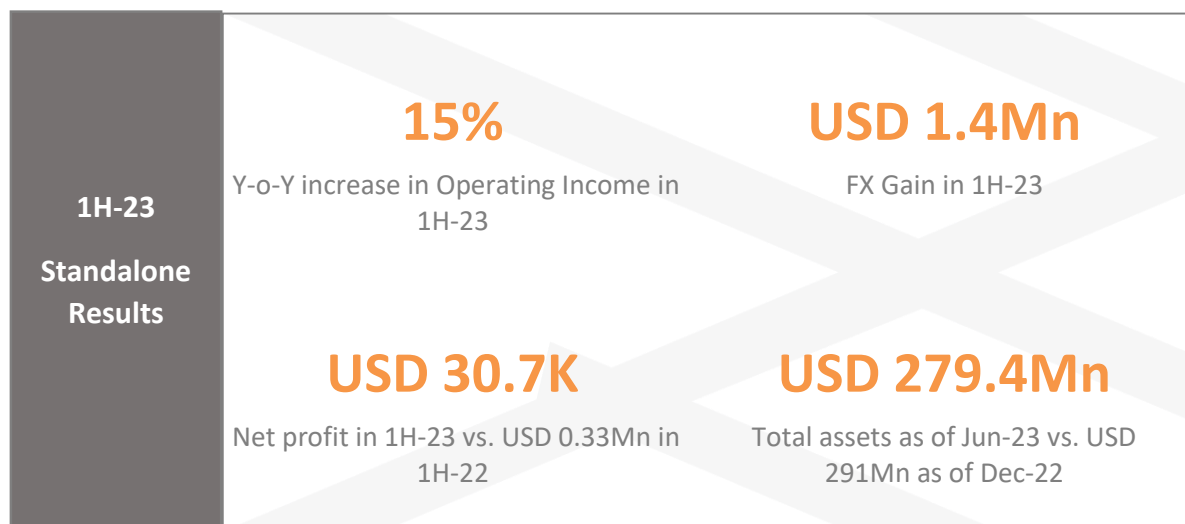
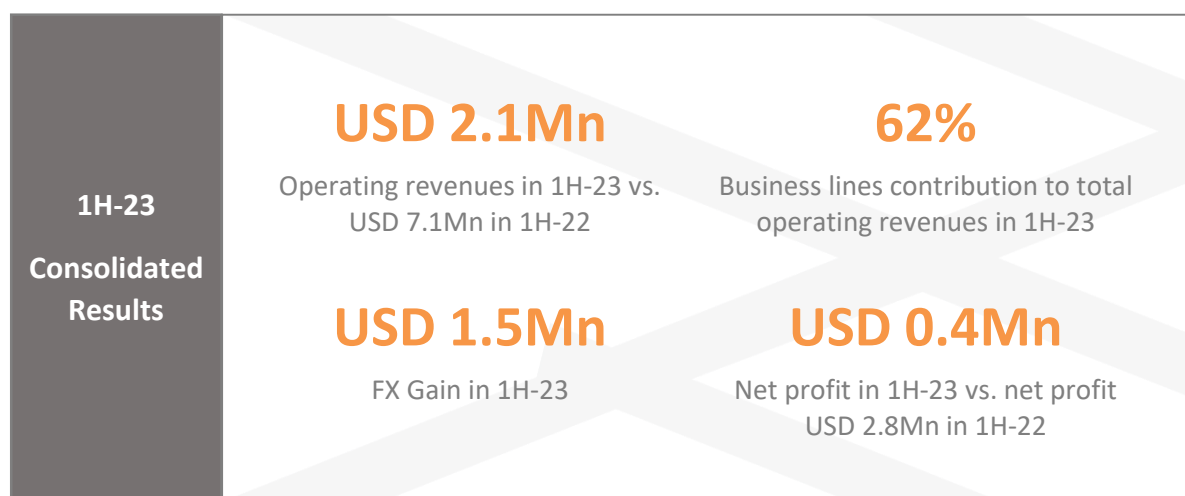




NAEEM Holding for Investments “NAEEM” reports 1H-23 consolidated and standalone results

Cairo, August 14th 2023, NAEEM reported its 1H-23 results with total net consolidated operating revenues of USD 2.1Mn and a net profit of USD 0.4Mn.





I. KEY FINANCIAL HIGHLIGHTS

| Operating Revenues Breakdown (000 USD) | Q2-23 | Q1-23 | Q2-22 | Q-o-Q % | Y-o-Y % | 1H-23 | 1H-22 | Y-o-Y % |
|---|--------------|------------|--------------|-------------|-------------|--------------|--------------|-------------|
| Securities' Brokerage | 638 | 626 | 471 | 2% | 35% | 1,264 | 1,111 | 14% |
| Asset Management | 4 | 15 | 5 | -73% | -13% | 19 | 17 | 16% |
| Total Business Line Contribution | 642 | 642 | 476 | 0% | 35% | 1,283 | 1,127 | 14% |
| | Q2-23 | Q1-23 | Q2-22 | Q-o-Q % | Y-o-Y % | 1H-23 | 1H-22 | Y-o-Y % |
| NAEEM's Operations & Investments | 295 | 95 | 261 | 212% | 13% | 389 | 338 | 15% |
| REACAP Financial Investments | 427 | 51 | 5,745 | 730% | -93% | 478 | 5,926 | -92% |
| Other Income (losses) | (23) | (47) | (156) | N/M | N/M | (71) | (341) | N/M |
| Total Investments Contribution | 698 | 98 | 5,849 | 609% | -88% | 797 | 5,923 | -87% |
| Grand Total Operating Revenues | 1,340 | 740 | 6,325 | 81% | -79% | 2,080 | 7,051 | -70% |

On a consolidated level, during 1H-23, NAEEM reported net operating revenues of USD 2.1Mn as revenues from business lines contributed 62% to total operating revenues, led by Securities' brokerage; in which the latter increased 14% Y-o-Y. NAEEM's investments, generated the remaining 38% of the total operating revenues driven by REACAP – NAEEM's Real Estate arm – reporting revenues amounting to USD 0.5Mn during 1H-23; followed by NAEEM operations and investments which contributed USD 0.4Mn.

REACAP's total operating revenues reported EGP 37.1Mn during Q2-23, soaring 405% Q-o-Q on the back of project ARC units' deliveries, with total operating revenues totaling EGP 44.5Mn in 1H-23. Unit sales contributed 76% to total operating revenues during the quarter, while coupons revenues and rental income generated the remaining 13% and 11%; respectively. The company reported FX gains amounting to EGP 12.7Mn during the same period, while expected credit losses reported EGP 2.1Mn translating into a net profit of EGP 23.7Mn versus a net loss of EGP 17.4Mn in Q1-23 and net profit EGP 75.8Mn during Q2-22.

During Q2-23, NAEEM reported total operating revenues of USD 1.3Mn, up 81% Q-o-Q, nevertheless down 79% Y-o-Y; mainly driven by total commission and management fees amounting to USD 731K, followed by Dividends' income and income from units sold with USD 338k and USD 227k; respectively. On the other hand, G&A expenses were up 10% Q-o-Q yet retreated 26% Y-o-Y to USD 1.2Mn. NAEEM also reported USD 1.5Mn FX gains amid the recent EGP devaluation whereas interest and leasing expenses retreated 26% and 60% Q-o-Q and Y-o-Y; respectively to USD 612K. As a result, NAEEM reported net profit after taxes of USD 453K versus net loss USD 37K in Q1-23 and net profit USD 3.1Mn in Q2-22.

On a standalone basis, NAEEM reported USD 389K operating revenues during 1H-23 up 15% Y-o-Y, driven by coupons' income as well as custody & margin trading income, contributing 45% & 36% respectively to total operating revenues; the remaining 19% were generated by gains from investments' revaluations. NAEEM was positively affected by the recent EGP devaluation against the USD, the company reported an FX gain of USD 1.4Mn during 1H-23; which translated to an EBIT of USD 1.1Mn versus USD 1.5Mn in 1H-22, and resulted in net profits of USD 30.7K in 1H-23 versus net profit USD 0.33Mn in 1H-22.

On the operational level, during Q2-23, revenues from investments contributed 52% to net operating revenues, led by REACAP, in which the latter generated USD 0.4Mn. NAEEM's business lines, contributed the remaining 48% of the net operating revenues, mainly on the back of Securities' brokerage; reporting USD 0.6Mn in revenues during the same quarter.





Regarding NAEEM's prop account, REACAP's subsidiary - SVREICO for real estate investment "SVREICO" - continued to drive REACAP's profitability. During 1H-23, Project ARC deliveries as well as unit sales in project Northside led the changes in assets' base in terms of the following: collection of receivables inched down 1% to EGP 150.4Mn versus EGP 151.6Mn as of Dec-22; while projects under construction (PUC) climbed 23% to EGP 299.3Mn compared to EGP 243.1Mn as of Dec-22. Total assets stood at EGP 1.26Bn in Jun-23 versus EGP 1.20Bn in Dec-22.



KEY OPERATIONAL HIGHLIGHTS

1. Brokerage

The Egyptian market index, EGX30, resumed its uptrend soaring 7.6% and 91.5%; Q-o-Q and Y-o-Y to 17,665.29 as of Jun-23 following a year characterized by high interest rates environment, rocketing inflation levels and geopolitical uncertainties. There was no change in interest rates during Q2-23 as the last hike witnessed was in Mar-23, raising the rates by 200bps to 18.25% & 19.25%; following the currency devaluation witnessed earlier in January. Total market capitalization in Q2-23 grew 10.8% Q-o-Q to EGP 1,162.1Bn.

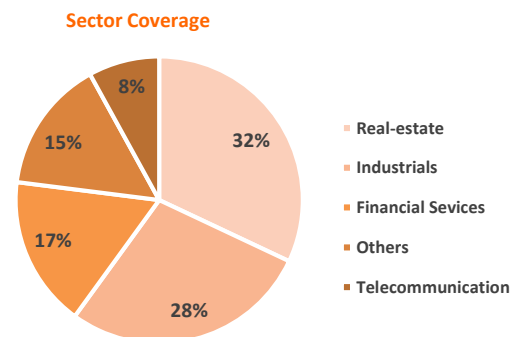
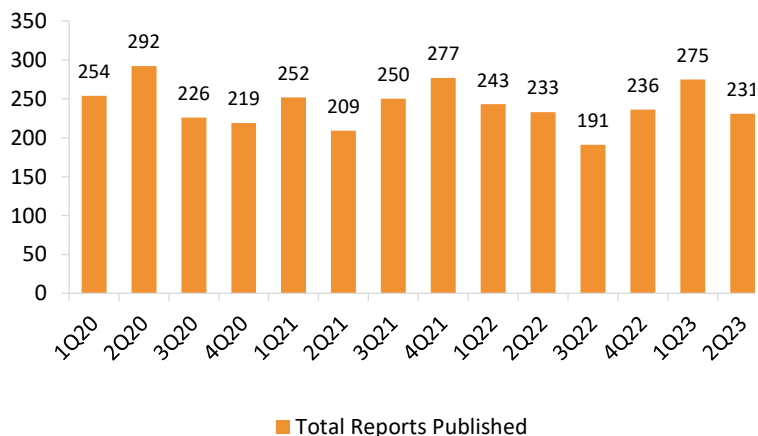
| | Q2-23 | Q1-23 | Q2-22 | Q-o-Q | Y-o-Y | 1H-23 | 1H-22 | Y-o-Y |
|----------------------------|-------------|-------------|-------------|-------|-------|-------------|-------------|-------|
| EGX Turnover (000 EGP) | 272,438,463 | 281,327,313 | 177,096,116 | -3% | 54% | 553,765,776 | 337,384,996 | 64% |
| Company Turnover (000 EGP) | 5,985,326 | 6,337,602 | 3,683,416 | -6% | 62% | 12,322,927 | 8,205,832 | 50% |
| Market Share | 2.2% | 2.3% | 2.1% | | | 2.2% | 2.4% | |

Regarding NAEEM Brokerage Egypt's (NBE) performance, Q2-23 turnover retreated 6% Q-o-Q, nevertheless was up 62% Y-o-Y; respectively. As for 1H-23, NBE's turnover translated into a market share of 2.2% pushing brokerage revenues to USD 1.26Mn in 1H-23, up 14% in dollar terms Y-o-Y.

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 Q2-23, NAEEM Research published 231 reports in both Arabic and English, bringing in the total reports published during 1H-23 to 506.



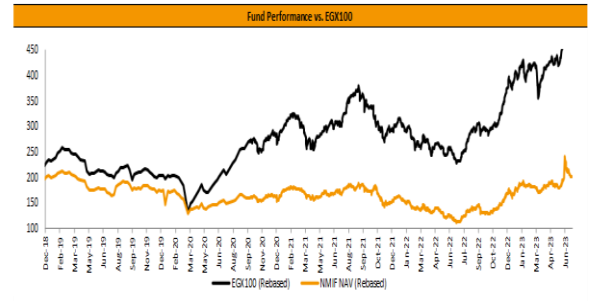
The Research department covers all major sectors in the MENA region including Real estate, Petrochemicals, Oil & Gas, Building materials, Telecommunications, Financial services, and other sectors. The department also offers a wide range of products covering both fundamental as well as technical research.

3. Asset Management

NAEEM's total Assets under Management (AUMs) inched up 0.5% Q-o-Q to USD 297.1Mn as of Jun-23 versus USD 295.7Mn in Mar-23; yet retreated 6.8% versus USD 318.8Mn in Dec-22. On a dollar basis, NAEEM's listed equities climbed 8.8% Q-o-Q; yet, retreated 12% Y-o-Y.

A. Listed Equities

The Central Bank of Egypt (CBE) decided to keep the overnight deposit & lending rates unchanged at 18.25% and 19.25% in Jun-23. The last move occurred in Mar-23, when the CBE raised the overnight deposit & lending rates by 200bps to 18.25% and 19.25%. Annual core inflation rates hit 41% in Jun-23 versus 39.5% in Mar-23 and up from 24.4% in Dec-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 17,665.29 as of June 26th 2023, soaring 7.6% and 91.5%, Q-o-Q and Y-o-Y; respectively.

During 1H-23, Asset management fees grew 16% Y-o-Y; driven by performance fees, in which the latter generated 58% of total fees, while management fees constituted the remaining 42%. Q2-23 witnessed new capital injections and portfolios' capital gains which translated in total AUMs growing by 5.3% & 39.6%, Q-o-Q and Y-o-Y; respectively; while Egypt based AUMs climbed 9.1% & 44.6%, Q-o-Q and Y-o-Y; respectively. As of June-23, Asset Management clients' base was 90% individuals and 10% institutional clients.

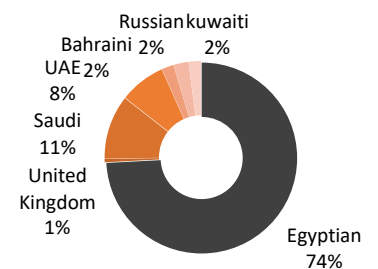
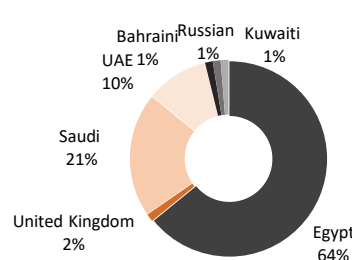
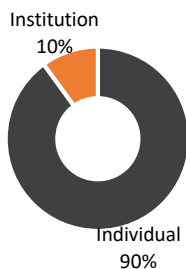
Al Baraka Bank Fund

Al Baraka Fund ended the quarter with a NAV of EGP 127.5 as of June 26th 2023; up 7.7% & 49.5%, Q-o-Q and Y-o-Y; respectively. Al Baraka was ranked first among open ended Islamic Balanced funds during Q2-23.

NAEEM Misr Islamic Fund (NMIF)

NAEEM Misr Islamic Fund ended the quarter with a NAV equivalent to EGP 201.61 as of June 26th 2023; up 14.1% & 73%, Q-o-Q and Y-o-Y; respectively.

Q2-23 Portfolio Allocation by Client Type Q2-23 Portfolio & Funds Number Breakdown by Nationality Q2-23 AUM Value Breakdown by Nationality



B. Egyptian Gulf Bank (EGBank)

| Income Statement (000 EGP) | Q2-23 | Q1-23 | Q2-22 | Q-o-Q% | Y-o-Y% | 1H-23 | 1H-22 | Y-o-Y% |
|-----------------------------------|----------------|----------------|----------------|---------------|---------------|------------------|----------------|---------------|
| Net interest income | 841,936 | 923,499 | 685,460 | -8.8% | 22.8% | 1,765,434 | 1,363,930 | 29.4% |
| Fees and commissions income | 179,838 | 168,132 | 99,705 | 7.0% | 80.4% | 347,970 | 212,638 | 63.6% |
| Other income | 119,149 | 202,841 | 28,453 | -41.3% | 318.8% | 321,990 | 65,997 | 387.9% |
| Provisions | (5,388) | (121,907) | (24,753) | -95.6% | -78.2% | (127,295) | (63,093) | 101.8% |
| Net operating income | 543,506 | 541,393 | 379,910 | 0.4% | 43.1% | 1,084,899 | 766,578 | 41.5% |
| Net profit after taxes | 340,643 | 316,306 | 212,059 | 7.7% | 60.6% | 656,949 | 409,467 | 60.4% |

| Balance Sheet (000 EGP) | Q2-23 | Q1-23 | Q2-22 | Q-o-Q% | Y-o-Y% | 6M-23 | 6M-22 | Y-o-Y% |
|--------------------------------|--------------------|-------------------|-------------------|---------------|---------------|--------------------|-------------------|---------------|
| Cash and marketable securities | 8,677,094 | 8,298,555 | 8,079,280 | 4.6% | 7.4% | 8,677,094 | 8,079,280 | 7.4% |
| Total loans | 30,395,264 | 29,312,967 | 25,133,196 | 3.7% | 20.9% | 30,395,264 | 25,133,196 | 20.9% |
| Total Assets | 104,105,761 | 99,934,148 | 81,874,980 | 4.2% | 27.2% | 104,105,761 | 81,874,980 | 27.2% |
| Total deposits | 78,573,193 | 79,663,322 | 70,789,256 | -1.4% | 11.0% | 78,573,193 | 70,789,256 | 11.0% |
| Shareholders' Equity | 5,729,358 | 5,691,970 | 5,123,810 | 0.7% | 11.8% | 5,729,358 | 5,123,810 | 11.8% |

| Key ratios | Q2-23 | Q1-23 | Q2-22 | Q-o-Q% | Y-o-Y% | 6M-23 | 6M-22 | Y-o-Y% |
|----------------------|--------------|--------------|--------------|---------------|---------------|--------------|--------------|---------------|
| NIM (%) | 1% | 1% | 1% | (0.1) | (0.0) | 1.0% | 0.9% | (0.0) |
| Loan to deposits (%) | 38.7% | 36.8% | 35.5% | 1.9 | 3.2 | 38.7% | 35.5% | 3.2 |
| Growth in deposits | -1.4% | 11.1% | 1.3% | (12.4) | (2.6) | 11.0% | 3.1% | (2.6) |
| Growth in loans | 3.7% | 9.0% | -3.1% | (5.3) | 6.8 | 20.9% | 9.1% | 6.8 |
| NPL / gross loans | 4.6% | 4.7% | 4.5% | (0.1) | 0.1 | 4.6% | 4.5% | 0.1 |

EGBank reported net interest income of EGP 1.77Bn in 1H-23, up 29.4% Y-o-Y. Fees and commissions income climbed 63.6% Y-o-Y, while other income soared 387.9% Y-o-Y. As a result, net operating income grew 41.5% Y-o-Y, despite the sharp increase in provisions; where total provisions booked by the bank during 1H-23 amounted to EGP 127.3Mn, up 101.8% Y-o-Y. Overall, EGBank reported net profit after tax of EGP 656.9Mn in 1H-23, up 60.4% Y-o-Y.

As for Q2-23, net interest income retreated 8.8% Q-o-Q yet was up 22.8% Y-o-Y to EGP 841.9Mn. Whereas, Fees and commissions income climbed 7% and 80.4% Q-o-Q & Y-o-Y, respectively. Other income retreated 41.3% Q-o-Q yet rose 318.8% Y-o-Y. Total provisions booked by the bank during Q2-23 dropped 95.6% and 78.2%, Q-o-Q & Y-o-Y; respectively to EGP 5.4Mn. As a result, net operating income recorded EGP 543.5Mn, up 0.4% and 43.1%, Q-o-Q & Y-o-Y, respectively; resulting into net profit after tax of EGP 340.6Mn in Q2-23, up 7.7% & 60.6% Q-o-Q & Y-o-Y, respectively.

Customer deposits amounted to EGP 78.6Bn in Jun-23, down 1.4% Q-o-Q yet up 11% Y-o-Y, respectively; while total loans recorded EGP 30.4Bn during the same period, up 3.7% and 20.9%, Q-o-Q & Y-o-Y, respectively. This translated into a loan to deposits ratio of 38.7% in Jun-23 versus 36.8% & 35.5% in Q1-23 and Q2-22; respectively. NPL to Gross Loans ratio was relatively stable at 4.6% in Q2-23 versus 4.7% & 4.5% in Q1-23 and Q2-23; respectively, indicating limited changes in asset quality.

C. RECAP Financial Investments (RECAP)

RECAP's total operating revenues reported EGP 37.1Mn during Q2-23, soaring 405% Q-o-Q on the back of project ARC units' deliveries, with total operating revenues totaling EGP 44.5Mn in 1H-23. Unit sales contributed 76% to total operating revenues during the quarter, while coupons revenues and rental income generated the remaining 13% and 11%; respectively. The company reported FX gains amounting to EGP 12.7Mn during the same period, while expected credit losses reported EGP 2.1Mn translating into a net profit of EGP 23.7Mn versus a net loss of EGP 17.4Mn in Q1-23 and net profit EGP 75.8Mn during Q2-22.

During 1H-23, Project ARC deliveries as well as unit sales in project Northside lead the changes in assets' base in terms of the following: collection of receivables inched down 1% to EGP 150.4Mn versus EGP 151.6Mn as of Dec-22; while projects under construction (PUC) climbed 23% to EGP 299.3Mn compared to EGP 243.1Mn as of Dec-22. Total assets stood at EGP 1.26Bn in Jun-23 versus EGP 1.20Bn in Dec-22.

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 65% as of Jun-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. Manufacturing
5. Real Estate
6. Financial services
7. Fintech
8. Food & Beverage
9. Hospitality

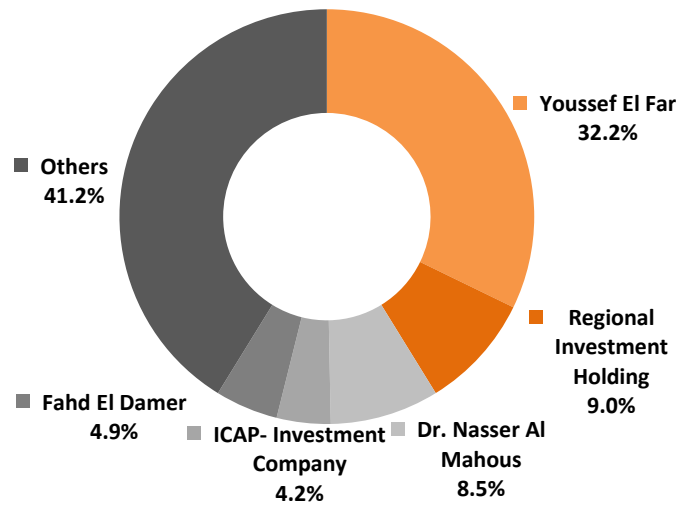
Pipeline transactions are separated into External Clients Advisory Services and NAEEM Group Proprietary investments advisory.



II. NAEEM HOLDING STANDALONE

NAEEM in Figures

Shareholding Structure as of June 2023



USD 30.7K

Net profit in 1H-23 vs. USD 0.33Mn in 1H-22

4,000

Number of Institutional & Retail Shareholders as of Jun-23

USD 279.4Mn

Total Assets as of Jun-23

Note: NAHO free float shares amount to 58.45%

On a standalone basis, NAEEM reported USD 389K operating revenues during 1H-23 up 15% Y-o-Y, driven by coupons' income as well as custody & margin trading income, contributing 45% & 36% respectively to total operating revenues; the remaining 19% were generated by gains from investments' revaluations. NAEEM was positively affected by the recent EGP devaluation against the USD, the company reported an FX gain of USD 1.4Mn during 1H-23; which translated to an EBIT of USD 1.1Mn versus USD 1.5Mn in 1H-22, and resulted in net profits of USD 30.7K in 1H-23 versus net profit USD 0.33Mn in 1H-22.

Company Snapshot

Ticker:

NAHO EY
NAHO - DU

Mkt Cap (USD Mn)*:

42.04

Shares Outstanding (Mn)*

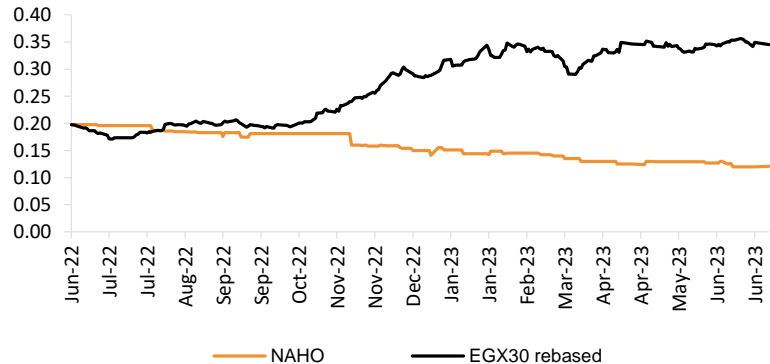
350.414

Share Price (USD)*:

0.12

*As of June 26th 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

