30 of whom are currently directing volunteer groups on their own.

Two Economic Development Programs - "Tamkeen" and "Mashrou3y"

ERC developed "Tamkeen" to help female entrepreneurs start their own businesses. "Tamkeen" provides non-financial assistance such as equipment, raw materials, tools and vocational training for new and existing projects. It also provides financing and support on business plans, feasibility studies, community outreach and capacity building. It has already achieved tangible results with 77 beneficiaries of artistic training, 153 beneficiaries of economic empowerment projects and 1,543 beneficiaries of job training.

"Mashrou3y", a youth empowerment program designed to support new and existing small projects developed by youth, has supported 66 youth start-ups, 1,124 vocational training opportunities, and 3,500 employment opportunities (3,200 directly at ERC and 300 at other projects).

Tamkeen beneficiaries

Takaful beneficiaries

Special Needs Program — "Takaful"

ERC developed "Takaful" to help special needs individuals live more enriching lives. ERC launched the "Takaful" program in an effort to achieve full integration with its surrounding communities, in partnership with governmental entities and community development centers. To date, the project has supported four centers, benefitting more than 2,000 children, with 681 direct beneficiaries from the program's community integration initiatives.

Environmental Impact

Planet

At Qalaa Holdings, we believe that environmentally sustainable business practices are a key pillar of any successful enterprise. Accordingly, investing in affordable and clean energy solutions is one of our primary operational objectives. We do so through our three energy subsidiaries—ERC, Tawazon, and TAQA Arabia whose operations serve to promote Egypt's economic growth through developing a sustainable energy industry.

Tawazon provides waste management solutions through recycling waste to energy products. It provides biomass and refuse-derived fuel (RDF) as alternative energy sources for power-heavy industries such as the cement industry. To date, Tawazon has provided industries with 2.6 million tons of alternative fuels, organic fertilizer and RDF.

TAQA Power, a division of TAQA Arabia, is one of Egypt's leading power generation and distribution companies. The company recently launched its landmark solar energy project, a 50 MW photovoltaic power plant project in Benban, Aswan funded by an EGP 1.35 billion financing package created in partnership with the International Finance Corporation (IFC) and five other development finance institutions. The project is inline with Qalaa Holdings' strategy to invest in sustainable energy solutions in Egypt and Africa. The solar power plant has already started selling electricity to the Egyptian Electricity Transmission company carried out under the government of Egypt's Feed-in-Tariff 2 framework.

Once it is fully operational, ERC will have a positive impact on air quality in the Greater Cairo area. By supplying the local market with clean Euro V diesel, it will eliminate 186,000 tons (c. 29%) of Egypt's sulfur dioxide emissions and improve the quality of the national petrol supply.

ERC will also produce reformate and naphtha, which EGPC will blend with existing stocks, increasing overall quality of products in Egypt.

Qalaa Holdings has also invested a total of USD 70 million in GlassRock, a company specialized in the production of both glasswool and rockwool, sustainable insulation materials used in sectors including construction, marine, automotive and agriculture.

Dina Farms practices sustainable farming practices

Nile Logistics' network secures Qalaa's investment in the cleaner transportation of goods

TAQA Arabia's solar energy project, planned for Benban, is the first of its kind

> TAQA Arabia has successfully launched its first solar energy project in Benban Solar Park.

ERC will eliminate 186,000 tons of Egypt's sulfur dioxide emissions

Al Baddar uses recycled materials

ECARU is a leader in biomass production

7 AFFORDABLE AND CLEAN ENERGY

Investing in Clean and Affordable Energy

ERC

30-40% reduction in Egypt's imports of diesel	4.7mn tons of refined products/year
2.3mn tons of Euro V diesel/year	4.4bn USD investment

TAQA Arabia

1mn clients connected to natural gas grid through TAQA	1.35bn EGP investments in Solar Park in Benban, Aswan
50mw of photovoltaic power	12 months to complete Benban solar plant

tawazon

2.5mn tons of biomass, RDF and organic compost	1.1mn tons of organic compost
385K tons of RDF (76,737 tons in FY18)	1mn tons of biomass (193,891 tons in FY18)

GlassRock Insulation Company S.A.E

50K metric tons/year, total production capacity	30K metric tons/year of rockwool production capacity
20K metric tons/year of glasswool production capacity	70mn USD investment

17 PARTNERSHIPS FOR THE GOALS

Establishing Strategic Win-Win Partnerships

Qalaa Holdings believes that partnering with like-minded local and international organizations who are working towards common goals will enable us to further our reach and add more value to our communities. Our global partnerships further help us ensure that our local initiatives work within a wider global movement that will have a resounding impact across borders.

Throughout the year, Qalaa has been dedicated to leading by example and demonstrating how responsible investing and partnerships in the public and private sectors are able to promote sustainable development. The company has worked to establish partnerships and set measures for accountability in order to ensure that its practices are able to transform the lives of local communities.

> Qalaa has demonstrated how partnerships in the public and private sectors are able to promote sustainable development

Civil Society 44+

Academia 8+

International Sustainability Organizations and Ratings Agencies 5

Government 6+

GOVERNANCE & ACCOUNTABILITY

Qalaa ensures the highest levels of accountability and ethical standards in all of its business activities

MANAGING GROWTH WITH **GOVERNANCE & ACCOUNTABILITY**

Qalaa Holdings' governance structure has evolved significantly over the past 15 years as the company has transitioned from an entrepreneurial two-person partnership to Africa's leading private equity firm with 19 platform companies and finally to its current structure as an investment holding company with a narrower focus in fewer strategic sectors

Executive Board Members

Ahmed Heikal

Chairman and Founder representing Citadel Capital Partners Ltd.

Hisham El-Khazindar

Co-Founder and Managing Director representing Citadel Capital Partners Ltd.

Karim Sadek

Managing Director, Head of Transportation & Logistics

Moataz Farouk

Board Member representing Citadel Capital Partners Ltd.

Throughout Qalaa's 15-year journey, maintaining good governance has been critical in seeing us through the volatility of our markets and helping us build sustainable businesses in multiple countries throughout the region.

Our Board of Directors

Institutionalizing the corporate governance processes is an ongoing, long-term objective across all of our platform companies. Equally important are the principles of fairness, openness and transparency which we have worked diligently to instill as part of our corporate culture.

We pride ourselves on a long-standing tradition of having a board of directors dominated by a majority of non-executives. In 2017, we continued along the path to strengthen our governance to support sustainable growth, enhance risk management and maximize efficiency at Qalaa Holdings and across all subsidiary companies. This determined approach to governance has progressively regulated a wide range of practices at Qalaa Holdings and its subsidiary companies, ranging from a risk assessment framework and anti-fraud and financial reporting policies to the manner in which management interacts with shareholders and the creation of shareholder value across our subsidiaries.

Non-executive Board Members

Magdy El Desouky

Board Member, representing Citadel Capital Partners Ltd

Philip Blair Dundas, Jr.

Board Member

Mona Makram Ebeid

Board Member

Dina Hassan Sherif

Board Member

Management Board

An interdisciplinary approach to governance incorporates Qalaa Holdings' management, industry platform teams and the senior management of subsidiary companies by way of formal quarterly meetings through the management boards. These management boards also convene on an as-needed basis.

This quarterly cycle of meetings and reviews, culminating in the meeting of Qalaa Holdings' audit committee and board, ensures a rigorous process of participation by a wide cross section of executives from Qalaa Holdings and its subsidiary companies.

Qalaa believes that high-quality governance is a fundamental enabler of superior corporate performance. The components of effective governance reduce risk, identify internal and external threats, and assist in capturing profitable business opportunities. Qalaa Holdings' governance principles align the interests of management, shareholders, the board of directors and subsidiaries, facilitating well-informed decisions.

The management board convenes on a quarterly basis, or more frequently if needed, and is responsible for reviewing, amending, and endorsing the subsidiary companies' financial performance and overall strategy. Attendance by the Finance & Investment Committee is welcomed.

Ahmed Heikal

Chairman & Founder

Hisham El-Khazindar

Co-Founder & Managing Director

Moataz Farouk

Chief Financial Officer

Tarek Salah

Co-Chief Operating Officer

Karim Sadek

Board Member, Head of Transportation & Logistics

Abdalla El-Ebiary

Managing Director

Finance & Investment Committee

Ahmed Heikal
Chairman & Founder

Hisham El-Khazindar
Co-Founder & Managing Director

Moataz Farouk
Chief Financial Officer

Karim Sadek
Board Member, Head of Transportation & Logistics

Amir Naguib
Co-Chief Operating Officer

Tarek Salah
Co-Chief Operating Officer

Mohamed Abdellah
Managing Director

Amr M. El-Kadi
Head of IR & Risk Management

Abdalla El-Ebiary
Managing Director

Audit Committee

Philip Blair Dundas, Jr.
Chairman of the Committee

Magdy El-Desouky
Committee Member

Dina Hassan Sherif
Board Member

Compensation Committee

Philip Blair Dundas, Jr.
Chairman of the Committee

Magdy El-Desouky
Committee Member

Sustainability Committee

Dina Hassan Sherif
Chairman of the Committee

Hisham El-Khazindar
Committee Member

Ghada Hammouda
Committee Member

Internal Audit & Controls

Qalaa Holdings engages the services of only the most reputable audit firms for both ongoing statutory audits and due diligence for all subsidiaries. Strict internal controls and reporting standards are a cornerstone of the governance principles at Qalaa and its subsidiaries. Financial and operational reports are transparent to all parties with a vested interest—from management and board members to shareholders.

Qalaa Holdings' Internal Audit represents a key element in its corporate governance framework, with a mission to add value and improve Qalaa Holdings' overall operations by providing relevant, timely, independent and objective assurance and advisory activities.

Qalaa Holdings' independent Internal Audit body maintains functional reporting lines to the audit committee and administrative reporting lines to the chairman and chief executive officer.

The Internal Audit team assists the organization in accomplishing its objectives by using a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance process which provides Qalaa Holdings' stakeholders with reasonable assurance over the group's operations and strengthens the firm's ability to maximize stakeholder value.

With a zero-tolerance approach to fraud, the Internal Audit function has implemented an Anti-Fraud Policy to promote consistent corporate integrity, honesty and ethical behavior within Qalaa and its subsidiaries. This approach helps the firm protect the organization's assets, reputation, and employees. The Anti-Fraud Policy was reinforced by availing an anonymous whistle-blowing channel to receive information from inside and outside the company on the Qalaa Holdings website.

Risk Assessment

Qalaa Holdings has completed a process of institutionalization that began in 2013 at both the core and subsidiary levels. The comprehensive program included the refinement and improvement of all systems, policies and procedures that management needs to support and grow the business.

New policy documents were developed in parallel with the refinement of existing charters such as the audit committee and compensation committee. Developed policies that are now being implemented include the risk assessment framework, in addition to the anti-fraud and insider trading policies. In addition, audit committees modelled on the Qalaa Holdings' audit committee charter have been established for all major subsidiary companies, where the members of the audit committees are independent of the company's management.

Qalaa Holdings believes in continuously promoting and empowering the control environment within the company. Accordingly, the Internal Audit function has developed a Risk Assessment Framework to be followed throughout the organization. Risk Assessment contributes to the effective and efficient demonstrable achievement of objectives and the improvement of performance on multiple fronts. Qalaa's Internal Audit strives to ensure the presence of the Internal Audit function across all platforms, in its capacity to oversee, monitor, guide, advise and administer its platform.

Creating a Culture of Accountability

Over the years we have overcome many challenges and made significant progress in implementing comprehensive and effective corporate governance strategies. In mid-2017 we took active steps to share our experiences in this project with other companies in Egypt's private sector by joining the Egyptian Junior Business Association's Integrity Network Initiative (INI). This initiative connects Egypt's leading companies with its most promising SMEs in a collective effort to fight corruption and create a culture of accountability and transparency.

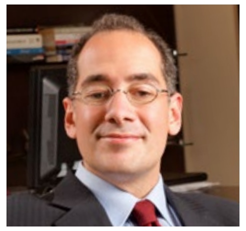
> Sound governance is a fundamental driver of sustainable revenue growth at Qalaa and across all its subsidiaries.

- Rigorous Internal Audit Structures
- A Staff-Wide Risk Culture
- Sound Corporate Governance Frameworks
- Adequate Control Functions
- Transparent Compensation Guidelines
- Clear Financial Controls

MANAGEMENT COMMITTEE

Our Management Committee is a monthly forum that engages a wider management team of Qalaa Holdings to review market developments and progress on corporate initiatives at Qalaa Holdings and its subsidiaries

Ahmed Heikal
Chairman & Founder



Hisham El-Khazindar
Co-Founder & Managing Director

Karim Sadek
Managing Director, Head of Transportation & Logistics

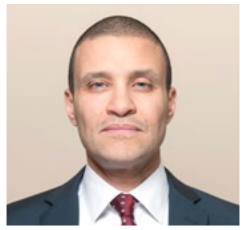
Moataz Farouk
Chief Financial Officer

Amir Naguib
Co-Chief Operating Officer

Tarek Salah
Co-Chief Operating Officer

Mohamed Abdellah
Managing Director

Abdalla El-Ebiary
Managing Director



Alaa El-Fas
Managing Director

Mostafa Sowelem
Managing Director

> Qalaa Holdings prides itself on the strength of its diverse management team, which brings together some of the most qualified calibers in the industry.

> Qalaa believes in fostering a highly inclusive work environment that promotes the empowerment of women.

Emad Taryal
Head of Internal Audit

Ghada Hammouda
Chief Sustainability & Marketing Officer

Hazem Dakroury
Co-Head of Government Relations

Wael Radwan
Co-Head of Government Relations

Ihab Rizk
Head of Human Resources

Tarek Hassan
Head of Legal Department

Yasmin Al-Gharbawie
General Counsel

Amr M. El-Kadi
Head of IR & Risk Management

Ahmed Abdel-Sattar
Group Chief Information Officer

Rami Barsoum
Head of Information Technology

SUBSIDIARY MANAGEMENT TEAMS

ENERGY

Khaled Abubakr
TAQA Arabia,
Executive Chairman

Pakinam Kafafi
TAQA Arabia,
Chief Executive Officer

Mohamed Saad
ERC,
Managing Director

Hisham Sherif
Tawazon,
Chief Executive Officer

MINING

Amir Naguib
ASCOM, Managing Director

CEMENT & CONSTRUCTION

Tarek El-Gammal
ASEC Cement,
Chief Executive Officer

TRANSPORTATION & LOGISTICS

Maged Farag

Nile Logistics,
Chairman of the National Council for Multi-modal Transport

AGRIFOOD

Amanallah Saad

Investment Company for Diary Products,
Managing Director

PRINTING & PACKAGING

Sherif El Moallem

General Manager

SUBSIDIARIES

ERC is one of Africa's largest private sector mega-project to date. The refinery stretches out over 350,000 square meters of land in Greater Cairo.

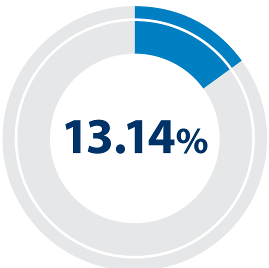
ENERGY

THE EGYPTIAN REFINING COMPANY (ERC)

ERC is the largest private sector-led infrastructure megaproject in Africa with a broad spectrum of debt and equity investors led by Qalaa and including the Egyptian General Petroleum Corporation (EGPC) and global development finance institutions alongside Egyptian, Gulf and international investors

Qalaa Holdings Ownership

(as of July 2019)



ERC is a pivotal import substitution project that will bolster Egypt's energy security and provide fuel according to the highest environmental standards for economic growth.

ERC is a state-of-the-art USD 4.4 billion greenfield petroleum refinery and Egypt's largest private sector infrastructure megaproject. ERC will convert lowest value fuel oil into middle and light distillates that will meet domestic consumption needs and eliminate 186,000 tons of Egypt's annual sulfur dioxide emissions or c. 29% of Egypt's present-day total.

In June 2012, ERC reached financial close on the equity and debt components of project financing. Qalaa Holdings invested in the project alongside Gulf and international investors, global export credit agencies, and development finance institutions. Construction began in 2014, with the consortium of GS Engineering & Construction Corp. and Mitsui & Co. Ltd acting as the contractor for the project. As of 31 August 2019, ERC has withdrawn USD 2,724 million from its facility totaling USD 2,887 million, with the c. USD 163 million balance earmarked for utilization during the coming month mostly to repay debt interest during construction (IDC). The project has generated more than 16,500 jobs at peak construction, and 700 permanent positions.

The Egyptian General Petroleum Corporation's (EGPC) and Cairo Oil Refinery Company (CORC), the nation's largest refinery with 20% of Egypt's current refining capacity, will provide fuel oil as feedstock for ERC. ERC will have the capacity to produce 4.7 million tons of refined products per year, including 2.3 million tons of Euro V diesel, representing 30-40% of Egypt's current imports and 600,000 tons of jet fuel. Liquid stock products will be sold to EGPC at international prices under a 25-year off-take agreement.

As an import substitution project delivering diesel and other high-value products to EGPC at the heart of the consumption market in Greater Cairo, ERC is strategically important to Egypt's energy security.

2018 Operational Updates

In connection with the start-up testing phase of the project, ERC started up the refinery utilities in June 2018 including the Plant Air System, the Instrument Air System, the Demineralized Water System, the Cooling Water System, and the Fire Fighting System.

Throughout February and March 2019, ERC has successfully commissioned and started up the Hydrogen Production, Diesel hydrotreating, Naphtha Hydrotreating, Reformer and Continuous Catalyst Regeneration

4.4 USD BN

greenfield petroleum refinery

100%

complete as of September 2019

The path from PPP to lasting benefits

** Originally printed in an op-ed on the official WEF Blog penned by QH Chairman Ahmed Heikal during WEF 2019 in Davos.*

(CCR) Units. The plant's Vacuum Distillation Unit (VDU) became operational in April 2019 followed by the startup of the Delayed Coker Unit in July 2019. During this period, ERC has processed high sulphur naphtha and diesel into treated light naphtha, reformate and low sulphur diesel. As of September 2019, ERC has supplied EGPC with over 890,000 tons of low-sulfur, Euro-V specification diesel, naphtha and high-octane gasoline.

All project units are now operating with 4Q19 set to be the first fully operational quarter. Completion progress stands at 100% as of September 2019 and commercial operations are expected to begin in 4Q19.

2018 Financial Updates

- As of 31 December 2018, ERC had withdrawn USD 2,578 million in senior and junior debt, and c. USD 308 million earmarked for utilization during the coming months, a total of USD 2,887 million.
- Equity investments currently stand at USD 1.4 billion.

1.4 USD BN

total equity invested in ERC

2.9 USD BN

value of debt package for ERC

ERC facility

2.3 MN TONS

annual production of Euro V Standard Diesel

30-40%

reduction in Egypt's Diesel imports

4.7 MN TONS

total annual production of refined products and high-quality oil derivatives

16.5K

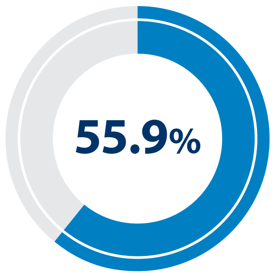
jobs created at peak construction, 700 permanent positions created

ENERGY

TAQA ARABIA

TAQA Arabia is successfully capitalizing on the favorable market liberalization and diversifying its energy portfolio into alternative energy with its landmark Benban solar project

Qalaa Holdings Ownership (May 2019)



TAQA Arabia is Qalaa Holdings' primary operational investment in Egypt's vital energy sector. Qalaa initially invested in TAQA in June 2006 in the belief that rapid industrial growth in Egypt and the region would provide an opportunity for private sector players to satisfy unmet industrial demand for energy.

More than a decade later, Qalaa's original investment theses has been validated. TAQA stands today as Egypt's largest private sector energy distribution company, with more than 19 years of experience in investing and operating energy infrastructure including gas transmission and distribution, power generation and distribution, and the marketing of petroleum products.

The company is also one of the pioneer investors in Egypt's Benban Solar Park, the world's largest solar park consisting of a complex of 32 solar power plants generating a total of 1,650 MW of electricity. TAQA's landmark 50 MW photovoltaic power plant, carried out under the government of Egypt's Feed-in-Tariff 2 framework, is inline with Qalaa Holdings' strategy to invest in sustainable energy solutions in Egypt and Africa. The project was funded by an EGP 1.35 bn financing package created in partnership with the International Finance Corporation (IFC) and four other development finance institutions.

2018 Operational Review

Gas Distribution and Construction (residential, commercial, and industrial)

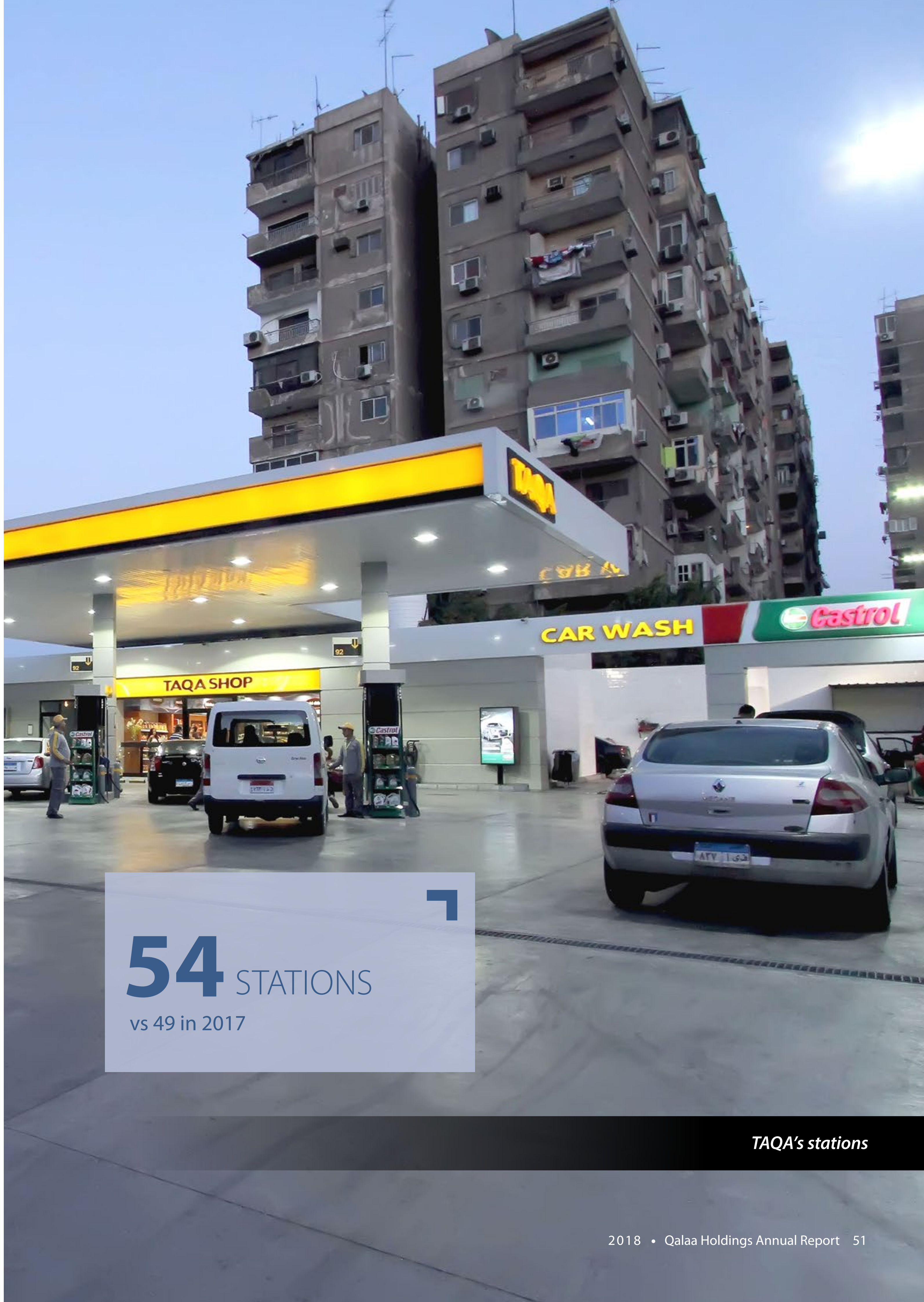
Providing 1,010,900 residential customers and more than 200 industrial customers with 4.6 billion cubic meters of natural gas, TAQA Gas is Egypt's leading natural gas distributor. The company has a large downstream natural gas engineering and construction division that manages TAQA Group's distribution arms as well as private and public sector third parties in Egypt and the MENA region.

During 2018, the division converted an additional c. 113,000 households to gas up 13% y-o-y and surpassing the one-million mark. Total gas distributed for the year was up 6% y-o-y. 2018 also witnessed the renewal of TAQA's gas concession rights for another 15 years, a major milestone that will pave the way for significant long-term growth for TAQA Gas.

TAQA Arabia's gas division continues to negotiate with urban development authorities to add new cities and new industrial players under its concession areas. The company is expecting to convert some 150,000 additional households during 2019. On the distribution front, the company expects to distribute approximately 5.7 BCM of natural gas in 2019 and around 6.1 BCM in 2020, driven by new natural gas findings in Egypt and the new natural gas power plants located within TAQA Arabia's gas concession areas.

Power Generation and Distribution, Engineering, and Procurement

TAQA Power is the leading integrated private sector power player in Egypt with engineering, development, generation, and distribution operations along the power value chain providing clients with tailored packages that address operational requirements from finance and design to construction. The division also operates and maintains low-, medium-, and high-voltage power plants and



54 STATIONS
vs 49 in 2017

TAQA's stations

A Landmark Year for TAQA Arabia

50 MW

The 50MW Benban solar power plant commenced full operations in February 2019

15 YEARS

TAQA's concession rights were renewed for another 15 years, paving the way for long term growth.

Benban Solar Park

distribution networks for the oil and gas, industrial, residential, commercial, and tourism sectors in Egypt. Additionally, TAQA Power is the first private sector company in Egypt licensed to distribute power in an industrial zone.

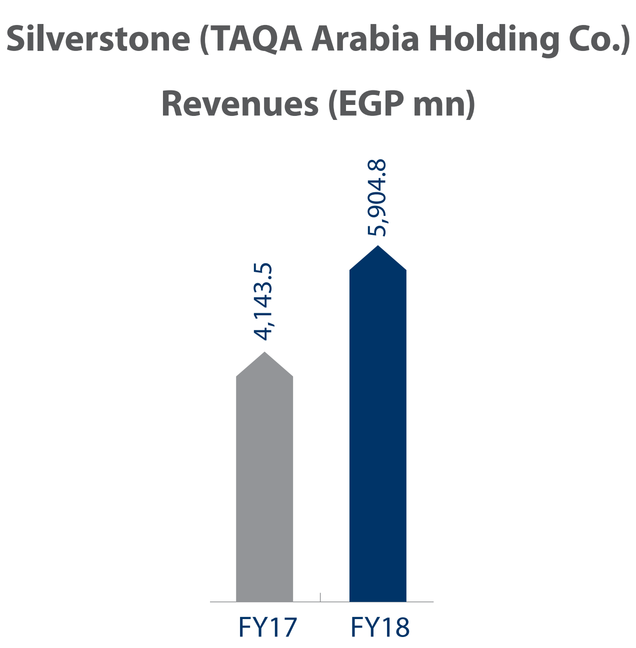
In 2018, the division contributed c. 19% to TAQA's 2018 top line growth with revenues increasing 51% y-o-y. The division's top line growth came despite a 48% y-o-y fall in total electricity generated for the year. The decrease was largely driven by the conclusion of a cement plant contract in February 2018 that was no longer required, as the client had been connected to the national electricity grid. The associated generators have been decommissioned and management is currently in the process of identifying their next project site. Egypt's power sector still holds significant growth potential for a private sector player of TAQA's size and magnitude, and as such, TAQA Power is well positioned to take advantage of new ventures and opportunities in the coming period.

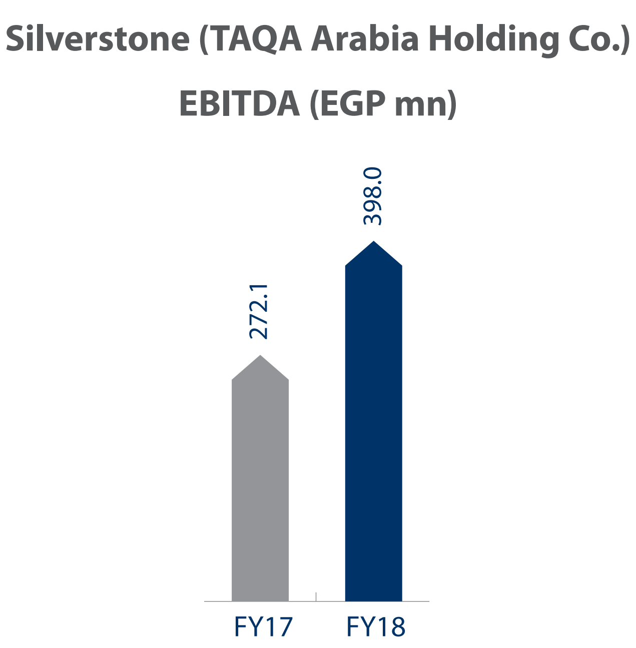
Management is working towards delivering on the company's power distribution expansion plan in both the residential and commercial markets. In parallel, the company is currently in negotiations to begin operating multiple small-to-medium scale industrial power generation projects ranging from 40MW to 150MW, which would significantly strengthen TAQA's Power arm.

Fuels Marketing and Distribution

TAQA Fuels Marketing remains one of the company's most profitable divisions, contributing 64% to the company's top line growth in FY18. It is the first local private sector player to sell refined petroleum products and fuel oil to retail, industrial, and wholesale customers with a focus on underpenetrated areas with favorable competitive landscapes.

Additionally, TAQA Gas operates a network of service stations to convert and fuel vehicles with compressed natural gas (CNG). Sharp cuts in energy subsidies over the last two years have resulted in a significant increase in gasoline prices relative to Compressed Natural Gas (CNG), leading to higher CNG demand. In light of the anticipated rise in CNG usage and a parallel expected conversion of automobiles to CNG, TAQA Gas has re-launched a plan to open additional CNG stations. The company's eighth CNG station, 140km north of Cairo in Kafr El Sheikh,





is expected to come online in the last quarter of 2019. In the meantime, the company continues to explore potential locations for additional CNG stations.

TAQA Marketing brought five new fueling stations online during the course of 2018, and an additional two stations in the first quarter of 2019 bringing its state-of-the-art service stations to 49 locations nationwide. When combined with TAQA's CNG stations, the division's total number of stations is now up to 56 as of March 2019 compared to 49 operational stations at the end of 2017. The company is planning to open seven to ten additional stations during the course of 2019, which will in turn drive sales volumes upwards.

Venturing into Alternative Energy

TAQA commenced operations at its 50MW solar power project at the Benban Solar Park in Aswan, which, as of February 2019, is fully operational. TAQA Arabia is committed to exploring new opportunities to further diversify the company's operations and enter new lines of business. Possible projects in the energy efficiency sector are currently being assessed including the design and implementation of energy saving solutions, and "waste-to-energy" services such as power generation using agricultural and municipal waste. The company is also working to identify a number of PV opportunities as it presses on with its plans to increase its exposure to the renewable energy market.

2018 Financial Updates

TAQA Arabia's revenues reached EGP 5,904.8 million in FY18. The 43% expansion was generated by the three subsidiaries' strong performances and solid double-digit y-o-y growth for 4Q18, which additionally helped drive EBITDA growth by 46% y-o-y to EGP 398 million.

TAQA's gas division reported a 32% rise in revenues to EGP 830 million. The divisions EBITDA expanded by 52% y-o-y to EGP 202.2 million, driven by a higher number of infill clients, and improved operational efficiencies.

TAQA's power division's revenues reached EGP 1,124.0 million, increasing 51% y-o-y and contributing c. 19% to TAQA Arabia's top line growth for the year. Revenue also caused an increase in EBITDA by 9% to EGP 89.7 million. The steady performance, significant size and growth potential of the power sector is causing management to expect new and exciting opportunities in the coming years.

TAQA's fuels marketing and distribution division reported a 44% expansion in revenues to EGP 3,782.6 million, growth primarily instigated by increased petroleum product prices. This resulted in the division contributing 64% to TAQA's top line growth for FY18.

TAQA Gas distribution facility

Total Power Generated (FY18)
150.6 MN KW /HR
▼ **45%** y-o-y

Total Power Distributed (FY18)
457.7 MN KW /HR
▲ **18%** y-o-y

Total Gas Distributed (FY18)
4.6 BCM
▲ **6%** y-o-y

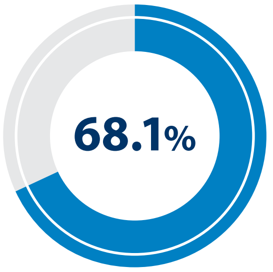
Total Liquid Fuels Distributed (FY18)
751.0 MN LITERS
▼ **5%** y-o-y

ENERGY

TAWAZON

Tawazon is Qalaa's full service solid waste management provider that recycles waste into environmentally friendly alternatives for coal and natural gas

Qalaa Holdings Ownership (FY18)



Tawazon is Qalaa Holdings' platform for investment in the solid waste management and alternative fuels sector. The company stands as a testament to Qalaa's commitment to providing the country with efficient renewable energy solutions. Tawazon currently controls two companies: the Egyptian Company for Solid Waste Recycling (ECARU), a solid waste management service operator, and the Engineering Tasks Group (ENTAG), a solid waste management engineering and contracting company. Qalaa has worked closely with management at both companies to boost human and financial resources to better capitalize on existing opportunities as well as develop and explore new ones. The company's short to medium-term focus is on providing biomass and refuse derived fuel (RDF) as an alternative to heavy energy consumers such as cement factories and as feedstock to medium density fiberboard (MDF) factories and pulp plants.

2018 Operational Updates

Tawazon's subsidiaries reinforce one another's efforts:

ECARU

ECARU is responsible for collecting, transporting, and processing agricultural waste. For five years, the company has been a regional leader in biomass production, a process that recycles agricultural residues that would otherwise be openly burned into fuel for heavy industries such as cement manufacturing.

In 2018, ECARU has maintained the same amount of RDF sales at c. 77,000 tons. While overall biomass volumes for the year decreased by 19% due to a slowdown in the cement sector, the company witnessed a rebound in the local cement market starting October 2018. The last quarter of 2018 saw the volume of biomass supplies increase by 13% y-o-y to c. 52,000 tons. The trend continued during the first quarter of 2019, with the strong momentum and demand for both biomass and RDF expected to continue throughout the coming year. The recovery comes on the back of more stability in the cement sector as a whole, combined with higher market demand generated from new mega projects such as the New Administrative Capital.

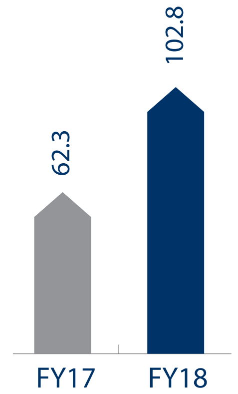
ENTAG

ENTAG is a solid waste management engineering and contracting company with multiple sorting and

ECARU biomass production

Consolidated Tawazon Revenues (EGP mn)

Consolidated Tawazon EBITDA (EGP mn)



composting facilities in Egypt. The company has consulted on more than 76 projects in Egypt and also maintains an international presence, with projects in Saudi Arabia, Malaysia, Libya, Sudan, Oman, and Syria. In 2017, ENTAG established an Omani subsidiary that is 60% owned by ENTAG Egypt and 10% owned by ECARU.

In 2018, ENTAG Oman finalized two projects in Oman and one project in the UAE which saw the company more than quadruple its top line in the fourth quarter to EGP 82.4 million. ENTAG Oman expects to continue recognizing revenues from its remaining project in the UAE.

2018 Financial Updates

In 2018, revenues at Tawazon remained on par with the previous year reaching EGP 446.2 million. Despite the marginal growth, Tawazon reported a 65% increase in EBITDA to EGP 102.8 million in FY18. This top line improvement is primarily attributed to the growing EBITDA at ENTAG's Omani divisions, with more than a fourfold increase in revenue in the fourth quarter.

ECARU saw an increase in revenue to EGP 292.9 million in FY18, a 2% y-o-y growth, and in EBITDA to EGP 44.6 million, a 3% y-o-y increase. On a quarterly basis, it saw a 6% y-o-y top line expansion in 4Q18 to EGP 82.1 million, which is partly the result of a 13% y-o-y increase in the biomass supplied. EBITDA for the quarter was up 61% y-o-y, reaching EGP 17.0 million.

ENTAG's consolidated revenue contracted by 1.5% to EGP 161.2 million in FY18, but its consolidated EBITDA was up 449% to EGP 63.1 million. On a quarterly basis, the company reported consolidated revenue growth of 306% to EGP 95.9 million in the fourth quarter as a result of ENTAG Oman's recognition of revenue from projects in the UAE and Oman. These high profit projects saw ENTAG Oman's EBITDA increase to EGP 18.0 million in 4Q18 compared to the EGP 27 million loss reported in 4Q17.

Total Biomass Supplied (FY18)

193.9 K TONS

▼ **19%** y-o-y

Total RDF Supplied (FY18)

77 K TONS

0% y-o-y

Destoner at ECARU facility

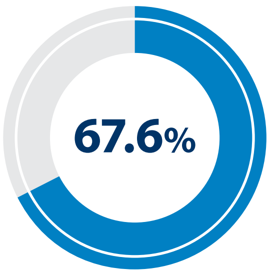
TRANSPORTATION & LOGISTICS

NILE LOGISTICS

NILE LOGISTICS
NRPMC

Nile Logistics is Qalaa Holdings' transportation & logistics holding company with subsidiaries that deliver transportation efficiencies including seaport services in Egypt and river transportation solutions for clients in Egypt and South Sudan

Qalaa Holdings Ownership (FY18)



Nile Logistics operates three subsidiaries that offer stevedoring and river transportation services in Egypt and South Sudan. In Egypt, Nile Logistics' subsidiaries operate a stevedoring on anchor service in various Egyptian ports. While the majority of the company's historical clients have been coal importers, Nile Logistics is currently looking to expand its operations to include exporters of other commodities, namely grain. In addition to its stevedoring operations, Nile Logistics' subsidiaries in Egypt operate an inland container depot in Noubareya Alexandria.

Nile Logistics also has a large fleet of fuel-efficient, environmentally friendly river barges that transport cargo along the Nile. Each river barge has the same capacity as 20-40 truckloads but requires a fraction of the fuel and money to operate making it a more economically viable transport option particularly in light of the recent removal of fuel subsidies in Egypt. In South Sudan, Nile Logistics' subsidiary Nile Barges owns three convoys and transports a variety of goods between the northern and southern parts of South Sudan.

Nile Logistics Subsidiaries

Nile Cargo (NC)

Nile Cargo owns and operates a fleet of barges that allows it to transport bulk cargo along the Nile, provide stevedoring services in various Egyptian Ports, and offer a container feeder service in Port Said between the eastern and western container terminals.

National River Ports Management Company (NRPMC)

National River Ports Management Company is the owner of multiple river ports and port handling equipment. NRPMC is Nile Logistics' subsidiary that is focused on services such as warehousing and cargo handling in Alexandria, Suez, and Damietta.

Nile Barges for River Transport

Located in South Sudan, Nile Barges for River Transport operates a fleet of barges transporting goods in the south of the country.

2018 Operational Updates

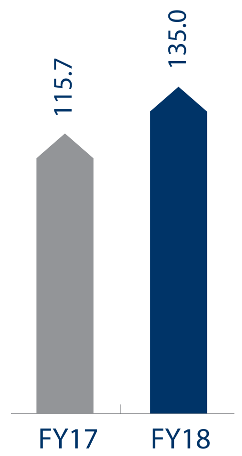
Egypt

Nile Logistics' Egypt operations revolve around four main areas:

- Coal handling and storage in Alexandria, with 708,000 tons handled in 2018
- Container handling and storage in Alexandria (Inland Container Depot), 83,107 TEUs handled in 2018
- Grain handling and storage in Alexandria with a capacity of 100-120 thousand tons (operations scheduled to commence during the second half of 2019)
- River transportation as a more efficient mode of shipping goods in the country

Noubareya inland container depot, Alexandria

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



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

Nile Logistics is poised to benefit from the Egyptian government's ongoing energy subsidy phase-out program which has seen the gradual removal of subsidies on petroleum products, including diesel. The increasing cost of transporting goods by truck will make river transport a more cost effective and attractive alternative to traditional road transport. Heading into 2019, Nile Logistics will continue to successfully capitalize on the new opportunities that energy liberalization will offer. In order to meet new forecasted demand for its services, the company has developed a new growth strategy focused on growing and maintaining its fleet, expanding storage capacity, and providing a more comprehensive offering of transportation and logistics services to capture the anticipated rise in demand that is expected to drive top and bottom line growth.

Nile Logistics' new grain storage warehouse at Noubareya Port in Alexandria is earmarked to begin operations early in the second half of 2019. The 100-120 thousand-ton storage facility will increase the company's profitability by providing crucial new value-added services.

In the first quarter of 2019, Nile Logistics launched new competitive pricing that has allowed it to regain its competitive edge and strengthen its market share in Alexandria's stevedoring sector. At the company's Inland Containers Depot, operations have been efficient, and volumes have been steadily rising in line with management expectations.

Sudan (Nile Barges)

Nile Barges' operations in Sudan currently involve transporting food and non-food items for the World Food Program (WFP). As of March 2019, the company was operating using one pusher, with the second currently being refurbished and scheduled to start operations during the first quarter of 2020, while the third was held in Kosti, Sudan, which we're planning on retrieving as soon as the river borders open between Sudan and South Sudan. With the existing pusher, the Nile Barges aims to complete between two to three trips per year.

2018 Financial Updates

Nile Logistics delivered healthy growth in 2018 with consolidated revenues increasing by 17% y-o-y to EGP 135.0 million from EGP 115.7 million in 2017 on the back of solid top line growth across both its South Sudanese and Egyptian divisions, despite the latter witnessing a 23% y-o-y decrease in volumes handled at its Stevedoring operations during 2018. Despite the top line growth, the decrease in stevedoring operations had a negative impact on EBITDA for the year.

In 2018, Egypt revenues rose 39% to reach EGP 114.0 million, up from EGP 82.3 million in 2017. Despite the growth in revenues, EBITDA reported a loss of EGP 13.6 million in 2018 as a result of lower volumes and fixed costs associated with the operation. These results are however in no way indicative of the company's true potential and rather a reflection of a general slowdown in imports during the year.

As the single operating convoy currently started operations in late 2017, South Sudan recorded a remarkable revenue growth of 189% during 2018 going up to USD 1.18 million from USD 0.41 million in 2017. EBITDA for the year also increased exponentially to reach USD 670 thousand in 2018, compared to USD 80 thousand in 2017.

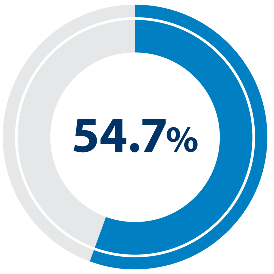
Tanash River Port

MINING

ASCOM

ASCOM is a mining, geology, and materials company operating in North and East Africa with operations in geological drilling and mining consultancy, precious metals exploration, in addition to manufacturing of Calcium Carbonate and rock and glass wool. ASCOM's innovative products and services are high-value import substitutions that play a vital role in the local market and help Egypt become a more competitive exporter

Qalaa Holdings Ownership (FY18)



ASCOM is Qalaa Holdings' operational platform in the mining sector that specializes in mining services, the management of quarry services for the cement industry, and the exploration and production of industrial minerals and precious metals, including gold.

Qalaa and co-investors originally acquired ASCOM in 2004 (at the time a part of ASEC Group) and established it as a separate company in order to expand the scope and vision of the operation with a focus on creating value in Egypt's mining sector. Today, the company has expanded well beyond products and services for the cement industry and has successfully diversified its revenue streams by focusing on capturing potential growth in the industrial minerals sector. ASCOM established two subsidiaries: ASCOM Carbonate and Chemical Manufacturing (ACCM), one of Egypt's leading exporters in the industrial minerals sector, and GlassRock Insulation Company.

ASCOM's Subsidiaries are engaged in:

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

In the building materials sector, ASCOM has transitioned from acting as a service provider to holding concessions for gypsum mining aggregates, silica sand, gravel, and other basic raw materials. The company also operates a number of small quarries in Egypt and has a fully specialized company operating in the aggregates market in Algeria.

GlassRock industrial insulation

Operational Updates

GlassRock Insulation Company

GlassRock Insulation Company began producing rock wool at its USD 70 million greenfield facility in May 2012, targeting both domestic sales and exports to key markets in Europe, North Africa, the Gulf Co-operation Council (GCC) countries, and Turkey. The company, which continues to improve its global competitiveness, produces mineral wools used in projects such as insulation, filtration, and soundproofing. Total production capacity for GlassRock's environmentally-friendly insulation materials is split at 30,000 metric tons of rockwool and 20,000 metric tons of glasswool per annum. In 2018, improved competitiveness across the company's export markets helped drive a 10% y-o-y rise in total volumes sold for the year reaching c. 9,600 tons. Production prospects going into 2019 are positively supported by the fact that in 2018 the company sold insulation materials equivalent to a fifth of the plant's total production capacity, which suggests there is plenty of room to expand both locally and in the export market during the coming year. Improved operational efficiency and significant cost optimization are helping the company to expand production with the aim of boosting export sales to surpass the 50% mark before the end of 2019.

ASCOM Carbonate and Chemical Manufacturing (ACCM)

ACCM is ASCOM's first manufacturing plant specialized in the production of calcium carbonate, a material with vast applications in the fields of plastics, paper, paint, and chemicals. In FY18, ACCM managed to increase sales volume by 15% to c. 303,400 tons from c. 264,000 tons sold in FY17 on the back of increased demand from both domestic and export clients. To meet the new uptick in demand, the company has embarked on an ambitious expansion strategy that includes the construction of a third production line at its factory in Minya, which is set to be complete in the second half of 2019. The new third line will add c. 100,000 tons of world-class ground technical calcium carbonate to the fold, in addition to the c. 280,000 tons of capacity that currently exists. ACCM exports products to Asia, the Gulf, Africa, and South America.

ACCM has developed a sales optimization tool that allows the company to find the optimal market allocation across both domestic and export markets based on individual country requirements such as profitability, demand, domestic sales, potential market size, among other factors. Currently, ACCM allocates approximately 15% of its sales to the local market with the balance being sold as exports. This export-led approach has allowed the company to benefit from a predominantly local currency cost base against 85% sales in foreign currency.

> GlassRock continues to improve its global competitiveness aiming for 50% of its output going to markets outside Egypt.

ASCOM Precious Metals Mining (APM)

APM was established as a logical progression to consolidate all of ASCOM's exploration operations in precious metal mining under one entity. The company currently has one concession in Ethiopia (Asosa – 402 Km2 and Awero Godere – 1,000 Km2). Within the Asosa concession, the company has identified a significant 1.5 million-ounce gold discovery. ASCOM plans to embark on further exploration and drilling work on the site as well as a complete bankable feasibility study and necessary steps to obtain a full mining license and establish a gold production facility.

ACCM Volumes Sold (FY18)

303.4 K TONS

▲ 15% y-o-y

Egypt Quarrying Business Volumes Sold (FY18)

22.5 MN TONS

▼ 15% y-o-y

ASCOM Revenues (EGP mn)

ASCOM EBITDA (EGP mn)

Egypt Quarrying

ASCOM's Egypt Quarrying has grown to become the largest specialized company in the quarry management sector in the Middle East and North Africa. Over the past decade, the company has developed unique expertise in the field, particularly within the cement industry. It currently manages the bulk of large cement quarries in Egypt, with the potential to mine over 40 million tons per annum.

GlassRock Volumes Sold (FY18)

9.6 K TONS

▲ 10% y-o-y

2018 Financial Highlights

ASCOM's consolidated revenues in 2018 hit EGP 911.9 million from EGP 954.2 million in 2017. The contraction however was primarily caused by a 13% reduction in quarrying revenues during 2018, but counterbalanced by a 21% and 33.8% expansion in ACCM and GlassRock's revenues respectively. ASCOM EBITDA recorded EGP 108.2 million in 2018 compared to EGP 103.7 million in 2017.

Top performer, **ACCM**, reported a revenue increase of 21% to USD 21.2 million in 2018, up from USD 17.5 million in 2017 due to an increase in demand for its products both locally and internationally. The company's EBITDA hit EGP 5.4 million in 2018, up 5.9% y-o-y.

GlassRock Insulation Company revenue increased 33.8% y-o-y to USD 9.1 million in 2018, up from USD 6.8 million in 2017. The increase was achieved thanks to a 9% y-o-y rise in total volumes sold during 2018, reaching c. 9,600 tons, made possible through improved competitiveness across the company's export market. EBITDA reached a USD 700,000 profit in 2018, after recording a loss of USD 600,000 in 2017. Improved efficiencies across the company's production process helped drive up EBITDA in the fourth quarter with an increase to USD 400,000 in 4Q18.

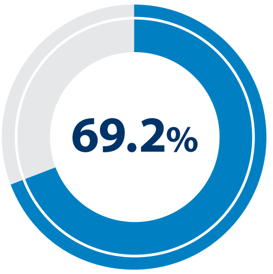
Egypt Quarrying revenue decreased 13% y-o-y to EGP 363.8 million in 2018 from EGP 418.5 million in 2017, due to the security challenges that affected operations at Sinai cement plants. EBITDA hit EGP 30.7 million in 2018 compared to EGP 44.5 million in 2017.

ASEC HOLDING

CEMENT

ASEC Holding is a national and regional leader with investments in cement production, management and consultancy, and construction

Qalaa Holdings Ownership (FY18)



Founded in 1975, ASEC Group is a regional vertically integrated player in the cement and construction sector focusing on plant engineering and consultancy, construction, automation, and operational technical management with operations spanning Africa, the Middle East and GCC.

ASEC Holding has grown significantly over the years to form a full-fledged group composed of three distinct divisions (cement manufacturing, operation and management, and construction and contracting) serving industry and end-consumers alike. Over four decades, the Group's engineering and consultancy arm has made important contributions to the modernization of the cement industry in Egypt and the MENA region.

Qalaa's investments in ASEC Holding have seen the company grow into a well-positioned operator that can provide end-to-end solutions for world-class cement plants from engineering all the way up to O&M.

In 2015, Qalaa began reducing its exposure to the cement manufacturing industry, with its cement production subsidiary ASEC Cement concluding the sale of its stake in business unit Misr Cement Qena in a deal valued at c. EGP 700 million, as well as exiting ASEC Minya and ASEC Ready-Mix in a c. EGP 1 billion deal. Additionally, the company finalized the sale of its Algerian Cement Plant (AACC) Djelfa in a USD 60 million transaction in 2017.

> ATCC has the third largest share of the Sudanese cement market with a 24.6% market share

Takamol Cement, Sudan

ASEC provides end-to-end solutions for world-class cement plants

Cement Manufacturing

ASEC Cement

ASEC Cement divested ASEC Ciment Algérie (AACC), a company that had a license to build a 3 million ton per annum cement plant in the city of Djelfa, Algeria. ASEC Cement sold its 71.73% ownership stake in AACC (including direct and indirect stakes). ASEC's portfolio currently includes two international production facilities: Al-Takamol Cement in Sudan and Zahana Cement in Algeria. In November 2018, ASEC Cement signed a memorandum of understanding (MoU) with Groupe Industriel des Ciments d'Algérie (GICA) to exit the Algeria-based Zahana Cement.

Construction & Contracting

ARESCO

ARESCO is a turnkey contractor specializing in industrial projects. The company provides comprehensive design, engineering, procurement, manufacturing, contract management, and construction services for industries ranging from cement to power plants and water treatment facilities. After 30 years of operation spanning the globe, ARESCO has built a reputation for quality, efficiency, and professionalism.

ASEC Automation

ASEC Automation provides process industries with automation and electrification solutions ranging from design and engineering to instrumentation, commissioning, and maintenance. The company offers solutions and systems spanning enterprise control systems, high-medium voltage cables and systems and enterprise control software. The company has extensive operations in Africa, Asia, and Europe. ASEC Automation has also been the supplier of choice for major international cement producers for twenty years, serving major clients such as Lafarge, Italcementi, Titan, Cemex, and Cimpor.

Operation & Management

ASEC Engineering

ASEC Engineering is the leading provider of cement plant consultancy, engineering, and management services in the MENA region. Currently, the company manages five cement lines in Egypt with a combined nominal capacity of 10 mtpa, with growing footholds in Africa and the Middle East. ASEC Academy has always been the gateway for professional training on modern cement manufacturing technology. ASEC Engineering was also entrusted as the consultant for Egypt's largest cement facility in Beni Suef with six production lines constructed simultaneously. The state-of-the-art facility has successfully completed the commissioning phase and started production in 1Q18.

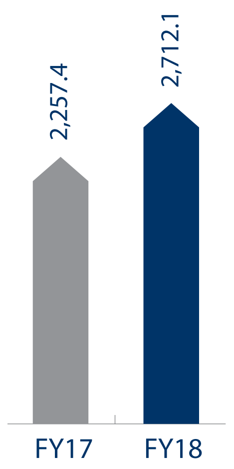
ASENPRO

ASENPRO is a pioneer in the field of environmental protection in the MENA region, specializing in controlling pollution and dust emissions resulting from cement production. The company supplies cement plants with a broad continuum of services and environmental control equipment on a turnkey basis in addition to conducting dust emission measurements and environmental assessment studies to ensure compliance with pollution limits. ASENPRO is supported by extensive expertise in environmental control within the cement industry and has the potential to diversify into other industries as well.

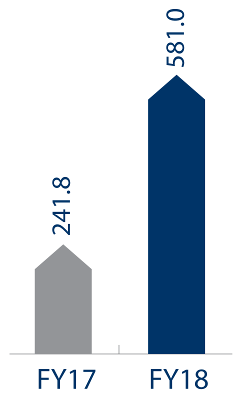
2018 Operational Updates

- Al-Takamol Cement Company (ATCC) has the third largest share of the Sudanese cement market with a 24.6% market share, and came first in the market for the month of December 2018 with 34.2% market share.
- ATCC has undergone a significant investment that allowed it to install a new power substation and overhead transmission lines for connection to the national electricity grid. Al-Takamol was successfully connected to the power grid by the end of 3Q17, allowing it to extract cost efficiencies from cheaper national grid power compared to expensive fuel for its own power plant production, and hence increase its competitiveness.
- ATCC continues to push forward the installation of a new coal mill earmarked for operations by 2H20. The mill will allow ATCC to almost fully satisfy its fuel needs from coal and petcoke, thereby reducing significantly its reliance on the now expensive and inconsistent supply of liquid fuel.
- ATCC already utilizes petcoke in the production process, which constitutes up to 37% of its total energy mix, thereby improving its cost structure and competitive position.
- EUR 285 million in bank debt was secured in early 2017 for Zahana Cement's new production line; the funding represents 90% of the total cost of c. EUR 316 million with the balance to be financed from the company's cash flows.
- ASEC Engineering was successful in the strategic exit from projects incurring losses including Sinai Grey and Medcom Aswan locally, in addition to Tartous in Syria. In parallel, the company secured its foothold in profitable projects, mainly Misr Bani Suef, Minya, and BMIC Assuit via contract renewals during the course of 2018. The impact of these measures will be more apparent in the near future. Results for the year have been impacted by the ramifications of decreased manpower at the Sinai project as well as inflated costs of a major revamp for Misr Bani Suef.
- ARESCO has entered 2018 with relatively insufficient backlog. Moreover, other key projects witnessed delays in obtaining official approvals which were prerequisite for obtaining other key projects. This has considerably impacted 2018 results; however, the company was able to secure EGP 700 mn in backlog for 2019.

ASEC Holding Consolidated Revenues (EGP mn)



ASEC Holding Consolidated EBITDA (EGP mn)



2018 Financial Updates

At the consolidated level, ASEC Holding reported revenues of EGP 2,712 million in 2018, a 20% y-o-y increase largely attributable to better performances at Sudan's Al-Takamol Cement. Top-line growth accelerated down the income statement, with ASEC Holding's EBITDA posting a 176% y-o-y increase in 2018 to EGP 581 million due to increased contributions from subsidiaries ASEC Cement, which have offset the negative earnings of both the contracting and management sectors.

ASEC Cement

ASEC Cement revenues increased by 59% in 2018, closing the year at EGP 1,750 million, despite a 53% devaluation in the Sudanese to Egyptian pound exchange rate during the year. The devaluation effect was offset by an improved performance of Al-Takamol Cement where revenues posted a 60% y-o-y increase to EGP 1,743.4 million. Earnings growth at the Sudan-based plant came on the back of higher average selling prices coupled with improved operational efficiency, leading to an impressive three-fold increase in EBITDA of EGP 603.3 million in 2018. At the consolidated level, ASEC Cement's EBITDA recorded a solid 296% y-o-y increase to EGP 558.7 million in 2018. Consolidated revenues and EBITDA were affected by an increase of 23% resulting from the accounting treatment of Al-Takamol Cement as it operates in a hyperinflation economy.

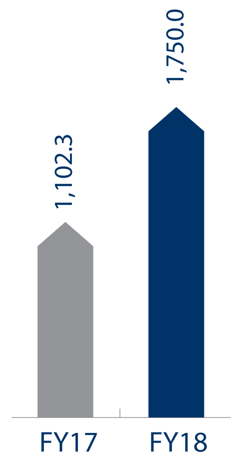
ASEC Engineering

ASEC Engineering revenues declined by 8% in 2018 reaching EGP 814 million. The drop in revenues is mainly attributed to the exit from the Sinai Grey project owing to security-related disruptions. The exit from the two-line project has also impacted the year clinker production which fell by 15% reaching 9.7 million tons. On the other hand, the year has also seen a milestone renewal of the technical management contract for the Minya Cement project for 5 years, as well as the renewal of the BMIC project in Assuit. A major revamp in the Misr Bani Suef Project together with the cost borne for releasing the Sinai project manpower led to a drop in EBITDA by 75% reporting EGP 17 million, down from EGP 70 million in 2017. On the positive side, and in line with the expansion strategy of the company, it has successfully tapped into the Iraqi market by signing a technical training contract with KAR Group for staffing and training of the Erbil Cement plant. Negotiations are also well underway for the plant's total technical management.

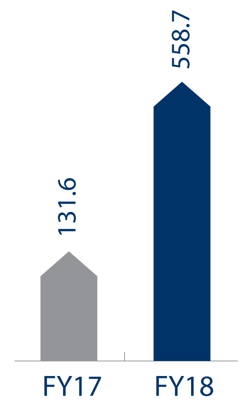
ARESCO

ARESCO's full year revenues came in at EGP 173.6 million in 2018, down 60% y-o-y as a result of insufficient backlog in addition to delays in projects awarded during the year. Despite the aggressive reduction in COGS by -43%, ARESCO realized operational losses. As a result, EBITDA reached EGP -52.3 million versus EGP 37.7 million in 2017. On the other hand, 2019 has a positive outlook supported by solid backlog standing at EGP 700 million.

ASEC Cement Revenues (EGP mn)



ASEC Cement EBITDA (EGP mn)



Takamol Cement Sudan

Al-Takamol Total Sales Volume (FY18)

980 K TONS

▲ **16%** y-o-y

Zahana Total Sales Volume (FY18)

710 K TONS

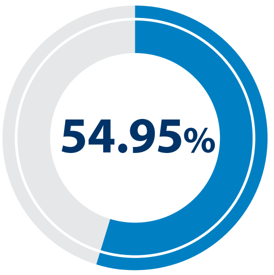
▼ **11%** y-o-y

AGRIFOOD

GOZOUR

National Company for Investment and Agriculture S.A.E (Gozour) is a multicategory agriculture and consumer foods company capitalizing on the Egyptian agrifoods sector's strong macro fundamentals

Qalaa Holdings Indirect Ownership



Qalaa Holdings' investments in the agrifoods sector began in 2007 and were geared toward overcoming agricultural and food production challenges in Egypt and the region. The company's strategy focused on introducing new levels of specialization and consolidation into the market. In recent years, however, Qalaa took the strategic decision to treat its agrifoods investments as non-core and consequently began exiting its investments in the sector.

While the majority of Qalaa's portfolio in the agrifoods sector has been successfully divested, it still retains key investments in the agrifoods sector all consolidated under parent company, Gozour, that includes dairy producer Dina Farms, and the Investment Co. for Dairy Products (ICDP) which manufactures, markets, and distributes fresh milk and other dairy products under the brand name "Dina Farms".

At the close of 2017, Qalaa concluded its divestment from Arab Company for Services and Trade (ACST), which operated retail outlets under the Dina Farms trademark. The sale neither impacts Dina Farms' core dairy and agriculture business nor does it include rights to use the Dina Farms trademark, which the acquirer terminated use of effective August 2018. Dina Farms will continue to operate its flagship outlet store at the façade of its farms on the Cairo-Alexandria Desert Road.

2018 Operational Updates

Dina Farms

With an agricultural footprint of over 10,000 acres, Dina Farms is the largest farm in both the private and public sectors in Egypt. It is also the largest private sector dairy farm in Africa. In 2018, the company produced around 80,216 tons of raw milk utilizing its 16,309 cattle heads, of which 8,199 are milking cows. Dina Farms supplies c. 20% of raw milk sales to ICDP and the remaining goes to key players in the diary product industry.

Dina Farms plans to continue growing its herd over the coming period and is undertaking several initiatives to improve its productivity in milk production, including the installation of curtains and cooling systems at its milking stations.

In line with Dina Farms' strategy of pushing for increased self-sufficiency for its animal feedstock forage, the company's in house-planted feedstock is expected to satisfy c. 70% in 2019 and c. 85% in 2020 of the company's consumption of forage.

The drive to enhance productivity is expected to continue over the coming years and will substantially improve the company's overall performance once completed. Efforts are also being undertaken to improve the performance of Dina Farms' agriculture segment including the replacement of aging grape trees with new seedlings, and coding the company's grapes and mango produce for export purposes. They also include the increase of the cultivated land area by around 40% and the yields per crop/orchard.

The retail/outlet store on site marks the third line of activity for the farm, selling produce, dairy, and other household items produced as a key measure to drive business integration. The year saw the outlet undergo a key facelift that helped drive revenues further.

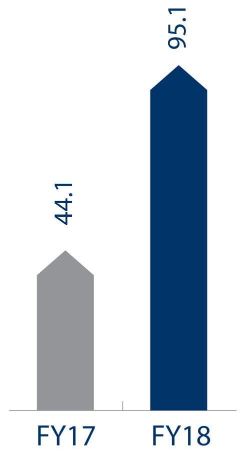
Dina farms milk, yogurt, and cheese products placed in the Al Shader outlet

Investment Co. for Dairy Products (ICDP)

ICDP manufactures, markets, and distributes dairy products (including fresh milk) under the brand name Dina Farms and is currently the leading market player in its category controlling c. 70% of the fresh milk market in Egypt. ICDP secures 100% of its raw milk needs from Dina Farms to maintain premium quality. Since its establishment in 2010, ICDP has been on a steady growth trajectory with total distributed volume in 2018 reaching 12,261 SKU tons. In 2017, the company added a new fresh milk line that doubled its capacity. Now, the company is in the process of adding a new yoghurt production line, which should commence operations in September 2019 and double current yoghurt production capacity. ICDP introduced new SKUs such as multi-serving size (400 ml) products in April 2018, in addition to new SKUs that were introduced to the cheese category.

Gozour Revenues (EGP mn)

Gozour EBITDA (EGP mn)



2018 Financial Updates

Gozour's consolidated revenues increased 3% y-o-y to EGP 815.5 million from EGP 789.1 million in 2017. EBITDA recorded an impressive 116% rise reaching EGP 95.1 million in 2018 compared to EGP 44.1 million in 2017 and reflected a 6.1 percentage-point growth in its EBITDA margin.

Dina Farms recorded a 6% increase in revenues to EGP 644.2 million in 2018. The growth was influenced by a rise in milk prices, which counter affected the 4% decrease in raw milk sales, falling to c. 75,000 tons in 2018 from c. 78,000 tons sold in 2017.

EBITDA decreased by 6% reaching EGP 137.9 million in 2018 from EGP 146.6 million in 2017.

Meanwhile, ICDP reported revenues of EGP 210.2 million in 2018, up 16% y-o-y with revenue growth being price-driven as total volumes reported a 6% y-o-y decline. EBITDA recorded an impressive 88% y-o-y increase to EGP 17.3 million in 2018, supported by improvements achieved in operational efficiencies.

Dina Farms Total Herd
(as of 31 December 2018)*

16,309 COWS

▲ **7%** y-o-y

ICDP Sales (FY18)

12,261 SKUs

▼ **6%** y-o-y

Dina Farms Raw Milk Sales (FY18)**

75,186 TONS

▼ **4%** y-o-y

* Of which 8,199 are milking cows

** The difference between raw milk production and sales represents the raw milk used for suckling and raw milk waste

Dina Farms grows its own animal feed

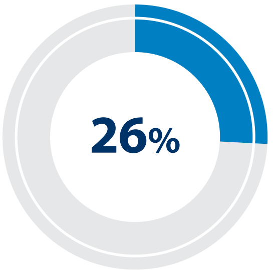
Dina Farms houses over 8,000 milking cows

PRINTING & PACKAGING

PRINTING & PACKAGING

Through its subsidiary National Printing Company, Qalaa Holdings has invested more than USD 60 mn in the printing and packaging sector. National Printing Company stands today as one of Egypt's largest producers in the printing and packaging sector

Qalaa Holdings Ownership (FY18)



Qalaa Holdings has gradually established a strong presence in the printing and packaging sector by establishing and acquiring subsidiaries that have today positioned the company at the forefront of this promising new sector in Egypt. Qalaa and its subsidiaries in the printing and packaging sector have managed to penetrate several key markets that include corrugated sheets and duplex boards, which has in turn substantially reduced the need for imports by supplying most of Egypt's local market demand.

2018 Operational Highlights

National Printing Company

As the founder of National Printing Company, one of Egypt's largest producers of packaging and printing products, Qalaa Holdings is building capacity and accelerating its exposure to a promising new sector with investments of more than USD 60 million to date.

National Printing Company was originally established in 2006 under Qalaa's mid-cap investments company, "Grandview." Since then, it has worked to expand its product range with the strategic acquisitions of Shorouk for Modern Printing and Packaging (originally owned by the Moallem family) in 2006, and El Baddar for Packages in 2007. The two back-to-back acquisitions allowed the company to immediately start producing corrugated cartons and various types of boxes as part of its product range. The company also owns 46.4% of Uniboard, an environmentally sustainable subsidiary of Shorouk that produces duplex boards using waste paper.

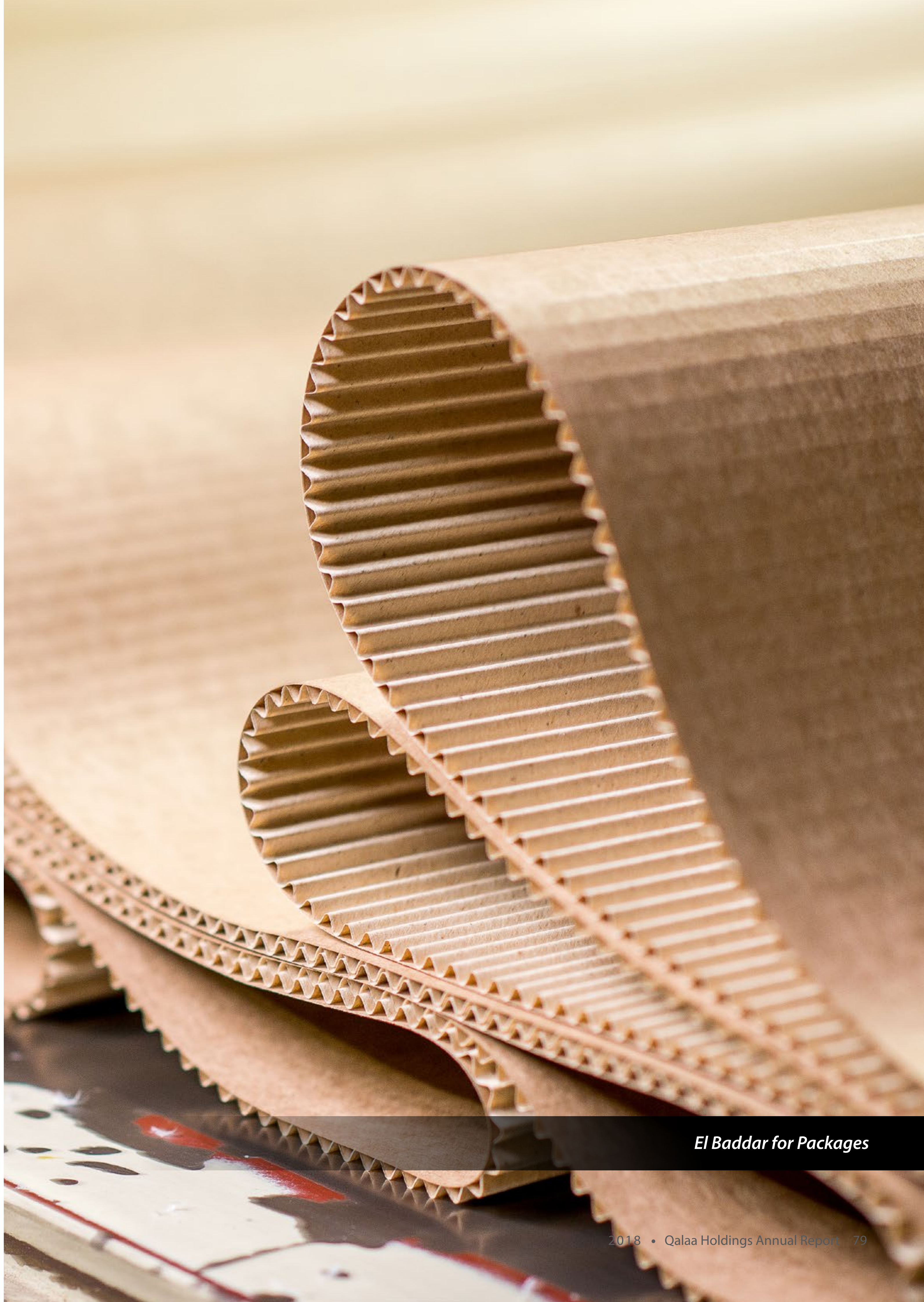
National Printing Company is c. 53% owned by Grandview, which is subsequently 48% owned by Qalaa Holdings. QH began consolidating Grandview in 1Q18 as a result of the company's strong financial position and impressive operational expansion.

Shorouk for Modern Printing and Packaging

Shorouk, which is 90% owned by National Printing Company, operates three main production lines for laminating, cutting, folding, gluing, and printing. Its current production capacity is around 50,000 tons per annum broken down between folded boxes (50%), laminated packages (40%), and books (10%). Revenue is mainly generated from large multinationals in the consumer goods, pharmaceuticals, and paper sectors with over 20% of revenues currently generated from exports.

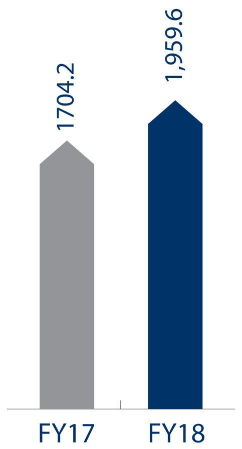
El Baddar for Packages

Baddar is a wholly owned subsidiary of National Printing Company that develops corrugated sheets and boxes that are widely used for shipping, particularly in the food industry. Baddar products are renowned in the market for their strength, durability, lightness, recyclability, and cost-efficiency. Approximately half of the company's top line revenue is driven by the food and beverage industry. With a current production capacity of 45,000 tons

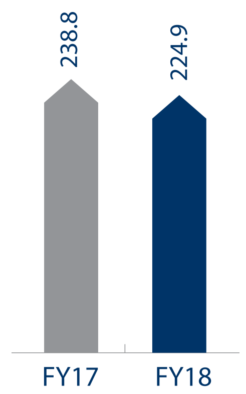


El Baddar for Packages

National Printing Holding Co. Revenues (EGP mn)



National Printing Holding Co. EBITDA (EGP mn)



per annum, Baddar holds nearly 10% of the total market share for corrugated sheets and boxes in Egypt. A planned move to the Obour Industrial Area is expected to boost production capacity by 25%.

Uniboard
Shorouk subsidiary, Uniboard, is a strategic Greenfield project that aims to capitalize on domestic waste paper as one of the main raw materials in the production of duplex boards. The company has a nominal manufacturing capacity of 135,000 tons per annum and operates in a market with estimated annual demand of c. 200,000 tons per annum. Its only other local competitor has a capacity of 25,000 tons per annum, with the balance being met through imports from Europe and Saudi Arabia. As an import substitution play, Uniboard will continue to expand capacity to satisfy unmet demand on the local market.

Uniboard is also an important addition to National Printing's value chain because its supplies Shorouk with locally manufactured duplex, its main raw material, which mitigates against Shorouk's foreign currency risk. Uniboard sales are currently focused on the local market with small volumes exported to China and Turkey in FY18 accounting for 8% of total sales or USD 5 million.

2018 Financial Highlights

National Printing Company revenues reached EGP 1,959.6 million in FY18 driven by a 6% y-o-y increase in Shorouk's top-line, with EBITDA coming in at EGP 224.9 million.

Shorouk increased revenue in FY18 to EGP 738.0 million, and EBITDA came in at EGP 145.0 million. A 13% y-o-y rise in selling price per ton was the main proponent

Duplex Board Volumes Sold (FY18)

103 K TONS

▲ **22%** y-o-y

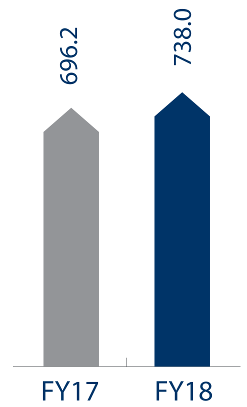
behind the year's top line expansion, along with export sales that contributed 30% to total 2018 sales.

Baddar's decline in sales volume in FY18 resulted in a top-line decrease by 9%, which was partially offset by a 6% y-o-y increase in average selling price for the year, bringing total revenue to EGP 420.5 million. EBITDA's contraction by 44% to EGP 32.7 million is a result of an increase in raw material prices combined with a rise in SG&A expenses for the year. To work around the changes in cost structure, the company is reconfiguring both its selling prices and its operations for higher efficiency.

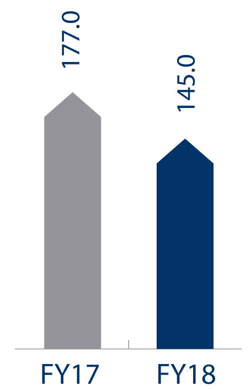
Uniboard's FY18 revenues came in at EGP 969.9 million, a 41% y-o-y increase, heavily influenced by a 22% increase in production volume to 103 thousand tons, and average selling prices reaching EGP 9,327 per ton. As a result, EBITDA was strongly driven up 72% y-o-y to EGP 61.8 million. FY18 revenue is primarily garnered from the local market, but 8% of it, or USD 5 million, come as a result of small volumes being exported to China and Turkey.


Dar Al Shorouk

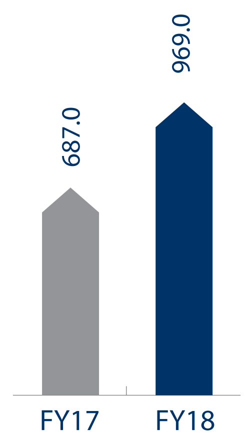
Shorouk Revenues (EGP mn)



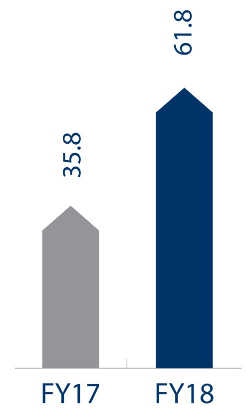
Shorouk EBITDA (EGP mn)



Uniboard Revenues (EGP mn)



Uniboard EBITDA (EGP mn)



FINANCIAL STATEMENTS

Dina Farms agricultural land

CONSOLIDATED STATEMENT OF PROFITS OR LOSSES

For the year ended 31 December 2018

(All amounts in EGP '000)	Note*	Restated 2018	2017
Revenue	30	13,169,971	10,551,004
Cost of revenue	31	(11,126,918)	(9,046,946)
Gross profit		2,043,053	1,504,058
General and administrative expenses	33	(1,592,055)	(1,347,296)
Other expenses	34	(1,243,115)	(874,101)
Operating losses		**(792,117)**	**(717,339)**
Finance costs – net	35	(1,715,496)	(1,243,852)
Share of (loss) profit of investments in associates	36	(33,533)	35,739
Profit sale of investments - net		422	-
Net loss before income tax		(2,540,724)	(1,925,452)
Income tax expense	37	(135,810)	(135,323)
Net loss for the year from continuing operations		(2,676,534)	(2,060,775)
Discontinued operations	13/D		
Operating revenues		186,180	1,519,685
Operating costs		(254,536)	(1,343,279)
General and administrative expenses		(37,180)	(254,261)
Other expenses		(31,610)	(3,612,685)
Finance costs - net		(17,787)	(195,592)
Share of profit of investments in associates		14,346	-
Net loss for the year		**(140,587)**	**(3,886,132)**
(Loss) Gain on sale of subsidiaries		(213,889)	265,004
Gain on de-consolidation of subsidiaries	13/D	3,963,400	-
Income tax		(3,322)	(34,631)
Profit / (loss) from discontinued operations, net of tax		**3,605,602**	**(3,655,759)**
Net profit / (loss) for the year		**929,068**	**(5,716,534)**
Attributable to			
Owners of the parent company		1,350,843	(4,770,455)
Non-controlling interest		(421,775)	(946,079)
		929,068	**(5,716,534)**
Earning per share from continuing operations:			
Basic earning per share (EGP/Share)	38	(1.239)	(0.61)
Diluted earning per share (EGP/Share)	**38**	**(1.239)**	**(0.61)**
Earning per share from discontinued operations:			
Basic earning per share (EGP/Share)		2.0	(2.0)
Diluted earning per share (EGP/Share)		**2.0**	**(2.0)**

Scan the QR code to download our audited consolidated financials and full financials available in PDF from our investor relations microsite ir.qalaaholdings.com

*Notes available in audited consolidated financials

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 31 December 2018

(All amounts in EGP '000)	Note*	2018	2017	Restated 2016
Non-current assets				
Fixed assets	5	6,541,896	5,993,866	6,067,082
Projects under construction	6	65,130,468	55,206,703	48,685,442
Intangible assets	7	342,151	606,482	1,265,407
Goodwill	8	238,181	300,257	300,423
Biological assets	9	302,294	242,836	207,820
Investments in associates	10	165,961	640,500	1,106,525
Available for sale financial assets	11	16,496	56,028	83,821
Payments under investments	12	11,037	5,794	110,931
Trade receivables and other debit balances	15	785,622	1,005,692	717,053
Deferred tax assets	24	14,257	25,326	61,085
Derivative financial instruments	25	212,556	-	-
Total non-current assets		73,760,919	64,083,484	58,605,589
Current assets				
Inventories	14	1,438,758	1,519,368	1,666,936
Biological assets	9	27,283	6,997	7,246
Trade receivables and other debit balances	15	4,011,604	3,635,868	3,847,935
Due from related parties	16/A	528,071	369,318	214,732
Financial assets at fair value through profit or loss	17	4,223	4,405	1,279
Cash and bank balances	18	6,349,831	2,561,855	2,990,598
Total current assets		12,359,770	8,097,811	8,728,726
Non-current assets held for sale	13/B	1,175,442	835,210	6,008,952
Total assets		**87,296,131**	**73,016,505**	**73,343,267**
Equity attributable to owners of the parent				
Paid up capital	19	9,100,000	9,100,000	9,100,000
Treasury shares	20	(1,518,993)	(1,536,003)	(1,539,342)
Reserves	21	2,863,735	1,560,524	2,468,096
Accumulated losses		(16,189,793)	(17,365,821)	(12,562,282)
Total equity attributable to owners of the parent		**(5,745,051)**	**(8,241,300)**	**(2,533,528)**
Non-controlling interest		20,312,440	17,127,455	16,709,469
Total equity		**14,567,389**	**8,886,155**	**14,175,941**
Non-current liabilities				
Loans and borrowings - non current	23	44,310,150	36,018,918	35,036,834
Deferred tax liabilities	24	211,597	252,082	364,865
Derivative financial instruments	25	-	32,187	195,679
Trade payables and other credit balances	27	234,388	407,967	203,106
Finance lease	27	38,577	12,662	-
Total non-current liabilities		44,794,712	36,723,816	35,800,484
Current liabilities				
Provisions	26	1,321,340	991,206	822,769
Trade payables and other credit balances	27	7,618,833	8,484,448	5,779,392
Finance lease	27	135,042	161,248	-
Due to related parties	16/B	2,006,272	1,406,615	2,394,018
Current portion of loans and borrowings	23	15,744,478	14,966,015	8,278,259
Financial liabilities at fair value through profit or loss	28	355,296	427,186	-
Current income tax liabilities	29	208,986	199,514	180,119
Total current liabilities		**27,390,247**	**26,636,232**	**17,454,557**
Liabilities associated with assets held for sale	13/C	543,783	770,302	5,912,285
Total equity and liabilities		87,296,131	73,016,505	73,343,267

Chairman	Managing Director	Chief Financial Officer
Ahmed Heikal	Hisham Hussein El-Khazindar	Moataz Farouk

ENERGY | MINING | TRANSPORTATION & LOGISTICS | CEMENT & CONSTRUCTION | AGRIFOOD | PRINTING & PACKAGING

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