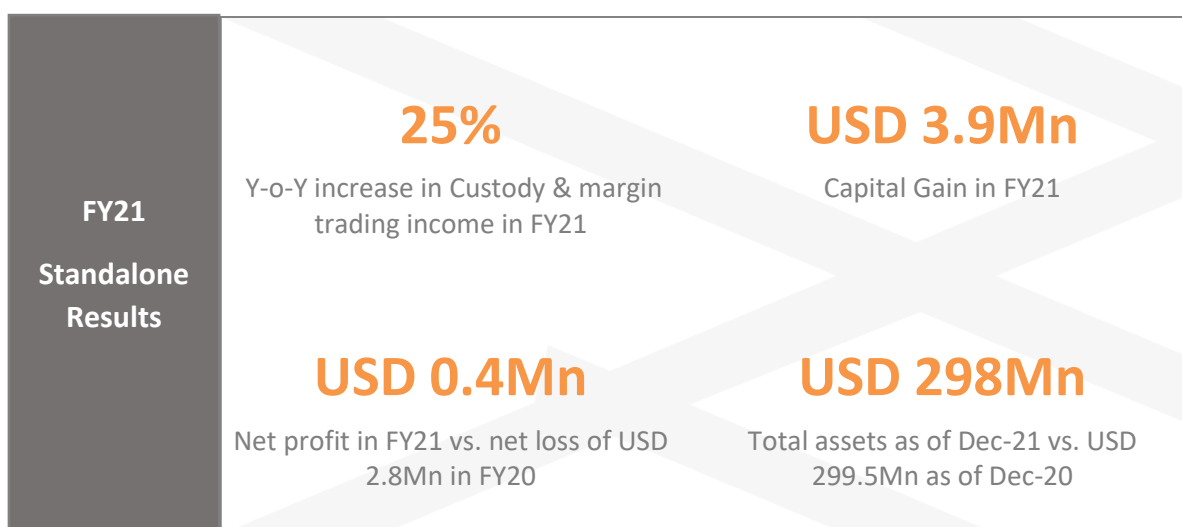
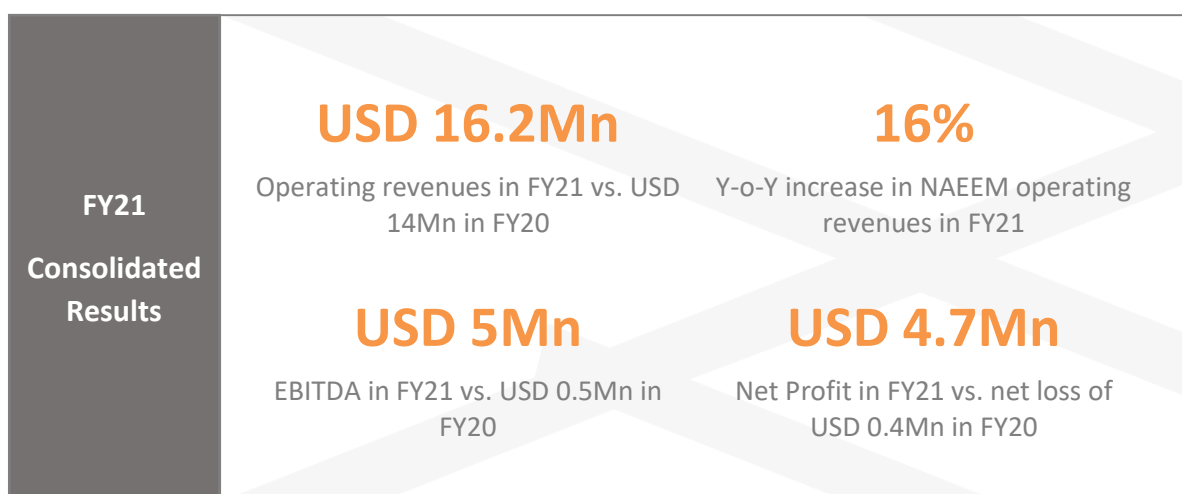


## **NAEEM Holding for Investments “NAEEM” reports 2021 annual consolidated and standalone results**

*Cairo, February 28<sup>th</sup> 2022, NAEEM reported its FY21 results with total net consolidated operating revenues of USD 16.2Mn and net profit of USD 4.7Mn.*



## I. KEY FINANCIAL HIGHLIGHTS

<b>Operating Revenues Breakdown (000 USD)</b>	<b>Q4-21</b>	<b>Q3-21</b>	<b>Q4-20</b>	<b>Q-o-Q %</b>	<b>Y-o-Y %</b>	<b>FY21</b>	<b>FY20</b>	<b>Y-o-Y %</b>
Securities' Brokerage	496	1,006	887	-51%	-44%	2,775	2,566	8%
Asset Management	15	19	9	-18%	65%	329	33	888%
Investment Banking	14	19		-27%	N/M	48		N/M
<b>Total Business Line Contribution</b>	<b>525</b>	<b>1,040</b>	<b>896</b>	<b>-50%</b>	<b>-41%</b>	<b>3,152</b>	<b>2,599</b>	<b>21%</b>

	<b>Q4-21</b>	<b>Q3-21</b>	<b>Q4-20</b>	<b>Q-o-Q %</b>	<b>Y-o-Y %</b>	<b>FY21</b>	<b>FY20</b>	<b>Y-o-Y %</b>
NAEEM's Operations & Investments	98	118	(361)	-17%	N/M	(605)	2	N/M
REACAP Financial Investments	738	5,357	1,894	-86%	-61%	13,046	11,375	15%
Other Income (losses)	377	7	4	N/M	N/M	649	(7)	N/M
<b>Total Investments Contribution</b>	<b>1,213</b>	<b>5,482</b>	<b>1,538</b>	<b>-78%</b>	<b>-21%</b>	<b>13,091</b>	<b>11,370</b>	<b>15%</b>
<b>Grand Total Operating Revenues</b>	<b>1,738</b>	<b>6,523</b>	<b>2,434</b>	<b>-73%</b>	<b>-29%</b>	<b>16,243</b>	<b>13,969</b>	<b>16%</b>

On a consolidated level, during FY21, NAEEM reported net operating revenues of USD 16.2Mn up 16% Y-o-Y, driven by revenues stemming from NAEEM's investments, contributing USD 13.1Mn to total net operating revenues, up 15% Y-o-Y versus USD 11.4Mn in FY20. Revenues from business lines (driven by securities' brokerage, asset management and investment banking) also witnessed 21% Y-o-Y growth, generating the remaining USD 3.15Mn.

Concerning Q4-21 consolidated results, NAEEM investments contributed 70% of the total operating revenues mainly on the back of REACAP – NAEEM's Real Estate arm – which generated USD 0.73Mn. Business lines accounted for the remaining 31%, fueled by Securities' Brokerage contributing USD 0.5Mn followed by Asset Management and Investment Banking during Q4-21.

REACAP reported consolidated results, with total operating revenues growing 13% Y-o-Y to EGP 204Mn in FY21, versus EGP 180Mn in FY20; while net operating revenues was up 138.5% to EGP 145.6Mn versus EGP 61.1Mn during the same period on the back of lower costs of revenues. Revenues from sale of projects by REACAP's subsidiary - SVREICO for real-estate investment "SVREICO" – contributed 89% to operating revenues while rental income, maintenance revenues and coupon revenues accounted for 6%, 3% and 2%, respectively. As for non-operational revenues, REACAP reported revenues from treasury bills yields and interest income amounting to EGP 9Mn in FY21, versus EGP 1.3Mn in FY20. As a result, the company's net profit jumped 234% to EGP 89.3Mn in FY21, compared to EGP 26.7Mn in FY20.

During FY21, NAEEM consolidated results were up 16% to USD 16.2Mn driven by REACAP revenues followed by total commission and management fees, where the latter climbed 34% Y-o-Y to USD 3.7Mn versus USD 2.7Mn in FY20. G&A expenses jumped 26% Y-o-Y to USD 7.5Mn from USD 5.9Mn in FY20 which translated to an EBITDA of USD 5Mn during the same period versus USD 0.5Mn in FY20. Interest and leasing expenses were up 31% Y-o-Y to USD 2.2Mn from USD 1.7Mn in FY20 yet were offset by a USD 2.9Mn capital gain recorded during FY21. As a result, NAEEM reported net profit after taxes of USD 4.7Mn versus a net loss USD 0.35Mn in FY20.

On a standalone basis, during FY21, custody & margin income and dividends income climbed 25% and 17% Y-o-Y; respectively. NAEEM reported a capital gain totaling USD 3.9Mn on the back of a sale in one of its buildings which translated to an EBITDA of USD 2.3Mn in FY21 versus a negative EBITDA of USD 0.6Mn in FY20. NAEEM reported net profit USD 0.4Mn in FY21 versus a loss of USD 2.8Mn in FY20.



On the operational level, during FY21, securities' brokerage revenues contributed 88% to revenues from business lines while revenues from asset management and investment banking generated the remaining 12%.

On the prop investments level, SVREICO continued to drive REACAP's profitability and boost its assets' base in terms of receivables reflecting buildings/units' sales and projects under development. The latter climbed 46% Y-o-Y as of Dec-21 to EGP 400Mn on the back of project ARC as well as SVREICO's latest project "Northside". The latter, which is SVREICO's third business park in Smart Village, was launched in 1H-21 following project LINX and ARC business parks' success. REACAP's total assets recorded EGP 1.3Bn in Dec-21, up 9% Y-o-Y on the back of an increase in projects under development and investments in T-Bills.

## KEY OPERATIONAL HIGHLIGHTS

### 1. Brokerage

Egyptian market index, EGX30, ended FY21 on a high note at 11,949 points as of December 30<sup>th</sup> 2021, up 15% & 10.2%, Q-o-Q and Y-o-Y respectively; bringing in total market capitalization for FY21 to EGP 924Bn, up 49.8% Y-o-Y on hopes that new offerings in the market would revive hopes for a faster recovery. During Q4-21, market turnover slightly retreated to reach EGP 251Bn, down 4% Q-o-Q yet was up 26% Y-o-Y versus EGP 200Bn in Q4-20.

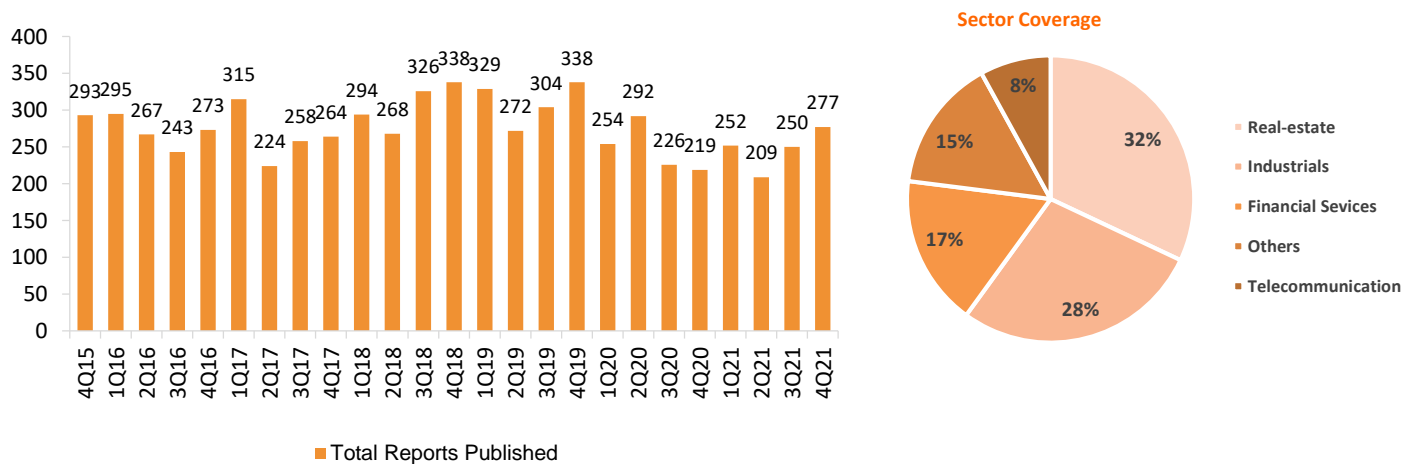
	Q4-21	Q3-21	Q4-20	Q-o-Q	Y-o-Y	2021	2020	Y-o-Y
EGX Turnover (000 EGP)	251,133,216	260,429,517	200,060,446	-4%	26%	923,984,357	616,766,157	49.8%
Company Turnover (000 EGP)	5,333,435	4,713,650	5,837,526	13%	18.3%	17,894,969	16,942,392	5.6%
Market Share	2%	2%	3%			2%	3%	

Regarding NAEEM Brokerage Egypt's (NBE) performance, Q4-21 turnover was up 13% and 18.3% Q-o-Q & Y-o-Y; respectively. During FY21, company turnover reached EGP 17.9Bn, up 5.6% Y-o-Y, translating into a market share of 2% pushing revenues higher to USD 2.8Mn in FY21, up 8% Y-o-Y versus USD 2.6Mn in FY20.

### 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 Q4-21, NAEEM Research issued 277 reports in both Arabic and English bringing in the total reports in FY21 to 988.



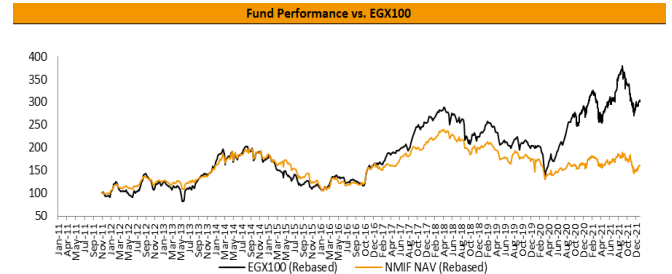
The Research department covers all major sectors in the MENA region including Real estate, Petrochemicals, Oil & Gas, Building materials, Telecommunications, Financial services, and other sectors. The department also offers a wide range of products covering both fundamental as well as technical research.

### 3. Asset Management

NAEEM's total Assets under Management (AUMs) stood at USD 355Mn as of Dec-21. On a dollar basis, NAEEM's listed equities were slightly down 1% Q-o-Q yet up 3% Y-o-Y.

#### A. Listed Equities

The Central Bank of Egypt (CBE) left the overnight deposit & lending rates unchanged at 8.25% & 9.25% respectively; throughout 2021 overall. Nevertheless, CBE had cut rates four times during 2020 with the last being in November-20 by 50 basis points. These decisions came despite annual core inflation rate increasing to 5.9% in Dec-21, versus 4.8% in September-21 and 4.3% in January-21. During Q4-21, total AUMs were up 1% & 5% Q-o-Q and Y-o-Y; respectively. Egypt based AUMs slightly retreated 1% during the quarter yet increasing 3% over the year.



During FY21, total asset management fees witnessed whopping growth amounting to 881% Y-o-Y versus FY20, mainly on the back of performance fees which constituted 64% of the total asset management fees, while management fees generated the remaining 36%. As of Q4-21, Asset Management clients' base was 90% individuals and 10% institutional clients.

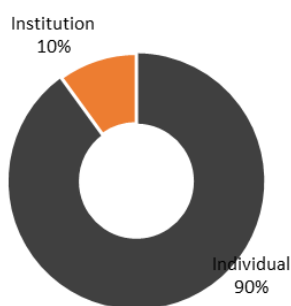
#### Al Baraka Bank Fund

Al Baraka Fund ended the quarter with a NAV of EGP 102.87 as of December 30<sup>th</sup> 2021; climbing 0.7% & 10.9% Q-o-Q and Y-o-Y; respectively. Al Baraka was ranked first among open ended Islamic Balanced funds.

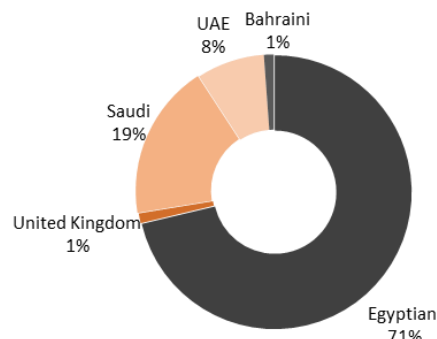
#### NAEEM Misr Islamic Fund (NMIF)

NAEEM Misr Islamic Fund ended the quarter with a NAV equivalent to EGP 161.63 as of December 30<sup>th</sup> 2021; retreating by 7.7% & 0.3%, Q-o-Q and Y-o-Y; respectively.

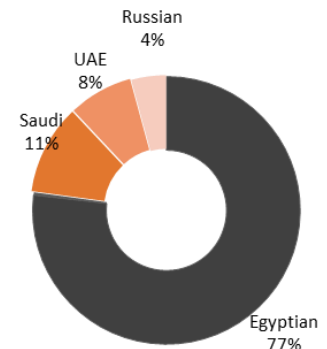
Q4-21 Portfolio Allocation by Client Type



Q4-21 Portfolio & Funds Number Breakdown by Nationality



Q4-21 AUM Value Breakdown by Nationality



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

<b>Income Statement (000 EGP)</b>	<b>Q4-21</b>	<b>Q3-21</b>	<b>Q4-20</b>	<b>Q-o-Q%</b>	<b>Y-o-Y%</b>	<b>FY-21</b>	<b>FY-20</b>	<b>Y-o-Y%</b>
Net interest income	699,463	725,536	645,774	-3.6%	8.3%	2,754,150	2,610,576	5.5%
Fees and commissions income	85,658	97,346	100,879	-12.0%	-15.1%	374,299	351,347	6.5%
Other income	21,655	15,112	56,722	43.3%	-61.8%	97,566	191,384	-49.0%
Provisions	114,898	(56,868)	(13,040)	N/M	N/M	(224,430)	(424,167)	-47.1%
<b>Net operating income</b>	<b>429,980</b>	<b>419,710</b>	<b>276,152</b>	<b>2.4%</b>	<b>55.7%</b>	<b>1,553,342</b>	<b>1,030,222</b>	<b>50.8%</b>
<b>Net profit after taxes</b>	<b>188,642</b>	<b>173,063</b>	<b>159,058</b>	<b>9.0%</b>	<b>18.6%</b>	<b>695,659</b>	<b>625,233</b>	<b>11.3%</b>

<b>Balance Sheet (000 EGP)</b>	<b>Q4-21</b>	<b>Q3-21</b>	<b>Q4-20</b>	<b>Q-o-Q%</b>	<b>Y-o-Y%</b>	<b>FY-21</b>	<b>FY-20</b>	<b>Y-o-Y%</b>
Cash and marketable securities	6,543,828	6,312,288	5,607,455	3.7%	16.7%	6,543,828	5,607,455	16.7%
Total loans	23,250,454	22,858,725	22,676,873	1.7%	2.5%	23,250,454	22,676,873	2.5%
<b>Total Assets</b>	<b>80,195,372</b>	<b>80,371,533</b>	<b>72,027,492</b>	<b>-0.2%</b>	<b>11.3%</b>	<b>80,195,372</b>	<b>72,027,492</b>	<b>11.3%</b>
Total deposits	64,423,961	68,597,822	60,270,073	-6.1%	6.9%	64,423,961	60,270,073	6.9%
<b>Shareholders' Equity</b>	<b>5,725,325</b>	<b>5,641,326</b>	<b>5,462,479</b>	<b>1.5%</b>	<b>4.8%</b>	<b>5,725,325</b>	<b>5,462,479</b>	<b>4.8%</b>

<b>Key ratios</b>	<b>Q4-21</b>	<b>Q3-21</b>	<b>Q4-20</b>	<b>Q-o-Q%</b>	<b>Y-o-Y%</b>	<b>FY-21</b>	<b>FY-20</b>	<b>Y-o-Y%</b>
NIM (%)	1%	1.34%	1%	(0.4)	0.0	3.8%	3.9%	(0.1)
Loan to deposits (%)	36.1%	33.3%	37.6%	2.8	(1.5)	36.1%	37.6%	(1.5)
Growth in deposits	-6.1%	-0.1%	-1.7%	(6.0)	(4.4)	6.9%	7.5%	(0.6)
Growth in loans	1.7%	-0.8%	2.5%	2.5	(0.8)	3%	-3%	5.3
NPL / gross loans	5.8%	6.2%	4.8%	(0.4)	1.0	5.8%	4.8%	1.0

During Q4-21, EGBank reported net interest income of EGP 699.5Mn, slightly down 3.6% Q-o-Q yet up 8.3% Y-o-Y. Fees and commissions income<sup>1</sup> retreated by 12% Q-o-Q and 15.1% Y-o-Y, while other income climbed 43.3% Q-o-Q yet retreated 61.8% Y-o-Y; mostly on lower trading income. Nevertheless, net operating income was up 2.4% and 55.7%, Q-o-Q & Y-o-Y, respectively; to EGP 430Mn on the back of the reversal of provisions previously booked. During Q4-21, the bank reported reversals in provisions amounting to EGP 114.9Mn versus booking provisions of EGP 56.9Mn and EGP 13Mn during Q3-21 and Q4-20; respectively. Overall, EGBank reported net profit after tax of EGP 188.6Mn in Q4-21, up 9% and 18.6%, Q-o-Q & Y-o-Y; respectively.

As for FY21, the bank reported net interest income of EGP 2.8Bn up 5.5% Y-o-Y versus EGP 2.6Bn in FY20 whereas fees and commissions income climbed 6.5% Y-o-Y to EGP 374.3Mn. Other income retreated 49% Y-o-Y to EGP 97.6Mn due to lower trading income which recorded EGP 72Mn in FY21 versus EGP 163.5Mn in FY20. All the aforementioned coupled with the reversal of provisions translated into net operating income of EGP 1.6Bn, soaring 50.8% Y-o-Y. Nonetheless, higher effective tax rates of 55% in FY21 up from 39% in FY20 partially offset the increase in net profit after taxes, where the latter amounted to EGP 695.7Mn up 11.3% Y-o-Y versus EGP 625.2Mn in FY20.

Customer deposits amounted to EGP 64.4Bn in Dec-21, up 6.9% Y-o-Y; total loans inched 2.5% higher during the same period to EGP 23.3Bn which translated into a loan to deposits ratio 36.1% in Dec-21 versus 37.6%

<sup>1</sup> Generated from credit commissions and fees as well as other banking operations fees

as of Dec-20. The bank continued to witness deterioration in its assets quality as indicated by the jump in NPLs, with the NPL to Gross Loans ratio climbing to 5.8% in Dec-21 versus 4.8% in Dec-20.

#### **C. REACAP Financial Investments (REACAP)**

REACAP reported consolidated results, with total operating revenues growing 13% Y-o-Y to EGP 204Mn in FY21, versus EGP 180Mn in FY20; while net operating revenues was up 138.5% to EGP 145.6Mn versus EGP 61.1Mn during the same period on the back of lower costs of revenues. Revenues from sale of projects by REACAP's subsidiary - SVREICO for real-estate investment "SVREICO" – contributed 89% to operating revenues while rental income, maintenance revenues and coupon revenues accounted for 6%, 3% and 2%, respectively. As for non-operational revenues, REACAP reported revenues from treasury bills yields and interest income amounting to EGP 9Mn in FY21, versus EGP 1.3Mn in FY20. As a result, the company's net profit jumped 234% to EGP 89.3Mn in FY21, compared to EGP 26.7Mn in FY20.

SVREICO continued to drive REACAP's profitability and boost its assets' base in terms of receivables reflecting buildings/units' sales and projects under construction (PUC). PUC climbed 46% Y-o-Y as of Dec-21 to EGP 401Mn while REACAP's receivables stood at EGP 251Mn. Total assets recorded EGP 1.3Bn in Dec-21, up 9% Y-o-Y on the back of an increase in projects under development and investments in T-Bills.

#### **Operational Highlights:**

Following project LINX's and ARC business parks success, SVREICO launched its third business park in smart village "Northside", 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 140Mn.

#### **4. Investment Banking**

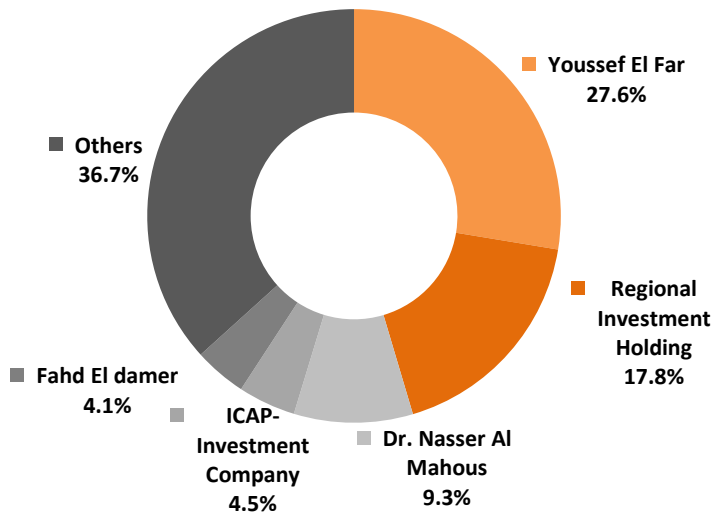
Leveraging on NAEEM Group's MENA presence, the Investment Banking division has generated a diversified pipeline for FY21. NAEEM IB continued to pitch new clients across several sectors including:

1. Education
2. Healthcare
3. Industrial
4. Real Estate
5. Financial services

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

## II. NAEEM HOLDING STANDALONE

### Shareholding Structure as of December 30th 2021



*Note: NAHO free float shares amount to 55.42%*

On a standalone basis, during FY21, custody & margin income and dividends income climbed 25% and 17% Y-o-Y; respectively. NAEEM reported a capital gain totaling USD 3.9Mn on the back of a sale in one of its buildings which translated to an EBITDA of USD 2.3Mn in FY21 versus a negative EBITDA of USD 0.6Mn in FY20. NAEEM reported net profit USD 0.4Mn in FY21 versus a loss of USD 2.8Mn in FY20.

#### Company Snapshot

Ticker:	NAHO EY NAHO - DU
Mkt Cap (USD Mn)*:	73.36
Shares Outstanding (Mn)*	349.359
Share Price (USD)*:	0.21

*\*As of December 30<sup>th</sup> 2021*



#### NAEEM in Figures

**25%**

Y-o-Y increase in Custody and  
Margin Income

**4,000**

Number of Institutional & Retail  
Shareholders as of Dec-21

**USD 298Mn**

Total Assets as of Dec-21



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

Reuters Code: NAHO.CA

Bloomberg Code: NAHO EY

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

NAHO-DU