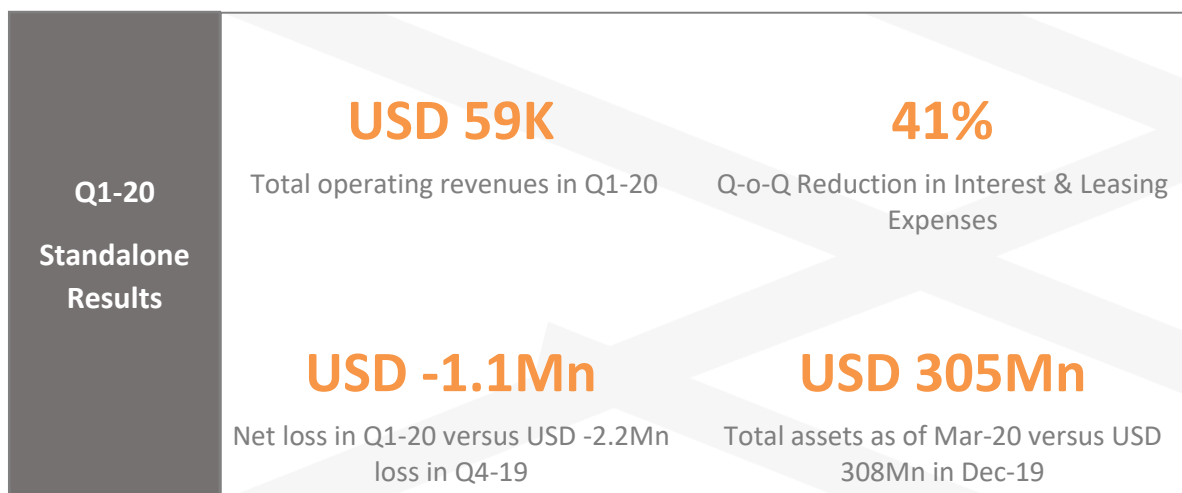
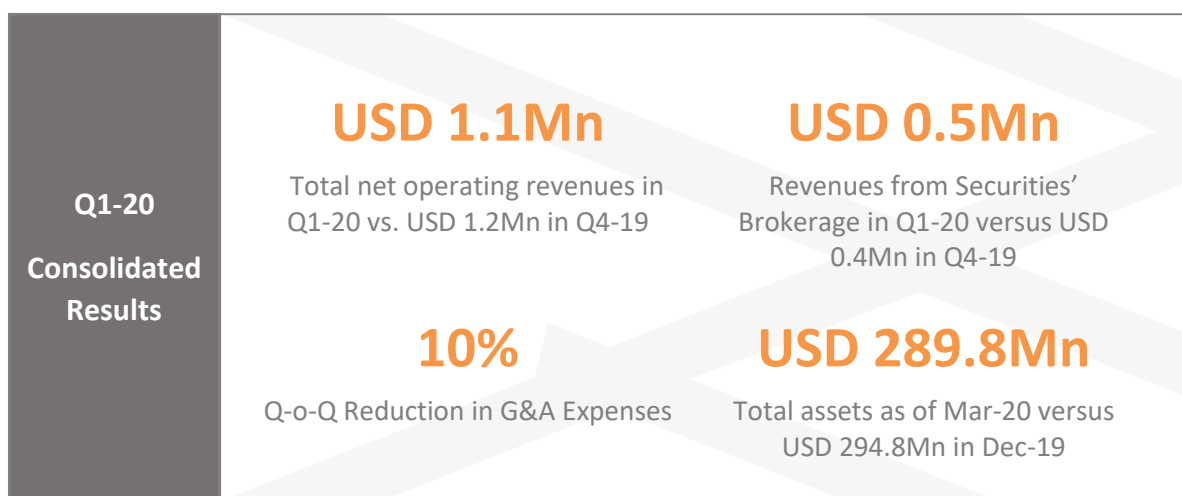


NAEEM Holding for Investments “NAEEM” reports Q1-20 consolidated and standalone results

Cairo, June 10th 2020, NAEEM reported its Q1-20 results with total net consolidated operating revenues of USD 1.1Mn and net loss of USD 1.5Mn



I. KEY FINANCIAL HIGHLIGHTS

Operating Revenues Breakdown (000 USD)	Q1-20	Q4-19	Q1-19	Q-o-Q %	Y-o-Y %
Securities Brokerage	524	420	803	25%	-35%
Asset Management	8	11	26	-24%	-68%
Total Business Lines Contribution	533	431	830	24%	-36%

	Q1-20	Q4-19	Q1-19	Q-o-Q %	Y-o-Y %
NAEEM's Operations & Investments	()	(812)	2,763	N/M	N/M
REACAP Financial Investments	649	631	642	3%	1%
Other Income (losses)	(83)	938	(94)	N/M	N/M
Total Investments Contribution	566	758	4,930	-25%	-89%
Grand Total Operating Revenues	1,099	1,189	5,760	-81%	-73%

On a consolidated level during Q1-20, NAEEM reported net operating revenues of USD 1.1Mn driven by REACAP financial investments –NAEEM's real estate investment vehicle– contributing USD 0.57Mn while NAEEM business lines generated the remaining USD 0.53Mn.

REACAP's total operating revenues in Q1-20 amounted to EGP 14.1Mn, slightly retreating by 10% Y-o-Y. Administrative areas sold by SVREICO for Real Estate Investment "SVREICO" had the lion's share contributing 79% to REACAP's operating revenues, followed by rental income with 21%. The latter grew at 41% Y-o-Y as a result of increased occupancy. Net profit after taxes amounted to EGP 4.2Mn 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 reported consolidated revenues of USD 1.1Mn during Q1-20 versus USD 4.1Mn in Q1-19. The retreat in revenues is due to slower market activity that was further amplified by the outbreak of Covid-19, translating into net loss of USD 1.5Mn. The company was able to cut G&A expenses by 10% Q-o-Q to USD 1.56Mn versus USD 1.74Mn in Q4-19. NAEEM also witnessed an 11.2% Q-o-Q drop in interest & leasing expenses to USD 0.51Mn during Q1-20 versus USD 5.8Mn in Q4-19.

On a standalone basis, NAEEM reported operating revenues amounting to USD 59K in Q1-20, versus USD 2.7Mn and USD -820K in Q1-19 and Q4-19; respectively. This decline is mainly due to a change in accounting methods, where revenues from coupons are no longer reported in revenues. The latter recorded USD 2.5Mn in Q1-19 prior to exclusion in Q4-19 and Q1-20 financials. Interest and leasing expenses dropped 41% & 23%, Q-o-Q and Y-o-Y respectively to USD 0.4Mn. Consequently, NAEEM reported a net loss of USD 1.1Mn in Q1-20 versus a loss of USD 2.2Mn in Q4-1 and net profit of USD 1.3Mn in Q1-19.

On the operational level, in Q1-20 NAEEM's business lines revenues contributed 48% to the group's consolidated operating revenues versus 14% in Q1-19. The remaining 52% were driven by NAEEM's proprietary investments, namely REACAP revenues. Securities' Brokerage was the main contributor to the group's business lines' revenues with a 98% contribution in Q1-20. Asset Management contributed with the remaining 2% to the group's business lines' revenues, where management fees constituted 75% of total fees while performance fees generated the remaining 25%.

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 255.18Mn as of Mar-20, up 3% versus EGP 248.5Mn in Dec-19. REACAP's Total assets recorded EGP 1.15Bn, up 2% versus Dec-19. Projects under development climbed 8% Q-o-Q recording EGP 475.2Mn as of Mar-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

The Egyptian market index, EGX30, witnessed a sharp decline on the back of global fear amid the outbreak of the pandemic Covid-19. EGX30 retreated by 31% & 35%, Q-o-Q and Y-o-Y respectively to 9,593.94 points. Total market turnover fell by 12% & 22.3%, Q-o-Q and Y-o-Y; respectively to EGP 104.3Bn during Q1-20. However, Company turnover climbed 39% Q-o-Q to EGP 3Bn yet retreated by 35% Y-o-Y with total revenues from brokerage activities amounting to USD 0.5Mn in Q1-20.

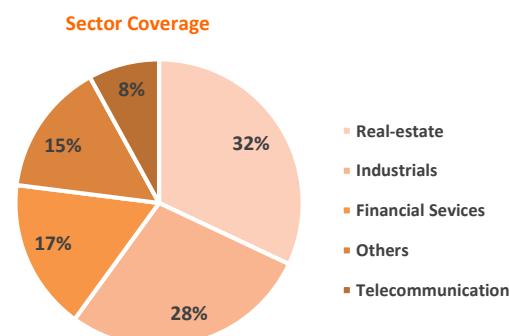
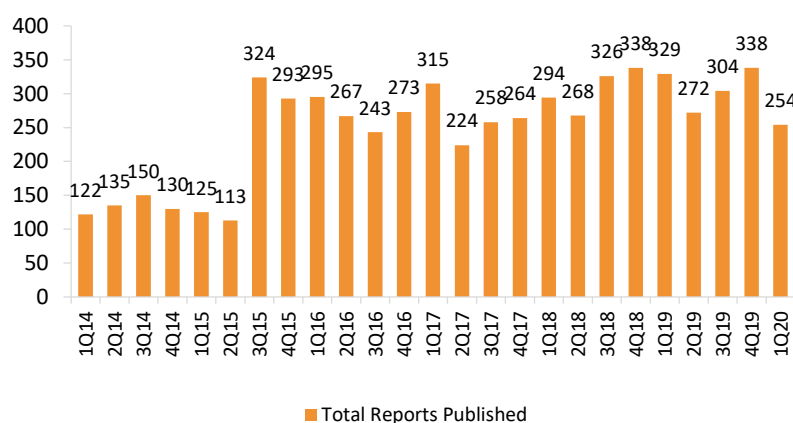
		Q1-20	Q4-19	Q1-19	Q-o-Q	Y-o-Y
Egypt	EGX Turnover (000 EGP)	104,247,089	118,307,447	134,151,447	-12%	-22.3%
	Company Turnover (000 EGP)	3,056,072	2,200,690	4,733,598	39%	-35%
	Market Share	2.9%	1.9%	4%		

Over the 3 months period ending March 2020, NAEEM Brokerage Egypt (NBE) turnover reached EGP 3Bn, translating to a market share of 2.9%.

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 Q1-20, NAEEM Research issued 254 reports in both Arabic and English.



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) are booked at USD 346Mn as of March 31st 2020. On a dollar base perspective, NAEEM's listed equities retreated by 2.6% and 13.4% Q-o-Q & Y-o-Y; respectively.

A. Listed Equities

March 16th 2020, the monetary policy committee of the Central Bank of Egypt (CBE) decided to cut the overnight deposit rate & the overnight lending rate by 300 basis points; leaving the overnight deposit and lending rates at 9.25% and 10.25%, respectively. This decision comes as a part of the CBE action plan took to curb the effect of COVID-19 outbreak. The cut was also supported by the gradual decline in the annual core inflation, the latter dipped to 5.1% in March-20, down from 7.2% in Jan-20 and compared to 8.9% in March-19. During Q1-20, total AUM's were slightly up by 1.4% Q-o-Q yet retreated by 10.9% Y-o-Y. The number of client portfolios climbed by 1.4% & 49% Q-o-Q and Y-o-Y respectively. Egypt based AUMs from EGP perspective, declined by 3.8% and 20.9% Q-o-Q & Y-o-Y; respectively.

Fund Performance vs. EGX100



During Q1-20, total asset management fees retreated by 24% & 71%, Q-o-Q and Y-o-Y; respectively on the back of weaker equity markets which translated into lower performance fees. Management fees constituted 75% of total fees while performance fees generated the remaining 25%. As of Q1-20, Asset Management clients' base was 86% individual and 14% institutional clients.

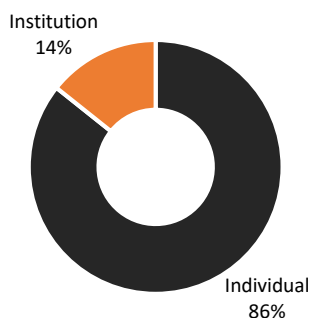
Al Baraka Bank Fund

During Q1-20, AlBaraka Fund ranked first among open ended Shariaah compliant equity funds with NAV amounting to EGP 79.31 as of March 31st 2020.

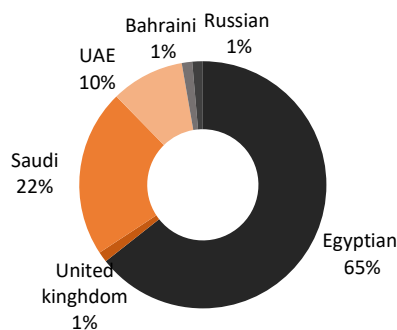
NAEEM Misr Islamic Fund (NMIF)

NAEEM Misr Islamic Fund ranked fourth among open ended Shariaah compliant equity funds during the same period with NAV reaching EGP 136.95 as of March 31st 2020.

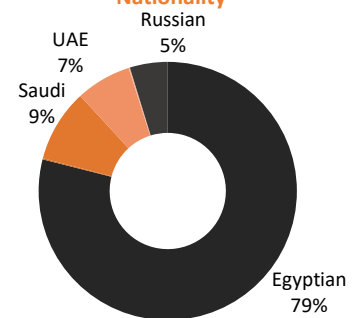
Q1-20 Portfolio Allocation by Client Type



Q1-20 Portfolio & Funds Number Breakdown by Nationality



Q1-20 AUM Value Breakdown by Nationality



B. Egyptian Gulf Bank (EGBank)

Income Statement (000 EGP)	Q1-20	Q4-19	Q1-19	Q-o-Q%	Y-o-Y%
Net interest income	610,767	567,250	453,856	7.7%	34.6%
Fees and commissions income	100,330	83,150	93,375	20.7%	7.4%
Other income	52,055	25,239	31,297	106.2%	66.3%
Provisions	(154,016)	(62,276)	(79,674)	147.3%	93.3%
Net operating income	251,312	283,585	243,249	-11.4%	3.3%
Net profit after taxes	156,562	196,902	145,786	-20.5%	7.4%

Balance Sheet (000 EGP)	Q1-20	Q4-19	Q1-19	Q-o-Q%	Y-o-Y%
Cash and marketable securities	2,670,636	4,048,855	7,619,626	-34%	-65%
Total loans	21,783,306	23,318,038	24,668,742	-6.6%	-11.7%
Total Assets	70,173,052	68,388,821	67,203,548	2.6%	4.4%
Total deposits	61,363,715	56,045,842	57,934,892	9.5%	5.9%
Shareholders' Equity	4,593,198	4,738,669	3,853,236	-3.1%	19.2%

Key ratios	Q1-20	Q4-19	Q1-19	Q-o-Q%	Y-o-Y%
NIM (%)	1%	1%	0.9%	0.9	1.4
Loan to deposits (%)	35.5%	41.6%	42.6%	(6.1)	(7.1)
Growth in deposits	9.5%	-2.3%	14.6%	11.8	(5.1)
Growth in loans	-6.6%	0.2%	-5.4%	(6.8)	(1.2)
NPL / gross loans	4.1%	3.9%	1.9%	0.2	2.2

EGBank reported net operating income of EGP 251.3Mn in Q1-20, up 3.3% Y-o-Y on the back of whooping increases of 34.6%, 7.4% and 66.3% in net interest income, fees and commissions income¹ and other operational income; respectively. Provisions climbed 93.3% Y-o-Y to EGP 154Mn as a precautionary measure ahead of the potential impact from COVID-19.; leaving the net operating income and the net profit after taxes at EGP 251.3Mn and EGP 156.6Mn; respectively. The latter was up 7.4% Y-o-Y on the back of the increase in net operating income as well as lower tax rate of 38% in Q1-20 versus 40% in Q1-19.

As for Q-o-Q, net operating income retreated by 11.4% despite the 7.7%, 20.7% and 106.2% increases in net interest income, fees and commissions income and other operational income; respectively. This retreat is mainly due to a 147.3% jump in provisions Q-o-Q from EGP 62.3Mn in Q4-19 to EGP 154Mn in Q1-20, which translated to net profit after taxes EGP 156.6Mn down 20.5% Q-o-Q.

Customer deposits climbed 9.5% & 5.9%, Q-o-Q and Y-o-Y; respectively to EGP 61.4Bn during Q1-20, while Loans portfolio retreated to EGP 21.8Bn, down 6.6% & 11.7%, Q-o-Q and Y-o-Y respectively; translating into a loan to deposits ratio of 35.5% as of Mar-20. NPL to Gross Loans ratio climbed to 4.1% in Q1-20 versus 3.9% in Q4-19 and 1.9% in Q1-19.

¹ Generated from credit commissions and fees as well as other banking operations fees

C. REACAP Financial Investments (REACAP)

REACAP's total operating revenues in Q1-20 amounted to EGP 14.1Mn, slightly retreating by 10% Y-o-Y. Administrative areas sold by SVREICO for Real Estate Investment "SVREICO" had the lion's share contributing 79% to REACAP's operating revenues, followed by rental income with 21%. The latter grew at 41% Y-o-Y as a result of increased occupancy. Net profit after taxes amounted to EGP 4.2Mn with a margin of 30%.

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 255.18Mn as of Mar-20, up 3% versus EGP 248.5Mn in Dec-19. REACAP's Total assets recorded EGP 1.15Bn, up 2% versus Dec-19.

Projects under development climbed 8% Q-o-Q recording EGP 475.2Mn as of Mar-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 Q1-20 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	710	24,461,000	Reserved units

4. Investment Banking

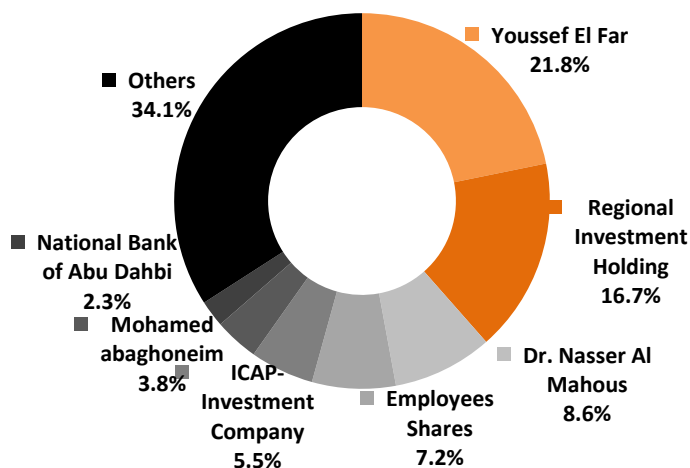
Leveraging on NAEEM Group's MENA presence, the Investment Banking division has generated a diversified pipeline for FY20. NAEEM IB continued to pitch new clients across several sectors including:

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 31 March 2020



NAEEM in Figures

41%

 Q-o-Q Reduction in Interest &
Leasing Expenses

4,000

 Number of Institutional & Retail
Shareholders as of March 31st
2020

USD 304Mn

 Total Assets as of March 31st 2020

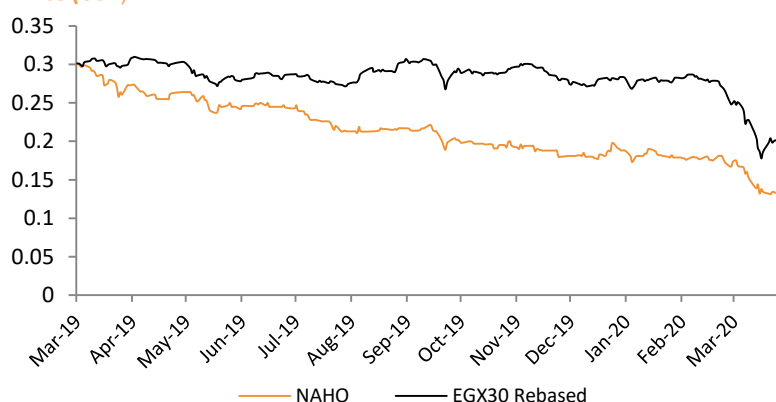
Note: NAHO free float shares amount to 42.92%

On a standalone basis, NAEEM reported operating revenues amounting to USD 59K in Q1-20, versus USD 2.7Mn and USD -820K in Q1-19 and Q4-19; respectively. This decline is mainly due to a change in accounting methods, where revenues from coupons are no longer reported in revenues. The latter recorded USD 2.5Mn in Q1-19 prior to exclusion in Q4-19 and Q1-20 financials. Interest and leasing expenses dropped 41% & 23%, Q-o-Q and Y-o-Y respectively to USD 0.4Mn. Consequently, NAEEM reported a net loss of USD 1.1Mn in Q1-20 versus a loss of USD 2.2Mn in Q4-1 and net profit of USD 1.3Mn in Q1-19.

Company Snapshot

Ticker:	NAHO EY NAHO - DU
Mkt Cap (USD Mn):	49.1
Shares Outstanding (Mn):	377.85
Share Price (USD):	0.13
<i>*As of March 31st 2020</i>	

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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**NAEEM HOLDING
FOR INVESTMENT**Asset Management | Investment Banking
Brokerage | Investments**Investor Relations Contact****Iman A. Sadek, MA, MBA***Head of Investor Relations*

Smart Village – Building B16- Phase 1, Km 28 Cairo

Alexandria Desert Road 6th of October City – Giza

(P.O. 12577, Egypt) Box:61

Tel: +2 0235316100 Ext: 6113

Direct: +2 0235316113

Fax: +2 0235316101

Listing Symbols- The Egyptian Exchange (EGX)

Reuters Code: NAHO.CA

Bloomberg Code: NAHO EY

Listing Symbol- Dubai Financial Market (DFM)

NAHO-DU