



AFRICAN LEADER IN
ENERGY & INFRASTRUCTURE

A YEAR OF **RESILIENCE & SUSTAINABILITY**

Annual Report
2020



A YEAR OF **RESILIENCE & SUSTAINABILITY**

In the face of challenges posed by the COVID-19 pandemic and oil price fluctuations in 2020, Qalaa remained resilient. Management was proactive and undertook precautionary measures to ensure the safety of its people and the continuity of its business. This measured approach allowed Qalaa to deliver on major operational objectives across its subsidiaries, including the official inauguration of the Egyptian Refining Company (ERC) in the presence of President Abdel Fattah El Sisi and the launch of a new TAQA Arabia subsidiary, TAQA Water. TAQA Arabia's gas and power divisions both continued to deliver strong performances despite unfavorable market conditions. Printing and packaging subsidiary, National Printing, inaugurated a new production facility, while mining subsidiary, ASCOM, ramped up production. These achievements are a clear manifestation of Qalaa's ongoing ability to focus on raising efficiencies and enhancing operations across its diverse portfolio of investments, as well as its enduring commitment to delivering shared value for all its stakeholders.

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ABOUT QALAA HOLDINGS

4.3 USD/BN

invested in infrastructure megaproject, ERC

72 USD/MN

investment in TAQA Arabia's Benban Solar Park

100 K/Tons

grain handling and storage capacity in Alexandria, Nile Logistics

60 EGP/MN

investments in printing & packaging under National Printing Company



Our Heritage & DNA

A Foundation for the Future

Qalaa Holdings has evolved over the course of 16 years from a two-person partnership, to Africa's leading private equity firm, and finally transitioning to an investment holding company with a focus on strategic sectors in Egypt and the broader region.

► 2004–2012

Our founders' vision

- **Founded in 2004 by two entrepreneurs, Ahmed Heikal and Hisham El Khazindar, as Citadel Capital**—a private equity firm with EGP 2 million in capital.
- **Invested in a diversified portfolio spanning 15 countries and 15 industries**, including energy distribution, solid waste management, agri-foods, cement, refining, transportation, and glass manufacturing.
- **Became the leading private equity firm in the Middle East and Africa by 2012** with 19 Opportunity-Specific Funds controlling platform companies with investments of USD 9.5 billion.

Taking the lead in African infrastructure investments

- **With Egypt as its center of gravity and spring-board, Qalaa Holdings completed a total of 80+ acquisitions and new company formations**, pursuing control investments across the deal-type spectrum, including turnarounds, buyouts, consolidations/industry roll-ups, and green-fields.
- **Raised equity via Opportunity-Specific Funds** that would in turn control a subsidiary company in a specific industry.

- **Reached financial close in 2012 on the equity and debt components of the Egyptian Refining Company (ERC)**, Qalaa's flagship USD 4.3 billion refinery, a co-investment made alongside Gulf and international investors, global export credit agencies, and development finance institutions.
- **Established the Qalaa Holdings Scholarship Foundation (QHSF) in 2007**, which grew to become the largest private sector scholarship foundation in Egypt providing scholarships to Egyptian students pursuing graduate studies at prestigious universities abroad.

► 2013–2014

Transformation and divestment plan

- **Rebranded into Qalaa Holdings**, and transformed its business model from private equity to conglomerate and investment holding.
- **Narrowed focus on strategic industries**, including Energy, Cement, Agrifoods, Transportation and Logistics, and Mining.
- **Divested non-core investments** gradually in an orderly manner over a three-year period, with proceeds from their sale being reinvested to accelerate growth of core subsidiaries.

► 2015–2017

Strengthening portfolio and investment value

- **Made significant strides toward reshaping the business model** and positioning for future growth while creating shared value.
- **Gave weight to impact, in addition to profit**, in all our investments and actively encouraged other private sector companies in Egypt to take similar steps.
- Took concrete steps to lead by example as **early adopters of the United Nations Sustainable Development Goals (SDGs)**.
- **Celebrated the 10th anniversary of QHSF** awarding a total of 156 scholarships since inception.

► 2018–2019

Upward momentum

- **Maximized financial and operational efficiencies** across the portfolio.
- **Reached exceptionally important pre-operational milestones at ERC** and entered pre-launch trial operations in 2018.
- **Started full commercial operations at ERC** at the end of 2019.
- **Commenced full operations at TAQA Arabia's EGP 1.35 billion, 65 MW Solar Power Plant** in Benban Aswan.

► 2020

A year of Resilience & Sustainability

- **Continued product mix optimization at ERC to mitigate pressure on the gross refining margin and support profitability.**
- **Increased subsidiary exports on gradual market recovery in the second half of the year.**
- **Began negotiations for full debt restructuring at ERC to hedge against market uncertainties.**
- **Qalaa's ERC was officially inaugurated by President Abdel Fattah El Sisi** on 27 September as a cornerstone of Egypt's energy security and sustainable economic growth.
- Precautions and measures were taken by Qalaa's management to effectively safeguard the health and safety of its employees and business continuity, while maintaining the full workforce without resorting to layoffs.



Qalaa Holdings at a Glance

Improving lives and livelihoods

At Qalaa Holdings, our primary purpose is to improve lives and livelihoods by building sustainable businesses for our employees and community while creating long-term value and prosperity for all our stakeholders.



Transformative investments

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.



c. 17,500 EMPLOYEES

work each day to deliver energy to consumers and businesses alike; to provide reliable, fuel-efficient transportation solutions; to grow or manufacture safe, healthy food; to add value to natural resources; and to help build critical national infrastructure.



We invest heavily in our people, addressing the needs of employees and communities alike. Qalaa founded Egypt's largest private sector scholarship foundation, QHSF.



80+

BUSINESSES
Founded & Developed

16 YEARS

Drawing on our roots as Africa's largest private equity firm, we have worked since 2004 to build world-class businesses that cater to the needs of more than 1.3 billion consumers across our footprint in Egypt, East Africa and North Africa.



40,000 JOBS

Regional Footprint

We invest in high-growth markets across Africa and the Middle East

With landmark investments in 15 countries, we are a leading regional energy and infrastructure investor beyond our home market of Egypt.



We are dedicated to promoting diversity and inclusiveness

25%



of Qalaa's board members are women

Qalaa Holdings prides itself on the strength of its diverse management team. Our highly inclusive work environment promotes female leaders across our subsidiaries and our female CEOs, division heads, and investment professionals are regionally and locally recognized for their valuable contributions.

Our Strategy & Investment Thesis

What differentiates us?



Creating sustainable businesses, long-term value, and shared prosperity

Our Sectors & Investments

In 2019, Qalaa reclassified some of its existing investments into new sectors that indicate a renewed focus on expanding into crucial segments of the economy.



Chairman's Note

“Five months into the pandemic, it has become increasingly clear to me that Egypt is presently better-positioned than most countries globally and regionally.”

36.0 EGP/BN
total revenues FY20

81.9 EGP/BN
total equity

Fellow Shareholders,

2020 was a year marred by the COVID-19 pandemic and one of the most difficult years that economies, societies, and companies around the world have had to endure. Tragically, lives were lost and livelihoods suffered as lockdowns to curb the spread of the virus saw economies around the world grind to a halt with entire industries shutting down. The COVID-19 pandemic brought on uncertainty and financial instability that have crippled the global economy in the worst economic downturn since the Great Depression.

Nevertheless, I chose to remain optimistic through it all. Amidst challenges arise opportunities for those who are able to quickly shift gears to do business differently and more efficiently. And while lockdowns and travel restrictions continue to be a part of our lives to date, we are witnessing early signs of economic recovery with increased proliferation of vaccines and new treatments, albeit with a long road ahead as we grapple with resurging variants.

Throughout this period of uncertainty, I've been exceptionally proud of Qalaa's resilience and our ability to push forward with our growth strategies across our portfolio. Qalaa's success vindicates our investment thesis, and its ability to weather the storm and emerge a stronger and leaner organization leaves me with renewed optimism about the future.

A New Dynamic

As we head into a post-pandemic world, new trends and a new normal are driving renewed economic dynamism across the world. With so much change, resilience is



Ahmed Heikal on site at ERC

the new name of the game, and “just-in-time” creed is giving way to “just-in-case” prudence. **Change will tap everything** from manufacturing and agriculture to energy and climate change. Our robust investment strategy has guided us through transformative periods in the past; the global financial crisis, political turmoil, revolutions, and a local currency crisis to name a few. I am confident this period will be no exception as the world recalibrates following the pandemic, with Qalaa ideally positioned to capitalize on a number of global trends we are seeing unfold.

The economic recovery from the pandemic has been riddled with hurdles, making it one tough road to navigate. The **global supply chain** has been in upheaval since the onset of COVID-19. Soaring demand for consumer goods overwhelmed shipping ports around the world, forcing vessels to anchor outside ports in atrocious queues. The demand surge exceeded expectations, leading to scarcity in containers, particularly in China; shortages in truck drivers needed to transport goods; a rally in commodity prices; and unprecedented delivery delays. It is only a natural conclusion that the amalgamation of these factors would lead to global

inflationary pressures, in turn giving pricing power to global producers across sectors. Producers with a high percentage of local inputs, such as **ASCOM and National Printing**, enjoy a strong competitive advantage in such an environment.

The supply chain crisis is not the only element impeding business. **Global manufacturers** are also impacted by rising trade barriers and the political environment in which they operate. A growing share of global manufacturers are opting to geographically diversify their manufacturing base and find a new home, a trend that Egypt can benefit from. Moreover, increasing trade restrictions and logistical costs also benefit local manufacturers and agricultural producers who can deliver a competitive local alternative to their end market. Both ERC and Dina Farms gain substantially as the market shifts from its reliance on imports.

Heading into the new year, we continue to witness persistent **inflationary pressures** to the point where central banks' intervention is becoming imperative, and we are, in fact, beginning to see early rate hikes and reductions in stimulus to curb inflation. Slowly

but surely, these measures will increase financing costs across the spectrum. This will have a particular impact on conventional hydrocarbon energy investments as the increase in financing costs coincides with the goals set for net-zero emissions by 2050. The results of the sparse investments are twofold. First, they will set a floor for oil prices and refinery margins, which directly benefit ERC. Second, they increase demand for energy efficient projects, which is a key focus for TAQA going forward.

On the other hand, the rising **global urgency to tackle climate change** and achieve net-zero emission by 2050 will drive demand and investments for solar and renewables. At the COP26 U.N. climate change conference, a coalition of banks, insurers, and pension funds with USD 130 trillion in assets under management pledged to back clean technology, such as renewable energy, and direct finance away from fossil fuel-burning industries.

The momentum of the fight against climate change coupled with higher costs of financing will ultimately increase the price of solar energy, thus benefitting **TAQA Arabia**, where we already operate a 65 MW solar power plant in Benban, Aswan. Additionally, the company is operating a 6 MW solar power plant at **Dina Farm's** Beheira, funded by the European Bank for Reconstruction and Development (EBRD) as part of a financing package of up to USD 10 million to expand TAQA Arabia's renewable energy business. Combatting climate change is no easy task and requires genuine efforts from governments and the private sector alike. We are doing our part, and I am proud of Qalaa's dedication to invest in renewable energy ventures, reducing its carbon footprint, and lowering emissions across its subsidiaries.

While these are all global trends with a local impact, there are also a number of domestic trends in Egypt that will prove beneficial. Setting the stage for a more **grounded business environment** without doubt positively influences our results in the long run. The government has a budget of EGP 1.25 trillion for infrastructure investments in FY2021–2022 earmarked for different projects, including developing the universal healthcare system, transportation covering roads, bridges,

the monorail and national railways, education to construct schools in underserved areas, and extending the country's water network. Egypt's increased spending on infrastructure will inherently give rise to O&M companies in a variety of sectors to help maintain new assets, a trend **ASEC Holding** is well-positioned to capture. Moreover, efforts to alleviate the trade deficit will entail policies and reforms supportive of local manufacturing.

The same global trends discussed above will affect different countries in a range of ways. **Egypt's underlying fundamentals** work in its favour and to the overall benefit of Qalaa. The country has a growing population of over 102 million people, of which roughly 60% are between the ages of 15 and 64. Coupled with a resilient economy, which has undergone significant reforms in a relatively short period of time, Egypt is one of a handful of countries whose GDP grew by 3.6%, while global GDP contracted by 4% in 2020. Qalaa's position as a leader in energy and infrastructure will benefit in the long run as demand and consumption grow across our subsidiaries to meet the growing population's needs.

The untapped potential is limitless. I am happy with where we are and what we stand to gain as these trends materialize. We will continue to expand production across our portfolio and make incremental investments in our existing companies, such as **National Printing's new El Baddar state-of-the-art facility and pushing forward with our CNG station expansions** across Egypt to unlock the new growth phase.

The Way Forward

I am cognizant of the fact that emerging market policymakers have had to step in with rapid and vital responses to the crisis presented by COVID-19, and they have done a remarkable job—be it through guaranteed wages or direct subsidies to businesses operating in the most impacted industries. However, it is my belief that a more challenging task now awaits as they wane economies off the stimulus while managing inflation and make progress toward recovery. It is a hard balance to strike and a difficult position to be in, especially with an evolving COVID-19 situation always lurking, one I do not envy. On a longer-term horizon, it is imperative that governments provide a succinct legal framework

that allows businesses to operate with confidence. To yield results, the government's involvement must be temporary, well-managed, and weighted toward sectors capable of generating long-term growth.

Global trends demand quick and decisive measures to determine the best course of action. We come together to respond in the most appropriate manner given the facts. However, there are other issues that require a more proactive rather than a reactive stance. I have said it before and will reiterate that **Egypt is fortunate and is better-positioned** than most countries to capitalize on opportunities as the COVID-19 tide turns, in my opinion, if we focus profoundly on policy and education. Playing the long game is how we secure our future. Policy changes do not happen overnight, and education reforms take years to yield results, but they are both essential to develop a workforce that can propel us forward.

I strongly believe that the way forward post-pandemic is through education and **leveraging the expertise of the private sector**. I admit that businesses and policy makers have a difficult balance to strike. On one hand, they need to invest to fulfill current market needs while simultaneously envisioning the future needs of the workforce and building the apparatus that will equip workers with those skills.

As it stands today, the education system simply does not produce graduates with skills that match the needs of the workforce. OECD research shows that emerging markets such as ours are most vulnerable to job loss caused by the increasing role of automation, artificial intelligences, and robots in the economy. While entire categories of jobs will become obsolete, new ones will also be created, and the question becomes whether we have the education system that is able to promote a generation capable of filling these jobs. This is where private sector ingenuity and government policy go hand in hand. Businesses need to study the competitive advantages inherently available in their country and industry and work alongside the government to ensure **targeted investments are made in education** to fill the gaps. Distinguished education is the prerequisite to job creation.

My solution has been and remains for businesses to create **vocational training institutions**, create in-house training programs, and lobby the government for long-term change and investment in primary and secondary education to meet the needs of the future. Policy is the key to change the education system and unlock a new prosperous future.

At Qalaa, this is exactly the approach that we have chosen to adopt and nurture. **Qalaa Holdings Scholarship Foundation (QHSF)** is undoubtedly one of our greatest sources of pride. To date, over 198 of Egypt's brightest students were awarded with scholarships at the world's most prestigious universities. In addition to its primary scholarships, QHSF has awarded scholarships funded by **TAQA Arabia and ERC** to students pursuing studies in the fields of renewable energy and petroleum. We are investing in our future today.

QHSF is just one of many programs that we invest in that aim to enrich the lives of people living in communities where we operate. Through various initiatives across Qalaa subsidiaries, we strive to bring about positive change, reduce inequalities and **empower women and youth**. To achieve these goals, we continue to invest in programs related to education, economic empowerment, youth development and capacity building, and special needs support. The programs are all part of our sustainability framework as we believe it is Qalaa's duty to grow our businesses sustainably and responsibly with the environment, community, and our people at the heart of every decision we make. It is a humbling experience to be in a position where we can make a lasting positive impact, and we are only growing our contribution from here.

I am immensely proud of the work we have accomplished this year with the support of an incredible team of staff, employees, board members, and shareholders who works tirelessly to make our vision a reality. I look forward to reporting to you next year in this space on even more success and growth for your company.

Ahmed Heikal

Founder and Chairman

2020 FINANCIAL HIGHLIGHTS

Qalaa's performance was propelled by a continued focus on robust growth and an enhancement of operations in a manner that creates value for all our stakeholders.

36.0 EGP/BN
total revenues FY20

81.9 EGP/BN
total assets

1.6 EGP/BN
EBITDA

81.9 EGP/BN
total equity



Management Discussion & Analysis

Qalaa's triple-digit revenue growth in 2020 is a testament to the Group's resilience and diversified portfolio which is able to deliver results, despite the challenging operational environment brought about by COVID-19.

Qalaa's strategy to steadily expand production across its entire portfolio and make incremental investments in its existing companies returned strong results for 2020. The company recorded consolidated revenues of EGP 35,973.4 million in 2020, representing an exceptional 148% y-o-y increase, driven by a significant contribution from ERC.

The energy sector continues to make up the majority of total consolidated revenues, contributing to 82% of the Group's top-line, on the back of superior performance from ERC, which recorded EGP 21,558.8 million in revenues, accounting for 60% of the top-line in 2020. ERC is Egypt's largest PPP infrastructure megaproject and is a vital import alternative project aimed at reinforcing Egypt's energy security and providing environmentally friendly fuel for sustainable economic growth. Moreover, TAQA Arabia's consistently strong performance contributed 22% to Qalaa's consolidated revenue. TAQA Arabia recorded revenues of EGP 7,923.7 million in 2020, a 3% y-o-y increase, supported by a solid performance at TAQA's gas division, sustained operational performances at its marketing division, as well as growing contribution from TAQA Solar. TAQA retained its position as a leading integrated energy distribution company in Egypt, offering customers one-stop-shop energy solutions, and it is on-track to leverage its expertise to further expand its operations, especially within the renewable energy space through TAQA Solar.

Qalaa's operational cement platform company, ASEC Holding, recorded revenues of EGP 2,508.7 million in 2020, reflecting an 8% y-o-y decline. The decline

in revenues was primarily due to accounting treatments related to hyperinflation in Sudan, as well as multiple production stoppages at Al-Takamol Cement brought about by an extended period of social and political turmoil in the country. The impacts on ASEC Holding were further compounded by an underperforming cement market in Egypt and Sudan, affecting the cement construction and management subsidiaries. Despite the challenges, the cement platform contributed to 7% of the Group's total consolidated revenues for the period.

Qalaa's subsidiary National Printing recorded largely flat revenues at EGP 1,788.3 million in 2020, which contributed 5% to the Group's top-line. National Printing stands today as one of the largest producers of packaging and printing products in Egypt and operates primarily through its subsidiaries: Shorouk, El Baddar, and Uniboard. Despite a challenging external environment imposed by COVID-19, Shorouk delivered a 3% y-o-y increase in revenues to EGP 777 million in 2020, on the back of improved pricing and near flat volumes during the year, while Uniboard's revenues grew by 9% y-o-y, resulting from a 12% y-o-y increase in volumes during the year. National Printing's third subsidiary, El Baddar, was impacted by significant operational disruptions during a lengthy relocation process to its new state-of-the-art facility, which led to a 26% drop in corrugated sheets and boxes volumes and, ultimately, a 34% y-o-y decline in revenues. However, the company is set to ramp up utilization and production volumes in the coming year.

On the mining front, ASCOM's revenues declined

by 13% y-o-y to EGP 841.9 million in 2020, on the back of harsh market conditions and global trade restrictions due to the impacts of COVID-19, particularly on volumes at the quarrying activities and GlassRock. ACCM's operational performance in 2020 reflects a sustained recovery in the second half of the year when COVID-19 restrictions eased and the company was able to ramp up operations to full capacity. However, ACCM's revenue base was pressured by two factors. First, due to the strengthening of the EGP against the USD, as ACCM exports represent approximately 82% of its total sales. Second, due to amendments in the government's export subsidy and lowering the incentive on export proceeds. Consequently, ACCM's revenue declined by 6% y-o-y in 2020. With regards to GlassRock, the company suffered a 15% y-o-y decline in volumes, which led to a 19% y-o-y decline in revenues, given the impacts of COVID-19 on operations. Finally, ASCOM's mining operations are heavily dependent on the cement industry, with around 90% of its revenues generated from quarrying for cement clients. ASCOM faced a challenging year given sustained pressure on Egypt's cement industry, which is characterized by oversupply and fierce market competition.

Qalaa's other sectors performed well during the year, with the transportation and logistics (T&L) operations recording a 24% y-o-y increase in revenues to EGP 292.4 million, driven primarily by a strong performance at its grain and coal storage warehouses. Meanwhile, agrifoods' revenue remained largely flat y-o-y at EGP 877.6 million. The T&L and agrifoods segments combined constituted a 3% share of the total Group revenue in 2020.

At the profitability level, Qalaa recorded an increase of 30% y-o-y to EGP 1,626.5 million in FY20. The positive performance came on the back of improved profitability across TAQA Arabia's divisions, improved operational efficiencies and cost reductions at both Nile Logistics and ASEC Cement, as well as higher volumes at National Printing. Regrettably, the company most impacted by the pandemic was ERC, which, in its first year of operations, recorded an EBITDA of only EGP 18.7 million. At ERC, management has implemented multiple initiatives to mitigate the impacts of COVID-19 and soft oil markets on the refinery's margins. Key efforts included optimizing the product mix by reducing jet fuel production and prioritizing diesel, as well as shifting the refinery's input to 100% atmospheric residue oil instead of previously sourcing a portion in crude oil, which was a more costly process.

The weak performance by ERC was offset by strong EBITDA performances in other divisions of the Group. TAQA Arabia recorded a 20% y-o-y increase in EBITDA driven by a 24% y-o-y increase in the number of higher-margin infill clients at its gas division in FY20. At Nile Logistics, growing contributions from the company's grain and coal storage warehouses, as well as its container depot's connection to the national electricity grid, which resulted in improved operational efficiencies and reduced costs, drove a 164% y-o-y growth in the company's EBITDA in FY20. At National Printing, operational efficiency measures coupled with business expansions at the company's subsidiaries drove a solid 30% y-o-y increase in EBITDA in FY20.

The Group's total selling, general, and administrative expenses (SG&A) recorded EGP 1,749.1 million in 2020, an increase of 48% y-o-y, on the back of ERC, beginning to post a full income statement in the first quarter of the year. Moreover, depreciation and amortization expenses stood at EGP 4,400 million in 2020, up from EGP 538.7 million in 2019, driven by the consolidation of ERC's assets as the refinery became fully operational.

Qalaa recorded bank interest expense of EGP 3,646.3 million in 2020 compared to EGP 1,539 million in the previous year. The increase in interest expense in 2020 was primarily driven by ERC, which booked EGP 2,339.5 million in interest on its debt during the year. It is worthy to note that ERC's interest expense was down 18% in 2020 primarily due to the drop in LIBOR.

The Group's total impairments and write downs reached EGP 230.9 million in 2020, the bulk of which was related to the cement division. Furthermore, Qalaa booked provisions of EGP 781.7 million in 2020, up from EGP 429.4 million recorded in 2019. Provisions during the year were primarily driven by ASEC Holding as it relates to its debt restructuring efforts.

Qalaa recorded an FX gain of EGP 50.9 million in 2020, due to the strengthening of the EGP against the USD and its effect on Qalaa's USD-denominated liabilities. The effect was driven primarily by ASEC Cement, which recorded a gain of EGP 153.0 million in 2020.

The Group recorded a consolidated net loss after minority interest of EGP 2,553 million in 2020 compared to a net loss of EGP 1,135.5 million in 2019. Bottomline losses were driven by ERC due to the impacts of COVID-19 and historically low global prices of refined petroleum products, leading to a narrowing spread between diesel and heavy fuel oil (Qalaa's effective share in ERC currently stands at c. 13.1%). Additionally, Qalaa booked impairments, write-downs, and provisions related to

COVID-19 totaling to EGP 1,012.6 million during the year.

Qalaa has been actively engaging in and has made significant progress in negotiations with respect to its debt restructuring at the holding level and at a number of its subsidiaries. During 2020, the debt of GlassRock, an ASCOM Holding subsidiary, was successfully restructured. Additionally, given the recent macroeconomic situation and the impact of COVID-19, ERC agreed with its lenders to defer its June and December 2020 senior loan principal payments pending a total restructuring of its debt.

Qalaa's consolidated debt, excluding ERC and ERC-related debt, stood at EGP 11.78 billion as of 31 December 2020 compared to EGP 10.05 billion at year end 2019. Qalaa's senior debt at the holding level stands at c. USD 207 million, with the EGP's strengthening against the USD decreasing the holding company's EGP liabilities.

Outlook

Heading into the new year, Qalaa will continue to steadily expand production across its entire portfolio and make incremental investments in its existing companies. In doing so, the Group will deliver on its long-term strategy while preparing itself to capture new growth opportunities as they arise in the post-pandemic world, which will inevitably be characterized by pronounced change across sectors. The company's utmost priority in the next phase will be to take decisive business decisions that mitigate the impacts of COVID-19 while protecting the health and safety of its c. 17,500 employees and equipping them with the necessary resources to respond to changing circumstances.

Qalaa has been confronted with many challenges in the past and has consistently weathered the storm to emerge a stronger and leaner organization. This period will be no different as we continue to be guided by a team of experienced professionals and an investment thesis that focuses on long-term value creation while at all times maintaining the safety and wellbeing of our employees and stakeholders.



Milestones 2020

January

- Qalaa Holdings Chairman **Dr. Ahmed Heikal** participates in **World Economic Forum**
- Qalaa Holdings announces joining “Business Ambition for 1.5°C” campaign for climate action, among 177 pioneering early adopters of the campaign



February

- TAQA Arabia CEO Pakinam Kafafi named among **Forbes Middle East’s Top 100 Power Businesswomen** for her integral role in the development of the company’s growth and its recent push into Egypt’s promising solar energy sector
- Qalaa Holdings awarded the **2019 EGX Sustainability and Corporate Social Responsibility Award** and named among Egypt’s top 100 companies on the EGX
- **Ahmed Heikal** showcases **GlassRock Insulation’s participation** in the Iron and Steel Industries Exhibition

March

- Ghada Hammouda, Qalaa Holdings’ Chief Sustainability and Marketing Officer, named among **top 50 regional storytellers on Forbes Middle East Magazine’s list of Most Impactful and Sustainable Marketing and Communications Professionals** for her instrumental work in the field



April

- Qalaa Holdings records an **11% y-o-y increase in FY2019 revenues to EGP 14.9 billion**, driven by TAQA Arabia, Dina Farms, and Nile Logistics, while ERC reaches 100% utilization and sells over 3.1 million tons of petroleum products



May

- Dina Farms subsidiary ICDP announces **doubling yogurt production capacity and new fresh juice line** as scheduled despite challenging market conditions brought about by the COVID-19 pandemic



July

- Qalaa Holdings records a 191% y-o-y increase in 1Q2020 revenues to EGP 10.4 billion, primarily driven by booked sales revenue from ERC on its first full income statement post its recognition as an operational asset in 1Q20, as well as solid performances from TAQA Arabia and Nile Logistics
- Qalaa Holdings' energy subsidiary TAQA Arabia and Chillout, a subsidiary of The National Company for Roads, Building, and Development, inaugurate the first natural gas station in New Cairo
- Egypt and World Economic Forum launch "Closing the Gender Gap Accelerator", co-chaired by private sector representatives, including co-founder of Qalaa Holdings Hisham El-Khazindar



August

- Qalaa Holdings Scholarship Foundation announces its 2020–2021 scholarship recipients for the fourteenth consecutive year despite the challenges facing education due to COVID-19



October

- Qalaa Holdings participates in the introductory conference for scholarships at Mansoura University



December

- Despite severe challenges due to COVID-19, Qalaa delivers strong a 123% y-o-y growth in 3Q20 revenues driven by ERC, which saw margins impacted by COVID-19; consolidated EBITDA, excluding ERC, was up 12% y-o-y due to resilient performance and operational efficiencies across the group's diversified portfolio
- Qalaa Holdings' TAQA Arabia and Dina Farms Pioneer New Green Private-to-Private Energy Projects in Egypt with a USD 10 million Financing Package from EBRD

September

- President Abdel Fattah El Sisi Inaugurates Qalaa Holdings' USD 4.3 billion mega national project in Mostorod, the Egyptian Refining Company (ERC), with a production capacity of 4.7 million tons of refined products and high-quality oil derivatives per year, making it a crucial import substitution project that saves Egypt USD 600 million–USD 1 billion annually
- Qalaa Holdings holds virtual session to underscore the success of its "Mostakbaly for Teachers" program for achieving educational development and skill building, as well as its positive impact on distance learning during COVID-19
- Qalaa Holdings records significant 105% y-o-y top-line growth in 2Q2020 to EGP 7.4 bn and 148% on a six-month basis, despite unprecedented global challenges, driven primarily by ERC after its official inauguration by President Abdel Fattah El Sisi



SUSTAINABILITY & RESPONSIBLE INVESTING

Qalaa Holdings is a pioneer in the field of sustainability, being one of the first companies in the region to adopt a responsible investment strategy and portfolio growth approach that integrates pillars of people, planet, and prosperity.

The Triple Bottom Line



1. Our Commitment to ESG and the Triple Bottom Line

Building Businesses and Communities for a Greener and Sustainable Future

Qalaa Holdings has continued to retain its position as a regional pioneer in sustainability and ESG reporting standards. With the continued prevalence of a global pandemic, we remain committed to contributing to the propagation of a circular, greener economy through a multi-faceted, inclusive growth and development strategy.

Our Approach to Sustainability

As one of the earliest adopters of a multipronged investment strategy centered on a balanced environmental, social, and governance (ESG) framework, Qalaa Holdings is a regional pioneer. Since our inception, we have made great strides to ensure that each of our investments is responsible across the economic, environmental, and social spheres. This triple bottom line approach to our investments, has borne fruit, resulting in a diverse portfolio of companies spanning multiple sectors, which have positively impacted sustainable economic growth and job creation in Egypt and Africa.

Our efforts in the space of sustainability and ethical corporate governance underline our commitment to ensuring that our operations are able to have positive impact. During 2019, we have built on these efforts by promoting collective action to achieve quantifiable sustainability targets to maximize our efficiency and better identify how to meet the responsibilities we have undertaken to our people and the communities in which we operate.

Our investments are responsible across the economic, environmental, and social spheres.

THE TRIPLE BOTTOM LINE



Enabling our People

Developing our Communities

Neutralizing our Environmental Impact



Shared Prosperity

Pushing Egypt's Economic Growth

Qalaa Holdings invests in a diverse array of strategic sectors ranging from industry to infrastructure. We aim to provide innovative solutions, facilitate knowledge transfer, introduce international best practices, and empower employees to spur innovation across all sectors in which we invest. ERC utilizes advanced technology to convert the lowest value fuel oil into middle and light distillates. ERC was constructed alongside leading international experts who provided crucial transfer of knowledge and innovation to local workers.

Qalaa Holdings also supports innovative forms of transportation and infrastructure by investing in water and rail transport to reduce pressure on clogged highways in Egypt and other regional countries. Qalaa Holdings believes that partnering with like-minded local and international organizations, such as the UNGC and WEF, who are working toward common goals, will enable us to further our reach and add more value to our communities. Wherever we operate, we partner with governments, civil society, international organizations, and think tanks to increase the size and scope of our impact. Qalaa Holdings is currently an active member of the UNGC, and it has founded its Egyptian chapter. We are also members of the Integrity Network Initiative, which seeks to engage the Egyptian business community in a collective effort to fight corruption and create an efficient and enabling business environment.

44
civil society organizations as partners

4.3 USD/BN
refinery to provide environmentally friendly Euro V diesel and refined products for the local market

5+
government organizations in Egypt

+13
academic and international organizations

50
river barges, serving as a one-stop shop for transporting goods efficiently and economically

“ Qalaa Holdings has successfully established new businesses and transformed local companies into regional leaders, despite economic challenges.

C. 17,500
Employees currently employed by Qalaa Holdings and its subsidiaries

40,000+
Jobs created

39
Businesses developed by Qalaa Holdings

80+
Businesses founded and developed

43
Businesses founded by Qalaa Holdings

Our Contributions to Egypt's Economic Growth

Founded by Qalaa Holdings



Acquired, developed, and added production lines



Founded by Dr. Ahmed Heikal*



* EFG Hermes: Dr. Ahmed Heikal in partnership with Dr. Mohamed Taymour
 * Qalaa Holdings: Dr. Ahmed Heikal in partnership with founding partner, Hisham El-Khazindar
 * Raya Holding: Dr. Ahmed Heikal in partnership with Eng. Medhat Khalil
 * Arab Co. for Arts: Dr. Ahmed Heikal in partnership with others
 * City Gas: Dr. Ahmed Heikal in partnership with Eng. Abd Elhamid Abu Baker
 * Arab Co. for Arts and Publishing: Dr. Ahmed Heikal in partnership with Dar El Shorouk

People

Empowering Our People

At Qalaa Holdings, we firmly believe that people are the backbone of our company and the engine that will drive growth in our societies. Accordingly, we work to ensure our people are well-trained, well-cared for, and given equal opportunities to excel and advance within the company. We also actively promote diversity among our teams.

Management

Qalaa Holdings believes in fostering a highly inclusive work environment that empowers all employees, particularly women. We pride ourselves on the strength of our diverse management team, bringing together some

of the most qualified calibers in the industry. Some 25% of Qalaa Holdings' board members and 35% of Qalaa Holdings' upper and middle management are women.

Developing Human Capital

As part of our commitment to contributing to the ongoing development of human capital in Egypt, Qalaa Holdings established the Qalaa Holdings Scholarship Foundation in 2007. The foundation awards scholarships to around 15 talented students to pursue graduate studies abroad at leading global universities in the USA and Europe.

198

total QHSF scholarships awarded

46%

female scholars

14

scholarship rounds

15

governorates



Mostakbaly for Students beneficiary



Don Bosco beneficiary

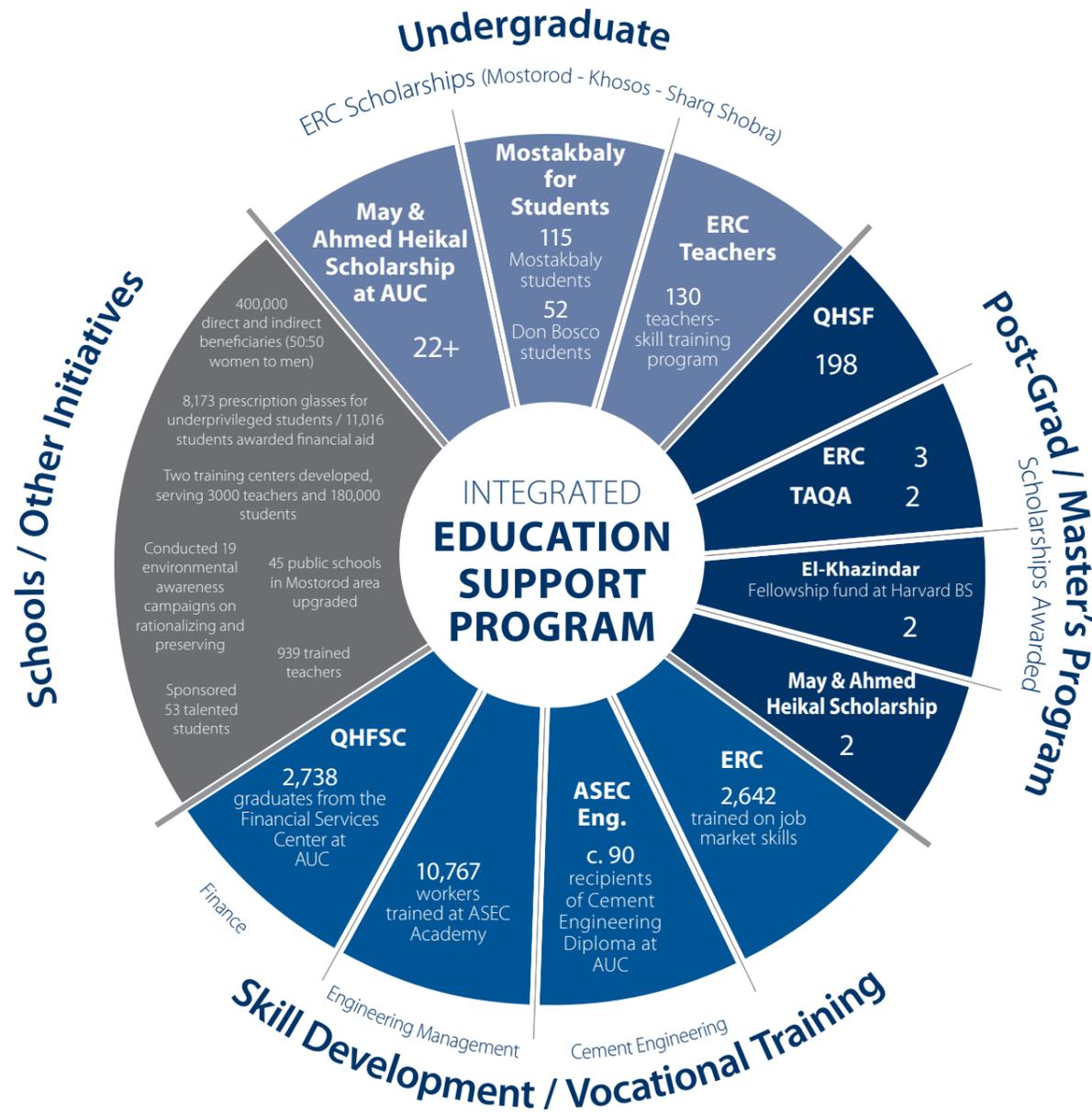
At Qalaa Holdings, we firmly believe that people are the backbone of our company and the engine that will drive growth in our societies. Therefore, we ensure that our people are well-trained, well-cared for, and given equal opportunities to excel and advance within the company. Our management teams are diverse and balanced in terms of gender. 25% of our Board seats are held by women and our legal, sustainability, and Marcom divisions are fully staffed by women.

Increasing the diversity of leadership teams has led to more innovation and improved financial performance.

Investing in Human Capital Development

36,900

Total direct and indirect beneficiaries of QH human capital development programs*



* Figures as of December 2021



مؤسسة القلعة للمنع الدراسية
Qalaa Holdings Scholarship Foundation

Every year since 2007, the Qalaa Holdings Scholarship Foundation (QHSF) has been giving approximately 15 of Egypt's brightest students the chance to pursue graduate studies abroad at leading global universities in the USA and Europe. By providing youth from cities across Egypt with educational opportunities, we are enabling them to make a positive impact on the economic and social wellbeing of the country. To ensure the program's continuity, we established an endowment to fund the activities of the Foundation and, as a result, the program has continued uninterrupted for 14 years despite the economic and political challenges faced over the years.

Today, QHSF has grown to become the largest private sector funded scholarship program in Egypt. Thus far, QHSF has awarded 198 scholarships to students from more than 15 governorates across Egypt who have attended more than 60 global universities. The program is inclusive of all genders with approximately 46% of all QHSF scholarships going to female scholars.

As a condition of acceptance, QHSF scholars pledge to return and contribute to Egypt following the completion of their studies. Many of our scholars have returned to make significant contributions in their respective fields from nanotechnology to public policy, as well as heritage conservation and political development. QHSF scholars are a remarkable group of talented young Egyptians who will help our nation tackle challenges and explore new opportunities.

In addition to its primary scholarships, QHSF has awarded scholarships funded by Qalaa subsidiaries, TAQA Arabia and ERC, to students pursuing studies in the fields of renewable energy and petroleum.

15
governorates

14
scholarship rounds

46%
female scholars

Our Community Impact



8,780

direct and indirect beneficiaries of Tamkeen – 100% women

1,498

women trained to enter the labor market

189

small projects supported for women empowerment

85

grants for craft training



56k

direct and indirect beneficiaries of Mashrou'ei – 15% women, 85% men

1,144

youths trained to enter the labor market

70

small projects for youth empowerment

25

grants for craft training in the field of mobile maintenance

4

computer centers supported to service youth in the Mostorod area



1,400

direct and indirect beneficiaries of Reyada – 60% women, 40% men

100

volunteers (30 active)

8

community development initiatives

14

human capacity building trainings

3

incentive activities



5,700

direct and indirect beneficiaries of Takaful – 50% women, 50% men

4

childcare centers supported

995

people with disabilities supported

4

schools for people with special needs supported



299,355

direct and indirect beneficiaries of Mostakbaly – 50% women, 50% men

97

undergraduate scholarships

8,173

prescription glasses for underprivileged students

45

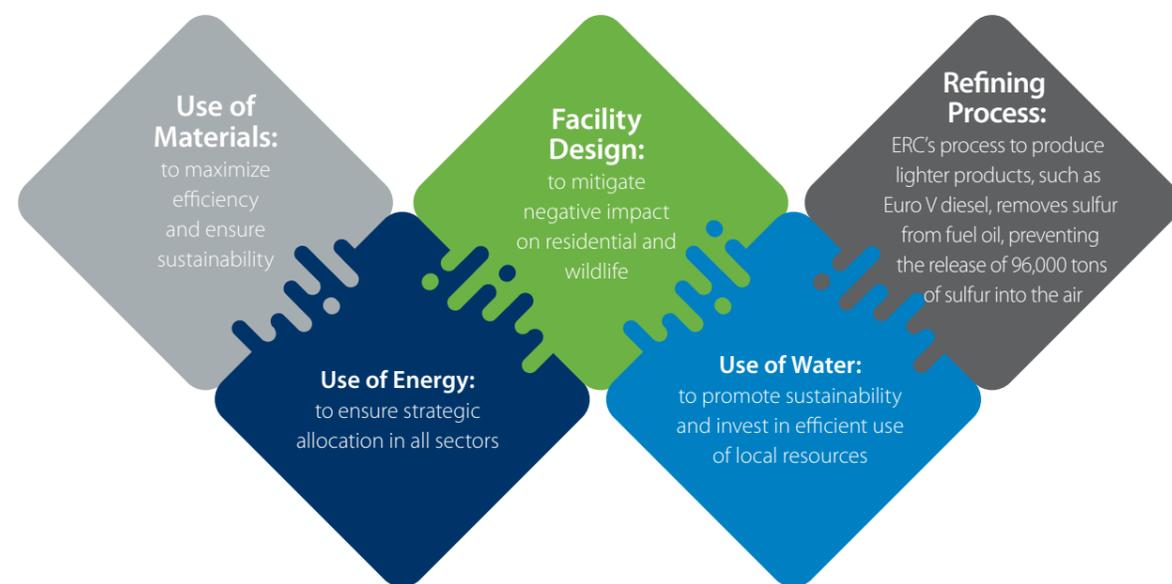
public schools in Mostorod area upgraded



Planet: Our Environmental Scorecard

Climate Action & Minimizing Environmental Impact

At Qalaa Holdings, mitigating our environmental impact and managing our resource management and waste disbursement are key to furthering our commitment to the SDGs and overall climate change goals. To do this, we have developed a rigorous environmental policy that covers the full breadth of our operations. The policy covers:

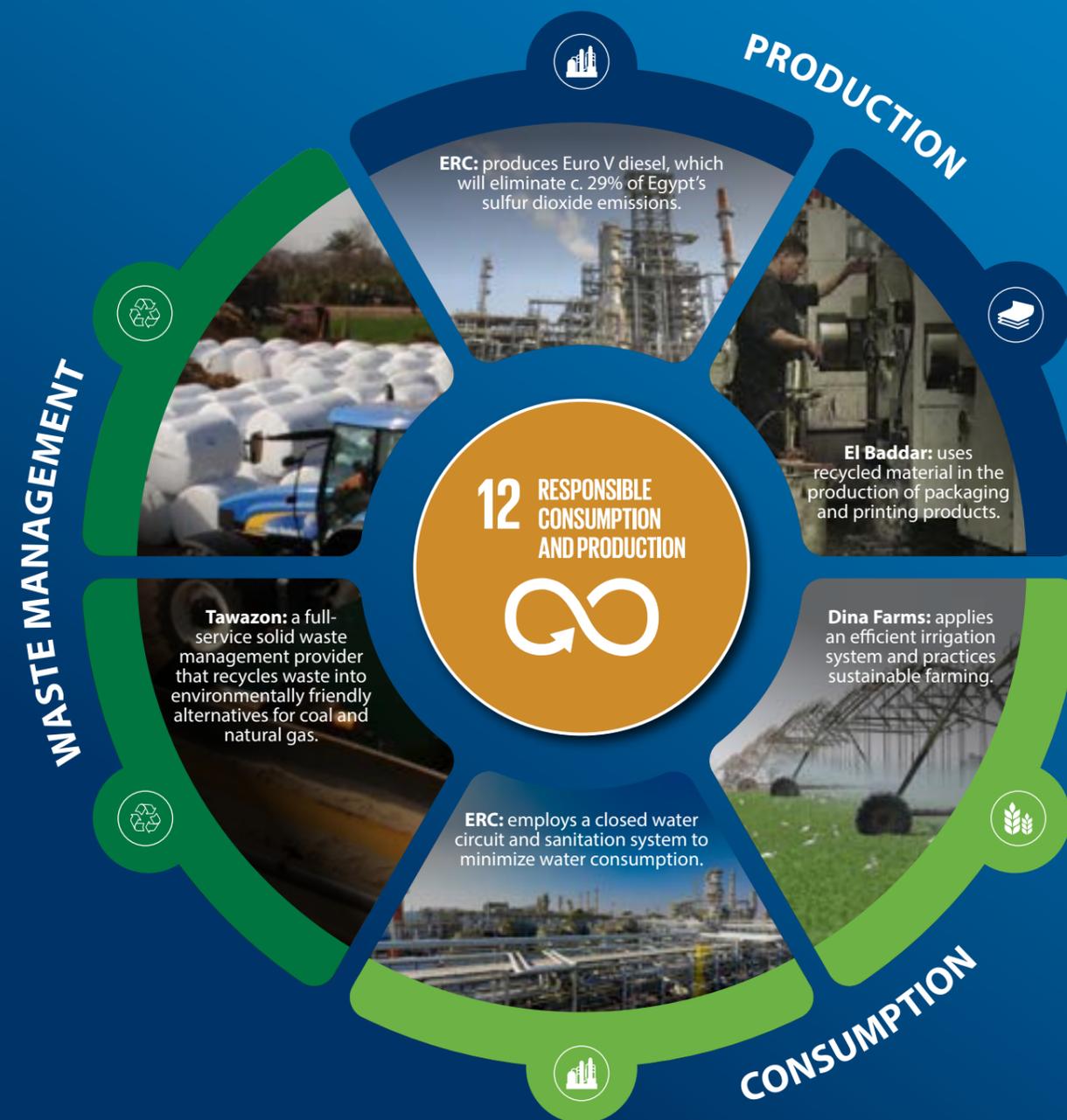


Responsible Consumption and Production

- Qalaa Holdings subsidiaries employ strict waste management policies, with some of them using waste as input to produce a variety of materials that range from clean alternative energy (Tawazon) to duplex boards (Shorouk, a subsidiary of National Printing Company). ERC utilizes an environmentally friendly closed-circuit cooling system that makes the best use of a limited supply of water and reuses it efficiently in the cooling process with

the aid of cooling towers. ERC performs upgrades, including the installation of environmental monitoring equipment at neighboring refinery CORC, as per the contractual agreement between ERC and CORC. Furthermore, TAQA has made significant strides in providing clean energy via mobile CNG and dual fuel. It has also established a fund with EBRD to construct a solar PV plant in Dina Farms.

Responsible Consumption and Production: The circular economy is based on less consumption and creating new green products.





ERC

Qalaa Holdings’ flagship USD 4.3 billion refinery became fully operational in August 2019 and officially inaugurated in September 2020 by President Abdel Fattah El Sisi. ERC takes atmospheric fuel oil from an adjacent government-owned refinery (CORC) and transforms it into Euro V diesel, which is considered to be the cleanest fuel of its type in the world. It achieves energy efficiency by preventing 186,000 tons of sulfur dioxide (SO₂) and 96,000 tons of sulfur from being emitted into Cairo’s air annually. Moreover, ERC has established a three-stage industrial wastewater treatment plant, in accordance with the highest local and international standards, which contributes to preserving water quality given that it is not diverted to the Ismailia Canal. To see more of ERC’s environmental performance, please visit Qalaa Holdings’ COP.

29%

reduction in the total amount of SO₂ currently emitted in Egypt from the burning of sulfur-containing fuels, such as fuel oil and diesel

29,223 NM³/H

total fuel gas consumption in manufacturing

5,075,070 M³

wastewater treated/reused



The energy subsidiary remains committed to diversifying its portfolio and reaffirms its goals to expand in renewable energy with the launch of its 65 MW solar power plant in Benban Solar Park in Aswan, Egypt. This EGP 1.35 billion investment is now part of the largest solar park in the world and factors in Egypt’s 2022 plan of producing 20% of its electricity needs through renewable resources. TAQA has also continued examining opportunities for expansion into alternative energy and wind power. TAQA transmits and distributes natural gas connections to more than 1.34 million customers in 42 cities across Egypt and is expected to reduce emissions by c. 78,000 tons annually from its solar plant. To see more of TAQA Arabia’s environmental performance, please visit Qalaa Holdings’ COP.

“Expected emissions reduction is around 78,000 tons annually in Benban Solar Park.”



Tawazon

Qalaa Holdings’ solid waste management subsidiary, Tawazon, maintained strong efforts in providing cleaner and recycled alternative fuels from waste, such as biomass-derived fuel (BDF), solid recovery fuel (SRF), and refuse-derived fuel (RDF), to heavy consumers as a source of thermal energy throughout 2020.



El Baddar

National Printing Company’s subsidiary develops corrugated sheets and boxes that are widely used for shipping, particularly in the food industry. El Baddar products are renowned in the market for their strength, durability, lightness, recyclability, and cost-efficiency. The company recycles paper and materials used in the production of packaging, and printing products. The company established its new state-of-the-art facility, finalized its relocation there, and commenced initial production



Nile Logistics

The river transportation subsidiary remains one of the most fuel-efficient and environmentally friendly methods of transportation available in Egypt, Sudan, and South Sudan. Nile Logistics has a large fleet of fuel-efficient, environmentally friendly river barges that transport cargo along the Nile. The company continues to transport the equivalent of 20–40 truck-loads on each barge using a fraction of the fuel and money usually invested in other modes of transport.



GlassRock

GlassRock’s thermal insulation solutions can save up to 40% of the cooling and heating load and minimize the global carbon dioxide footprint from heating and cooling while using a calculated percentage of recycled materials. The company maintains a total annual production capacity of 30,000 metric tons of rock wool and 20,000 metric tons of glass wool, both considered key in environment-friendly construction.

2. Our Commitment to the SDGs

We have worked to incorporate international best practices, as outlined by the UN SDGs, into the core fabric of our operations. We are a proud member of the UN Global Compact (UNGC) and firmly believe in its ten principles, which aim to benefit employees and employers alike. Qalaa Holdings and its subsidiaries adhere to robust codes of conduct, regulations, and procedures that have been drafted in compliance with the UNGC's principles in the areas of human rights, labor, environment, and anti-corruption. On a corporate level, QH has integrated the below SDGs into the core fabric of its operations' triple bottom line and ESG initiatives

Shared Prosperity



Affordable and Clean Energy

- With the inauguration of ERC and TAQA Arabia's Benban Solar Power Plant, Qalaa Holdings remains dedicated to investing in renewable energy ventures, reducing its carbon footprint, and lowering harmful emissions. TAQA is also driving Qalaa's green economy efforts through its use of more environmentally friendly options, such as CNG and dual fuel.



Economic Growth

- 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 and developed more than 80 businesses and created more than 40,000 jobs.
- To further fuel our economic growth, we provide vocational training and other educational opportunities to our employees to close the skill gaps. At our subsidiaries, our employees learn from onsite specialists. We believe that empowering local skilled labor is a sustainable business practice that will result in a positive impact for Egypt.



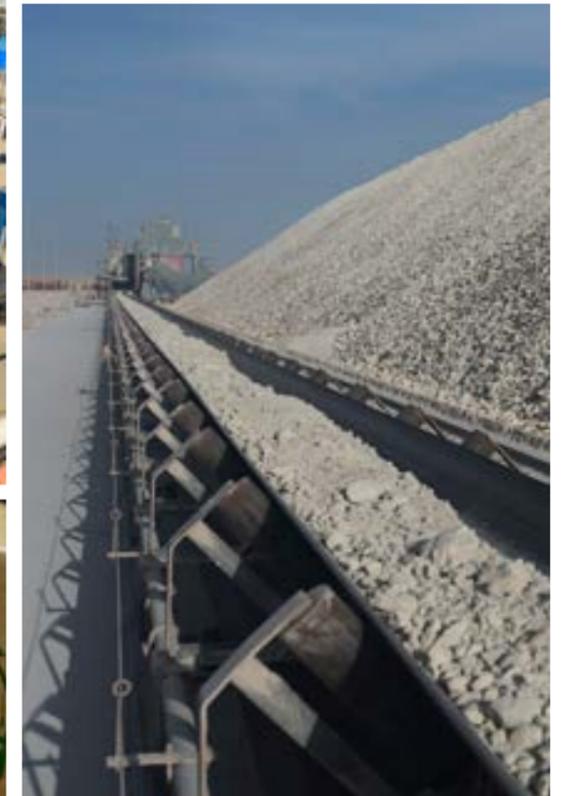
Industry Innovation and Infrastructure

- Qalaa Holdings' flagship energy project, ERC, is converting lowest value fuel oil into middle and light distillates that is meeting domestic consumption. The project has generated more than 18,000 jobs at peak construction and 1,000 permanent positions. ERC was constructed alongside leading international experts GS Engineering & Construction Corp. and Mitsui & Co. Ltd who provided crucial transfer of knowledge to local workers throughout the project's lifecycle.



Partnerships for the Goals

- This is the age of unprecedented collaboration. Qalaa believes that partnering with like-minded local and international organizations, such as the UNGC and the WEF, who are working toward common goals, will enable us to further our reach and add more value to our communities.



Enabling People



Quality Education

- Qalaa Holdings follows a holistic approach to supporting education in Egypt, which means that we have multiple programs that support all levels of vocational education in multiple industries, higher education in Egypt and abroad, teacher education to train the trainers, and the education and personal development of our own employees. Through this holistic approach, we are heavily invested in training future generations across our own companies and fortifying the Egyptian workforce with the skills needed to not only climb corporate ranks but give back to the communities in which they live and to the country as a whole.



Gender Equality

- At Qalaa Holdings, we place equality at the core of our beliefs. Gender balance and female economic empowerment fuel Qalaa Holdings' human capital development programs. We believe in fostering a highly inclusive work environment that promotes women's influence and impact. Our strategy is to empower and support women to unleash their potential by ensuring they are provided fair and equal opportunities in leadership and management positions. We actively pursue the recruitment of women to join our company and its subsidiaries. We provide tailored employment policies to create a supportive environment for women, such as flexible working hours during pregnancy and after maternity leave.
- Achieving 100% female representation in the

international legal affairs and corporate sustainability and communications teams.

- Appointing and honoring Egyptian female competencies to create successful female cadres and models as an example to be emulated in the Egyptian and international business communities.
- QH is an active participant in local and international institutions' initiatives that enhance the status of women and achieve equality and equal opportunities between the sexes as an active participant in the Gender Accelerator, UNGC initiative. QH's management understands and has integrated the SDGs framework in business operations, thinking, and practices, including prioritizing SDG 5 – Gender equality.
- Qalaa Holdings' women empowerment strategy is built on four main pillars:
 - Supporting and empowering women in the workplace in line with the principle of "Gender Fairness and Equal Opportunities", where 25% of Qalaa Holdings' board members and 35% of upper and middle management are women.
 - Appointing and rewarding successful female executive leaders and positioning them as role models that lead by example in the local and international business arena.
 - Launching diverse community development programs that target training and empowering women to fill the gender gap. Currently, c. 50% of our direct and indirect beneficiaries from our community development programs are women, reaching c. 170,000 beneficiaries.
 - Participating and collaborating with international organizations on initiatives that aim to empower women and achieve gender balance and equality, and pushing male workers to support and empower such initiatives.



Reduced Inequalities

- The ultimate goal of all our initiatives and projects is to help reduce economic and social inequalities by building capacities through education and human capital development.

Through our community development initiatives—Tamkeen, Mashrouy, Reyada, and Takaful—we empower women, youth, and individuals with special needs.





Planet - Our Responsible and Consumption Practices

Production	Consumption	Waste Management
ERC produces Euro V diesel, which will eliminate c. 29% of Egypt's sulfur dioxide emissions	Dina Farms applies an efficient irrigation system and practices sustainable farming	Tawazon is a full-service solid waste management provider that recycles waste into environmentally friendly alternatives for coal and natural gas
El Baddar uses recycled material in the production of packaging and printing products	ERC employs a closed water circuit and sanitation system to minimize water consumption	

“
We help reduce economic and social inequalities by building capacities through education and human capital development.”



Affordable and Clean Energy

78k g/kWh eliminated emissions as a result of Benban Solar Park	370+ Tons of solid waste removed from ERC to a specialized solid waste management facility	1K+ Tons of hazardous waste removed from ERC to a specialized hazardous waste management facilities	29% reduction in total SO ² emissions on cleaner Euro V diesel from ERC	100,977 m³ of compost (green manure) produced, 50,779 m ³ of which were reused as soil fertilizers at Dina Farms in 2020
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Responsible Consumption and Production

122.6K Tons annual production capacity of duplex boards from recycled wastepaper by Uniboard	c. 10K feddans developed by Dina Farms using technologically advanced and efficient irrigation systems	50K metric tons of environment-friendly insulation materials	c. 12% reduction in TAQA Oil Marketing's electricity consumption by converting all lighting systems to LED at the Suez Terminal
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Climate Action

70 USD/MN investment in sustainable insulation materials company by GlassRock	40% reduction in carbon dioxide emissions in buildings that use GlassRock insulation materials	1.34mn residential customers converted to cleaner burning natural gas by TAQA
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3. Our Subsidiaries' Responsible Investing



Since the start of operations in early 2019, ERC has effectively reduced imports of diesel, made a positive environmental impact, and created thousands of jobs. Years prior to the start of operations, the company began making a positive social impact on its surrounding community in Mostorod, with a particular focus on the areas of education, economic empowerment, youth capacity building, and special needs.

Multiple initiatives have been launched within these four areas, including:



Educational support through Mostakbaly, with 300,000 direct and indirect beneficiaries (50% female and 50% male), including:

- 8,173 medical eyeglasses for the students
- 11,016 students provided with financial aid
- 939 trained teachers
- 45 refurbished and developed schools
- Two training centers developed, serving 3,000 teachers and 180,000 students
- Sponsored 53 talented students
- Conducted 19 environmental awareness campaigns on rationalizing and preserving water and electricity

Economic empowerment and income raising through Tamkeen with 8,780 beneficiaries, including:

- 1,498 women trained to enter the labor market
- 189 small projects supported for women empowerment
- 85 grants for craft training



“ERC provides a local alternative to imported diesel, helping to meet the increase in consumption in the local market and integrating economic, social, and environmental returns.”



Economic empowerment and income raising through Mashrouy with 56,000 direct and indirect beneficiaries (15% female and 85% male), including:

- 1,144 youths trained to enter the labor market
- 70 small projects for youth empowerment
- 25 grants for craft training in the field of mobile maintenance
- Four computer centers supported to serve youths in the Mostorod area

Youth volunteering and capacity building through Reyada with 1,400 direct and indirect beneficiaries (60% female and 40% male), including:

- 100 volunteers (30 active)
- Eight community development initiatives
- 14 human capacity building trainings
- Three incentive activities



Special needs support through Takaful with 5,700 direct and indirect beneficiaries (50% female and 50% male), including:

- Four childcare centers
- 995 people with disabilities
- Four schools for people with special needs



TAQA Arabia has developed the TAQA International Master's program to fully fund the post-graduate studies of students in the field of renewable energy. As of December 2020, TAQA Arabia had awarded a total of two scholarships to qualified Egyptian students.

TAQA Arabia supported hospitals and medical teams in the fight against COVID-19 by undertaking a number of initiatives, including:

- Partnering with the American Chamber of Commerce (AmCham) on the "AmCham Private Sector Alliance Against COVID-19", which gathered donations to purchase critical medical supplies and personal protective equipment (PPE) through UNICEF's Global Supply Division.
- Contributing to the Ahl Masr Foundation to support COVID-19 patients and medical staff.
- Participating in the Tahya Misr Fund initiative "Partners in Prosperity."



TAQA Arabia participated in Egypt's Go Green Expo, where it showcased its latest technologies to support the state's plan to expand the usage of natural gas by converting vehicle engines to run on dual fuel, using both natural gas and diesel. In accordance with the transition plan, TAQA Arabia looks to expand Egypt's network of natural gas stations, along with two other publicly-owned stations, aiming to build 200 stations around the country over the next three years.

Built what is now a leading cement manufacturer in Sudan.



ASEC Subsidiary ASENPRO is a leader in the MENA region when it comes to environmental preservation. The company specializes in controlling pollution and dust emissions resulting from cement production.

ASEC instituted the ASEC Academy for vocational training and training for engineers, chemists, and geologists employed in the cement industry. In 2020, the number of trainees reached 10,728.



Transportation and Logistics



Each river barge transports the equivalent of 20–40 truckloads using a fraction of the fuel, emissions, and money usually invested in other methods of transport.

Grain handling and storage in Alexandria with a capacity of 100,000 tons and a target turnover of 6–7 times per annum.



Operates a fleet of fuel efficient, environmentally friendly barges in Egypt, Sudan, and South Sudan.



The company's inland container depot's recent connection to the national electricity grid has further enhanced efficiency, reduced operational costs, and reduced the portfolio's carbon footprint.

Gozour



Dina Farms stands as a model for integrated economic projects committed to environmental and social sustainability practices.



In addition to using technology to provide irrigation water, the company is currently expanding the use of solar energy to generate electricity, leading to a reduction in its carbon footprint.



A total of 100,977 m³ compost (green manure) produced in 2020, 50,779 m³ of which was reused as soil fertilizers.

Dina Farms also takes into account its social responsibility by committing to employ and train members of its local community.



Packaging and Printing



One of Egypt's largest sustainable producers of printing and packaging materials.

- National Printing provides safe and environmentally friendly non-plastic packaging solutions.
- Uniboard's volume increased to 122,583 tons.
- Shorouk is certified by the Forest Stewardship Certification (FSC).



NPC and its subsidiaries employ c. 2,000 people.



4. Our COVID-19 Response

With the onset of the COVID-19 pandemic, Qalaa Holdings prioritized the safety of its 17,500+ employees as it navigated the challenging external environment borne of the pandemic. Qalaa Holdings put in place strict protocols to ensure the health and safety of all stakeholders for the duration of the crisis, with a focus on:



Balancing Lives and Livelihoods

- Qalaa Holdings placed the health and safety of employees at the helm of its business continuity strategy and maintained its full work force without layoffs. A portion of the salaries for top management was temporarily deferred to ensure that the company could meet its financial obligations.
- Throughout this challenging period, Qalaa Holdings and its subsidiaries remained fully functional and open for business. All subsidiaries continued to meet the needs of stakeholders safely and efficiently, monitoring the evolving situation in a manner that allowed companies to make informed and rational decisions that ensured health and safety and maintained business continuity.



Supporting the Fight to Preserve Jobs

- Qalaa Holdings joined the Ministry of Planning and Economic Development's "Egypt Will Pass" initiative, a campaign aimed at fighting the COVID-induced employment crisis and encouraging the business community to maintain workforces and provide new job opportunities. The campaign included announcing plans for four new projects that could potentially provide an additional 2,000 jobs.
- Qalaa Holdings and its subsidiaries have donated EGP 30 million to the Tahya Masr Fund to support its COVID-19 vaccination efforts.



Supporting Frontliners:

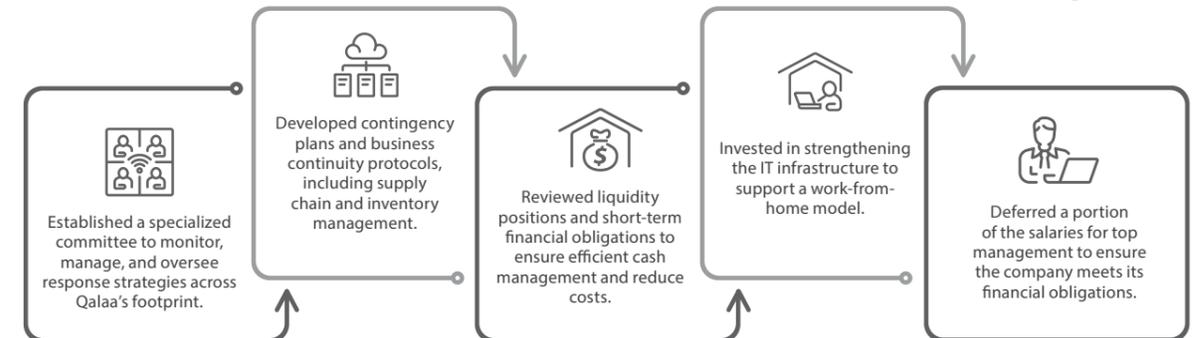
Through energy subsidiary TAQA Arabia, Egypt's largest private sector energy distribution company, Qalaa Holdings, supported hospitals and medical teams by:

- Partnering with AmCham on the "AmCham Private Sector Alliance Against COVID-19", which gathered donations to purchase critical medical supplies and personal protective equipment (PPE) through UNICEF's Global Supply Division.
- Contributing to the Ahl Masr Foundation to support COVID-19 patients and medical staff.
- Participating in the Tahya Misr Fund initiative "Partners in Prosperity".
- Qalaa Holdings' efforts have helped ensure hospitals and medical teams are equipped to face the emerging COVID-19 variants.



The Egyptian Refining Company (ERC) vaccinated employees against COVID-19

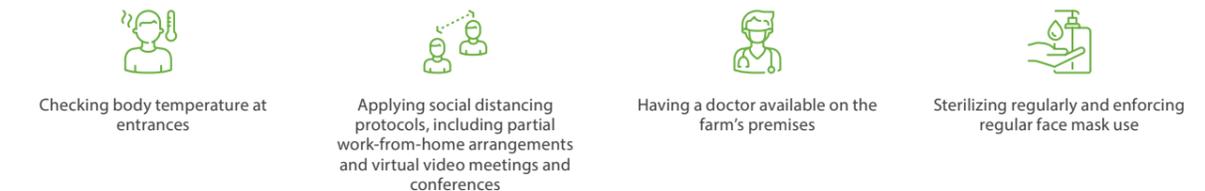
ASEC Holding Precautionary measures taken during COVID-19



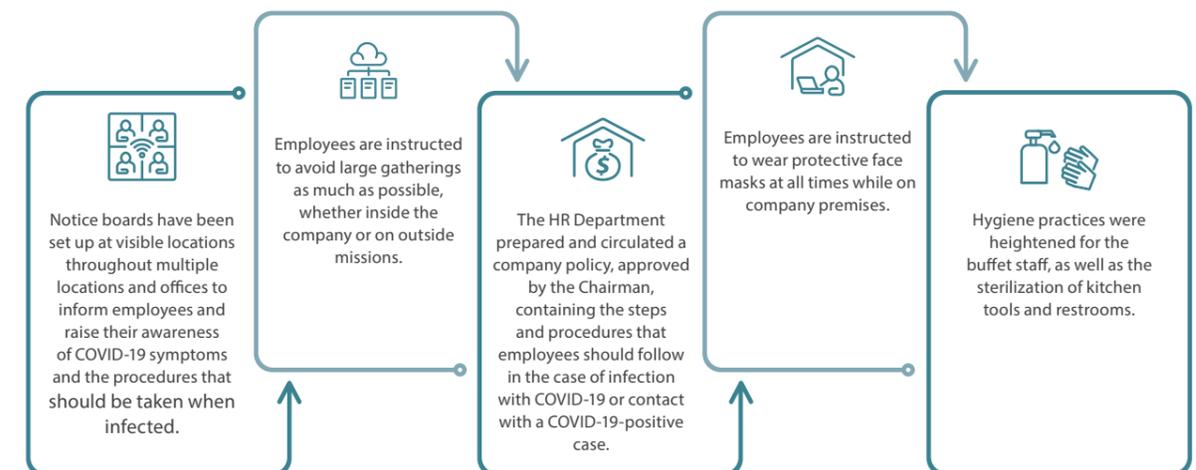
National Company for Investment and Agriculture S.A.E (Gozour) Precautionary measures taken during COVID-19



As the COVID-19 pandemic continues to unfold, Dina Farms has been able to safely and efficiently operate to ensure business continuity and an uninterrupted flow of production of safe, high-quality food products to consumers by:



Transportation and Logistics Precautionary measures taken during COVID-19



CORPORATE GOVERNANCE

Qalaa Holdings has created a governance structure that puts accountability, transparency, and ethical business practices at the heart of everything it does, from the holding level and filtered through to each of its subsidiaries across its portfolio.



Promoting Good Business Ethics and Integrity

A pioneer in sustainable and ethical business practices, Qalaa Holdings views private sector leadership as crucial to affecting positive social change and economic development in Egypt. The firm believes that high-quality governance is a fundamental enabler of superior corporate performance and that the components of effective governance can help reduce risk, identify internal and external threats, and assist in capturing profitable business opportunities. Qalaa Holdings is a part of the Egyptian Junior Business Association's Integrity Network Initiative (INI), which 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.

Qalaa Holdings is relentlessly committed to institutionalizing the corporate governance processes across all our platform companies by working diligently to instill fairness, openness, and transparency as fundamental tenets of our corporate culture.



Qalaa's Diverse Board of Directors

Executive Board Members



Ahmed Heikal

Chairman & Founder representing Citadel Capital Partners Ltd.



Hisham El-Khazindar

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



Karim Sadek

Managing Director Head of Transportation & Logistics



Moataz Farouk

Board Member representing Citadel Capital Partners Ltd.

Non-Executive Board Members



Magdy El Desouky

Board Member representing Citadel Capital Partners Ltd.



Philip Blair Dundas Jr.

Board Member (Independent)



Mona Makram Ebeid

Board Member (Independent)



Dina Hassan Sherif

Board Member (Independent)

Corporate Governance Committees

An interdisciplinary approach is taken for our specialized committees that include both executive and non-executive members. These committees are tasked with carrying out specific, distinct duties, and they report directly to the Board of Directors.

Management Committee

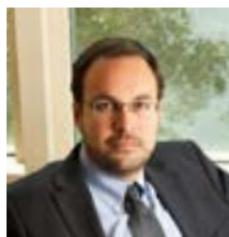
Qalaa Holdings' Management Committee is comprised of a diverse group of individuals with complementary skill sets who are responsible for the day-to-day management of the company. The committee meets regularly to ensure a rigorous process of participation by a wide cross section of executives from Qalaa Holdings.



Ahmed Heikal
Chairman & Founder



Hisham El-Khazindar
Co-Founder
& Managing Director



Karim Sadek
Managing Director
Head of Transportation
& Logistics



Moataz Farouk
Group Chief
Financial Officer



Amir Naguib
Co-Chief
Operating Officer



Tarek Salah
Co-Chief
Operating Officer



Mohamed Abdellah
Managing Director



Tarek El-Gammal
Managing Director



Marianne Ghali
Managing Director



Alaa El-Fas
Managing Director



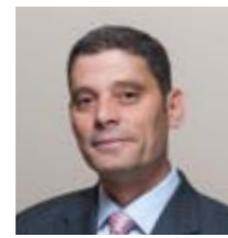
Mostafa Sowelem
Managing Director



Ghada Hammouda
Group Chief Sustainability
& Marketing Officer



Emad Taryal
Group Chief Internal
Audit Officer



Aly Alashwah
Group Chief Taxation
Officer



Ehab Khaled
Group Chief Human
Resources Officer



Ahmed Abdel-Sattar
Group Chief
Information Officer



Wael Radwan
Group Chief Government
Relations Officer



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



Tarek Hassan
Head of Legal
Department



Yasmin Al-Gharbawie
General Counsel



Rami Barsoum
Head of Information
Technology



Salam Hammad
Head of Administration

Finance & Investment Committee

Ahmed Heikal

Chairman & Founder

Moataz Farouk

Group Chief Financial Officer

Tarek Salah

Co-Chief Operating Officer

Mohamed Abdellah

Managing Director

Hisham El-Khazindar

Co-Founder & Managing Director

Karim Sadek

Managing Director, Head of Transportation & Logistics

Amir Naguib

Co-Chief Operating Officer

Amr M. El-Kadi

Head of IR & Risk Management

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

The committee assists Qalaa Holdings' management in drafting short- and long-term policies, and guidance on strategies and goals that promote responsible and sustainable practices across the company and its subsidiaries, as well as to relevant stakeholders to mediate risks and create shared value.

Dina Hassan Sherif

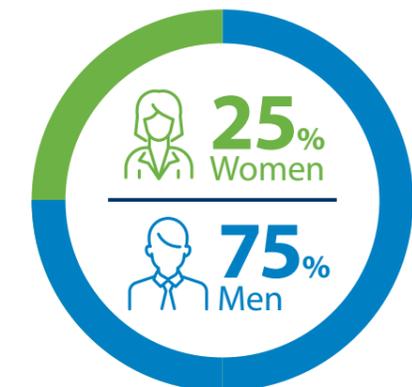
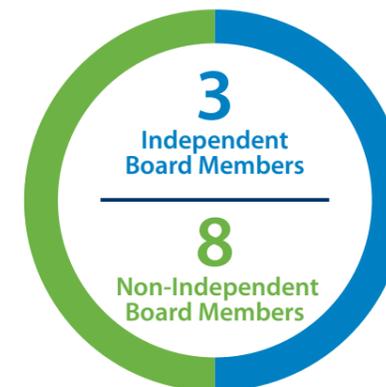
Chairman of the Committee

Hisham El-Khazindar

Committee Member

Ghada Hammouda

Committee Member



Our Subsidiary Management Teams

 **Energy**



Khaled Abubakr
TAQA Arabia,
Executive Chairman



Pakinam Kafafi
TAQA Arabia,
Chief Executive Officer



Mohamed Saad
ERC,
President

 **Mining**



Amir Naguib
ASCOM, Managing Director



Tarek El-Gammal
ASEC Cement, Chief
Executive Officer



Alaa Ismail
NDT, Chairman and
Managing Director

 **Cement & Construction**



 **Transportation & Logistics**

Maged Farag
Nile Logistics, Chairman of the National Council for
Multimodal Transport

 **Agrifood**



Amanallah Saad
Investment Company for Dairy
Products, Managing Director



Yasmine Abany
Dina Farms,
Marketing Manager at ICDP



Raouf Tawfik
Dina Farms,
Managing Director

 **Printing & Packaging**



Sherif El Moallem
Dar El Shorouk,
General Manager



Marianne Ghali
Grandview,
Chairman & Managing Director

 **Recycling & Waste Management**



Hisham Sherif
Tawazon,
Chief Executive Officer

Internal Audit & Controls

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 division assists the board and management in their oversight of the integrity of the company's financial statements, oversees the financial reporting process, and monitors the independence and performance of both the team and the firm's internal auditors, as well as regularly assesses the firm's compliance with legal and regulatory requirements.

By using a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes,

the Internal Audit team provides Qalaa Holdings' stakeholders with reasonable assurance over the Group's operations and strengthens the firm's ability to maximize stakeholder value.

An Anti-Fraud Policy continues to be implemented with a zero-tolerance approach to protect corporate integrity and honest and ethical behavior within Qalaa and its subsidiaries. An anonymous whistleblowing channel is available to receive information from inside and outside the company through the Qalaa Holdings website. This overall approach assists the firm in protecting its assets, reputation, and employees.

Qalaa Holdings acquires the services of external auditors of the highest reputations for both ongoing statutory audits and due diligence for all subsidiaries. Financial and operational reports are released with transparency to all parties with a vested interest—from management and board members to shareholders.

Internal Audit Objectives

Provide independent, reasonable assurance on the following:



Internal Audit Charter

The Charter outlines the mission, framework, authorities, and responsibilities of the Internal Audit Function.

The scope of the Internal Audit Function encompasses, but is not limited to, the following:



“ We made important headway on the full implementation of our ERP system portfolio wide to enhance reporting and governance controls

Risk Management

Qalaa Holdings is committed to the process of institutionalization at both the core and subsidiary levels to refine and improve all systems, policies, and procedures that management needs to support and grow the business.

Promoting and empowering the control environment within the company remains fundamentally important to the sustainability of QH. To that end, a Risk Assessment Framework is developed, maintained, and refined by the Internal Audit function, which contributes to the effective and efficient achievement of objectives and the improvement of performance throughout the firm. The Internal Audit function at QH is responsible for overseeing, monitoring, guiding, and advising the Board of Directors and other relevant internal stakeholders on risk management and controls. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, the firm or its subsidiary risk appetites, and changes in the group's activities.

New policy documents were developed during the year 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 and the anti-fraud and insider trading policies. In addition, audit committees modelled on the QH Audit Committee charter have been established for all major subsidiary companies.

“ We help reduce economic and social inequalities by building capacities through education and human capital development. ”



2020 OPERATIONAL HIGHLIGHTS

A year of resilience and sustainability
for our investments

4.3 USD/BN

Invested in infrastructure megapro-
ject, ERC

72 USD/MN

investment in TAQA Arabia's
Benban Solar Park

100 K/Tons

grain handling and storage capacity
in Alexandria, Nile Logistics

60 EGP/MN

investments in printing and
packaging under National Printing
Company





ENERGY INVESTMENTS

Our strategic investments have made Qalaa Holdings a leading player in Egypt's transitioning energy sector—from refining to distribution, generation to renewables, our investments run the gamut of the energy value chain

ERC

THE EGYPTIAN REFINING COMPANY (ERC)

a state-of-the-art, USD 4.3 billion greenfield petroleum refinery and Egypt's largest PPP infrastructure megaproject



+50%

Our energy investments currently contribute more than half of our consolidated revenue



TAQA ARABIA

Egypt's largest private sector energy distribution company with investments in gas transmission and distribution, solar power generation and distribution, and the marketing of petroleum products





ENERGY



THE EGYPTIAN REFINING COMPANY (ERC)

Qalaa Holdings' USD 4.3 billion greenfield petroleum refinery, ERC, is Egypt's largest state-of-the-art PPP infrastructure megaproject and the largest private sector-led infrastructure megaproject in Africa.



A cornerstone of Egypt's energy security and sustainable economic growth, ERC was officially inaugurated by President Abdel Fattah El Sisi on 27 September 2020. Egypt's largest PPP infrastructure megaproject, ERC is a pivotal import substitution project that will bolster Egypt's energy security and provide environmentally friendly fuel for sustainable economic growth, in line with Egypt's Vision 2030.

ERC converts lowest value fuel oil into middle and light distillates, meeting domestic consumption needs and eliminating 186,000 tons of sulfur dioxide and 96,000 tons of sulfur annually, representing c. 29% of Egypt's present-day total and improving the quality of the national refined product supply. Since completion in 2019, with all project units in operation since August 2019, ERC has seen total production exceed 8 million tons.

ERC receives fuel as feedstock from EGPC's Cairo Oil Refining Company (CORC), the nation's largest refinery, with 20% of Egypt's current refining capacity. ERC has the capacity to produce 4.7 million tons of refined products and high-quality oil derivatives per year, including 2.3 million tons of Euro V diesel (30–40% of Egypt's current imports) and 600,000 tons of jet fuel. Liquid stock products are sold to EGPC at international prices under a 25-year offtake agreement.

Although ERC's Gross Refining Margin (GRM) had been growing steadily since the start of production in August 2019, the challenging external environment induced by the COVID-19 pandemic, coupled with historically low global prices of refined petroleum



products, led to a narrowing spread between diesel and heavy fuel oil, which has hindered the refinery's profitability. In 2020, the GRM declined to an average of c. USD 546,200 per day.

To mitigate the impact of the challenging external environment, management implemented multiple initiatives, including optimizing ERC's product mix by reducing jet fuel production and prioritizing diesel. Additionally, the company shifted the refinery's input to 100% atmospheric residue oil from CORC, the state-owned refinery, instead of sourcing a portion in crude oil to toll through CORC.

Given the recent challenges, ERC deferred its June and December 2020 senior loan principal payments, pending a total restructuring of its debt.

In 2020, ERC refined total feedstock of c. 4.6 million tons, including 3.8 million tons of atmospheric residue and c. 0.7 million tons of tolling crude. During the same period, ERC supplied c. 3.9 million tons of refined products to the Egyptian EGPC and

approximately 519,000 tons of petcoke and 98,000 tons of sulphur to key cement and fertilizer players, respectively.

Product	Quantity* (tons)
LPG	125,249
Light Naphtha	281,569
Reformat	512,765
Fuel Oil	468,928
Jet Fuel	147,635
Diesel	2,420,618
Total	3,956,765

*As of end of 2020

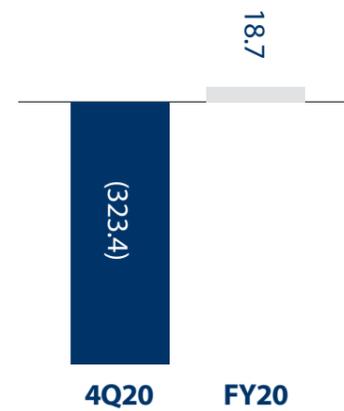
2020 Financial Highlights

While management had been anticipating strong bottom-line support from ERC upon commencement of operations, the challenging external environment triggered by COVID-19 and historically low global prices of refined petroleum products hindered the refinery's profitability.

**Orient (ERC Holding Co.)
Revenues (EGP mn)**



**Orient (ERC Holding Co.)
EBTIDA (EGP mn)**



18.7 EGP/MN

ERC Holding Co. EBITDA in FY20

4.3 USD/BN

Total investments

21,559 EGP/MN

ERC Holding Co. Revenues in FY20, constituting 60% of Qalaa's top line

“

ERC reached 100% capacity utilization in early 2020.

2020 Operational Highlights

4.8 MN/TONS

Total feedstock refined in 2020

c. 519 K/TONS

Petcoke

c. 4.2 MN/TONS

Refined products supplied to the EGPC

c. 98 K/TONS

Sulphur to key cement and fertilizer players during FY20





ENERGY



TAQA ARABIA

TAQA Arabia is Egypt’s largest private sector energy distribution company with over 24 years of experience investing and operating energy infrastructure, including a 65MW PV plant in Benban Aswan.



A pioneer in energy distribution in several countries in the Middle East and Africa, TAQA Arabia is a “one-stop-shop” fully-fledged energy distribution and utilities private sector leader in Egypt that serves more than 1.4 million residential, touristic, industrial, and commercial customers with their daily energy needs. TAQA Arabia’s activities lie under four main platforms: TAQA Gas, TAQA Power, TAQA Petroleum, and TAQA Water, covering all aspects of the energy distribution value chain. The company’s gas business connects and distributes natural gas to households and industrial customers, as well as compressed natural gas (CNG) via its Master Gas retail stations and mobile CNG units. TAQA’s power business generates and distributes electrical power across the country, and it has recently expanded into renewable energy through TAQA Solar. The company is also licensed to market petroleum products, including fuels and lubricants, through a retail network of service stations through TAQA Petroleum across Egypt. In the first quarter of 2021, TAQA Arabia expanded its business portfolio by launching a new subsidiary, TAQA Water, which has transformed the group into the very first integrated services provider in the field of energy and water utilities throughout the MENA region.

TAQA Arabia is committed to exploring new opportunities to further diversify the company’s operations and enter new lines of business. After venturing into the field of solar energy and achieving positive results, TAQA is currently assessing possible projects in the energy efficiency sector, including the design and implementation of energy saving solutions. The company is also working to identify several PV opportunities as it presses on with its plans to increase its exposure to the renewable energy market.

2020 Operational Highlights

TAQA Gas

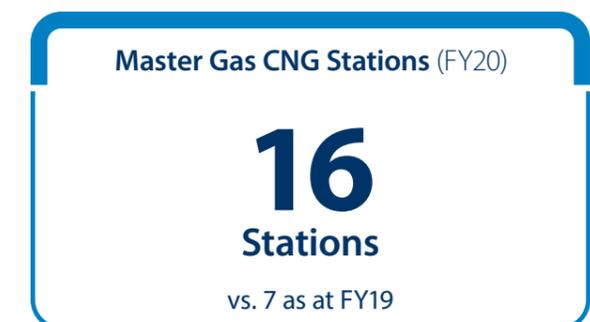
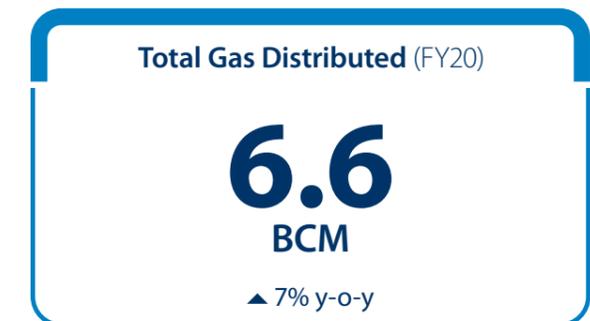
One of the country’s largest and most diversified private sector companies in the gas distribution and transmission sectors, TAQA Gas holds more than 40% of the share of the private LDC’s market in Egypt. The company provides over 1.34 million residential, commercial, and industrial customers with approximately 6.8 BCM of natural gas distributed annually and an existing capacity of distributing 9.6 BCM/year. It oversees four natural gas distribution concessions covering seven governorates and 42 cities across Egypt, as well as natural gas operations in the MENA region. TAQA Gas converts c. 150,000 customers to natural gas each year as part of the Egyptian government’s plan to expand the natural gas network to residential customers nationwide.

TAQA Gas also operates a network of 16 service stations under the brand name Master Gas as of the end of 2020, having added nine new stations during the year. The stations convert vehicles to compressed natural gas (CNG) and provide CNG Mobile Services for clients in remote areas beyond the reach of natural gas networks. TAQA Gas covers the entire downstream gas value chain, including the management and operation of natural gas filling stations. It is worth noting that the gas division would have launched a larger number of CNG stations had it not been for the six-month nationwide freeze on construction licenses in 2020.

Currently, Master Gas operates 16 CNG stations and 12 conversion centers in prime locations, distributing

33.5 MCM and converting around 1,123 vehicles per year with an ambitious plan to increase the cars conversion rate to more than 8,000 vehicles yearly and increase filling stations to 141 stations by 2025.

TAQA Gas continues to monitor COVID-19 developments and the possible resurgence of a third wave, constantly tailoring its safety protocols to ensure continued mitigation of the pandemic’s impacts on operations and alignment with public health measures.





4
natural gas distribution concessions in 42 cities around Egypt (seven governorates)

+32
industrial clients in 2020 – a total of 263

1.34 MN
residential customers

8 MN/Meters
Total of polythene network (513k)

19 MN/Meters
Total installation pipeline in 2020 (2,046,534)

9.6 BN/Meters³/year
distribution capacity

260
260 industrial pressure reducing and metering stations (PRMS) in 2020 (27)

595
595 industrial pressure reducing and metering stations (PRMS) in 2020 (42)

16
CNG stations

155,475
household conversions in FY20

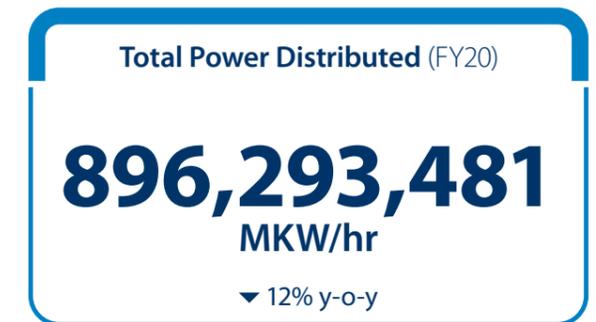
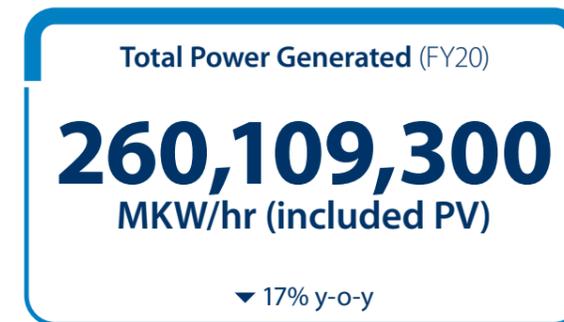
TAQA Power

TAQA Power, a leading private sector developer, constructs, operates, and maintains power generation plants and distribution networks for a wide range of commercial, oil and gas, tourism, and residential clients. TAQA Power is the first private sector company in Egypt licensed to distribute power in an industrial zone. It also operates and maintains low-, medium-, and high-voltage power plants and distribution networks geared toward the oil and gas, industrial, residential, commercial, and tourism sectors in Egypt.

TAQA Power subsidiaries, Global Energy, TAQA Industrial Zones, TAQA for Electricity Generation and Distribution, TAQA Solar, and TAQA PV, have a track record that includes developing more than 150 MW of conventional power generation projects, of which 27 MW are currently operating projects, 109.6 MW power distribution projects, and 71 MW solar PV generation projects.

TAQA Power is also a pioneering company licensed to distribute power in the South Sinai touristic area since 2000. It began operations in several real estate projects in Cairo since 2006, making it the first private sector company in Egypt licensed to distribute power for residential, commercial, and tourism sectors.

TAQA Power closed FY20 with a modest 7% y-o-y decline in revenue, driven by the impact of the COVID-19 pandemic on the tourism and commercial sectors. The near halt in tourism during the year, as well as the impact of curfews on commercial clients like shopping malls, led to a 12% y-o-y decline in the division's power distribution in FY20. Power generation also declined 23% y-o-y owing to the conclusion of the Marsa Allam contract in 2019 and the impact of COVID-19. Furthermore, TAQA Power inaugurated and commenced operations at its 6th of October industrial zone substation in March 2021.



TAQA Solar

TAQA Solar's flagship 65 MW solar power plant in Aswan is part of Egypt's Benban Solar Park, one of the world's largest PV solar parks comprising 32 solar power plants generating a total of 1,650 MW of electricity. The project, which began commercial production in February 2019, falls under the government of Egypt's Feed-in-Tariff 2 framework, and is in line with Qalaa Holdings' strategy to invest

in sustainable energy solutions in Egypt and Africa. In its second year of operation, the plant delivered improved performance, booking EGP 172 million in revenues.

TAQA Solar aims to capture value in line with the government's plan to generate 20% of the country's power needs from renewable sources by 2022 and doubling that by 2035.

Solar Energy Generated (FY20)

153
MKW/hr

▲ 21% y-o-y

Revenues Generated (FY20)

172 mn
MKW/hr

▲ 15% y-o-y



“TAQA Arabia is a “one-stop-shop” fully-fledged energy distribution and utilities private sector leader in Egypt

TAQA Petroleum

TAQA Petroleum is the first and only privately owned Egyptian company licensed to supply petroleum products to retail, industrial, and wholesale clients, focusing on under-served areas and favorable competitive landscapes.

The company inaugurated four new stations in 2020, two of which commenced operations in the final quarter of 2020. Management's initial target at

the start of the year was to open seven new stations, but delays related to COVID-19 and the suspension of new permits hindered progress. Construction work is progressing at three additional stations, and management remains optimistic that it can accelerate its rollout plan as market conditions recover going forward. There are a total of 59 stations as of year-end 2020, producing 696 million liters of oil products and lubricants.

Total Liquid Fuels Distributed
(FY20)

6,964
M Liters

▼7% y-o-y

Filling Stations
(FY20)

59
Stations

vs. 55 as at FY19



TAQA Water

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



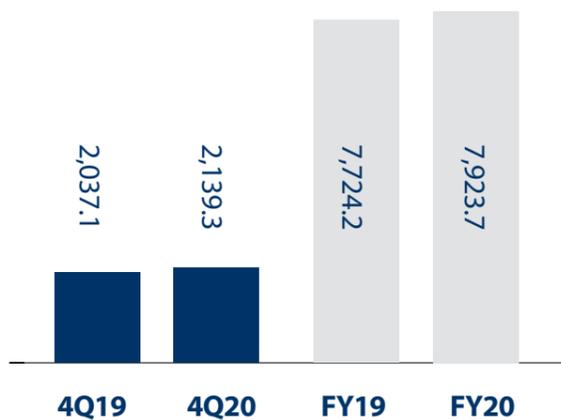
“ TAQA Arabia continued to report strong results in 2020, with revenues reaching EGP 7,923.7 million and EBITDA coming in at EGP 795.0 million.

2020 Financial Highlights

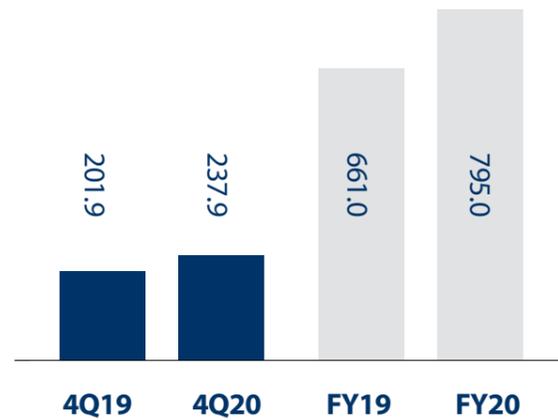
Despite the challenging environment driven by the COVID-19 pandemic, TAQA Arabia continued to report strong results in 2020, with revenues reaching EGP 7,923.7 million and EBITDA coming in at EGP 795.0 million. The company's gas division contributed 21% to TAQA's FY20 revenue and 45% to EBITDA, with the latter being driven by increased volumes of

the higher-margin infill clients. Meanwhile, TAQA's power division contributed 18% to revenue in FY20 and 33% to EBITDA. Finally, TAQA's petroleum arm contributed the lion's share of TAQA Arabia's top line at 61% in FY20, while the division's EBITDA contribution was 22%, in line with the lower margins typically associated with the nature of the business.

Silverstone (TAQA Arabia Holding Co.)
Revenues (EGP mn)



Silverstone (TAQA Arabia Holding Co.)
EBITDA (EGP mn)





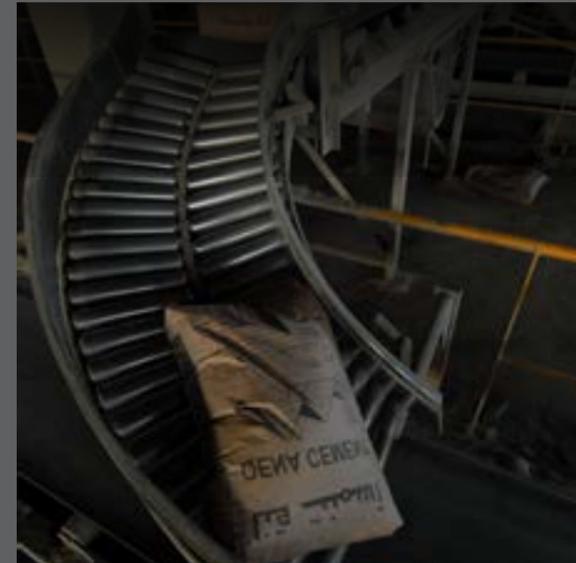
CEMENT & BUILDING MATERIALS

Qalaa Holdings' operational cement platform company is ASEC Holding, which comprises cement manufacturing (ASEC Cement) through two production facilities: Al-Takamol Cement in Sudan and Zahana Cement Co. in Algeria.



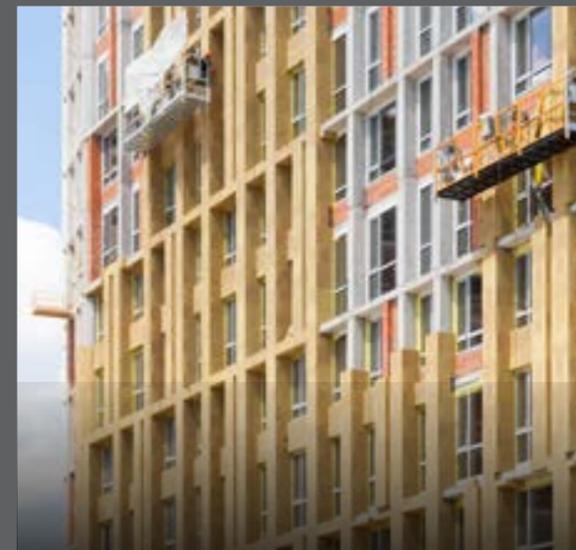

ASEC HOLDING

ASEC Holding is a leading national and regional investor in cement production, technical management and consultancy, and construction.



GLASSROCK

GlassRock insulation company manufactures sustainable insulation solutions for thermal, acoustic, and fire applications.





CEMENT & BUILDING MATERIALS



ASEC HOLDING

ASEC Holding is Qalaa's operational cement platform company, with cement manufacturing, construction, and technical management subsidiaries.



A leading national and regional investor in cement production, technical management and consultancy, and construction, ASEC Holding is comprised of five subsidiaries. In cement manufacturing, ASEC Cement has two production facilities: Al-Takamol Cement in Sudan and Zahana Cement Co. in Algeria. In the construction segment, the company has two subsidiaries: ARESKO and ASEC Automation. ASEC Engineering and ASENPRO are ASEC Holding's technical management arms.

For the overseas contracts, ASEC manages three cement lines: Qarachog in Iraq, Al-Takamol in Sudan, and Qatrana in Jordan, with a combined nominal capacity of 4.96 mtpa.

In 2014, ASEC's expansion plan yielded an O&M contract in Mozambique, which was extended to January 2020.

In 2015, ASEC Engineering signed a one-year, short-term Plant Management Agreement in Ethiopia to provide technical assistance for the operation and maintenance of a cement plant in Ethiopia. It then extended the agreement for an additional year, which ended in December 2016 and was not renewed. In addition to regional contracts, ASEC Engineering manages seven cement lines in Egypt with a combined nominal capacity of 9.75 mtpa. In 2016, ASEC was entrusted as the consultant for Egypt's largest cement facility in Beni Suef with six production lines constructed simultaneously.

Additionally, in 2015, Qalaa reduced its exposure to the cement industry, with ASEC Holding concluding the sale of business unit Misr Cement Qena, as well as exiting ASEC Minya and ASEC Ready-Mix.

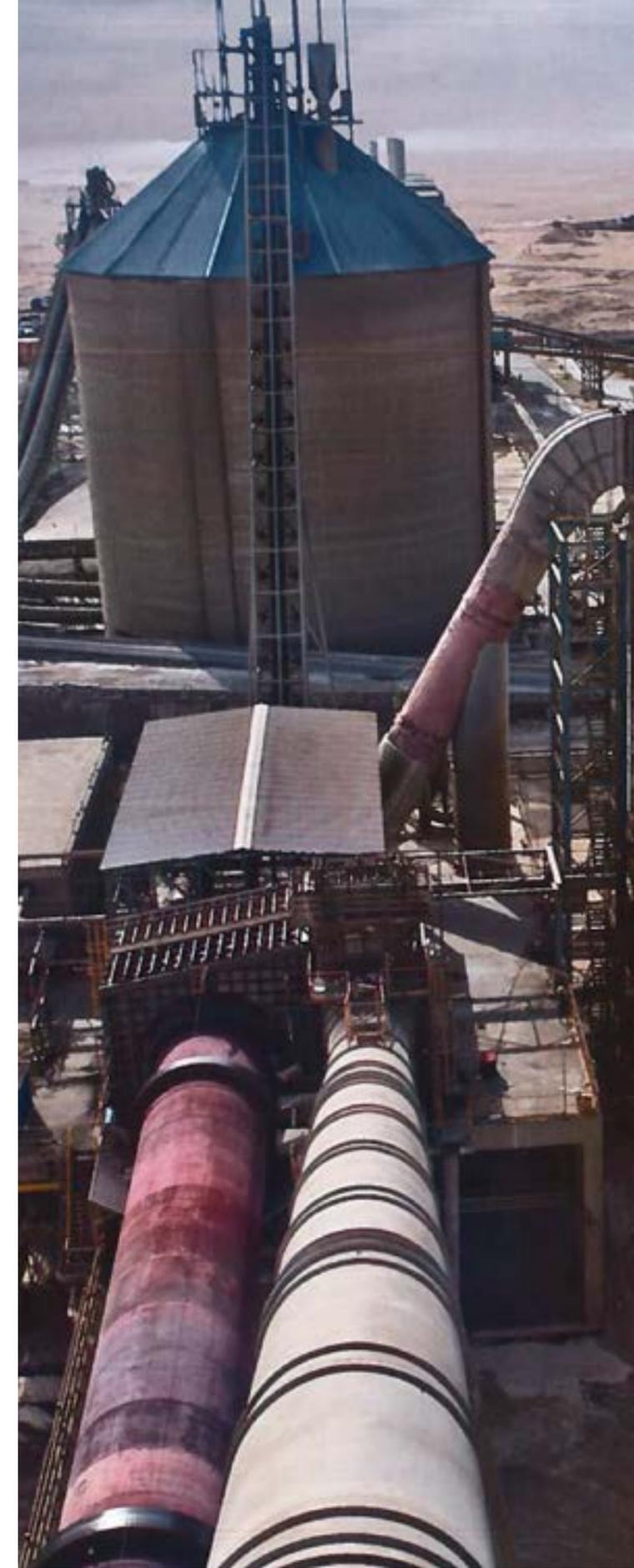
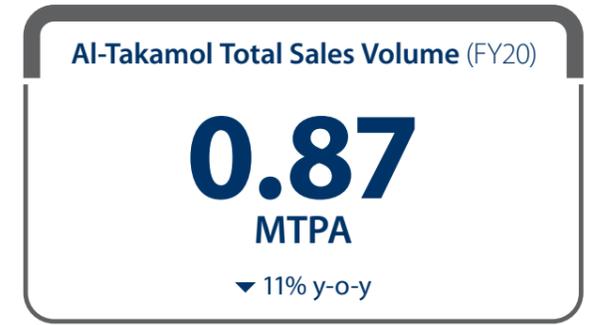
Cement Manufacturing



ASEC Cement disposed of all its cement production companies in Egypt in 2015 and currently maintains 51% ownership of Al-Takamol in Sudan and 35% of Zahana Cement in Algeria, with the latter's exit process halted in light of political developments in Algeria.

Given the hyperinflationary environment in Sudan, in 2018 Al-Takamol's local auditors opted to apply the market spot rate for the Sudanese pound when translating the year-end financials to Egyptian pound, as opposed to applying the average rate for the income statements in the preceding years. The EGP/SDG rate was markedly volatile during the year due to political instabilities in Sudan, impacting the company's top line when reflected in EGP terms.

Zahana's new production line, which was commissioned in the first half of the year, helped improve the plant's profitability despite a challenging external environment due to political instabilities and the impact of COVID-19. The plant will begin recognizing interest expense relating to a credit facility that Zahana had secured to finance the new line over the course of 2021, which is anticipated to pressure the plant's net income margin going forward.



Construction & Contracting

ARESCO

Having built a reputation for quality, efficiency, and professionalism over 32 years of operations around the globe, 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. As a result of an underperforming cement market, ARESCO has transitioned from being dependent on the cement to a mainstream contracting company and has successfully landed a number of construction contracts.

ASEC Automation

ASEC Automation provides automation and electrification solutions for process industries, ranging from design and engineering to instrumentation, commissioning, and maintenance. Among its solutions are enterprise control systems, high-medium voltage cables and systems, and enterprise control software. With extensive operations in Africa, Asia, and Europe, ASEC Automation has also been the supplier of choice for major international cement producers for over two decades, with major clients that include Lafarge, Italcementi, Titan, Cemex, and Cimpor. ASEC Automation is expected to begin to offer its services to non-cement clients going forward, as a result of an underperforming cement market.

Operation & Management

ASEC ENGINEERING

Qalaa Holdings Ownership

99.9% The leading provider of cement plant consultancy, engineering, and management services in the MENA region, ASEC Engineering currently manages seven cement lines in Egypt with a combined nominal capacity of 9.75 mtpa and growing footholds in Africa and the Middle East. ASEC Academy has always been the gateway for professional training on modern cement manufacturing technology.

In 2016, ASEC Engineering was appointed as the consultant for Egypt's largest cement facility in Beni Suef with six production lines constructed simultaneously.

Management has been working to geographically diversify ASEC Engineering's client base and has successfully signed two new overseas contracts during FY20.

ASENPRO

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

Managed Clinker Production (FY20)

8.1
MTons

▼ 10% y-o-y

ASENPRO's extraordinary general assembly, held on 15 December 2020, decided the following:

- Temporarily suspending the company's activities for a year, effective from 1 April 2021.
- No new operations that expire after 31 December 2020 will be accepted.
- Notifying the tax authority and all concerned authorities of this decision.
- Authorizing the Board of Directors to dispose of some of the assets owned by the company.

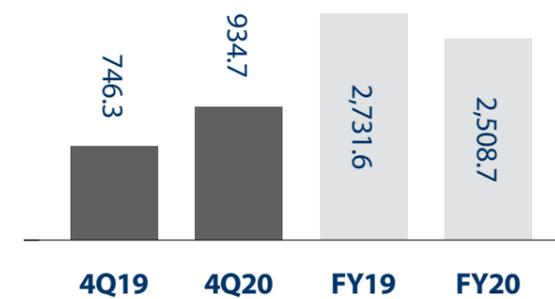
2020 Financial Highlights

ASEC Holding recorded an 8% decline in revenues in FY20 primarily due to accounting treatments related to hyperinflation in Sudan. Management had previously initiated efforts to restructure ASEC Holdings' debts, resulting in the conclusion of restructuring agreements with all relevant banks. The finalized restructuring is expected to significantly decrease ASEC Holding's interest over the coming period, in turn supporting stronger profitability. Additionally, current borrowings will drop significantly, resulting in a stronger balance sheet and healthier financial/leverage ratios.



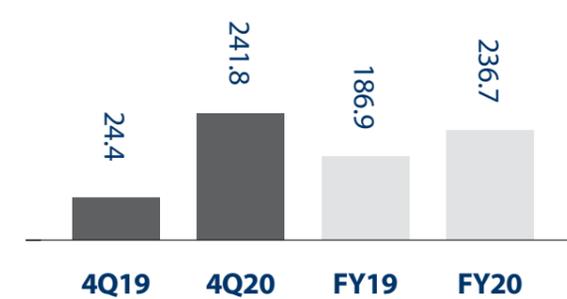
ASEC Holding Consolidated Revenues

(EGP mn)



ASEC Holding Consolidated EBITDA

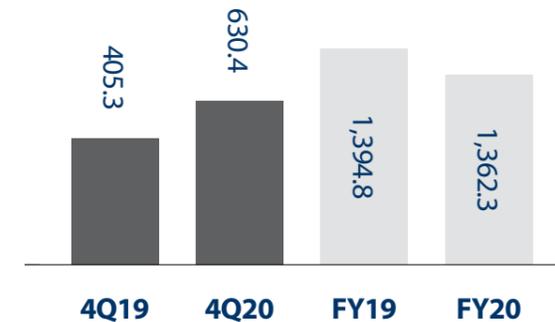
(EGP mn)



ASEC Cement

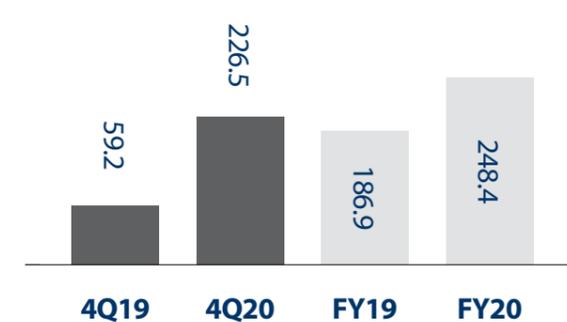
ASEC Cement Revenues

(EGP mn)



ASEC Cement EBITDA

(EGP mn)





ASEC Cement recorded a 33% y-o-y increase in EBITDA in FY20 on the back of operational efficiency across its operating companies. In saying this, revenues inched down slightly to EGP 1,362.3 million compared to EGP 1,394.8 million recorded in FY19.

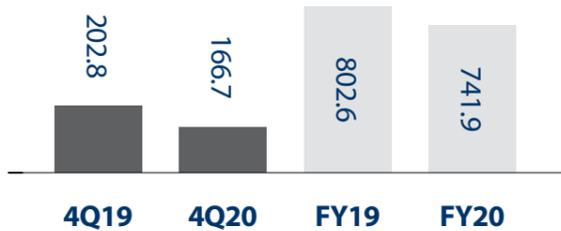
Al Takamol Cement recorded an increase of 108% y-o-y in revenues to SDG 13,033.98 million in FY20. Despite multiple production stoppages in

FY20, as well as an 11% y-o-y decline in volumes, Al Takamol Cement recorded a positive EBITDA of SDG 2,135.6 million in FY20. At Zahana, revenues for the year dropped 22% y-o-y to EGP 414.0 million, while EBITDA grew over threefold to EGP 138.9 million compared to EGP 44.9 million in FY19.



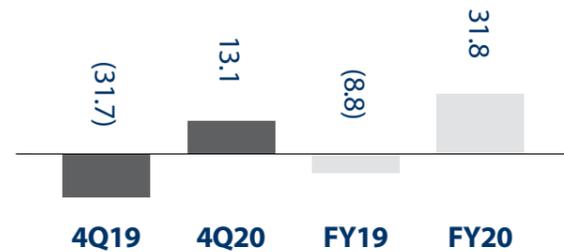
ASEC Engineering

ASEC Engineering Revenues
(EGP mn)



ASEC Engineering recorded a 10% y-o-y decline in managed clinker production to 8 MT in FY20, which led to a revenue decline of 8% y-o-y in FY20. However, the company's profitability witnessed a

ASEC Engineering EBITDA
(EGP mn)



turnaround and recorded a positive EBITDA of EGP 31.8 million in FY20 compared to a negative EBITDA of EGP 8.8 million in FY19.





TRANSPORTATION & LOGISTICS

Our strategic investments have made Qalaa Holdings a leading player in Egypt's transitioning energy sector—from refining to distribution, generation to renewables, our investments run the gamut of the energy value chain.



NILE LOGISTICS

Nile Logistics is Qalaa Holdings' transportation and 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.



+100 TONS

Grain handling and storage capacity in Alexandria



NRPMC

NRPMC operates multiple ports and port handling equipment.



NILE CARGO

Nile Cargo operates a fleet of barges through which it offers transportation services along the Nile, stevedoring services, and a container feeder service.





TRANSPORTATION & LOGISTICS

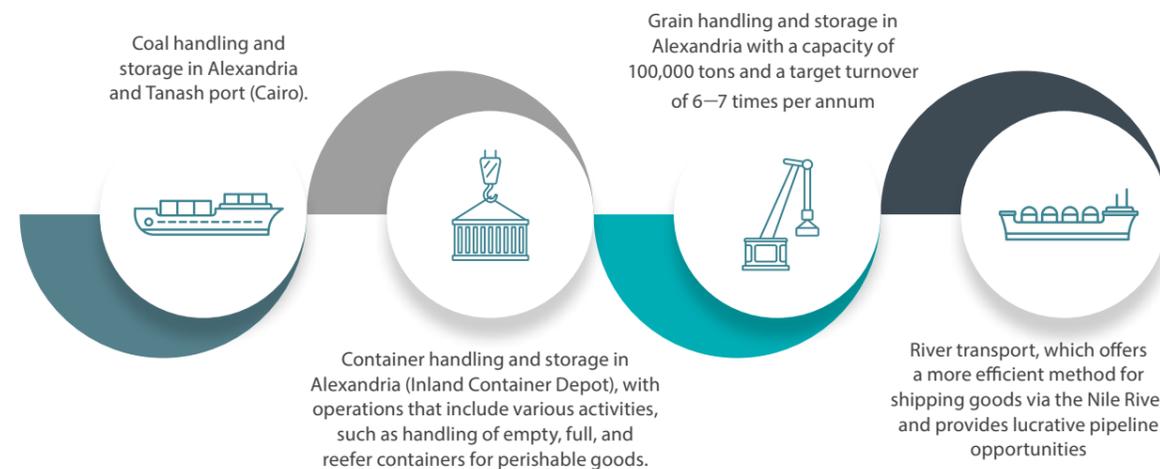


NILE LOGISTICS

Qalaa Holdings' transportation and logistics company, Nile Logistics, along with its subsidiaries, delivers transportation efficiencies, including seaport services in Egypt and river transportation solutions for clients in Egypt and South Sudan.



Nile Logistics maintains operations in Egypt across four main divisions



Nile Logistics' three subsidiaries offer stevedoring and river transportation services across Egypt and South Sudan, as well as stevedoring on anchor services at many Egyptian ports, including an inland container depot in Nubareya, Alexandria, serving a broad base of exporters operating in multiple sectors.

Nile Logistics also operates a fleet of fuel-efficient, environmentally friendly river barges used for the transportation of cargo along the Nile. With a capacity amounting to 20–40 truckloads each, the river barges are more operationally viable both in terms of fuel consumption and cost, making them an environmentally friendly alternative transport option.

“ Nile Logistics offers seaport services in Egypt, as well as river transportation solutions in Egypt and South Sudan.

Nile Logistics Subsidiaries

Nile Cargo (NC)

Nile Cargo operates a fleet of barges through which it offers transportation services along the Nile, stevedoring services in several Egyptian ports, and 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 operates multiple ports and port handling equipment. It offers a range of services, including warehousing and cargo handling in Egypt's major ports in Alexandria, Suez, and Damietta.

Nile Barges for River Transport

Located in South Sudan, Nile Barges for River Transport transports goods across the country using its fleet of three pushers and 11 dumb barges.

2020 Operational Highlights

Despite challenging market conditions due to COVID-19, Qalaa Holdings' top line growth was supported by Nile Logistics' solid performance during the year on the back of growth at Nile Logistics' grain warehouse in Alexandria and the Tanash coal storage warehouse—both of which were launched in the second half of 2019—as well as maintaining stable operations across its other business lines. The company's grain storage warehouse delivered strong results with over 246,000 tons of grain stored in FY20 compared to 156,000 tons in FY19. Meanwhile, the company's coal storage warehouse in Tanash handled 521,000 tons in FY20 compared to 175,000 tons in FY19.

Regarding the company's stevedoring operations, Nile Logistics was able to sustain its performance from the previous year, delivering near flat results at 1.235 thousand tons of coal/petcoke handled in FY20 despite the impact of COVID-19. The performance was supported by an increase in demand in the second half of the year, following a period of port closures in 1H20. Additionally, growing demand from cement producers after the lifting of the government's freeze on construction licenses in the final quarter of 2020 supported volumes in FY20.

The company's inland container depot delivered a largely flat performance at 71,500 volumes of twenty-foot equivalent units (TEUs) handled in FY20. The muted performance came on the back of restrictions on international trade due to the COVID-19 pandemic. Nevertheless, the inland container depot supported Nile Logistics' outstanding 94% y-o-y growth in EBITDA as the company reaped the rewards of the depot's recent connection to the national electricity grid, as opposed to its previous reliance on more costly diesel generators. This is in line with the management's strategy of enhancing efficiency, reducing operational costs—with c. EGP 1 million in monthly savings—and curbing its carbon footprint. Moreover, management remains committed to its policy of minimizing the use of third-party outsourcing contracts while maintaining full in-house ownership of assets.

Sudan (Nile Barges)

Nile Barges operations in Sudan focuses on the transportation of food products under the auspices

of the World Food Program (WFP). The company currently operates using one pusher and is expecting to begin operating a second one by April 2021. Meanwhile, a third pusher is currently undergoing refurbishment and is expected to commence operations in the second half of the year.

Nile Barges completed five trips using the existing pusher in FY20, compared to three trips in FY19, and it is looking to complete eight trips in 2021. The company managed to deliver a 117% y-o-y increase in revenue to USD 2.5 million, as well as a two-fold increase in EBITDA to USD 1.9 million on the back of an increase in trips completed in FY20.

2020 Financial Highlights

Nile Logistics brought in exceptional results driven by the company's improved operational efficiencies despite the COVID-19 pandemic. Revenues

came in at EGP 252.3 million in 2020, increasing by 15% from the previous year. Additionally, the company's EBITDA came in at EGP 129.8 million, increasing from EGP 67.0 million recorded in 2019. The company's Inland Container Depot also saw a 15% decrease in revenues in 2020, which came on the back of restrictions on international trade due to COVID-19. Nevertheless, the inland container depot supported Nile Logistics' EBITDA growth in FY20 as the company reaped the rewards of the depot's recent connection to the national electricity grid.

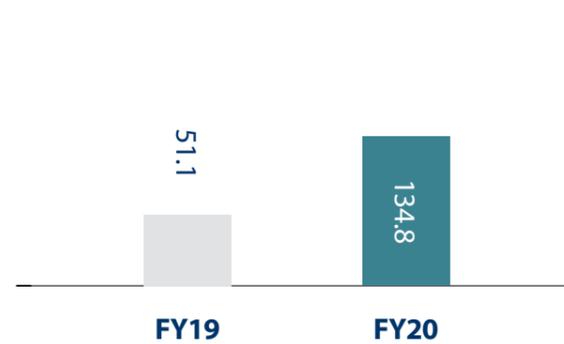
Nile Barges in Sudan also saw the year deliver healthy returns, with revenues coming in at USD 2.5 million, a 117% increase from FY19, and EBITDA recording USD 1.9 million, a 200% increase from FY19.

CCTO is the holding company that owns Nile Logistics and consolidates its operations in Egypt and Sudan.

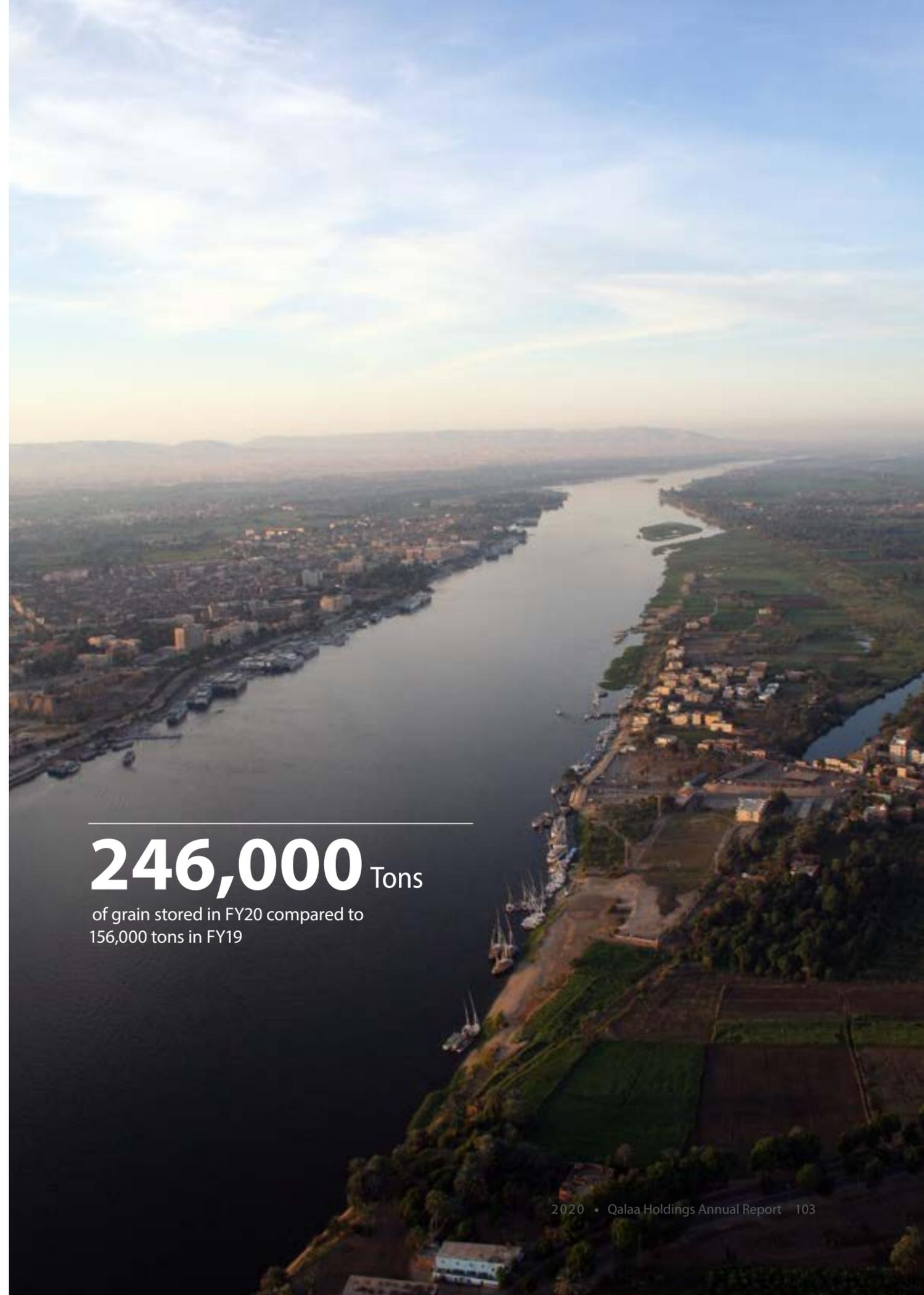
CCTO (Nile Logistics Holding Company)
Revenues (EGP mn)



CCTO (Nile Logistics Holding Company)
EBITDA (EGP mn)



“ Nile Logistics brought in exceptional results driven by the company's improved operational efficiencies despite the COVID-19 pandemic.



246,000 Tons
of grain stored in FY20 compared to 156,000 tons in FY19



AGRIFOODS INVESTMENTS

Qalaa Holdings' investments in agrifoods aim to overcome challenges facing the agricultural and food production sector in Egypt and the region, namely inefficient managerial expertise, the lack of economies of scale, and insufficient funding. Qalaa Holdings' companies in the agrifoods sector bring trusted household names to the market, such as Dina Farms.



DINA FARMS

With an agricultural footprint of over 10,000 acres, Dina Farms is Egypt and Africa's largest private sector dairy farm and distributor of fresh milk.



70%

of the fresh milk market in Egypt is controlled by Dina Farms



AGRIFOOD



GOZOUR

National Company for Investment and Agriculture S.A.E (Gozour) is a leading agriculture and consumer foods company utilizing environmentally responsible practices.



Qalaa Holdings has been committed to advancing the agrifoods sector in Egypt since 2007, when it first invested in Dina Farms. Since then, Qalaa has contributed to developing Dina Farms as a fully integrated commercial farm. Dina Farms' top-notch, fresh, and reliable products are produced from trusted sources. As Egypt's largest private sector farm, Dina Farms has introduced new levels of specialization and consolidation to the market.

Starting 2 April 2021, the ownership of the Investment Co. for Dairy Products (ICDP), which was previously owned by Gozour, will be transferred to Dina Farms while it continues to manufacture, market, and distribute fresh milk and other dairy products.

“Dina Farms provides consumers with fresh, responsibly produced products from “farm to table”.

2020 Operational Highlights

Dina Farms

Since it was first acquired by Qalaa Holdings in 2007, Dina Farms has grown to become Egypt and North Africa's largest, fully integrated farm with an agricultural footprint of over 10,000 acres and 15,149 heads of cattle, of which 8,077 are milking and dry cows.

Dina Farms is the leading market player within its sector, as it controls c. 70% of the fresh milk market in Egypt. In 2020, the dairy farm supplied 16% (on a volume basis) and 18.5% (on a value basis) of raw milk sales to ICDP, while the remainder is made available to key players in the dairy industry.

Alongside the dairy farm and fresh milk production, Dina Farms also has an onsite retail outlet that sells produce, dairy, and other household items. The four business sectors that Dina Farms operates under—agricultural production, animal production, dairy production, and the farm's retail outlet—have made room for it to adopt an integrated business model that is a catalyst for Dina Farms to have a strong competitive advantage in the market.

During 2020, Dina Farms saw the implementation of multiple efficiency and facility enhancement initiatives with the aim of growing its top line and bolstering its profitability. The initiatives included investments in curtains and cooling stations at the company's milking operations in the second half of the year, as well as focusing on increasing yields from healthier and higher milk producing cows through the culling process. This strategy led to an increase in raw milk production by 7% y-o-y to 87,932 tons and a similar increase in raw milk sales per milking cow, which supported Dina Farms'



“Dina Farms utilizes the latest technology in irrigation and adheres to international best practices to ensure the efficient consumption of water.”

revenue growth in FY20. Moreover, a drop in the consumption of animal feed reflected positively on the company’s profitability and drove an increase in EBITDA in FY20.

Starting September 2021, the construction of Dina Farm’s solar photovoltaic power plant will be fully completed. Once the required operational licenses have been issued by regulatory authorities, it is expected that the solar power plant will provide c.23% of Dina Farms’ annual requirement of electricity.

Dina Farms will continue to expand its business processes in the coming year to further streamline operations as it seeks to boost the company’s top and bottom lines.

Investment Co. for Dairy Products (ICDP)

ICDP manufactures, markets, and distributes Dina Farms’ dairy products, including six product categories: fresh milk (single serve, multi-serve, flavored, and unflavored), yogurt, cheese, skimmed milk powder (SMP), fresh juice, and butter.

The new range of Dina Farms brand juices, sold at

supermarkets nationwide, includes six flavors: orange, mango, strawberry, pomegranate, pineapple, and lemon mint, and they come in family size and single-serve packaging. The juices are made from real fruits and have a 15-day shelf life to preserve the health benefits and flavor of the fruits. ICDP was able to transition idle milk production capacity to produce the new juice line with minimal investments to the existing production line.

ICDP’s total SKU volumes remained largely flat at 12,669 tons in FY20 compared to 12,655 in the previous year. However, an optimized pricing strategy drove a 3% y-o-y increase in ICDP’s revenues in FY20. The company also recorded a 21% y-o-y increase in EBITDA driven by the launch of the company’s new juice product in 2H20, which recorded healthy margins. Additionally, profitability was supported by an overall 51% reduction in PET bottle costs, which happened over two phases: a 20% reduction by end of Q4 2019 and an additional 31% reduction starting May 2020. Overall, PET bottle costs constituted c.8% of the company’s COGS in FY20.

Management is optimistic that its new juice product segment will support the company’s profitability going forward and is planning to ramp up production at ICDP’s yogurt line to include fruit yogurt in 2021 to enhance capacities and bolster the company’s future performance.

2020 Financial Highlights

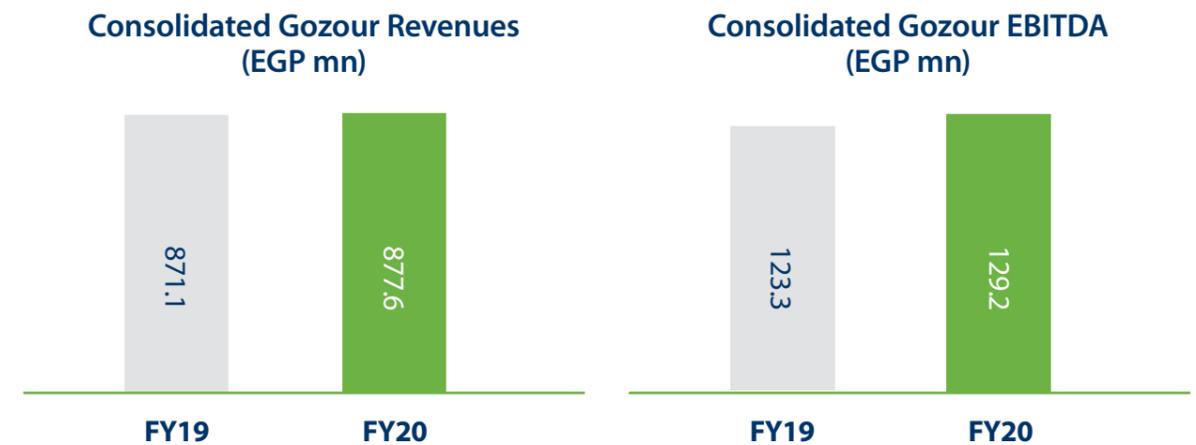
Gozour recorded largely flat revenues at EGP 877.6 million in FY20 compared to the same period last year. Gozour’s EBITDA increased by 5% y-o-y on the back of operational efficiency initiatives and facility enhancements across the company’s operations in 2020.

Dina Farms saw its annual revenues increase by 5% to EGP 713.3 million from EGP 679.5 million in 2019. Similarly, its EBITDA increased to EGP 165.1 million from EGP 153.0 million in 2019, marking an 8% increase for the year. The growth was spurred

by facility enhancements, including improving the cooling systems in the milking stations, which resulted in higher productivity per milking cow, leading to higher total milk production.

EGP 244.6 million from the EGP 238.5 million recorded in 2019. The company recorded a 21% increase in EBITDA to EGP 16.0 million from EGP 13.3 million in 2019, owing to the launch of the new juice product.

ICDP reported a 3% increase in revenues to



54.95%
Qalaa Holdings Ownership

713.3 EGP mn
Dina Farms Net Revenues (FY20)

244.6 EGP mn
ICDP Net Revenues (FY20)

87,932 tons
Dina Farms Raw Milk Production

Sustainability Achievements



Dina Farms stands as a model for integrated economic projects committed to environmental and social sustainability practices.

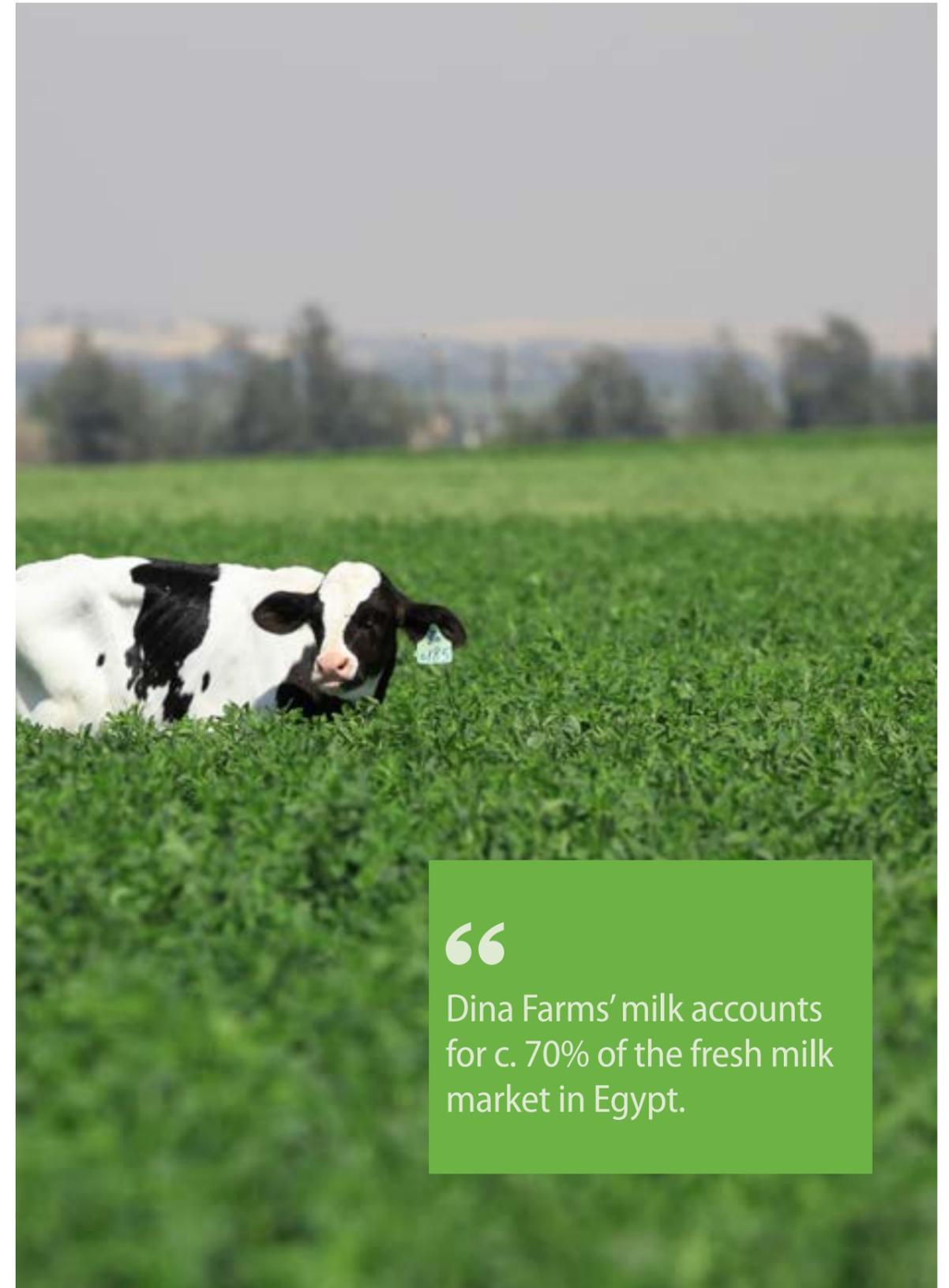
In addition to using technology to provide irrigation water, the company is currently expanding the use of solar energy to generate electricity, leading to a reduction in its carbon footprint.



A total of 100,977 m³ compost (green manure) was produced in 2020, 50,779 m³ of which was reused as soil fertilizers.



Dina Farms also takes into account its social responsibility by committing to employ and train members of its local community.



“

Dina Farms' milk accounts for c. 70% of the fresh milk market in Egypt.



PRINTING & PACKAGING

The National Printing Company has four subsidiaries—Shorouk, Al-Baddar, Windsor, and Uniboard—and a total of 2,000 employees.



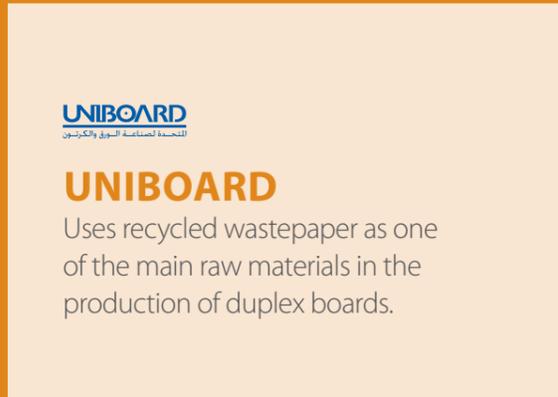
WINDSOR

Imports, exports, and trades raw materials used in the packaging production process.



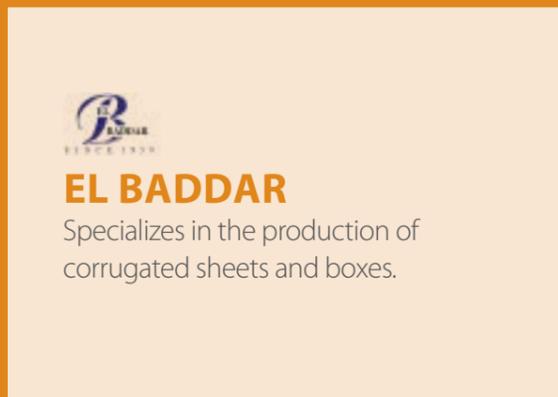
SHOROUK

Undertakes laminating, cutting, folding, gluing, and printing activities.



UNIBOARD

Uses recycled wastepaper as one of the main raw materials in the production of duplex boards.



EL BADDAR

Specializes in the production of corrugated sheets and boxes.




NATIONAL PRINTING COMPANY

National Printing Company stands as one of Egypt's largest sustainable producers in the sector with four integrated subsidiaries.





PRINTING & PACKAGING



PACKAGING AND PRINTING

Through its subsidiary National Printing Company, Qalaa Holdings partnered with the El Moallem family, one of Egypt's industry leaders, and has made investments worth over USD 60 million to date in the sector, with National Printing Company standing as one of the largest producers of its kind in Egypt.



Established in 2006 under Qalaa Holdings' mid-cap investments company, Grandview, National Printing Company has solidified Qalaa's presence in the printing and packaging sector and has become one of Egypt's most prominent producers of printing and packaging products. The company offers a diverse array of products, including corrugated cartons, a range of boxes, duplex boards manufactured from recycled wastepaper, sheeters, single facers, flexos, and chemical additives, that are able to meet a significant portion of Egypt's local demand.

National Printing Company owns two subsidiaries, Shorouk and El Baddar.

2020 Operational Highlights

Shorouk for Modern Printing and Packaging (National Printing ownership 90%)

Shorouk operates three primary production lines, with an annual production capacity of 50,000 tons, for laminating, cutting, folding, gluing, and printing activities, of which 50% is folded boxes, 40% is laminated packages, and 10% is books. Its primary revenue generators are sales to large multinational corporations in the consumer goods, pharmaceuticals, and paper spaces. Shorouk also generates more than 20% of its annual revenues from exports and plans to expand its production of books.

Shorouk Total Volumes Sold (FY20)

31,842
Tons

▼ 1% y-o-y

El Baddar for Packages (National Printing ownership 100%)

El Baddar is a wholly-owned subsidiary of National Printing Company, specialized in the production of corrugated sheets and boxes and popular for their favorable properties, such as strength, durability, lightness, recyclability, and cost efficiency. In 2020, El Baddar completed the lengthy relocation process to its new state-of-the-art facility, which led to significant operational disruptions. Initial production has commenced, with plans to ramp up utilization and achieve production levels of 36,500 tons in 2021.

Corrugated Sheets/Boxes Volumes Sold (FY20)

20,852
Tons

▼ 26% y-o-y

Uniboard (National Printing ownership 46%)

A strategic Greenfield investment, Uniboard provides vertical integration to the rest of the group. Raw materials constitute 72% of Uniboard's total variable cost, as it capitalizes on recycled wastepaper in particular. With an annual production capacity of 135,000 tons, Uniboard holds significant market share in duplex boards.

Uniboard also plays an integral role in National Printing's supply chain, supplying raw materials (primarily manufactured duplex) to Shorouk. In addition to local sales, Uniboard exports small volumes of its products to China and Turkey.

Duplex Board Volumes Sold (FY20)

122,583
Tons

▲ 12% y-o-y

Windsor (National Printing ownership 100%)

Established in 2005, Windsor for Trading and Converting Paper imports, exports, and trades raw materials used in the packaging production process. In 2008, the company was turned into a manufacturing plant for paper packaging and chemical additives. Its main products are paper cups, corrugated board, sheeting, lamination, and chemicals for multinational companies such as Unilever, Coca Cola, and PepsiCo.

2020 Financial Highlights

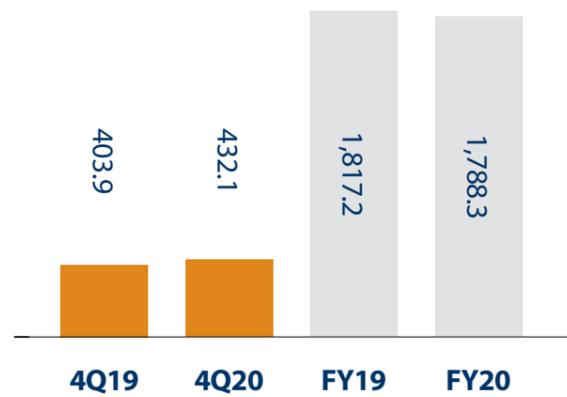
National Printing Company's revenues witnessed a slight dip compared to the previous year, coming in at EGP 1,788.3 million compared to EGP 1,817.2 million in FY19, which can be attributed to a decrease in revenues from El Baddar, while EBITDA fared better for the year at EGP 400.5 million.

Despite challenges related to COVID-19, Shorouk delivered a 3% y-o-y increase in revenues at EGP 777 million in FY20 on the back of improved pricing and near flat volumes. Performance was further supported by a market recovery in the second half of the year when COVID-19-related restrictions eased throughout the country. Improved pricing, along with a tight rein on fixed expense and overall lower production costs, supported EBITDA, which grew 15% y-o-y to EGP 153 million in FY20.

Uniboard's revenues climbed 9% y-o-y on the back of a 12% y-o-y increase in volumes to 122,583 tons in FY20. Profitability improved significantly due to operational efficiencies that reduced raw materials and resulted in a near three-fold increase in EBITDA in FY20.

El Baddar's revenues fell 34% y-o-y due to a 26% y-o-y drop in corrugated sheets and boxes volumes in FY20. Lower output was a result of the lengthy relocation process of El Baddar's plant to its new state-of-the-art facility, which led to significant operational disruptions.

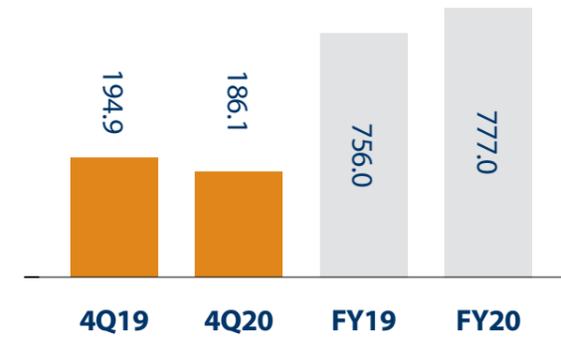
Grandview (National Printing Holding Co.) Revenues (EGP mn)



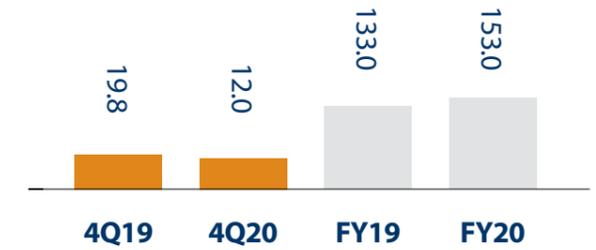
Grandview (National Printing Holding Co.) EBITDA (EGP mn)



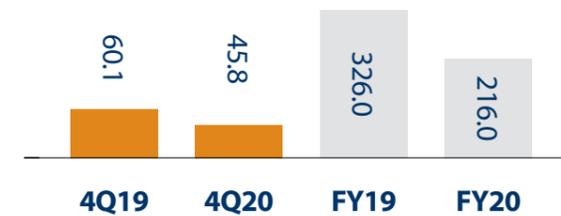
Shorouk Revenues (EGP mn)



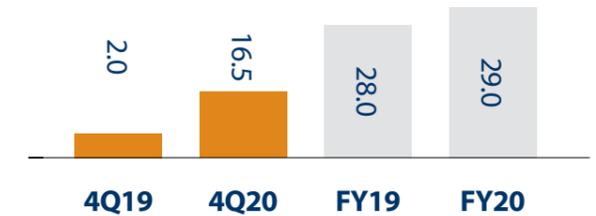
Shorouk EBITDA (EGP mn)



El Baddar Revenues (EGP mn)



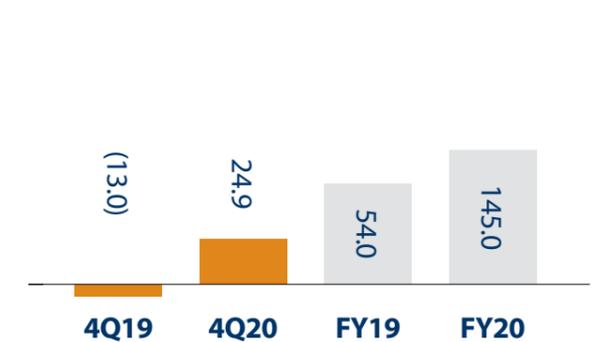
El Baddar EBITDA (EGP mn)



Uniboard Revenues (EGP mn)



Uniboard EBITDA (EGP mn)



Sustainability Achievements



Prosperity

One of Egypt's largest sustainable producers of printing and packaging materials.

Planet

- National Printing provides safe and environmentally friendly non-plastic packaging solutions.
- Uniboard's volume increased to 122,583 tons.
- Shorouk is certified by the Forest Stewardship Certification (FSC).



People

NPC and its subsidiaries employ c. 2,000 people.

“

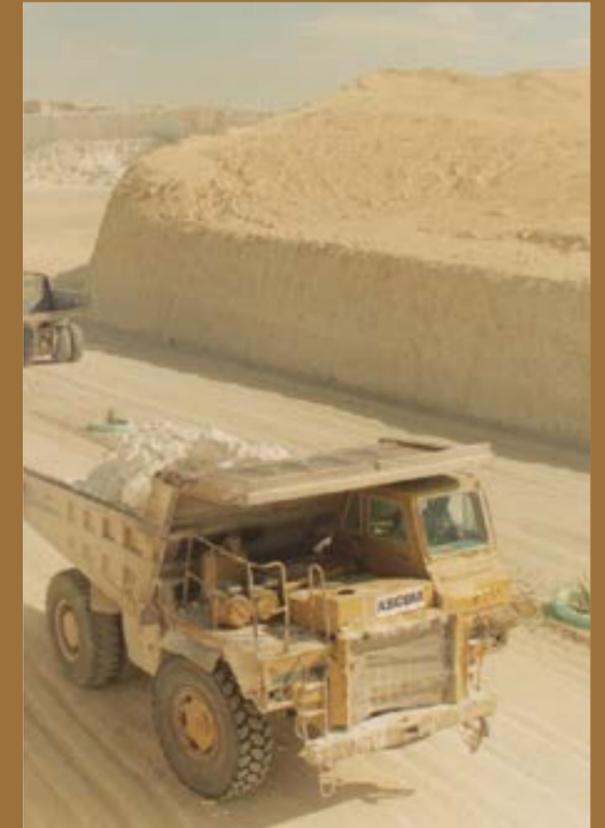
The company offers a diverse array of products, including corrugated cartons, a range of boxes, duplex boards manufactured from recycled wastepaper, sheeters, single facers, flexos, and chemical additives, that are able to meet a significant portion of Egypt's local demand.





MINING INVESTMENTS

Qalaa Holdings' approach in the mining sector focuses on investing in the entire value chain, helping nations develop and obtain value from their natural resources.



ASCOM
GEOLOGY & MINING

ASCOM

ASCOM is a leading regional provider of mining and quarry management services for the cement industry.





MINING

ASCOM
GEOLOGY & MINING

ASCOM

Qalaa Holdings' operational platform in the mining sector, ASCOM, specializes in mining services, cement quarrying services, and the exploration and production of precious metals, including gold.



ASCOM is a mining, geology, and materials company operating in North and East Africa with operations in geological drilling and mining consultancy and precious metals exploration.

ASCOM has significantly expanded its scope and operational vision from providing products and services for Egypt's cement sector. With two subsidiaries, ASCOM Carbonate and Chemical Manufacturing (ACCM), one of Egypt's leading exporters in the industrial minerals sector, and GlassRock Insulation Company, ASCOM has successfully diversified its revenue streams by focusing on capturing potential growth in the industrial minerals sector.

ASCOM's activities and operations include quarry management, precious metals mining, and quarrying for the cement industry. It also includes the production of world-class ground technical calcium carbonate through ACCM. At the same time, the company produces insulation materials Rockwool and Glasswool through its subsidiary, GlassRock.

It is worth mentioning that ASCOM established ASCOM Precious Metals Mining (APM) as a logical progression to consolidate all precious metal mining exploration operations under one entity. APM originally had concessions in Ethiopia and Sudan. However, the one concession in Sudan has been placed under force majeure since 2011 due to security concerns in the region. As for the Ethiopian mining arm, APM Ethiopia, which acquired a gold concession in 2008, ASCOM sold a controlling stake in it to Australian firm Allied Gold Corp in December 2017.

“ ASCOM has successfully diversified its revenue streams by focusing on capturing potential growth in the industrial minerals sector.

2020 Operational Highlights

ASCOM Calcium Carbonate (ACCM)

Hit by COVID-19 restrictions, ACCM was able to ramp up operations to full capacity and grow exports substantially with the opening of ports, reflecting a sustained recovery in the second half of the year as restrictions were eased. Going forward, ACCM continue to capitalize on growing exports and recovery across regional markets. Management also plans to push ahead with its sales channel diversification strategy and add more production lines during the coming years. This will allow the company to expand its capacity and penetrate new local and international markets, meeting its planned growth targets. Additionally, increased contribution from local markets will act as a hedge against foreign exchange risk and allow ACCM to benefit from the local market's greater working capital dynamics, improved cashflow, and healthy margins.

Egypt Quarrying

ASCOM's mining operations are heavily dependent on the cement industry, with around 90% of its revenues generated from quarrying for cement clients. ASCOM is facing an increasingly challenging operating environment due to sustained pressure on Egypt's cement industry, characterized by oversupply and fierce market competition, further compounded by the freeze of construction licenses during 2020. That said, the construction ban was lifted October 2020, paving the way for renewed market activity. Moreover, management has been focusing on adjusting contracts and adopting the minimum take criteria, as well as renewing other contracts to be on a take-or-pay basis in a bid to cover the costs incurred when markets are not performing well.



GlassRock

A challenging environment driven by the COVID-19 pandemic drove a 15% y-o-y decline in GlassRock's volumes from 9,400 tons in 2019 to 8,000 tons in 2020. Management's debt restructuring efforts were successful in 2020 and saw the company sign new payment terms with its lenders. The restructuring is anticipated to have a positive impact on GlassRock's profitability going forward.



2020 Financial Highlights

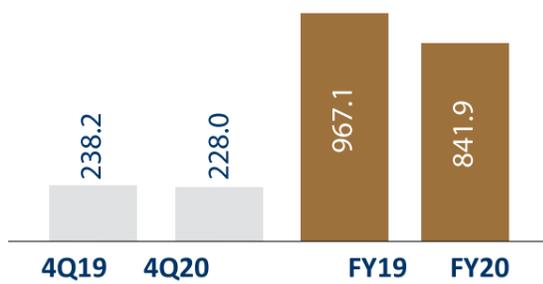
ASCOM's revenue declined by 13% y-o-y in 2020, on the back of harsh market conditions due to the impacts of COVID-19, particularly on the volumes at the quarrying activities and Glassrock. EBITDA fell to EGP 40.2 million compared to EGP 99.49 million in 2019.

Egypt Quarrying's revenue dropped 9% y-o-y to EGP 346.7 million from EGP 379.8 million in 2019 due to continuous pressure on Egypt's cement industry.

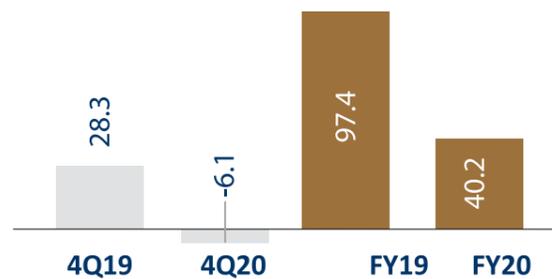
Meanwhile, EBITDA rose to EGP 26.5 million compared to negative EGP 5.1 million in 2019.

Meanwhile at GlassRock, the challenging environment due to COVID-19 drove a 15% y-o-y decline in volumes from 9,400 tons in 2019 to 8,000 tons in 2020. Consequently, revenues declined by 19% y-o-y in FY20, while EBITDA recorded a drop to negative USD 1.4 million from a positive USD 1.1 million in FY19.

ASCOM Consolidated Revenues (EGP mn)



ASCOM Consolidated EBITDA (EGP mn)



CONSOLIDATED STATEMENT OF PROFITS OR LOSSES

For the year ended 31 December 2019

	Energy		Core		Non-Core			Eliminations/ SPVs	Aggregation	FY 2020	FY 2019					
	QH	Orient	Silverstone	Energy	Transportation & Logistics		Mining					Falcon	Wafra	Misc.*	Grandview	
					CCTO	NDT	ASCOM									ASCOR
Current Assets																
Trade and Other Receivables	2,032.4	1,929.8	1,524.1	1,722.9	89.0	294.5	80.9	426.4	85,609.9	(2,805.1)	7,099.3					
Inventory	-	959.1	338.0	728.9	10.7	96.8	160.6	44.7	2,650.3	(0.0)	2,670.7					
Assets Held For Sale	-	-	-	5.7	-	-	-	118.2	146.2	(111.1)	35.1					
Cash and Cash Equivalents	5.92	454.8	3,050.2	83.0	18.2	33.4	19.9	4.1	3,853.3	51.0	3,904.3					
Others	-	-	0.0	0.0	12.8	-	12.8	-	12.8	5.4	18.2					
Total Current Assets	2,038.3	3,343.6	4,912.2	2,540.6	117.9	424.7	274.2	593.4	15,223.5	2,859.8	13,891.2					
Non-Current Assets																
PP&E	33.0	59,234.4	2,576.1	1,295.4	814.6	750.0	752.0	39.1	1,041.3	66,535.9	560.9					
Investments	5,547.0	-	52.1	354.9	-	125.8	101.2	4.9	6,185.9	(5,575.4)	610.4					
Goodwill / Intangible assets	-	280.0	413.3	-	-	0.5	-	-	693.8	89.0	782.8					
Others	4,094.0	39.2	248.8	342.8	-	-	430.7	-	61.1	5,216.7	1,133.8					
Total Non-Current Assets	9,674.0	59,553.6	3,290.3	1,993.2	814.6	876.3	1,182.7	44.0	1,203.7	78,632.3	9,008.5					
Total Assets	11,712.3	62,897.2	8,202.4	4,533.7	932.5	1,301.1	1,456.9	637.4	2,182.3	93,855.9	81,987.5					
Shareholders' Equity																
Total Equity Holders of the Company	4,672.4	7,494.5	1,185.9	5,364.1	881.9	0.8	89.1	1,109.7	410.0	90.4	5,765.8					
Minority Interest	-	6,002.2	558.1	1,137.4	(412.6)	(79.3)	0.0	(12.9)	11.5	327.7	12,533.5					
Total Equity	4,672.4	13,496.7	1,743.9	4,226.6	1,294.5	80.1	89.1	1,122.6	398.6	418.1	17,309.3					
Current Liabilities																
Borrowings	5,295.2	35,324.1	1,328.1	1,111.4	884.9	164.9	82.4	37.8	45,044.3	2,744.2	47,788.6					
Trade and Other Payables	1,585.1	4,271.3	2,673.4	1,741.6	147.1	425.6	1,042.5	604.7	14,032.6	(696.6)	13,336.0					
Shareholder Loan	317.3	-	-	2,230.3	884.9	-	-	128.0	3,560.4	(884.9)	2,675.5					
Provisions	159.6	-	230.1	1,115.0	30.8	26.7	28.6	38.1	1,697.5	411.6	2,109.0					
Liabilities Held For Sale	-	-	-	0.2	-	-	-	0.7	1.0	0.8	132.5					
Total Current Liabilities	7,039.9	39,912.7	4,231.6	6,198.4	1,947.6	617.2	1,153.5	809.3	64,335.8	1,575.1	65,910.9					
Non-Current Liabilities																
Borrowings	-	7,660.3	1,467.8	-	-	730.2	106.0	-	263.6	10,227.9	39,568.9					
Shareholder Loan	-	553.1	-	2,545.6	147.7	-	-	226.1	100.9	3,573.4	1,040.6					
Long-Term Liabilities	-	1,274.4	759.0	16.3	131.7	33.8	108.2	0.6	96.9	2,420.8	957.8					
Total Non-Current Liabilities	-	9,487.8	2,226.9	2,561.9	279.4	764.0	214.2	226.7	16,222.2	2,487.3	13,734.9					
Total Liabilities	7,039.9	49,400.5	6,458.5	8,760.4	2,227.0	1,381.2	1,367.8	1,036.0	80,558.0	912.2	79,645.7					
Total Equity and Liabilities	11,712.3	62,897.2	8,202.4	4,533.7	932.5	1,301.1	1,456.9	637.4	93,855.9	11,868.3	81,987.5					

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Notes available in audited consolidated financials*



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2019

	EBTDA WO ERC				Restated				Previously Reported				
	1Q 2020	2Q 2020	3Q 2020	4Q 2020	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2019	2Q 2019	3Q 2019	4Q 2019	
	319.5	360.4	320.3	626.2	1,626.5	3,426.4	3,519.6	3,829.1	3,731.3	14,506.5	3,581.0	3,620.4	3,924.1
Revenue	10,375.4	7,402.5	8,161.9	35,973.4	(2,838.1)	(2,957.1)	(3,244.1)	(3,065.9)	(12,105.2)	(2,933.4)	(3,051.1)	(3,328.5)	(3,113.0)
COS	(9,248.1)	(6,678.5)	(8,161.9)	(32,614.8)	588.4	562.4	585.0	665.4	2,401.2	647.5	569.3	595.7	678.2
Gross profit	1,127.3	724.0	598.2	3,358.6	588.4	562.4	585.0	665.4	2,401.2	647.5	569.3	595.7	678.2
Advisory fee	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating profit	1,127.3	724.0	598.2	3,358.6	588.4	562.4	585.0	665.4	2,401.2	647.5	569.3	595.7	678.2
SG&A	(368.6)	(360.7)	(396.2)	(1,749.1)	(270.7)	(281.7)	(283.1)	(344.3)	(1,179.8)	(277.9)	(290.1)	(290.8)	(353.0)
Other inc/exp-Net	3.0	3.3	12.0	17.3	10.8	9.7	0.6	6.5	27.7	11.1	9.8	1.5	8.2
EBTDA before one-off charges	761.7	366.6	214.0	302.9	328.5	290.4	302.6	327.7	1,249.2	381.0	287.5	306.1	331.6
SG&A (Non recurring)	21.8	(15.0)	(7.9)	(30.4)	(5.3)	(8.4)	(27.1)	(6.6)	(47.4)	(4.6)	(8.4)	(27.8)	(6.6)
EBTDA	783.6	351.5	206.1	272.4	323.3	282.0	275.5	321.0	1,201.8	376.4	279.1	278.4	325.0
Dep./Amort.	(707.5)	(1,165.0)	(980.1)	(4,400.0)	(122.2)	(132.4)	(133.1)	(150.9)	(538.7)	(125.8)	(136.2)	(137.1)	(154.9)
EBIT	76.1	(813.4)	(774.0)	(2,786.4)	201.1	149.6	142.4	170.1	663.1	250.6	142.9	141.3	170.1
Bank interest exp.	(1,039.5)	(1,032.4)	(878.9)	(3,646.3)	(365.3)	(375.6)	(370.6)	(427.5)	(1,539.0)	(367.5)	(377.5)	(429.4)	(1,546.9)
Other Finance cost	-	-	-	(1,635.4)	(32.8)	(24.3)	(23.6)	(33.6)	(114.3)	(32.8)	(24.3)	(23.6)	(33.6)
Bank P&K	(32.6)	(26.4)	(26.4)	(32.9)	(37.6)	(3.3)	0.5	(0.7)	(34.5)	(37.6)	(3.3)	0.5	(0.7)
Bank fees (ERC-PIK)	-	-	-	-	(64.8)	(71.8)	(76.6)	(71.9)	(285.1)	(64.8)	(71.8)	(76.6)	(71.9)
3rd party Shareholder	104.6	98.0	92.3	85.6	72.2	64.3	60.6	57.0	254.1	72.5	64.7	60.7	57.0
Interest income	(32.7)	(13.7)	(66.4)	(17.3)	(8.6)	(3.7)	(13.6)	11.9	(14.0)	(8.6)	(3.7)	(13.6)	11.9
EBT (before one off)	(998.5)	(1,867.6)	(1,721.9)	(3,635.9)	(235.9)	(258.1)	(281.1)	(294.7)	(1,069.8)	(188.2)	(266.4)	(283.9)	(296.5)
Gain (Loss) on sale of investments	47.0	0.0	-	(96.4)	-	27.8	0.0	0.1	27.8	-	27.8	0.0	0.1
Impairments/write downs	(18.5)	(15.6)	(85.7)	(111.1)	(4.8)	(3.0)	2.2	(138.9)	(144.4)	(4.8)	(3.0)	2.2	(138.9)
Acquisitions and restructuring	(25.9)	(0.3)	-	88.9	(6.8)	(3.9)	(2.7)	(2.1)	(15.5)	(6.8)	(3.9)	(2.7)	(2.1)
Share in associates' results	(2.4)	2.0	21.6	(44.1)	(29.9)	38.9	(12.8)	(50.3)	(54.0)	0.3	(1.5)	(0.2)	(1.8)
Layoffs/Severances	(5.3)	(10.8)	(1.2)	(38.0)	(2.7)	(1.4)	(4.9)	(31.3)	(40.4)	(2.7)	(1.4)	(4.9)	(31.3)
CSR	(6.3)	(2.8)	(1.5)	(26.7)	(2.5)	(0.1)	(0.2)	(34.0)	(36.8)	(2.5)	(0.1)	(0.2)	(34.0)
Provisions	(108.3)	(96.8)	(52.2)	(524.5)	(54.4)	(159.7)	(158.2)	(57.1)	(429.4)	(67.4)	(126.9)	(166.2)	(35.0)
Discontinued operations**	(14.6)	(28.0)	(35.1)	0.0	47.3	(57.2)	(1.9)	(21.8)	(33.6)	(17.2)	(42.8)	(3.8)	(92.4)
Forex	150.4	(166.5)	147.4	(80.4)	181.3	221.1	189.1	33.0	624.5	181.3	221.1	189.1	33.0
EBT	(982.5)	(2,186.4)	(1,728.6)	(4,468.2)	(108.4)	(195.7)	(405.5)	(597.2)	(1,306.7)	(108.4)	(195.7)	(405.5)	(597.2)
Taxes	(600.6)	(315.3)	(450.4)	(1,158.9)	(63.1)	(82.5)	(46.0)	(26.9)	(218.5)	(63.1)	(82.5)	(46.0)	(26.9)
NP/L including minority share	(1,583.1)	(2,501.7)	(2,178.9)	(3,309.3)	(171.5)	(278.2)	(451.6)	(624.0)	(1,525.3)	(171.5)	(278.2)	(451.6)	(624.0)
Minority Interest	(1,178.0)	(1,789.6)	(1,735.4)	(2,317.0)	(16.8)	(53.7)	(56.2)	(262.9)	(389.7)	(16.8)	(53.7)	(56.2)	(262.9)
NP/L for the Period	(405.1)	(712.1)	(443.5)	(992.3)	(154.6)	(224.5)	(395.3)	(361.1)	(1,135.5)	(154.6)	(224.5)	(395.3)	(361.1)

** Discontinued operations include:

(2) Assets included in 2019: Enjoy (Falcon, sold in 1Q 20)

(3) Assets included in 2020: Tawazon (lost control in 4Q 20)



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