Naeem Holding for Investments
Board of Directors Report for Financial Results
For the period 01/01/2023 to 31/12/2023

Highlights on the main financial and operating indicators for 2023:

- Consolidated Results: The company reported total revenues of USD10mn in 2023, compared to USD20.9mn in 2022. This decline was due to the decrease in revenues stemming from real estate activities as current projects are still under development. As a result, The Groups' consolidated operating profit before interest, taxes, and depreciation (EBITDA) decreased slightly to USD1.6mn in 2023 from USD1.9mn in 2022. Despite strong growth in financial services, the company reported a net loss of USD527 thousand in 2023 compared to a net profit of USD597.2 thousand in 2022. This loss was primarily due to lower FX gains of USD1.6mn in 2023 versus USD3.4mn in 2022 coupled with a higher interest expense amounting to USD2.91mn compared to USD2.45mn in 2022. Nevertheless, the company's equity base remained solid at USD210.7mn.
- NAEEM Misr Fund ranked first among Islamic Equity funds, with a NAV of EGP283.89 as of 2023, up 69.3% YoY.
- Al Baraka Fund ranked first among the Islamic Balanced Funds with a NAV of EGP170.75 as of 2023, increasing by 53.3% YoY.
- NAEEM's brokerage arm's total trading value reached EGP30.2bn in 2023, resulting in a 2.1% market share of total traded value on the EGX.
- REACAP Financial Investments (47.6% owned by NAEEM Holding) reported total operating revenues of around EGP151.8mn in 2023, versus EGP296.8mn in 2022. This decline was due to the ongoing development of current projects. Projects under construction approached 90% completion increasing the current balance of work in progress to EGP359mn in 2023 versus EGP243mn in 2022.
- EGBank (9% owned by NAEEM Holding) witnessed a 65% growth in net profit, recording EGP1.4bn in 2023. The increase in net interest income and income from fees and commissions by 20% and 132.2%, respectively, was the main driver of this growth. Total deposits increased by 13.1% YoY, and total loans grew by 18.6% YoY in 2023.
- Smart Villages Development and Management Company (33% owned by NAEEM Holding): reported a growth of 16.6% in net revenues during 2023 and a 10.4% increase in gross profit, resulting in a gross profit margin of 21%. Net profit margin stood at 16.9% in 2023.

Preparation date: February 28th, 2024

Vice Chairman & Chief Executive Officer

Youssef El-Far

Smart Village - Km 28 Cairo Alexandria Road - Building B16,
Postal Code : 12577, P.O.Box : 61 Giza, Egypt
Tel: (+202) 35316100 | Fax: (+202) 35316101
www.naeemholding.com