

Beltone achieves record Operating Revenue of EGP957 million in 9M2023, a remarkable growth of 271% YoY. Net Profit recorded EGP86 million, an increase of 161% YoY, a strong testimony to a major transformation after 3 years of consecutive losses

Cairo, November 26, 2023: Beltone Financial Holding (“Beltone” or “the Company”), one of the fastest growing financial institutions, announces its consolidated financial and operational results for the period ending September 30, 2023.

Key Highlights

- Beltone’s new management embarked on a journey of restructuring and transformation, following the acquisition. Many functions were revamped, policies and procedures were deployed, the business was adequately capitalized through the recent Rights Issue, built a best-in-class team to manage, grow and diversify Beltone’s offerings and income stream while unlocking synergies.
- Furthermore, the strategy entailed Beltone’s transformation into a digital data-driven organization. Data Science and Analytics function is a powerhouse of innovation and strategic intelligence within Beltone and a unique differentiating factor within the industry.
- Beltone Academy was established with a vision to be recognized as a leading financial education institution, empowering individuals with the knowledge and skills to navigate the complexities of the financial world.
- In 9M2023, the Company witnessed remarkable transformation and restructuring that led to a solid turnaround. Operating Revenue increased to EGP957 million, a growth of 271% YoY driven by strong operational performance across the Non-Banking Financial Institutions (“NBFIs”), complemented by the Investment Bank and Other Ventures.
- EBITDA amounted to EGP266 million in 9M2023, a growth of 9.5x YoY. Net Profit recorded EGP86 million, an increase of 161% YoY, compared to a Net Loss of EGP140 million during the same period last year, a strong testimony to the restructuring and turnaround that took place over the past year.
- The NBFIs Operating Revenue recorded EGP478 million in 9M2023, a growth of 680% YoY. Leasing Revenue was one of the main drivers behind said growth, followed by Consumer Finance, Microfinance and Venture Capital. The Investment Bank Operating Revenue amounted to EGP198 million in 9M2023. The Securities Brokerage Margin Lending Portfolio grew to EGP621 million during 9M2023, increasing 2.1x YoY. While Assets Under Management reached EGP23 billion, a growth of 16% YoY.
- As part of Beltone’s transformation and restructuring strategy, the Company launched its new revamped brand identity. The Consumer Finance arm was rebranded from “BelCash” to “seven”, reinforcing Beltone’s position as a leading Consumer Finance powerhouse which offers innovative fintech payment solutions that bridge the gap between financial capability and aspiration.

- Beltone Leasing received regulatory approval on adding Factoring to its lines of business during 3Q2023. Furthermore, Beltone Mortgage Finance received regulatory approval on its license in November 2023, which brings Beltone’s existing licenses to 16 licenses. Beltone Venture Capital increased its investments during 9M2023, by investing in SehaTech, WayUp Sports, Bosta and Ariika.
- In September 2023, Beltone acquired 100% of Cash for Microfinance, a leading FRA-licensed microfinance provider in Upper Egypt, with ambitious plans to strengthen its reach by increasing its branches capacity across Egypt and launch many mobile branches, to make its financial services available to customers especially in remote areas.

Consolidated Financial Performance

EGP Thousand	9M2023	9M2022	Change YoY	3Q2023	3Q2022	Change YoY
Operating Revenue	956,521	257,663	271%	636,987	75,655	742%
Investment Bank	197,804	194,831	2%	87,655	50,942	72%
NBFIs	478,272	61,333	680%	302,423	24,417	11x
Other Ventures	280,446	1,500	190x	246,909	296	834x
Operating Expenses	(532,378)	(230,240)	131%	(218,904)	(84,606)	159%
Net Operating Profit	424,143	27,423	15x	418,083	(8,951)	47x
Net Operating Profit Margin	44%	11%	33 pts	66%	(12%)	78 pts

During 9M2023, Consolidated Operating Revenue grew to EGP957 million, an increase of 271% YoY, compared to EGP258 million during the same period last year. The NBFIs platform Operating Revenue recorded EGP478 million, an impressive growth of 680% YoY, compared to EGP61 million during 9M2022. The Investment Bank Operating Revenue amounted to EGP198 million.

Net Operating Profit recorded EGP424 million, a remarkable growth of 15x YoY as the change in top line outpaced the increase in Operating Expenses. Net Operating Profit Margin recorded 44% in 9M2023, an increase of 33 points YoY.

Net Profit recorded EGP86 million, a growth of 161% YoY, compared to a Net Loss of EGP140 million during the same period last year, a strong testimony to the restructuring and turnaround that took place over the past year, whereby the Company turned green after three years of consecutive losses.

The Investment Bank Financial Performance

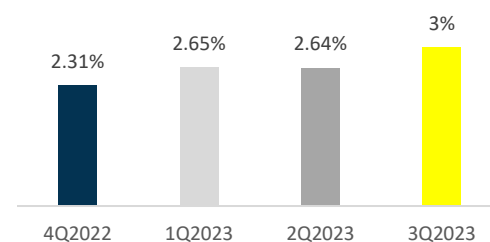
EGP Thousand	9M2023	9M2022	Change YoY	3Q2023	3Q2022	Change YoY
Operating Revenue	197,803	194,831	2%	87,655	50,942	72%
Securities Brokerage	132,304	120,328	10%	64,617	36,866	75%
Asset Management	46,592	42,852	9%	18,375	11,531	59%
Investment Banking	18,907	31,651	(40%)	4,663	2,544	83%
Operating Expenses	(192,015)	(138,713)	38%	(65,412)	(47,999)	36%
Net Operating Profit	5,788	56,117	(90%)	22,243	2,943	656%
Net Operating Profit Margin	3%	29%	(26 pts)	25%	6%	19 pts

During 9M2023, the Investment Bank Operating Revenue amounted to EGP198 million, a growth of 2% YoY. Securities Brokerage contributed the lion's share of EGP132 million, followed by Asset Management and Investment Banking at EGP47 million and EGP19 million, respectively. Operating Expenses increased 38% YoY to EGP192 million due to strategic hirings, deployment of new systems and other operating costs dictated by the Company's growth and transformation strategy, which translated to Net Operating Profit of EGP6 million.

Operational Performance

Beltone Securities Brokerage executions reached EGP21 billion during 9M2023, a growth of 85% YoY, compared to EGP11.3 billion during the same period last year. Operating Revenue increased 10% YoY to EGP132 million on the back of increased commissions, which amounted to EGP87 million, up 2.1x YoY, as well as revamping the Margin Lending portfolio to reach EGP621 million during 9M2023. Beltone Securities Brokerage market share advanced to 3% in 3Q2023 compared to 2.6% in 2Q2023.

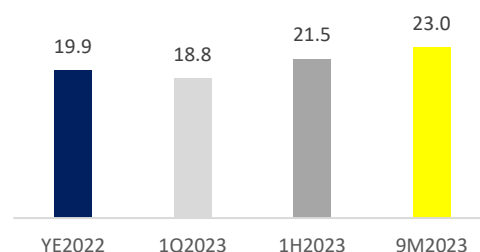
Market Share



Beltone Research currently covers 95 companies across the region. Beltone has focused efforts on extending its product offering to enhance the division's value proposition. During the period, it introduced two new products: Weekly Momentum Trading, which is focused on supporting clients in navigating the market on a weekly basis through short-term trading ideas, as well as a Dollar Plays Index, which significantly outperformed EGX30 index.

Beltone Asset Management is Egypt's largest non-bank affiliated Asset Management house, with Assets Under Management exceeding EGP23 billion by end of 9M2023 and regional coverage across 20 markets in the Middle East. During the period, Beltone Asset Management received several prestigious awards, recognizing its outstanding performance and leadership in the financial sector, including the fastest growing asset manager in Egypt by the International Finance Awards.

AUMs Evolution (EGP billion)



Beltone Investment Banking is a regional one-stop-shop for advisory and capital raising. Services include equity capital markets, debt capital markets, mergers and acquisitions, financial advisory, ECA financing advisory and credit fund. Beltone Investment Banking has successfully executed deals totaling EGP115 billion across local and regional markets, with regional mandates that capitalize on high-growth sectors.

The NBFIs Platform

Financial Performance

EGP Thousand	9M2023	9M2022	Change YoY	3Q2023	3Q2022	Change YoY
Operating Revenue	478,272	61,333	680%	302,423	24,417	11x
Leasing & Factoring	332,641	50,291	561%	200,537	20,290	888%
Consumer Finance “seven”	101,584	10,994	824%	57,854	4,121	13x
Microfinance “Cash” ¹	18,924	-	NA	18,924	-	NA
Venture Capital	24,615	47	523x	24,600	6	4189x
Others	508	0.8	666x	508	0.3	1951x
Operating Expenses	(146,972)	(48,155)	205%	(68,381)	(15,345)	346%
Net Operating Profit	331,299	13,178	25x	234,042	9,072	25x
Net Operating Profit Margin	69%	21%	48 pts	77%	37%	40 pts

The NBFIs achieved remarkable growth in top line reaching EGP478 million, marking an increase of 680% YoY, driven by Leasing followed by Consumer Finance (“seven”), Venture Capital and Microfinance (“Cash”). Operating Expenses increased by 205% YoY to EGP147 million due to strategic hirings and other operating expenses in line with Beltone’s growth and transformation strategy. Net Operating Profit amounted to EGP331 million, an impressive growth of 25x YoY.

Operational Performance

Leasing & Factoring

During 9M2023, Outstanding Portfolio² reached EGP3.6 billion, a remarkable growth of 6x YoY, compared to EGP496 million during the same period last year. The number of new contracts stood at 120 contracts by the end of 9M2023. In September 2023, the Company received regulatory approval on adding Factoring to its business lines, enabling it to become a fully-fledged alternative finance provider.

Consumer Finance (“seven”)

During 3Q2023, Beltone rebranded its Consumer Finance arm from “BelCash” to “seven”. This move reinforces Beltone’s position as a one stop shop offering innovative fintech payment solutions. By end of 9M2023, Outstanding Portfolio² amounted to EGP1.1 billion. seven application customers recorded 7,015 customers.

Microfinance (“Cash”)

During 9M2023, Beltone acquired 100% of Cash for Microfinance, a leading FRA-licensed microfinance provider in Upper Egypt. Outstanding Portfolio² amounted to EGP123 million by end of 9M2023. Existing clients crossed the 10,000 clients’ mark.

1- Beltone started to consolidate Cash for Microfinance since July 2023.

2- Outstanding Portfolio consists of Principal plus Interest.

Consolidated Income Statement³

EGP Thousand	9M2023	9M2022	3Q2023	3Q2022
Fees and Commission	175,070	124,998	79,725	33,485
Interest Income	781,451	132,665	557,262	42,169
Total Operating Revenue	956,521	257,663	636,987	75,654
Share in Profit of Associates	19	(20)	(3)	(26)
Change in Assets Measured at Fair Value through P&L	2,137	2,616	457	1,203
Net Dividends Distribution	12,203	18,049	362	548
Expected Credit Loss	(43,879)	(67,082)	(24,758)	36,130
Other (Expenses) Revenues	(21,251)	12,785	323	104
Provisions No Longer Required	200	-	-	-
Total Revenue	905,949	224,011	613,368	113,614
Wages, Salaries and Equivalent	(357,746)	(151,382)	(150,305)	(51,721)
Other Operating Expenses	(174,631)	(78,858)	(68,599)	(32,885)
Intangible Assets Amortization	(592)	(592)	(197)	(197)
Fixed Assets Depreciation	(9,037)	(10,952)	(4,336)	(3,638)
Impairment in Due from Related Parties	-	(3)	-	-
Provisions Formed	(2,771)	(19,677)	(633)	(18,705)
Foreign Currency Exchange	15,824	5,723	(1,871)	1,401
Interest Expenses	(253,708)	(100,735)	(139,374)	(38,312)
Net Profit (Loss) for the Period Before Tax	123,288	(132,466)	248,053	(30,444)
Income Tax Expense	(37,510)	(7,421)	(16,382)	(3,853)
Net Profit (Loss) for the Period After Tax	85,778	(139,887)	231,670	(34,298)
Earnings (Loss) per Share	0.05	(0.31)	0.50	(0.08)

3- The Company's Consolidated Financial Statements for the period ended September 30, 2023, prepared in accordance with the Egyptian Accounting Standards ("EAS"), can be downloaded from the Company's website: www.beltoneholding.com

Consolidated Balance Sheet

EGP Thousand	September 30, 2023	December 31, 2022
Assets		
Non-Current Assets		
Intangible Assets & Goodwill	173,214	87,318
Fixed Assets	235,619	175,475
Investment in Associates	1,151	966
Financial Assets at Fair Value through OCI	148,904	80,839
Other Assets	15,998	10,857
Trade Receivables	3,380,791	556,760
Total Non-Current Assets	3,955,677	912,214
Current Assets		
Trade Receivables	3,141,551	327,261
Other Assets	38,246	8,831
Investment at Amortized Cost - Treasury Bills	275,563	238,663
Due from Related Parties	11	11
Financial Assets Measured at Fair Value through P&L	11,553	12,476
Cash & Cash Equivalents	7,177,326	1,844,443
MCDR Settlement	-	31,800
Total Current Assets	10,644,251	2,463,486
Total Assets	14,599,929	3,375,701
Shareholders Equity & Liabilities		
Shareholders' Equity		
Capital	10,926,957	926,957
ESOP Shares	(171,217)	(14,525)
Reserves	106,890	74,349
Retained Losses	(795,418)	(861,661)
Total Shareholders' Equity	10,067,213	125,121
Liabilities		
Non-Current Liabilities		
Lease Liability	8,547	11,306
Credit Facilities	2,374,070	512,943
Deferred Tax Liabilities	58	3,588
Total Non-Current Liabilities	2,382,675	527,838
Current Liabilities		
MCDR Settlement	62,866	-
Subordinated Loans	-	1,343,460
Credit Facilities	764,663	566,987
Trade Payables	638,991	535,684
Provisions	15,130	27,853
Due to Related Parties	1,476	1,512
Current Income Tax Liability	38,804	5,430
Lease Liability	1,223	5,136
Other Liabilities	626,887	236,679
Total Current Liabilities	2,150,040	2,722,742
Total Liabilities	4,532,715	3,250,579
Total Shareholders' Equity & Liabilities	14,599,929	3,375,701

Consolidated Cash Flow Statement

EGP Thousand	September 30, 2023	September 30, 2022
Net Profit (Loss) for The Period Before Tax	123,288	(132,466)
Intangible Assets Amortization	592	592
Fixed Assets Depreciation	9,037	10,952
Expected Credit Loss	43,879	67,082
Interest on Banks	(332,117)	(34,467)
Returns on Treasury Bills	(1,026)	(819)
Financing Cost - Credit Facilities	210,050	83,301
Interest from Lease Liability	699	1,510
Interest on Credit Facilities from Sale & Leaseback	14,458	15,924
Fees on Obtaining Facilities	28,500	-
Dividends Distribution	(12,203)	(18,049)
Share of Loss of Associates	(19)	20
Losses (Gain) on Sale of Fixed Assets	2,055	(580)
Revaluation of Financial Assets at Fair Value through P&L	(2,137)	(2,616)
Impairment on Due from Related Parties	-	3
Provisions Formed	2,771	19,677
Provisions No Longer Required	(200)	-
	87,628	10,064
Change in		
Trade Receivables	(5,792,935)	(153,461)
Investments at Fair Value through P&L	3,060	20,551
Due from Related Parties	-	(0.1)
Due from Companies Working in Securities	-	0.2
MCDR Settlement	94,666	(25,456)
Other Assets	(36,464)	(7,060)
Other Liabilities	368,813	14,203
Trade Payables	103,307	2,256,359
Due to Related Parties	(37)	(44)
Provisions	(15,294)	(7,249)
Cash Used in Operating Activities	(5,187,255)	2,107,907
Proceeds from Credit Interest	332,117	34,467
Return on Money Market Fund	-	-
Return on Treasury Bills	-	819
Interest Expenses Paid	-	-
Payments for Income Tax	(1,660)	(16,288)
Net Cash Used in Operating Activities	(4,856,799)	2,126,906
Cash Flows from Investing Activities		
Payments for Purchase of Fixed Assets	(87,873)	(22,416)
Proceeds from Sale of Fixed Assets	45	594
Proceeds from Treasury Bills	(15,269)	-
Proceeds from Dividends Distribution	12,203	5,988
Payment for Acquisition of Subsidiaries	(95,354)	-
Payments Under Investments	-	(1,000)
Payments to Investments at Fair Value through OCI	(62,250)	(29,117)
Net Cash Used in Investing Activities	(248,499)	(45,952)
Cash Flows from Financing Activities		
Proceeds from Capital Increase – ESOP	-	2,122
Disposal of Lease Liability	-	-
Payment of Lease Liability	7,017	(4,702)
Payments for Financing Costs - Short Term Loans	-	-
Payments for Shareholder Loan	(1,343,460)	-
Payment for Financing Cost - Credit Facilities	(181,619)	-
Interest Paid from Credit Facilities	-	(80,022)
Payment of Short-Term Loan	-	-
Proceeds from Capital Increase	9,843,307	-
Payment for Obtaining Facilities	(28,500)	-
Proceeds from Credit Facilities	2,161,696	114,637
Payment for Sales and Leaseback Contract	(14,458)	-
Net Cash Generated from Financing Activities	10,443,983	32,026
Net Change in Cash and Cash Equivalents during the Period	5,338,684	2,112,981
Foreign Currency Translation Differences	14,803	8,321
Cash and Cash Equivalent at the Beginning of the Period	2,083,107	859,262
Cash and Cash Equivalent at the End of the Period	7,436,594	2,980,564

About Beltone Financial Holding

Beltone Financial Holding (EGX: BTFH.CA) is a leading financial services provider with a multi-decade track record of success in the MENA region. The Company offers a comprehensive and growing set of financial solutions such as brokerage, investment banking, asset management, equity research, and private equity, in addition to end-to-end non-banking financial institutions (NBFIs) including leasing, factoring, consumer finance, venture capital, mortgage finance and microfinance. The Company is driven by a vision to redefine the financial ecosystem in the region by capitalizing on global expertise, knowledge, and disruptive, value-accretive solutions that unlock limitless opportunities for clients, to drive market value and impactful results.

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Forward-looking Statements

This document contains certain forward-looking statements that reflect the current views and/or expectations of Beltone Financial Holding and its subsidiaries (“the Group”) with respect to its performance, business, and future events. Such statements are subject to several risks, uncertainties and assumptions that may cause actual results to differ materially from those expressed or implied. The Group does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise that are outside management’s control. The Group cautions readers not to place undue reliance on any of these forward-looking statements.