Detailed analysis of accumulated losses

Date:	10-08-2021
Listed Company Name:	NAEEM Holding
Define the period of the financial statements	Q2-2021
Accumulated losses:	USD 57,211,364
Accumulated losses to capital ratio:	21.63%
The main reasons leading to these accumulated losses and their history:	NAEEM Holding reported operating revenues USD 7.2Mn, during Q2-21, up 588% Y-o-Y compared to Q2-20, mainly on the back of units' delivery in the real estate sector, which resulted in a noticeable increase in the sector's revenues. Financial business lines also witnessed an improvement in performance, as revenues from brokerage, asset management and investment banking sectors increased by 48% annually compared to Q2- 20. Losses from sale of financial investments in subsidiaries & sister companies had a negative impact on the company's bottom line. NAEEM also incurred an increase in the interest expense as a result of the expiry of the Central Bank's initiative to postpone these interests, which resulted in a loss before minority rights of 505 thousand dollars during Q2- 21 compared to a loss of 2 million dollars in the previous quarter. Accumulated losses ratio reached 21.63%. As for historical losses, they are due to several reasons including: - Change in accounting standards, namely leasing - Influence inside Egypt by floating and changing the exchange rate by a large percentage, which led to impact the investments and loans in foreign currencies - Disruptions in some sectors of financial investments and the capital market in general
Measures to be taken to address accumulated losses:	- Restructuring some subsidiaries and investments - Rescheduling debts and decreasing interest expenses - Accessing new sectors for investments - Expanding the Investment base outside Egypt

Deputy CEO Finance and Administration

Talal Akeil

قسم علاقات المستثمرين
NAEEM
INVESTOR RELATION DEPT.