

Unofficial English Translation

Qalaa Holdings (“QH”) (trading code in EGX is CCAP.CA) announces its receipt of a letter dated 25 April 2024 from Qalaa Holding Restructuring I Ltd (“QHRI”) offering to purchase the outstanding debt from the lenders of QH under the Syndicated Loan Agreement dated 01/02/2012 for USD 325 million (the “**Syndicated Loan**”), concluded between QH and a group of banks and financial institutions, for an amount equivalent to twenty percent (20%) of the principal outstanding balance of the Syndicated Loan for each such lender, payable in USD to an international bank account to be chosen by the banks and financial institutions accepting the offer, according to the terms determined by them to sell such debt. Accordingly, QHRI shall replace the lenders, who accept the debt purchase offer, as the lender with respect to the outstanding amounts under the Syndicated Loan. It should be noted that QHRI is incorporated under the laws of British Virgin Islands (BVI) by Dr. Ahmed Heikal, Mr. Hisham El Khazindar and Mr. Karim Sadek for such purpose. The percentage of their respective shareholdings in QH, including their related parties, is 23.487% (of which 25,718,022 are ordinary shares and 401,738,649 are preferred shares).

In order to guarantee transparency and equal opportunity for all QH’s shareholders, QHRI shall avail to all shareholders the same opportunity to participate in the abovementioned debt purchase offer, at a maximum percent of each shareholder’s shareholding percentage for the owner of QH shares and for the buyer of QH shares at the end of the trading session on Tuesday, May 7, 2024.

QH has informed its lenders, who participated in the Syndicated Loan, of the said offer (“**Debt Purchase Offer**”), which, in fact, has been accepted by some of the lenders in the Syndicated Loan. It should be noted that the share of the lenders in the Syndicated Loan who accepted the Debt Purchase Offer, as at 31/12/2023, amounted to USD 230,998,471 (USD two hundred and thirty million nine hundred and ninety eight thousand and four hundred seventy one) (USD 131.423 million principal loan and USD 99.575 million interest) from the total amount of the Syndicated Loan. Such acceptance by certain lenders was given after the signature of settlement and restructuring agreements of the remaining outstanding balance of the Syndicated Loan with the Egyptian Banks and Arab International Bank on 08/04/2024, which was disclosed at that time.

Method of Execution

According to the approval by some lenders in the Syndicated Loan of the Debt Purchase Offer, QHRI shall issue interest free promissory notes for a total amount of USD 28,000,000 (USD 26,284,524 representing 20% of the principal outstanding balance of those lenders' shares in the Syndicated Loan amounting to USD 131.423 million, which shall be purchased under the Debt Purchase Offer, in addition to the other expected costs and expenses) for financing the debt purchase (“**Debt Purchase Amount**”).

As mentioned above, and in order to ensure transparency and equal opportunity for all QH’s shareholders, QHRI shall avail to all QH shareholders the same opportunity to participate in the Debt Purchase Offer at a maximum percent of each shareholder’s shareholding percentage in QH’s capital on the date of publication of the invitation to the first general shareholders meeting, which shall be convened to approve the purchase of the said debt (the “**First General Shareholders Meeting**”), through payment by the shareholder who wishes to participate of his/her percentage of the

Debt Purchase Amount in exchange for promissory notes issued by QHRI to his/her order, in accordance with the conditions described below.

For instance, the QH shareholder, who owns 182,000 shares in QH's capital on the date of publication of the invitation of the First General Shareholders Meeting, representing 0.01% of QH's shares listed on the EGX, who decides to exercise the option to participate in the Debt Purchase Amount, as described above, shall have the right to participate by an amount equal to USD 2,800 in the Debt Purchase Amount in exchange for promissory notes for the same amount, issued by QHRI to his/her order.

As the Debt Purchase Amount shall be due and payable in USD to an international bank account, specified by the lenders in the Syndicated Loan who accepted the Debt Purchase Offer, and in light of the deadline to execute the debt purchase, QH's shareholders wishing to participate in the Debt Purchase Offer are required to carry out the following:

1. The owner of QH shares and the buyer of QH shares at the end of the trading session on Tuesday, May 7, 2024 have the right to sign an application form of participation and a participation contract in the Debt Purchase Offer and the Debt Purchase Amount in exchange for promissory notes available at EFG Hermes (the custodian), within six (6) days from the date of the First General Shareholders Meeting (the "**Validity Period to Sign the Participation Contract**"). It should be noted that it has been decided to publish the invitation to the First General Shareholders Meeting on 07 May 2024, to be convened on 30 May 2024.
2. Each shareholder who signs the participation contract shall transfer his/her amount of participation in the Debt Purchase Amount in USD to the international bank account of QHRI at Mashreq Bank in Dubai (whose details shall be referred to in the application form) within a maximum of (7) seven days from the lapse of the Validity Period to Sign the Participation Contract (the "**Last Deadline to Participate**"). It should be noted that any amounts received by QHRI in the said account from any shareholder in excess of his/her shareholding percentage in the capital of QH on the date of publication of the invitation to the First General Shareholders Meeting, or any amount received after the date of the Last Deadline to Participate, shall not be accepted by QHRI for subscribing in the promissory notes, and shall be returned to its source. In this case, QHRI shall be obliged to pay the remaining amount required to complete the Debt Purchase Amount.

It is worth noting that the shareholding percentage of the shareholders of QHRI and their related parties amounts to 23.487% (including 25,718,022 ordinary shares and 401,738,649 preferred shares) of the capital of QH, and in the event that none of the other shareholders of QH (76.513% of QH) participate in the promissory notes issued by QHRI, QHRI will arrange and finance the remainder of the amount to complete the Debt Purchase Amount.

After Purchasing the Debt

After execution of the debt purchase from the banks and financial institutions who accepted the Debt Purchase Offer, and completion by QH of the conditions of settlement and restructuring of QH debt, in accordance with the settlement and restructuring agreements concluded with Arab International Bank and the Egyptian banks participating in the Syndicated Loan, QHRI shall assign a share of the QH's debt purchased from the said banks and financial institutions to its related party Citadel Capital Partners Ltd. ("**CCP**"), the main shareholder of QH. Whereas, an invitation shall be sent to convene a second general shareholders meeting (the "**Second General Shareholders Meeting**") to vote and approve

the capital increase of QH at the nominal value (EGP 5 for each share) for QH shareholders at that time by an amount in Egyptian pounds at least equal to QH's debt purchased from the banks/financial institutions who accepted the Debt Purchase Offer, after converting such debt into Egyptian pounds, based on the exchange rate announced by the Central Bank of Egypt on the date of publication of the invitation to the Second General Shareholders Meeting. The proposed increase shall be a cash increase for both classes of ordinary and preferred shares, with permission to use the credit balances due to the company's shareholders to subscribe to this cash increase, whether in the first stage of opening the subscription, in which subscription is made by the company's shareholders, each in proportion to his/her shareholding in the company's capital or in the second stage, in which subscription takes place without being restricted by the percentage of shareholding in the company's capital, in accordance with the conditions that will be approved by the Second General Shareholders Meeting at the time.

Then, QHRI shall:

1. Release any guarantees and pledges related to QH's debt which was purchased, while, taking into account the terms of the settlement and restructuring agreements with the Arab International Bank and the Egyptian banks as mentioned above.
2. QHRI shall request to participate in the capital increase of QH proportionately with the percentage of its shareholding in the capital of QH in the first stage, and by capitalizing its credit balances for the remainder of the amount not subscribed to by QH shareholders at that time in cash in the second stage, up to the maximum balance of QH's debt that was purchased, taking into account the terms and conditions of the capital increase stipulated in the Egyptian law.
3. Transfer a number of capital increase shares of QH to each shareholder who participated in the purchase of debt by virtue of the promissory notes, equal to his/her share in the promissory notes multiplied by the number of shares subscribed to by QHRI in the capital increase of QH through capitalization of credit balance. The foregoing is in consideration of settlement of the promissory notes without payment of cash, according to the rules applicable in this respect and/or cash payment in Egyptian pounds, if subscription to the capital increase is made by cash. Provided that all such procedures are implemented within a maximum of one year from the date of issuing the promissory notes. Thereafter, QHRI shall be liquidated.
4. It should be noted that in the event of oversubscription in cash to the capital increase approved by QH shareholders, such that the entire balance of the purchased debt owed by QH, in accordance with its ratified financial statements on the date of publishing the invitation to the Second General Shareholders meeting, is not fully capitalized, QH shall reimburse the amount equivalent to the share of each shareholder in the remaining outstanding debt, which was not capitalized, in Egyptian pounds at the exchange rate announced by the Central Bank of Egypt on the date of publishing the invitation to the Second General Shareholders Meeting as, mentioned above.

All shareholders of QH, including those wishing not to participate in the Debt Purchase Offer and/or the capital increase, should consider that the steps described above entail converting the purchased QH debt into shares to increase QH's capital at nominal value. Consequently, this would result in reducing the company's debts, eliminating the risks it

faces, and significantly enhancing its balance sheet, equity base, and financial position, for the benefit of all QH's shareholders.