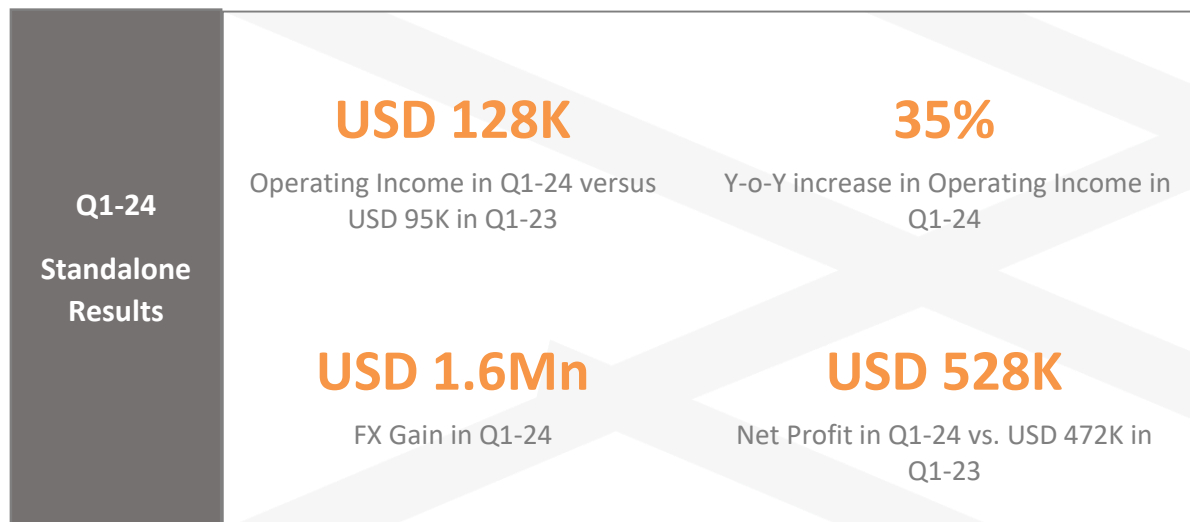
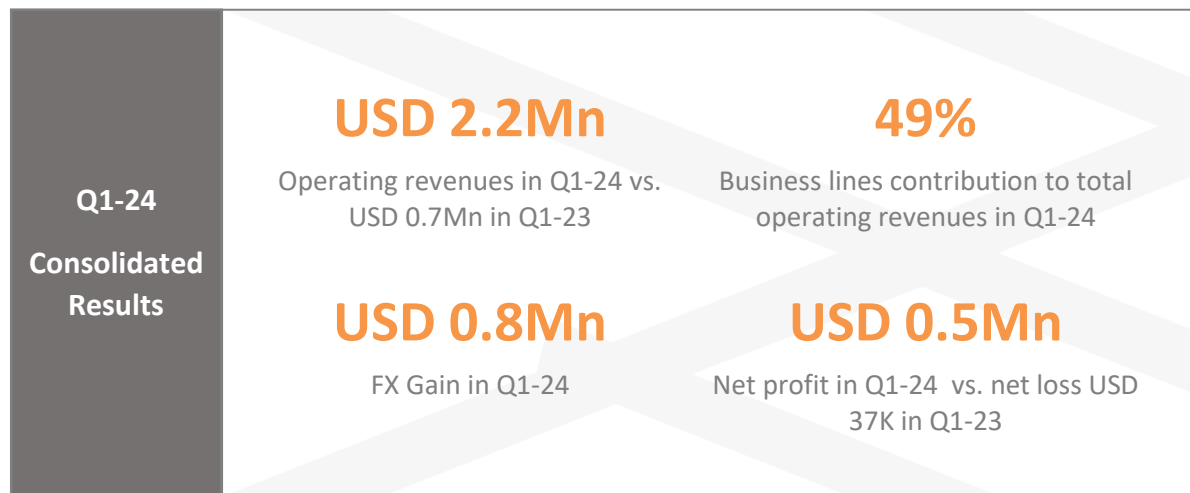


## **NAEEM Holding for Investments “NAEEM” reports Q1-24 consolidated and standalone results**

*Cairo, May 30th 2024, NAEEM reported its Q1-24 results with total net consolidated operating revenues of USD 2.2Mn and a net profit of USD 0.5Mn.*



## I. KEY FINANCIAL HIGHLIGHTS

<b>Operating Revenues Breakdown (000 USD)</b>	<b>Q1-24</b>	<b>Q4-23</b>	<b>Q1-23</b>	<b>Q-o-Q %</b>	<b>Y-o-Y %</b>
Securities' Brokerage	980	924	626	6%	56%
Asset Management	101	272	15	-63%	569%
Advisory	21	25		-13%	N/M
<b>Total Business Line Contribution</b>	<b>1,102</b>	<b>1,221</b>	<b>642</b>	<b>-10%</b>	<b>72%</b>

	<b>Q1-24</b>	<b>Q4-23</b>	<b>Q1-23</b>	<b>Q-o-Q %</b>	<b>Y-o-Y %</b>
NAEEM's Operations & Investments	128	98	95	31%	35%
REACAP Financial Investments	1,276	1,832	51	-30%	N/M
Other Income (losses)	(269)	(3)	(47)	N/M	466%
<b>Total Investments Contribution</b>	<b>1,135</b>	<b>1,927</b>	<b>98</b>	<b>-41%</b>	<b>N/M</b>
<b>Grand Total Operating Revenues</b>	<b>2,237</b>	<b>3,148</b>	<b>740</b>	<b>-29%</b>	<b>202%</b>

On a consolidated level, NAEEM reported net operating revenues of USD 2.2Mn in Q1-24 driven by revenues reported from REACAP – NAEEM's Real Estate Arm – amounting to USD 1.3Mn followed by brokerage revenues totaling USD 980K. Revenues from NAEEM's operations and investments constituted 51% of total operating revenues while revenues from business lines contributed the remaining 49%.

REACAP continued to report strong results as it continues to deliver its units. In Q1-24, REACAP's total operating revenues amounted to EGP 64.6Mn versus EGP 7.4Mn in Q1-23. These revenues were driven by unit deliveries resulting in recognizing revenues from units sold amounting to EGP 60Mn, constituting 92.7% of total operating revenues. The remaining 7.3% stemmed from rental and maintenance income. On the profitability level, REACAP reported pre-tax income of EGP 7.6Mn in Q1-24 compared to a pre-tax loss of EGP 16Mn in Q1-23.

During Q1-24, and although NAEEM's USD 2.2Mn operating revenues was 29% lower Q-o-Q, it increased threefold on an annual basis on the back of fees and commission income totaling USD 1.22Mn and income from units sold amounting to USD 1.17Mn. G&A and selling & marketing expenses decreased 8% over the quarter yet was up 20% Y-o-Y to USD 1.3Mn. Interest and lease expense stood at USD 769k during the same period yet were offset by the USD 846k FX gain booked. As a result, NAEEM reported net profit of USD 0.5Mn in Q1-24 versus a net loss of USD 37k in Q1-23 and a net profit of USD 214k in Q4-23.

On a standalone basis, NAEEM reported operating revenues of USD 128k during Q1-24, up 35% Y-o-Y, driven by custody & margin trading income constituting 94% of total operating revenues. NAEEM was positively affected by the recent EGP devaluation witnessed in March-24 as the company reported an FX gain of USD 1.6Mn during Q1-24 resulting in the company reporting an EBIT of USD 972k and net income of USD 528k. versus net income of USD 472k in Q1-23.

On the operational level, during Q1-24, revenues from business lines were led by Securities Brokerage generating USD 0.9Mn in revenues, jumping 56% on an annual basis, and constituting 89% of business line revenues. The remaining 11% were generated from the asset management and advisory services.



Regarding NAEEM's prop account, REACAP's subsidiary - SVREICO for real-estate investment "SVREICO" continued to drive REACAP's profitability. During Q1-24, Project ARC deliveries and sales as well as unit sales in project Northside and newly launched project V5 lead the changes in assets' base in terms of the following: accounts receivables increased to EGP 169Mn as of Mar-24 versus EGP 88.5Mn as of Dec-23; while projects under construction (PUC) increased 5% to EGP 380Mn compared to EGP 358.9Mn during the same period. Total assets recorded EGP 1.6Bn in Mar-24 versus EGP 1.3Bn in Dec-23.



## KEY OPERATIONAL HIGHLIGHTS

### 1. Brokerage

The Egyptian market index, EGX30, resumed its uptrend increasing 8% and 63.7%; Q-o-Q and Y-o-Y to 26,883.39 as of end of March-24 following a year characterized by high interest rates environment, rocketing inflation levels and geopolitical uncertainties. During Q1-24, the Central Bank of Egypt hiked rates by 800 bps, 200 bps in February and an additional 600 bps in March; in an attempt to contain inflationary pressures, anchor inflation expectations and unify the country's exchange rate as Egypt grappled with foreign exchange shortages and a weakened currency. CBE hiked overnight lending and deposit rates to 28.25% and 27.25%, respectively. Total market capitalization in Q1-24 grew 5.3% EGP 1,811.60Bn versus EGP 1,719.7Bn as of Dec-23.

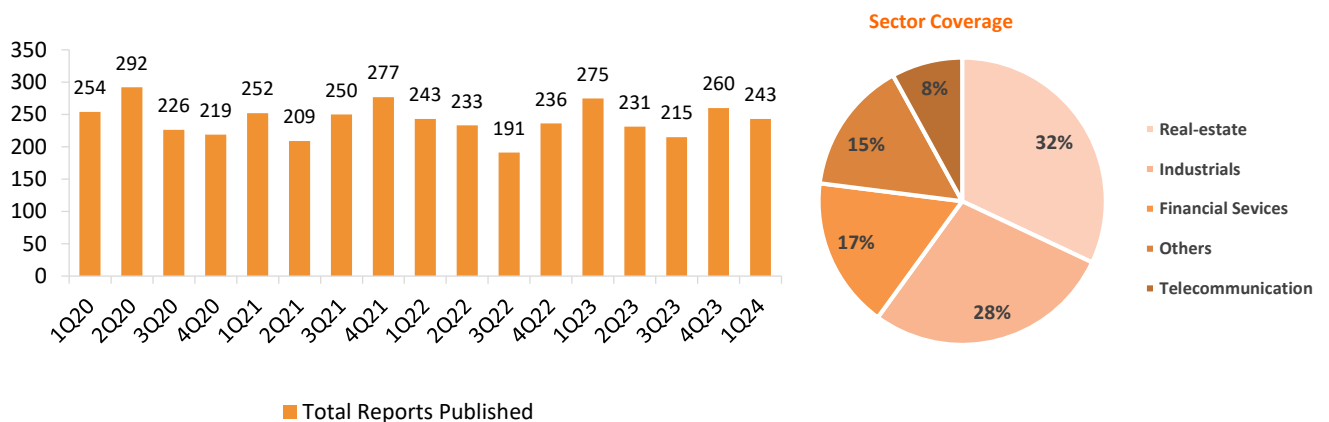
000 EGP	Q1-24	Q4-23	Q1-23	Q-o-Q	Y-o-Y
EGX Turnover	847,620,910	595,575,517	281,327,313	42%	201%
Company Turnover	16,056,313	10,976,254	6,337,602	46%	153%
Market Share	1.9%	1.8%	2.3%		

Regarding NAEEM Brokerage Egypt's (NBE) performance, Q1-24 turnover grew 42% and 201% Q-o-Q and Y-o-Y; respectively, which translated into a market share of 1.9% and revenues of c. USD 1Mn.

### 2. Research

NAEEM Research, which falls under NAEEM Brokerage Egypt, offers tailored research, regular macro-overview reports, in addition to management interaction and on the-ground support for clients.

In Q1-24, NAEEM Research issued 243 reports in both Arabic and English.



The Research department covers all major sectors in the MENA region including Real estate, Petrochemicals, Oil & Gas, Building materials, Telecommunications, Financial services, and other sectors. The department also offers a wide range of products covering both fundamental as well as technical research.

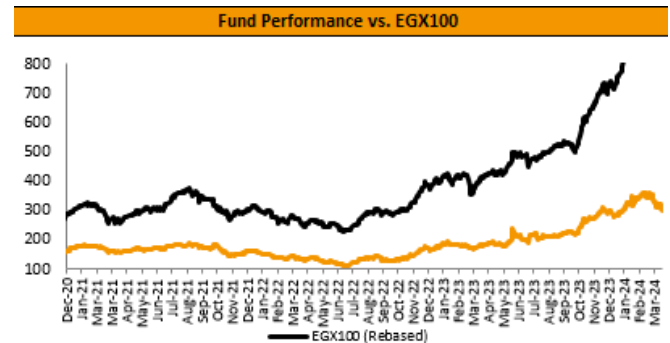
### 3. Asset Management

NAEEM's total Assets under Management (AUMs) stood at c. USD 500Mn as of Mar-24. On a dollar basis, NAEEM's listed equities slipped 2.8% Q-o-Q yet increased 25.1% Y-o-Y.

#### A. Listed Equities

The Central Bank of Egypt (CBE) hiked rates a total of 800 bps during Q1-24, with the lending and deposit rate reaching 28.25% and 27.25%, respectively; to combat inflation. Annual core inflation rates stood at 33.7% in Mar-24 slightly down from 35.1% in Feb-24 and from 34.2% in Dec-23.

EGX30 resumed the uptrend that started in Q4-22, climbing to 26,883.39 as of March 28<sup>th</sup> 2024, soaring 8% and 63.7%, Q-o-Q and Y-o-Y; respectively. During March-24, the index reached record highs registering 34,501.91 points.



Total fees in Q1-24 jumped a whopping 695% Y-o-Y; driven by performance fees, in which the latter generated 88% of total fees, while management fees constituted the remaining 12%. Total AUMs decreased marginally by 2.8% over the quarter affected by the recent devaluation, however increased 25.1% Y-o-Y; while Egypt based AUMs jumped 14.6% & 47.6%, Q-o-Q and Y-o-Y; respectively. As of March-24, Asset Management clients' base was 92% individuals and 8% institutional clients.

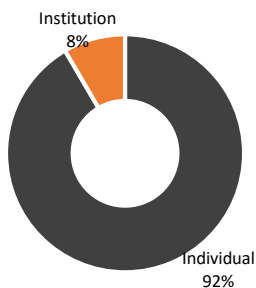
#### Al Baraka Bank Fund

Al Baraka Fund ended the quarter with a NAV of EGP 185.26 as of March 28<sup>th</sup> 2024; up 8.5% & 56.5%, Q-o-Q and Y-o-Y; respectively. Al Baraka was ranked first among open ended Islamic Balanced funds in 2023.

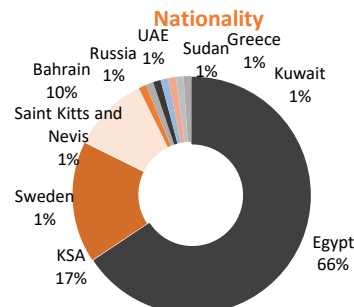
#### NAEEM Misr Islamic Fund (NMIF)

NAEEM Misr Islamic Fund ended the quarter with a NAV equivalent to EGP 298.6 as of March 28<sup>th</sup> 2024; 5.4% & 69%, Q-o-Q and Y-o-Y; respectively. NMIF was ranked first among open ended Islamic funds in 2023.

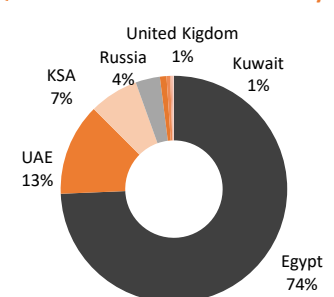
Q1-24 Portfolio Allocation by Client Type



Q1-24 Portfolio & Funds Number Breakdown by Nationality



Q1-24 AUM Value Breakdown by Nationality



**B. Egyptian Gulf Bank (EGBank)**

<b>Income Statement (000 EGP)</b>	<b>Q1-24</b>	<b>Q4-23</b>	<b>Q1-23</b>	<b>Q-o-Q%</b>	<b>Y-o-Y%</b>
Net interest income	1,188,976	1,002,077	923,499	18.7%	28.7%
Fees and commissions income	422,130	289,367	168,132	45.9%	151.1%
Other income	224,513	114,533	202,841	96%	10.7%
Provisions	(91,361)	(217,753)	(121,907)	N/M	N/M
<b>Net operating income</b>	<b>835,723</b>	<b>666,939</b>	<b>541,393</b>	<b>25.3%</b>	<b>54.4%</b>
<b>Net profit after taxes</b>	<b>537,492</b>	<b>367,346</b>	<b>316,306</b>	<b>46.3%</b>	<b>69.9%</b>

<b>Balance Sheet (000 EGP)</b>	<b>Q1-24</b>	<b>Q4-23</b>	<b>Q1-23</b>	<b>Q-o-Q%</b>	<b>Y-o-Y%</b>
Cash and marketable securities	11,472,202	11,300,446	8,298,555	1.5%	38.2%
Total loans	38,748,942	31,894,429	29,312,967	21.5%	32.2%
Investments	54,519,997	40,833,280	38,537,693	33.5%	41.5%
<b>Total Assets</b>	<b>119,925,381</b>	<b>97,519,536</b>	<b>99,934,148</b>	<b>23.0%</b>	<b>20.0%</b>
Total deposits	98,138,426	81,142,295	79,663,322	20.9%	23.2%
<b>Shareholders' Equity</b>	<b>7,824,304</b>	<b>7,389,845</b>	<b>5,691,970</b>	<b>5.9%</b>	<b>37.5%</b>

<b>Key ratios</b>	<b>Q1-24</b>	<b>Q4-23</b>	<b>Q1-23</b>	<b>Q-o-Q%</b>	<b>Y-o-Y%</b>
NIM (%)	1.2%	1.1%	0.9%	0.1	0.2
Loan to deposits (%)	39.5%	39.3%	36.8%	0.2	2.7
Growth in deposits	20.9%	-0.1%	11.1%	21.0	9.9
Growth in loans	21.5%	1.5%	9.0%	20.0	12.5
NPL / gross loans	4.7%	4.3%	4.7%	0.4	0.01

EGBank reported net interest income of EGP 1.2Bn in Q1-24, up 18.7% and 28.7% Q-o-Q and Y-o-Y, respectively; supported by the hikes in interest rates and growth in loan portfolio. Fees and commissions income followed suit climbing 45.9% and 151.1% Q-o-Q and Y-o-Y, respectively; while other income increased 96% and 10.7% during the same period.

This increase in income offset the higher G&A expenses reported during Q1-24 amounting to EGP 744.3Mn versus EGP 537.7Mn in Q1-23. Provisions booked during Q1-24 were lower at EGP 91.4Mn versus EGP 121.91Mn resulting in higher profitability as net operating income grew by 25.3% and 54.4% Q-o-Q and Y-o-Y, respectively, reaching EGP 835.7Mn. EGBank's bottom line remained healthy with net profit after taxes standing at EGP 537.5Mn in Q1-24, a 69.9% growth versus EGP 316.3Mn in Q1-23.

Customer deposits amounted to EGP 98.1Bn as of Mar-24, increasing 23.2% compared to Mar-23; while total loans stood at EGP 38.7Bn during the same period, growing 32.2%. This translated into a loan to deposits ratio of 39.5% in Mar-24 versus 36.8% as of Mar-23 and inching slightly higher from 39.3% in Dec-23. NPL to Gross Loans was unchanged at 4.7% in Mar-24 versus Mar-23, yet was higher than 4.3% in Dec-23 indicating a slight deterioration in asset quality.

### C. REACAP Financial Investments (REACAP)

REACAP continued to report strong results as it continues to deliver its units. In Q1-24, REACAP's total operating revenues amounted to EGP 64.6Mn versus EGP 7.4Mn in Q1-23. These revenues were driven by unit deliveries resulting in recognizing revenues from units sold amounting to EGP 60Mn, constituting 92.7% of total operating revenues. The remaining 7.3% stemmed from rental and maintenance income. On the profitability level, REACAP reported pre-tax income of EGP 7.6Mn in Q1-24 compared to a pre-tax loss of EGP 16Mn in Q1-23.

Regarding NAEEM's prop account, REACAP's subsidiary - SVREICO for real-estate investment "SVREICO" continued to drive REACAP's profitability. During Q1-24, Project ARC deliveries and sales as well as unit sales in project Northside and newly launched project V5 lead the changes in assets' base in terms of the following: accounts receivables increased to EGP 169Mn as of Mar-24 versus EGP 88.5Mn as of Dec-23; while projects under construction (PUC) increased 5% to EGP 380Mn compared to EGP 358.9Mn during the same period. Total assets recorded EGP 1.6Bn in Mar-24 versus EGP 1.3Bn in Dec-23.

#### **Operational Highlights:**

Following project LINX's and ARC business parks success, SVREICO launched and completed its third business park "Northside" in Smart Village, the project spans across a land area of 1,500 sqm and BUA of 6,000 sqm, the project offers office spaces ranging between 58-150 sqm, with an estimated investment cost of EGP 185Mn.

In Q1-24, SVREICO launched project V5, the biggest business community in Smart Village, with 5 connected commercial buildings spanning over 10,000 sqm and a built-up area of 60,000 sqm.

### 4. Investment Banking

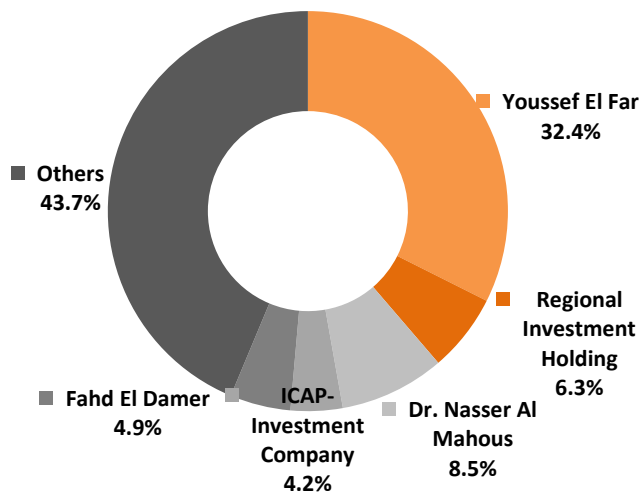
Leveraging on NAEEM Group's MENA presence, the Investment Banking division has generated a diversified pipeline for FY23. NAEEM IB continued to pitch new clients across several sectors including:

1. Education
2. Healthcare
3. Industrial
4. Real Estate
5. Financial services
6. Fintech
7. Food & Beverage
8. Hospitality

Pipeline transactions are separated into External Clients Advisory Services and NAEEM Group Proprietary investments advisory.

## II. NAEEM HOLDING STANDALONE

### Shareholding Structure as of March 2024



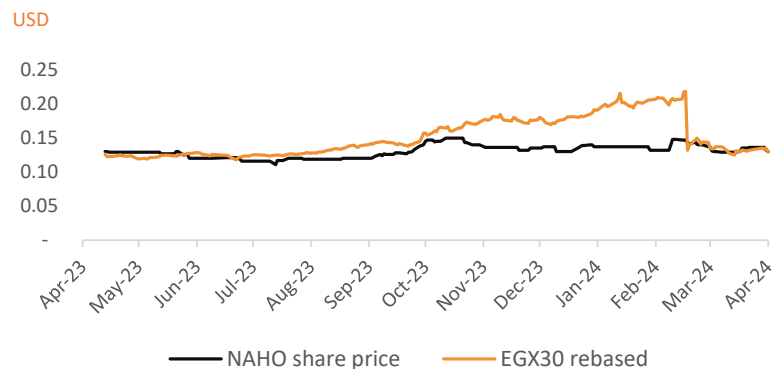
Note: NAHO free float shares amount to 60.84%

On a standalone basis, NAEEM reported operating revenues of USD 128k during Q1-24, up 35% Y-o-Y, driven by custody & margin trading income constituting 94% of total operating revenues. NAEEM was positively affected by the recent EGP devaluation witnessed in March-24 as the company reported an FX gain of USD 1.6Mn during Q1-24 resulting in the company reporting an EBIT of USD 972k and net income of USD 528k. versus net income of USD 472k in Q1-23.

### Company Snapshot

Ticker:	NAHO EY NAHO - DU
Mkt Cap (USD Mn)*:	45.55
Shares Outstanding (Mn)*	350.414
Share Price (USD)*:	0.13

\*As of March 31<sup>st</sup> 2024



### NAEEM in Figures

**USD 128K**

Operating Income in Q1-24 vs.  
USD 95K in Q1-23

**4,000**

Number of Institutional & Retail  
Shareholders as of Mar-24

**USD 271.3Mn**

Total Assets as of Mar-24



This earning release may contain certain forward looking statements including investment banking pipeline, market shares, investments' exists, future banking performance, economic and financial conditions including in particular the likelihood of a project's success or a business acquisition/expansion. All prospective investors must make their own investigation and evaluation of the investment opportunities stated in this document. Forward-looking statements can be identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "intends", "anticipates", "should" or comparable terminology. Such statements are subject to uncertainties and should not be taken as representations. NAEEM will not be held accountable to the outcome of any forward looking statement.

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Brokerage | Investments**Investor Relations Department**

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**Listing Symbols- The Egyptian Exchange (EGX)**

Reuters Code: NAHO.CA  
Bloomberg Code: NAHO EY

**Listing Symbol- Dubai Financial Market (DFM)**

NAHO-DU