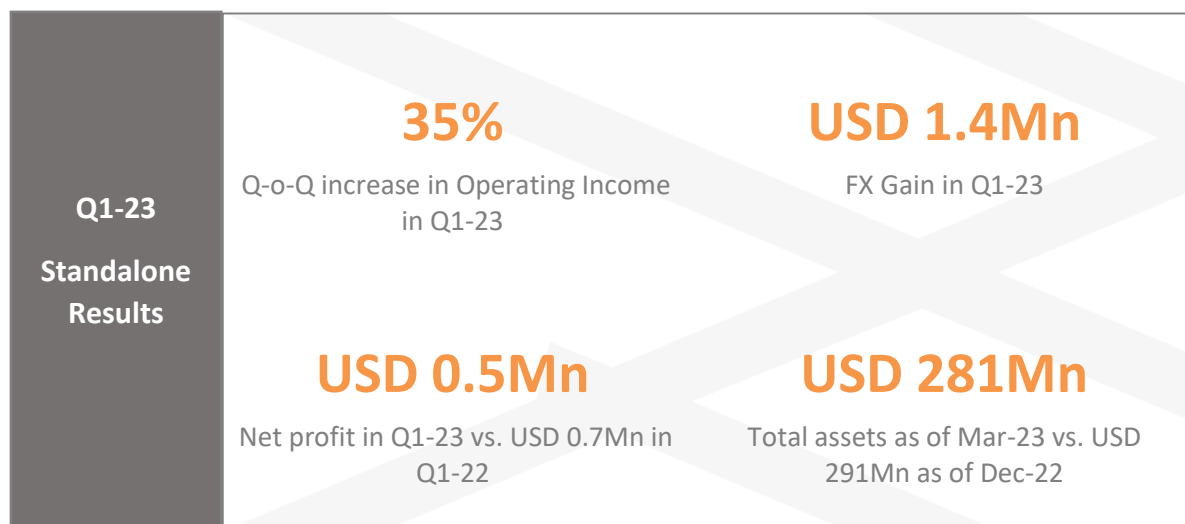
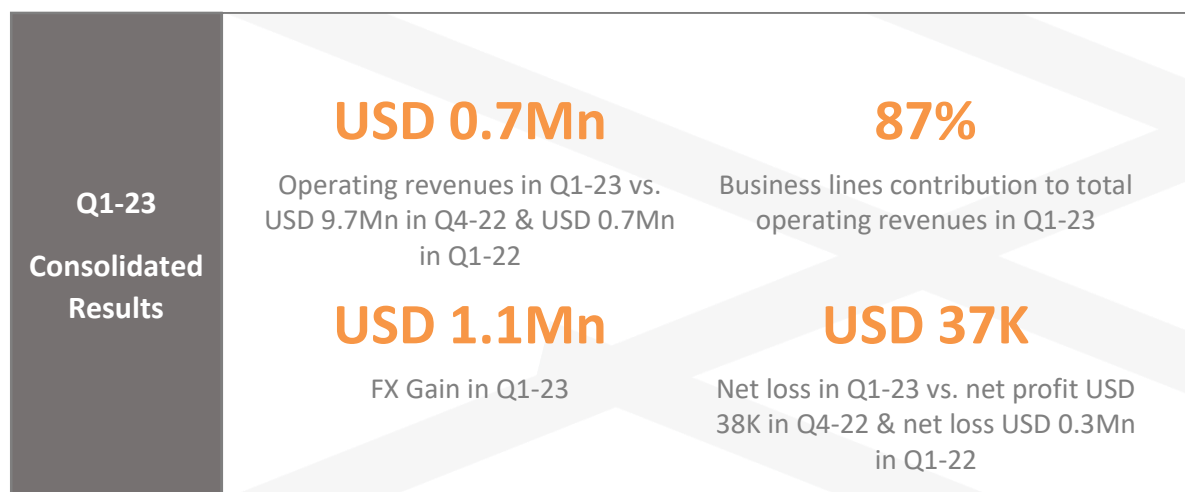




NAEEM Holding for Investments “NAEEM” reports Q1-23 consolidated and standalone results

Cairo, May 14th 2023, NAEEM reported its Q1-23 results with total net consolidated operating revenues of USD 0.7Mn and a net loss of USD 37K. Standalone financials reported net profit of USD 0.5Mn during the same period.





I. KEY FINANCIAL HIGHLIGHTS

Operating Revenues Breakdown (000 USD)					
	Q1-23	Q4-22	Q1-22	Q-o-Q %	Y-o-Y %
Securities' Brokerage	626	643	639	-3%	-2%
Asset Management	15	8	12	88%	28%
Others		10		N/M	N/M
Total Business Line Contribution	642	661	651	-3%	-1%
	Q1-23	Q4-22	Q1-22	Q-o-Q %	Y-o-Y %
NAEEM's Operations & Investments	95	70	78	35%	22%
REACAP Financial Investments	51	8,932	181	-99%	-72%
Other Income (losses)	(47)	74	(185)	N/M	N/M
Total Investments Contribution	98	9,077	74	-99%	33%
Grand Total Operating Revenues	740	9,738	725	-92%	2%

On a consolidated level, during Q1-23, NAEEM reported net operating revenues of USD 0.74Mn down 92% Q-o-Q yet slightly up 2% Y-o-Y. Revenues from business lines contributed 87% to total operating revenues, led by Securities' brokerage; the latter inched lower 3% & 2%, Q-o-Q & Y-o-Y, respectively. NAEEM's investments, generated the remaining 13% of the total operating revenues mainly on the back of NAEEM operations and investments which contributed USD 95K, followed by REACAP – NAEEM's Real Estate arm – reporting revenues amounting to USD 51K during Q1-23.

REACAP's total operating revenues reported EGP 7.4Mn during Q1-23, down 86% Q-o-Q due to the absence of unit deliveries unlike the previous quarter, yet was up 145% Y-o-Y. Rental income and maintenance revenues generated 49.7% and 50.3%, respectively, of the total operating revenues during Q1-23. The company was negatively affected by the recent floatation/liberalization of the EGP, reporting FX losses amounting to EGP 12.6Mn during Q1-23. Higher expected credit losses, an increase on the cost of financing and higher taxes on investments took its toll on profitability translating into a net loss of EGP 17.4Mn versus a net loss of EGP 21Mn and EGP 9.5Mn during Q4-22 and Q1-22; respectively.

During Q1-23, NAEEM reported total operating revenues of USD 0.74Mn mainly driven by total commission and management fees amounting to USD 738K. On the other hand, G&A expenses retreated 27% and 38%, Q-o-Q & Y-o-Y; respectively, to USD 1.1Mn. NAEEM also reported USD 1.1Mn FX gains amid the recent EGP devaluation whereas interest and leasing expenses were up 5% & 30% Q-o-Q and Y-o-Y; respectively to USD 826K. As a result, NAEEM reported net loss after taxes of USD 37K versus USD 38K net profit in Q4-22 and a net loss of USD 322K in Q1-22.

On a standalone basis, NAEEM reported USD 95K operating revenues during Q1-23, up 35% & 22% Q-o-Q and Y-o-Y, respectively. Operating Revenues were driven by custody & margin trading income followed by coupons' income contributing 73% & 27%, respectively; to total operating revenues during Q1-23. NAEEM was also positively affected by the recent EGP devaluation against the USD, the company reported FX gains of USD 1.4Mn during Q1-23; which translated into net profits equivalent to USD 0.5Mn in Q1-23, compared to net profits of USD 1Mn & USD 0.7Mn, in Q4-22 and Q1-22; respectively.

On the operational level, during Q1-23, securities' brokerage revenues contributed 98% to revenues from business lines while revenues from asset management generated the remaining 2%.





Regarding NAEEM's prop account, REACAP's subsidiary - SVREICO for real-estate investment "SVREICO" continued to drive REACAP's profitability. SVREICO resumed the sales in Project ARC and Project Northside in Q1-23, leading the changes in assets' base in terms of receivables which climbed 13% to EGP 170.9Mn compared to EGP 151.6Mn in Dec-22. Projects under development followed suit increasing 7% to EGP 260.9Mn compared to EGP 243.1Mn in Dec-22; resulting in 8.1% growth in total assets. Total assets stood at EGP 1.3Bn as of Mar-23 compared to EGP 1.2Bn as of Dec-22.



KEY OPERATIONAL HIGHLIGHTS

1. Brokerage

The Egyptian market index, EGX30, resumed its uptrend soaring 12.5% and 46.1%; Q-o-Q and Y-o-Y to 16,418.53 as of Mar-23 following a year characterized by high interest rates environment, rocketing inflation levels and geopolitical uncertainties. Q1-23 witnessed a 200bps hike in interest rates, following a 300bps hike in interest rates in Q4-22; after the currency devaluation witnessed earlier in January. Total market capitalization in Q1-23 grew 9.1% Q-o-Q to EGP 1,049.1Bn.

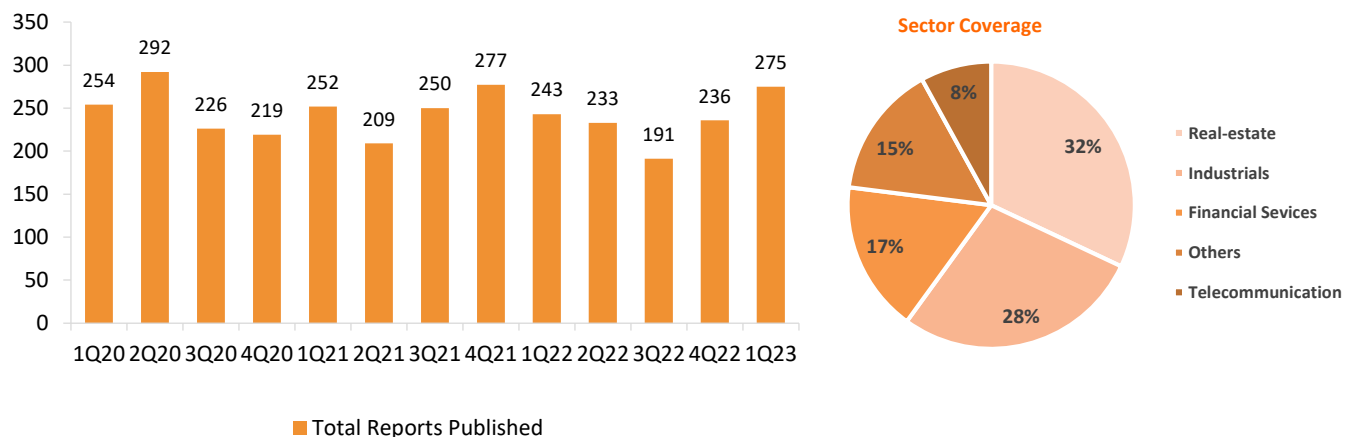
	Q1-23	Q4-22	Q1-22	Q-o-Q	Y-o-Y
EGX Turnover (000 EGP)	281,327,313	217,354,897	160,288,880	29%	76%
Company Turnover (000 EGP)	6,337,602	5,502,051	4,522,416	15%	40%
Market Share	2.3%	2.5%	2.8%		

Regarding NAEEM Brokerage Egypt's (NBE) performance, Q1-23 turnover climbed 15% & 40% Q-o-Q and Y-o-Y; respectively. NBE's turnover translated into a market share of 2.3% pushing brokerage revenues to USD 0.63Mn in Q1-23, slightly down 3% & 2% in dollar terms Q-o-Q and Y-o-Y; respectively.

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 Q1-23, NAEEM Research issued 275 reports in both Arabic and English.



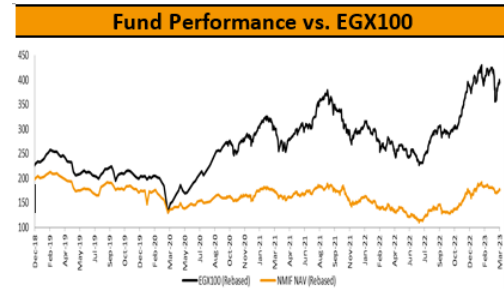
The Research department covers all major sectors in the MENA region including Real estate, Petrochemicals, Oil & Gas, Building materials, Telecommunications, Financial services, and other sectors. The department also offers a wide range of products covering both fundamental as well as technical research.

3. Asset Management

Following the most recent EGP floatation earlier during January, NAEEM’s total Assets under Management (AUMs) retreated to USD 295.7Mn as of Mar-23, down 7.2% Q-o-Q versus USD 318.8Mn in Dec-22. On a dollar basis, NAEEM’s listed equities retreated 18.4% & 24.3%, Q-o-Q and Y-o-Y; respectively.

A. Listed Equities

The Central Bank of Egypt (CBE) decided to raise the overnight deposit & lending rates by 200bps to 18.25% and 19.25% in Mar-23. The CBE followed suit after the Feds resumed raising interest rates amid escalating inflationary pressures. The CBE’s prior hike was by a whopping 300 basis points in Dec-22. Annual core inflation rates jumped to 39.5% in Mar-23, up from 24.4% in Dec-22 and compared to 10.1% in Mar-22. Annual Core inflation has been on the rise since the beginning of 2022 after reporting 6.3% in Jan-22.



EGX30 resumed the uptrend that started in Q4-22, climbing to 16,418.5 as of March 29th 2023, up 12.5% and 46.1%, Q-o-Q and Y-o-Y; respectively. Asset management fees grew 88% and 28%, Q-o-Q and Y-o-Y; respectively, driven by performance fees, in which the latter generated 74% of total fees, while management fees constituted the remaining 26%. Q1-23 witnessed new capital injections and portfolios’ capital gains which translated in total AUMs growing by 6.9% & 35.1%, Q-o-Q and Y-o-Y; respectively; while Egypt based AUMs inched 1.5% Q-o-Q and climbed 27.8% Y-o-Y. As of Mar-23, Asset Management clients’ base was 90% individuals and 10% institutional clients.

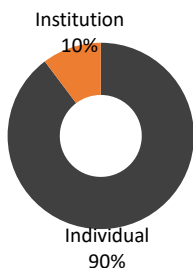
Al Baraka Bank Fund

Al Baraka Fund ended the quarter with a NAV of EGP 118.36 as of March 30th 2023; up 6.2% & 27%, Q-o-Q and Y-o-Y; respectively. Al Baraka was ranked first among open ended Islamic Balanced funds during Q1-23.

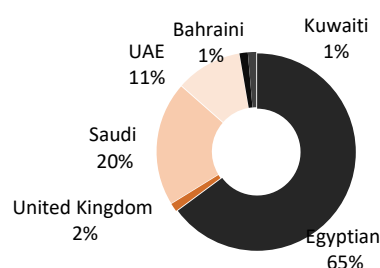
NAEEM Misr Islamic Fund (NMIF)

NAEEM Misr Islamic Fund ended the quarter with a NAV equivalent to EGP 176.32 as of March 30th 2023; up 5.6% & 29.6%, Q-o-Q and Y-o-Y; respectively.

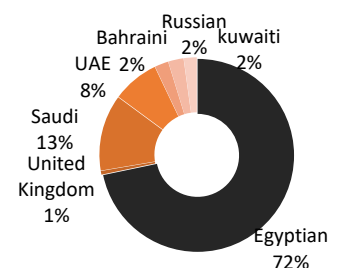
Q1-23 Portfolio Allocation by Client Type



Q1-23 Portfolio & Funds Number Breakdown by Nationality



Q1-23 AUM Value Breakdown by Nationality



B. Egyptian Gulf Bank (EGBank)

Income Statement (000 EGP)	Q1-23	Q4-22	Q1-22	Q-o-Q%	Y-o-Y%
Net interest income	923,499	876,582	678,470	5.4%	36.1%
Fees and commissions	168,132	140,400	112,933	19.8%	48.9%
Other income	202,841	42,268	37,544	379.9%	440.3%
Provisions	(121,907)	(62,437)	(38,340)	95.2%	218.0%
Net operating income	541,393	447,496	386,668	21%	40%
Net profit after tax	316,306	230,910	197,408	37%	60.2%

Balance Sheet (000 EGP)	Q1-23	Q4-22	Q1-22	Q-o-Q%	Y-o-Y%
Cash and marketable securities	8,298,555	8,485,948	7,961,054	-2.2%	4.2%
Total loans	29,312,967	26,898,257	25,928,544	9%	13.1%
Total Assets	99,934,148	86,735,317	82,523,699	15.2%	21.1%
Total deposits	79,663,322	71,722,592	69,895,855	11.1%	14%
Shareholders' Equity	5,691,970	5,316,972	5,445,350	7.1%	4.5%

Key ratios	Q1-23	Q4-22	Q1-22	Q-o-Q%	Y-o-Y%
NIM (%)	1.04%	1.07%	0.88%	(0.0)	0.2
Loan to deposits (%)	36.8%	37.5%	37.1%	(0.7)	(0.3)
Growth in deposits	11.1%	-2.6%	8.5%	13.7	2.6
Growth in loans	9.0%	5.1%	11.5%	3.9	(2.5)
NPL / gross loans	4.7%	4.6%	5.5%	0.1	(0.8)

EGBank reported net interest income of EGP 923.5Mn, up 5.4% & 36.1%, Q-o-Q and Y-o-Y; respectively during Q1-23. Fees and commissions income¹ climbed 19.8% & 48.9%, Q-o-Q and Y-o-Y; respectively to EGP 168.1Mn. Other income soared 379.9% & 440.3%, Q-o-Q and Y-o-Y; respectively to EGP 202.8Mn during the same period.

Despite the growth in provisions, climbing 95.2% & 218%, Q-o-Q and Y-o-Y; respectively to EGP 121.9Mn during Q1-23, net operating income grew 21% & 40% Q-o-Q and Y-o-Y; respectively to EGP 541.4Mn. Overall, EGBank reported net profit after tax of EGP 316.3Mn in Q1-23, up 37% & 60.2% Q-o-Q and Y-o-Y; respectively.

Customer deposits amounted to EGP 79.7Bn in Mar-23, up 11.1% & 14% Q-o-Q and Y-o-Y; respectively; while total loans stood at EGP 29.3Bn during the same period, up 9% & 13.1% Q-o-Q and Y-o-Y; respectively. The bank's loans to deposits ratio slightly retreated to 36.8% in Mar-23 versus 37.5% & 37.1% in Dec-22 and Mar-22; respectively. NPL to Gross Loans ratio inched up to 4.7% versus 4.6% in Dec-22, yet down compared to 5.5% in Mar-22 indicating overall improvement in asset quality.

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

C. REACAP Financial Investments (REACAP)

REACAP's total operating revenues reported EGP 7.4Mn during Q1-23, down 86% Q-o-Q due to the absence of unit deliveries unlike the previous quarter, yet was up 145% Y-o-Y. Rental income and maintenance revenues generated 49.7% and 50.3%, respectively, of the total operating revenues during Q1-23. The company was negatively affected by the recent floatation/liberalization of the EGP, reporting FX losses amounting to EGP 12.6Mn during Q1-23. Higher expected credit losses, an increase on the cost of financing and higher taxes on investments took its toll on profitability translating into a net loss of EGP 17.4Mn versus a net loss of EGP 21Mn and EGP 9.5Mn during Q4-22 and Q1-22; respectively.

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Operational Highlights:

Following project LINX's and ARC business parks success, SVREICO launched its third business park "Northside" in Smart Village, the project spans across a land area of 1,500 sqm and BUA of 6,000 sqm, the project offers office spaces ranging between 58-150 sqm, with an estimated investment cost of EGP 185Mn.

SVREICO has completed 100% of projects LINX and ARC, the work under progress in project Northside has reached approximately 55% as of Mar-23.

4. Investment Banking

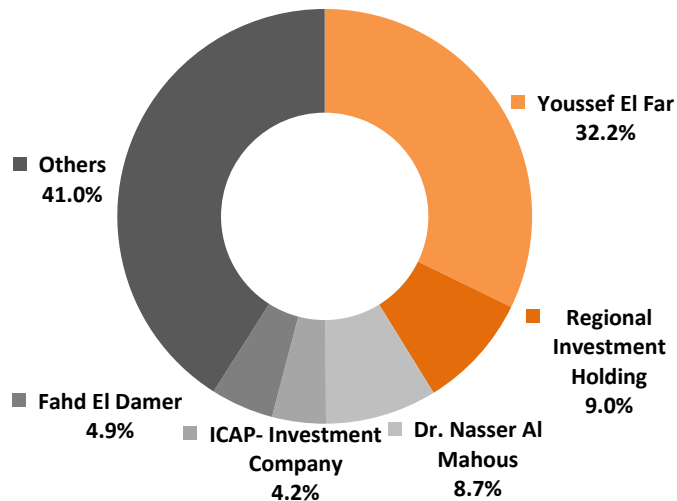
Leveraging on NAEEM Group's MENA presence, the Investment Banking division has generated a diversified pipeline for FY23. NAEEM IB continued to pitch new clients across several sectors including:

1. Education
2. Healthcare
3. Industrial
4. Real Estate
5. Financial services
6. Fintech
7. Food & Beverage
8. Hospitality

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

II. NAEEM HOLDING STANDALONE

Shareholding Structure as of March 2023



NAEEM in Figures

USD 0.5Mn

Net profit in Q1-23 vs. USD 0.7Mn
in Q1-22

4,000

Number of Institutional & Retail
Shareholders as of Mar-23

USD 281Mn

Total Assets as of Mar-23

Note: NAHO free float shares amount to 58.45%

On a standalone basis, NAEEM reported USD 95K operating revenues during Q1-23, up 35% & 22% Q-o-Q and Y-o-Y, respectively. Operating Revenues were driven by custody & margin trading income followed by coupons' income contributing 73% & 27%, respectively; to total operating revenues during Q1-23. NAEEM was also positively affected by the recent EGP devaluation against the USD, the company reported FX gains of USD 1.4Mn during Q1-23; which translated into net profits equivalent to USD 0.5Mn in Q1-23, compared to net profits USD 1Mn & USD 0.7Mn, in Q4-22 and Q1-22; respectively.

Company Snapshot

Ticker:

NAHO EY
NAHO - DU

Mkt Cap (USD Mn)*:

45.55

Shares Outstanding (Mn)*

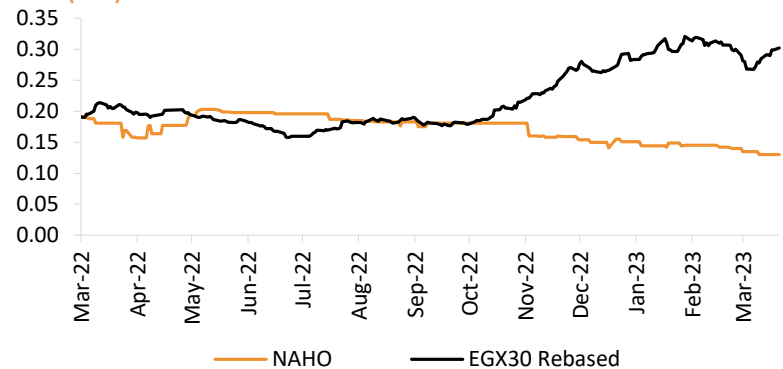
350.414

Share Price (USD)*:

0.13

*As of March 30th 2023

Price (EGP)





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

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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

