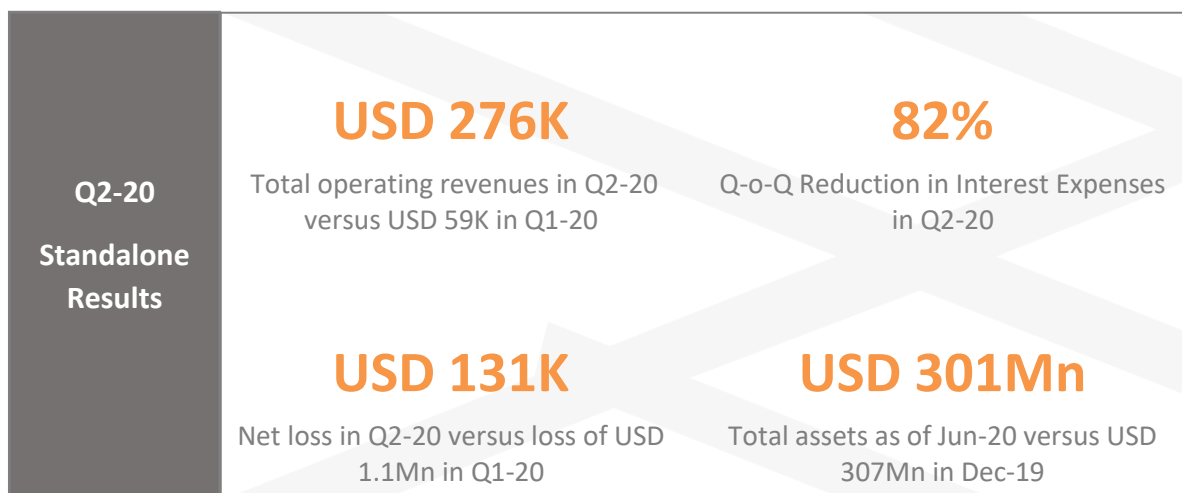
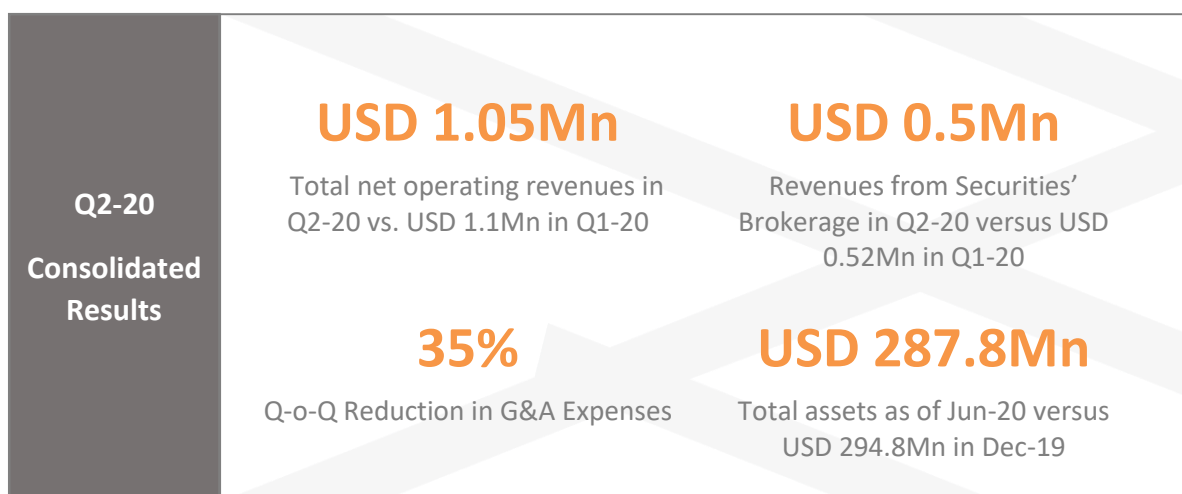


NAEEM Holding for Investments “NAEEM” reports 1H-20 consolidated and standalone results

Cairo, August 11th 2020, NAEEM reported its 1H-20 results with total net consolidated operating revenues of USD 2.2Mn and net loss of USD 1.7Mn



I. KEY FINANCIAL HIGHLIGHTS

Operating Revenues Breakdown (000 USD)	Q2-20	Q1-20	Q2-19	Q-o-Q %	Y-o-Y %	1H-20	1H-19	Y-o-Y %
Securities Brokerage	499	524	423	-5%	18%	1,024	1,226	-16.5%
Asset Management	8	8	16	-9%	-52%	16	42	-61.8%
Total Business Lines Contribution	507	533	439	-5%	15%	1,040	1,269	-18.1%
	Q2-20	Q1-20	Q2-19	Q-o-Q %	Y-o-Y %	1H-20	1H-19	Y-o-Y %
NAEEM's Operations & Investments	230	()	121	N/M	90%	229	2,884	-92.1%
REACAP Financial Investments	352	649	985	-46%	-64%	1,002	1,627	-38.5%
Other Income (losses)	(37)	(83)	(213)	N/M	N/M	(120)	(307)	N/M
Total Investments Contribution	545	566	893	-4%	-39%	1,111	4,204	-73.6%
Grand Total Operating Revenues	1,052	1,099	1,332	-4%	-21%	2,151	5,473	-60.7%

On a consolidated level during 1H-20, NAEEM reported net operating revenues of USD 2.2Mn driven by NAEEM business lines contributing USD 1.04Mn, followed by REACAP financial investments –NAEEM's real estate investment vehicle– contributing USD 1Mn while the remaining USD 0.2Mn was generated by NAEEM's operations and investments¹. Q2-20 operating revenues retreated 4% Q-o-Q to USD 1.05Mn mainly due to 46% drop in REACAP revenues (USD 352K versus USD 649K in Q1-20), NAEEM Operations and Investments revenues recorded USD 230K versus zero revenues in Q1-20 and USD 121K in Q2-19. Revenues from Business lines amounted to USD 0.5Mn during Q2-20, slightly down by 5% Q-o-Q, yet up 15% Y-o-Y.

REACAP's total operating revenues in 1H-20 amounted to EGP 15.8Mn, retreating by 44% Y-o-Y. Administrative areas sold by SVREICO for Real Estate Investment "SVREICO" generated 46% of REACAP's operating revenues, followed by rental income with 38% while coupon revenues contributed the remaining 16%. Rental income grew at 38.6% Y-o-Y as a result of increased occupancy. Net profit after taxes amounted to EGP 4.8Mn with a margin of 30%. It's expected that REACAP will start to recognize revenues and profits from its ongoing projects upon delivery scheduled during 2H-20 & 2021.

Regarding profitability, NAEEM Holding consolidated revenues fell to USD 2.2Mn during 1H-20 versus USD 5.5Mn in 1H-19 due to slower market activity that was further amplified by the outbreak of COVID-19, translating into net loss of USD 1.7Mn. The company was able to cut G&A expenses by 20% Y-o-Y to USD 2.6Mn in 1H-20 versus USD 3.2Mn in 1H-19. NAEEM also witnessed a 70% Y-o-Y drop in interest & leasing expenses to USD 0.5Mn during 1H-20 versus USD 1.8Mn in 1H-19; this retreat comes on the back of debt restructuring as well as the CBE's initiative to postpone installments amid COVID-19 outbreak.

On a standalone basis, NAEEM reported operating revenues amounting to USD 335K in 1H-20, versus USD 3Mn in 1H-19. This decline is mainly due to a change in accounting methods, where stock dividends are no longer reported in revenues. The latter recorded USD 2.8n in 1H-19 prior to exclusion in Q4-19 and Q1-20 financials; in Q2-20 NAEEM reported USD 192K cash dividends. During 1H-20, interest and leasing expenses also dropped 52% & 81% Y-o-Y to USD 365K and USD 127K; respectively. Nevertheless, NAEEM reported a net loss of USD 1.2Mn in 1H-20 versus a profit of USD 78K in 1H-19.

On the operational level in 1H-20, NAEEM's business lines revenues contributed 48% to the group's consolidated operating revenues versus 23% in 1H-19. The remaining 52% were driven by NAEEM's proprietary investments. Securities' Brokerage was the main contributor to the group's business lines' revenues with a 98% contribution in

¹ Includes custody, margin trading revenues, real estate investments sales and NAEEM's trading portfolio



1H-20. Asset Management contributed with the remaining 2% to the group's business lines' revenues as fees retreated by 61.8% Y-o-Y on the back of weaker equity markets which translated into the absence of performance fees.

On the prop investments level, SVREICO continued to drive REACAP's profitability and boost its assets' base in terms of receivables reflecting its administrative units' sales. REACAP's receivables amounted to EGP 263.64Mn as of Jun-20, up 6% versus EGP 248.5Mn in Dec-19. REACAP's Total assets recorded EGP 1.18Bn, up 4.4% versus Dec-19. Projects under development climbed 13.5% recording EGP 500.5Mn as of Jun-20 versus EGP 441Mn as of Dec-19, representing the ongoing development of LINX & ARC Business Parks projects in Smart Villages.

II. KEY OPERATIONAL HIGHLIGHTS

1. Brokerage

During Q2-20, The Egyptian market index, EGX30, ended 1H-20 at 10,765 points climbing 12% Q-o-Q yet retreated by 24% Y-o-Y amid uncertainties concerning the outbreak of the COVID-19 pandemic and the country's partial lockdown. Total market turnover reached EGP 137.2Bn during Q2-20, up 32% & 93.7%, Q-o-Q and Y-o-Y, respectively. Company turnover followed suit, soaring by 33% & 125% Q-o-Q and Y-o-Y; respectively to EGP 4.1Bn.

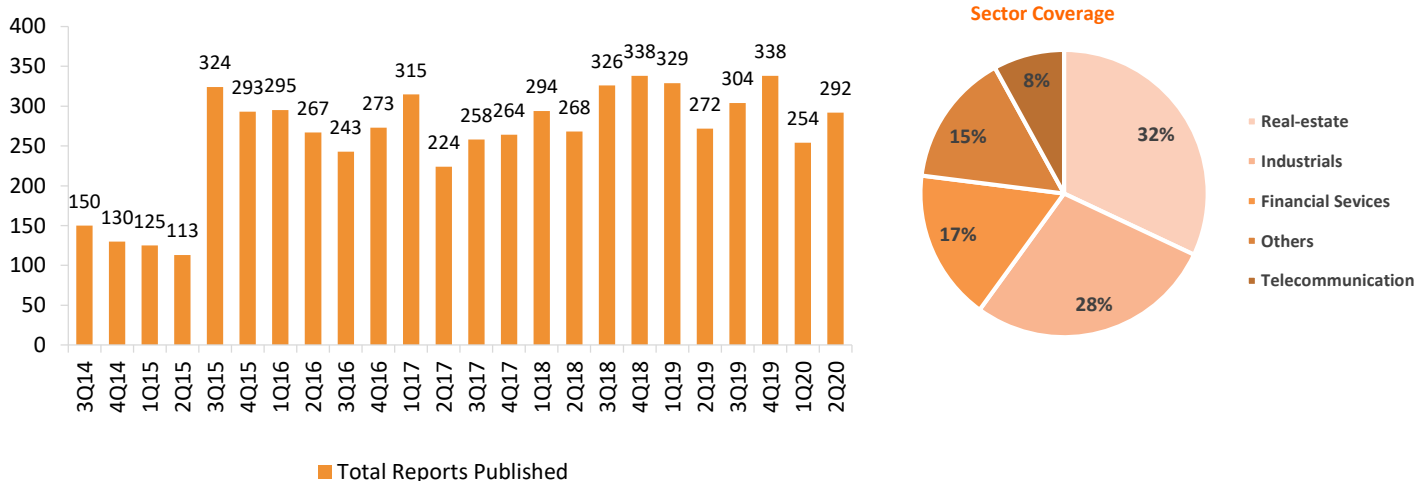
		Q2-20	Q1-20	Q2-19	Q-o-Q	Y-o-Y	1H-20	1H-19	Y-o-Y
Egypt	EGX Turnover (000 EGP)	137,220,867	104,247,089	70,834,630	32%	93.7%	241,467,957	204,986,078	17.8%
	Company Turnover (000 EGP)	4,062,960	3,056,072	1,802,129	33%	125%	7,119,032	6,535,727	8.9%
	Market Share	3.0%	2.9%	2.5%			2.9%	3.2%	

Over the 6 months period ending June 2020, NAEEM Brokerage Egypt's (NBE) turnover reached EGP 7.1Bn up 8.9% Y-o-Y, translating to a market share of 3%. However, total revenues from brokerage activities retreated to USD 1Mn in 1H-20, down 16.5% Y-o-Y versus USD 1.2Mn in 1H-19.

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 Q2-20, NAEEM Research issued 292 reports in both Arabic and English, bringing in total Research reports to 546 during 1H-20.



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 345.5Mn as of Jun-20. On a dollar base perspective, NAEEM's listed equities retreated by 0.2% and 9.9% Q-o-Q & Y-o-Y, respectively.

A. Listed Equities

The Central Bank of Egypt (CBE) kept the overnight deposit rate & the overnight lending rate unchanged at 9.25% and 10.25%, respectively; during its meeting in Jun-20. Earlier in Mar-20, the CBE slashed the overnight deposit rate & the overnight lending rate by 300 basis points as a part of its action plan to curb the effect of COVID-19 outbreak. The annual inflation hit a six-month low of 4.7% in May then ended Jun-20 slightly up at 5.6% versus 7.2% in Jan-20. During Q2-20, total AUM's were slightly up by 2% Q-o-Q yet retreated by 2.6% Y-o-Y. The number of client portfolios retreated by 20.5% Q-o-Q due to multiple redemptions related to the exit of Aramco's IPO in the Saudi market; yet up 20.8% Y-o-Y. Egypt based AUMs from EGP perspective, were up by 2.1% Q-o-Q yet retreated by 12.6% Y-o-Y.

Fund Performance vs. EGX100



During Q2-20, total asset management fees retreated by 9.2% & 55%, Q-o-Q and Y-o-Y, respectively; on the back of weaker equity markets which translated into the absence of performance fees. As of Q2-20, Asset Management clients' base was 84% individual and 16% institutional clients.

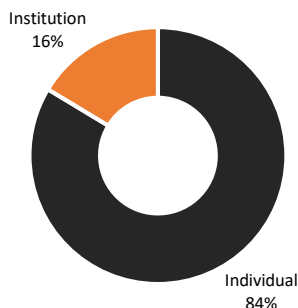
Al Baraka Bank Fund

During Q2-20, AlBaraka Fund ranked second among open ended Islamic Balanced funds with NAV up 8.1% Q-o-Q to EGP 85.76 as of June 30th 2020.

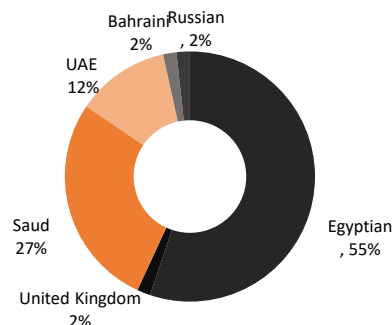
NAEEM Misr Islamic Fund (NMIF)

NAEEM Misr Islamic Fund ranked sixth among open ended Islamic funds during the same period with NAV up 10.4% Q-o-Q to EGP 151.23 as of June 30th 2020.

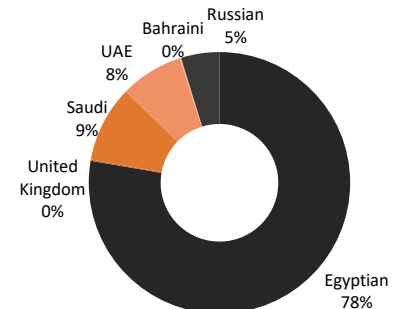
Q2-20 Portfolio Allocation by Client Type



Q2-20 Portfolio & Funds Number Breakdown by Nationality



Q2-20 AUM Value Breakdown by Nationality



B. Egyptian Gulf Bank (EGBank)

Income Statement (000 EGP)	Q2-20	Q1-20	Q2-19	Q-o-Q%	Y-o-Y%	1H-20	1H-19	Y-o-Y%
Net interest income	726,087	610,767	455,471	18.9%	59.4%	1,336,854	909,326	47%
Fees and commissions	73,439	100,330	70,044	-26.8%	4.8%	173,769	163,419	6.3%
Other income	31,004	52,055	16,421	-40.4%	88.8%	83,059	47,717	74.1%
Net operating income	259,705	251,312	247,078	3.3%	5.1%	511,017	490,328	4.2%
Provisions	(144,431)	(154,016)	(11,207)	-6.2%	N/M	(298,447)	(90,881)	228.4%
Net profit after tax	160,470	156,562	165,742	2.5%	-3.2%	317,032	311,528	1.8%

Balance Sheet (000 EGP)	Q2-20	Q1-20	Q2-19	Q-o-Q%	Y-o-Y%	6M-20	6M-19	Y-o-Y%
Cash and marketable securities	3,282,987	2,670,636	4,524,984	22.9%	-27.4%	3,282,987	4,524,984	-27.4%
Total loans	21,142,370	21,783,306	24,383,065	-2.9%	-13.3%	21,142,370	24,383,065	-13.3%
Total Assets	71,117,341	70,173,052	63,353,218	1.3%	12.3%	71,117,341	63,353,218	12.3%
Total deposits	58,149,278	61,363,715	55,322,880	-5.2%	5.1%	58,149,278	55,322,880	5.1%
Shareholders' Equity	4,909,808	4,593,198	4,086,052	6.9%	20.2%	4,909,808	4,086,052	20.2%

Key ratios	Q2-20	Q1-20	Q2-19	Q-o-Q%	Y-o-Y%	6M-20	6M-19	Y-o-Y%
NIM (%)	3%	2%	1%	0.4	1.7	4.9%	1.9%	1.7
Loan to deposits (%)	36.4%	35.5%	44.1%	0.9	(7.7)	36.4%	44.1%	(8)
Growth in deposits	-5.2%	9.5%	-4.5%	(14.7)	(0.7)	1.1	1	(0.7)
Growth in loans	-3%	-7%	-1.2%	3.6	(1.8)	0.9	0.9	(1.8)
NPL / gross loans	4.45%	4.08%	3.86%	0.4	0.6	4.5%	3.9%	0.6

EGBank reported net operating income of EGP 511Mn in 1H-20, up 4.2% Y-o-Y on the back of a 47% surge in net interest income due to lower funding costs Y-o-Y; fees and commissions income² and other operational income increased by 6.3% and 74.1%; respectively. Provisions climbed 228.4% Y-o-Y to EGP 298.4Mn amid COVID-19 negative implications and partial lockdown; leaving the net operating income and the net profit after taxes at EGP 511Mn and EGP 317Mn; respectively. The latter was slightly up 1.8% Y-o-Y.

As for Q2-20, net operating income climbed 3.3% & 5.1% Q-o-Q and Y-o-Y, respectively; to EGP 259.7Mn supported by strong growth in net interest income. The latter jumped 18.9% & 59.4%, Q-o-Q and Y-o-Y, respectively to EGP 726.1Mn. Fees and commissions income and other operational income retreated by 26.8% and 40.4% Q-o-Q, yet were up by 4.8% and 88.8% Y-o-Y; respectively. Net profit after taxes amounted to EGP 160.5Mn up 2.5% Q-o-Q yet slightly down by 3.2% Y-o-Y mainly due to a jump in provisions; the latter amounted to EGP 144.4Mn in Q2-20 versus EGP 154Mn in Q1-20 and a conservative EGP 11.2Mn in Q2-19.

Customer deposits retreated by 5.2% Q-o-Q yet were up by 5.1% Y-o-Y; respectively to EGP 58.1Bn during Q2-20, while Loans portfolio retreated to EGP 21.1Bn, down 2.9% & 13.3%, Q-o-Q and Y-o-Y respectively; translating into a loan to deposits ratio of 36.4% as of Jun-20. NPL to Gross Loans ratio climbed to 4.45% in Q2-20 versus 4.08% in Q1-20 and 3.86% in Q2-19 signaling a deterioration in asset quality, which may be attributed to partial lockdowns in Egypt during Q2-20.

² Generated from credit commissions and fees as well as other banking operations fees

C. REACAP Financial Investments (REACAP)

REACAP's total operating revenues in 1H-20 amounted to EGP 15.8Mn, retreating by 44% Y-o-Y. Administrative areas sold by SVREICO for Real Estate Investment "SVREICO" generated 486% of REACAP's operating revenues, followed by rental income with 38% while coupon revenues contributed the remaining 16%. Rental income grew at 38.6% Y-o-Y as a result of increased occupancy. Net profit after taxes amounted to EGP 4.8Mn with a margin of 30%. It's expected that REACAP will start to recognize revenues and profits from its ongoing projects upon delivery scheduled during 2H-20 & 2021.

SVREICO continued to drive REACAP's profitability and boost its assets' base in terms of receivables reflecting its administrative units' sales. REACAP's receivables amounted to EGP 263.64Mn as of Jun-20, up 6% versus EGP 248.5Mn in Dec-19. REACAP's Total assets recorded EGP 1.18Bn, up 4.4% versus Dec-19.

Projects under development climbed 13.5% recording EGP 500.5Mn as of Jun-20 versus EGP 441Mn as of Dec-19, representing the ongoing development of LINX & ARC Business Parks projects in Smart Villages.

Operational Highlights:

REACAP resumed sales in project ARC Business Park, the company's second integrated business complex launched in 1H-18 following project LINX's success. The project offers office space with a total BUA of 12,000 sqm, at an estimated investment cost of EGP 260Mn.

SVREICO projects' sales during 1H-20 are detailed in the table below, revenues will be recognized upon units' delivery in 2H-20 & 2021.

Project	Sold area in sqm	Value in EGP	Description
LINX	164	6,038,000	Reserved units
ARC	926	31,241,000	Reserved units

4. Investment Banking

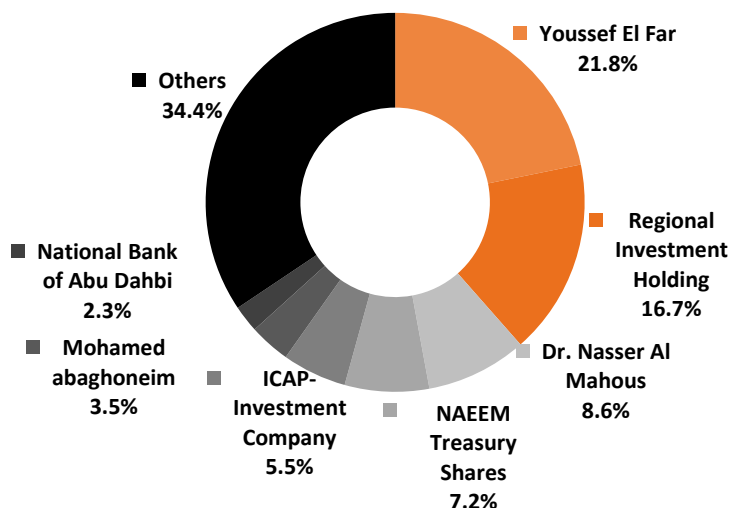
Leveraging on NAEEM Group's MENA presence, the Investment Banking division has generated a diversified pipeline for FY20. NAEEM IB continued to pitch new clients across several sectors including:

1. Education
2. Food & Beverage
3. Agriculture
4. Financial services
5. Real Estate

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

III. NAEEM HOLDING STANDALONE

Shareholding Structure as of 30 June 2020



Note: NAHO free float shares amount to 44.02%

NAEEM in Figures

82%

Q-o-Q Reduction in Interest
Expenses in Q2-20

4,000

Number of Institutional & Retail
Shareholders as of Jun-20

USD 301Mn

Total Assets as of Jun-20

On a standalone basis, NAEEM reported operating revenues amounting to USD 335K in 1H-20, versus USD 3Mn in 1H-19. This decline is mainly due to a change in accounting methods, where stock dividends are no longer reported in revenues. The latter recorded USD 2.8n in 1H-19 prior to exclusion in Q4-19 and Q1-20 financials; in Q2-20 NAEEM reported USD 192K cash dividends. During 1H-20, interest and leasing expenses also dropped 52% & 81%, Y-o-Y to USD 365K and USD 127K; respectively. Nevertheless, NAEEM reported a net loss of USD 1.2Mn in 1H-20 versus a profit of USD 78K in 1H-19.

Company Snapshot

Ticker:

NAHO EY
NAHO - DU

Mkt Cap (USD Mn):

54

Shares Outstanding (Mn):

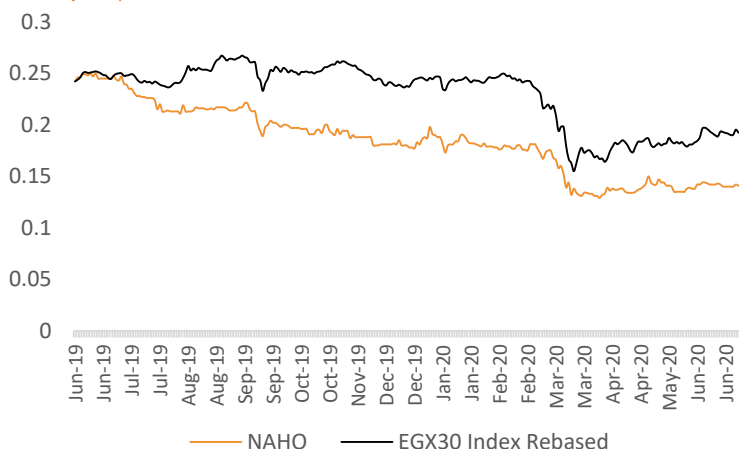
377.857

Share Price (USD):

0.143

*As of June 30th 2020

Price (USD)



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 Contact****Iman A. Sadek, MA, MBA***Head of Investor Relations*

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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