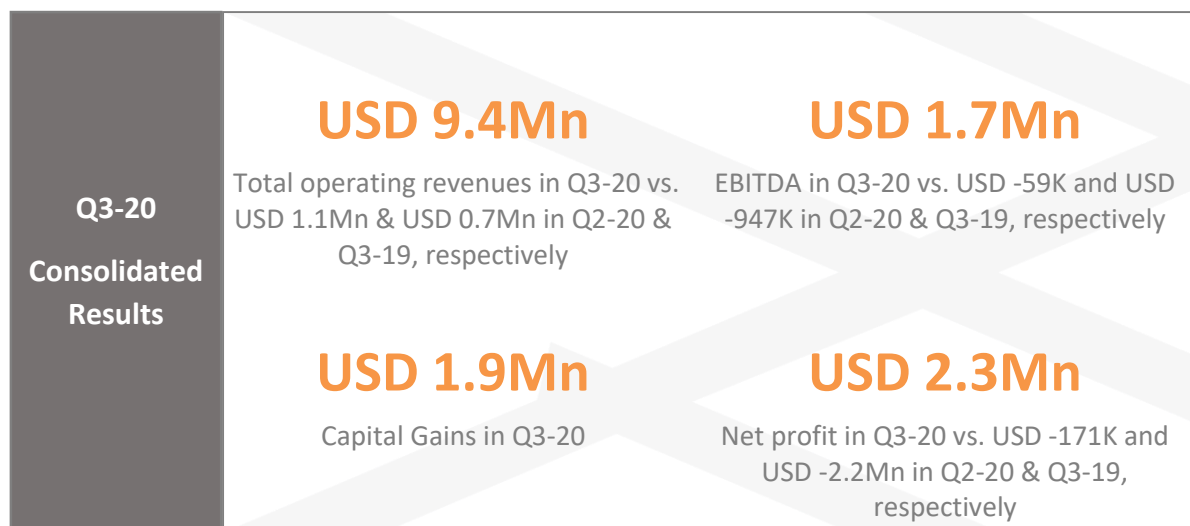
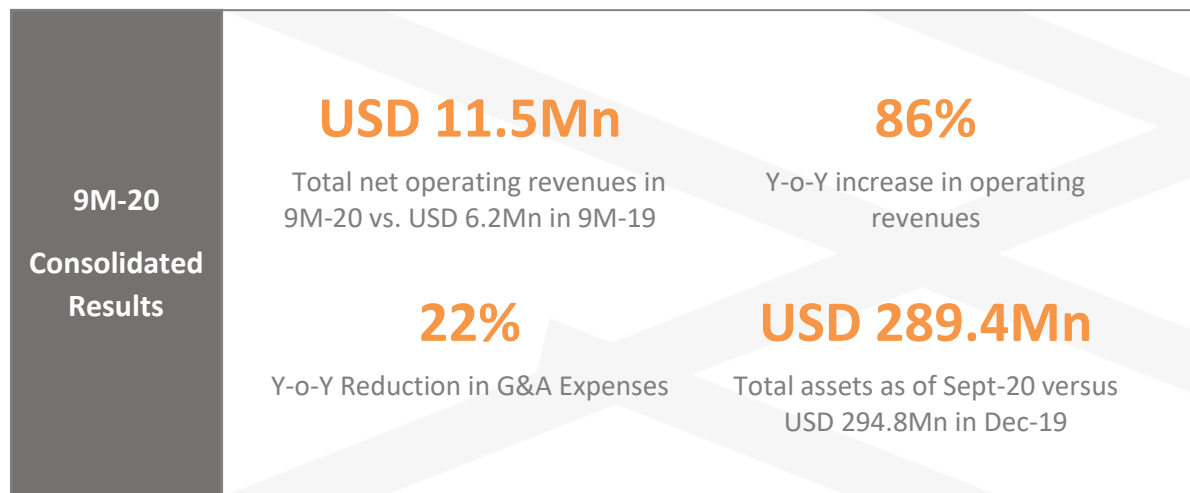


NAEEM Holding for Investments “NAEEM” reports 9M-20 and Q3-20 consolidated and standalone results

Cairo, November 11th 2020, NAEEM reported its 9M-20 results with total net consolidated operating revenues of USD 11.5Mn and net profit of USD 0.6Mn.



I. KEY FINANCIAL HIGHLIGHTS

Operating Revenues Breakdown (000 USD)	Q3-20	Q2-20	Q3-19	Q-o-Q %	Y-o-Y %	9M-20	9M-19	Y-o-Y %
Securities Brokerage	656	499	470	31%	40%	1,679	1,696	-1%
Asset Management	8	8	12	5%	-36%	24	55	-55.8%
Total Business Line Contribution	664	507	482	31%	38%	1,704	1,751	-2.7%

	Q3-20	Q2-20	Q3-19	Q-o-Q %	Y-o-Y %	9M-20	9M-19	Y-o-Y %
NAEEM's Operations & Investments	133	230	75	-42%	77%	362	2,959	-87.8%
REACAP Financial Investments	8,479	352	174	2306%	4772%	9,481	1,801	426.3%
Other Income (losses)	109	(37)	(7)	N/M	N/M	(11)	(314)	N/M
Total Investments Contribution	8,721	545	242	1500%	3505%	9,832	4,446	121%
Grand Total Operating Revenues	9,385	1,052	724	792%	1196%	11,536	6,197	86%

On a consolidated level during 9M-20, NAEEM reported net operating revenues of USD 11.5Mn, up 86% Y-o-Y driven by NAEEM investments contributing USD 9.8Mn, while the remaining USD 1.7Mn was generated by NAEEM business lines. Q3-20 operating revenues soared 792% & 1,196%, Q-o-Q and Y-o-Y, respectively; to USD 8.7Mn mainly stemming from timely delivery of projects by REACAP financial investments –NAEEM's real estate investment vehicle– contributing USD 8.5Mn to NAEEM's operating revenues. Revenues from Business lines amounted to USD 0.7Mn during Q3-20, up 31% & 38%, Q-o-Q and Y-o-Y, respectively.

REACAP reported consolidated results for 9M-20 with total operating revenues soaring 385% to EGP 149.6Mn versus EGP 30.9Mn mainly on the back of strong sales performance and units' delivery in project LINX. Revenues from sale of projects and buildings owned by REACAP's subsidiary - SVREICO for real-estate investment "SVREICO", had the lion's share contributing 92% to operating revenues, followed by rental income and coupons' revenues accounting for 6% and 2%; respectively. As a result, net profit after taxes amounted to EGP 25.2Mn, up 31% Y-o-Y versus EGP 19.3Mn in 9M-19.

Regarding profitability, NAEEM Holding consolidated revenues jumped 86% to USD 11.5Mn during 9M-20 versus USD 6.2Mn in 9M-19 driven by REACAP revenues followed by commissions and management fees. The latter inched down 1% Y-o-Y due to slower market activity that was further amplified by the outbreak of COVID-19. The company was able to cut G&A expenses by 22% Y-o-Y to USD 3.7Mn in 9M-20 versus USD 4.7Mn in 9M-19, which translated into an EBITDA of USD 1.1Mn in 9M-20. NAEEM also witnessed a 33% Y-o-Y drop in interest & leasing expenses to USD 1.4Mn versus USD 2.2Mn in 9M-19 on the back of debt restructuring due to interest rate cuts by the CBE. The CBE had cut overnight deposit and lending rates by 350 bps during the first nine months of 2020. NAEEM also reported USD 1.9Mn capital gains, which translated to USD 1.2Mn pretax gains in 9M-20 versus a loss of USD 2.4Mn in 9M-19 and hence net profit of USD 0.7Mn versus a net loss of USD 2.4Mn in 9M-19.

As for Q3-20, NAEEM reported strong consolidated revenues of USD 9.4Mn, versus USD 1.1Mn and USD 0.7Mn in Q2-20 and Q3-19; respectively. The jump in revenues comes on the back of REACAP recognizing revenues from units' delivery in Q3-20, followed by commissions and management fees, up 24% & 5%, Q-o-Q and Y-o-Y respectively to USD 0.7Mn. EBITDA stood at USD 1.7Mn while net profit amounted to USD 2.3Mn versus a net loss of USD 2.2Mn in Q3-19.

On a standalone basis, NAEEM's operating revenues totaled USD 418K in 9M-20 versus USD 3Mn in 9M-19. This decline is mainly due to a change in accounting methods, where stock dividends are no longer reported in revenues. During Q3-20, interest expenses soared to USD 812K, up 194% Y-o-Y after the expiration of the CBE initiative to postpone payments for six months. As a result, NAEEM reported a net loss of USD 1.1Mn in Q3-20 and USD 2.3Mn in 9M-20 versus a loss of USD 1.3Mn in 9M-19.



On the operational level, NAEEM's proprietary investments generated 85% of the group's consolidated operating revenues during 9M-20, versus 72% in 9M-19, while NAEEM's business lines revenues contributed the remaining 15%. Revenues from business lines were 99% dominated by Securities' Brokerage. Asset Management generated the remaining 1% to the group's business lines' revenues as fees retreated by 56% Y-o-Y on the back of weaker equity markets.

On the prop investments level, SVREICO continued to drive REACAP's profitability and boost its asset base in terms of receivables reflecting buildings and units' sales. REACAP receivables amounted to EGP 261.3Mn as of Sep-20, up 5% versus EGP 248.5Mn in Dec-19. In Q3-10, the company delivered 59 units in project LINX projects, representing 41% of the project. As a result, projects under development fell 36% to EGP 284Mn as of Sep-20 versus EGP 441Mn in Dec-19. Total assets recorded EGP 1.14Bn, slightly up 0.3% versus EGP 1.13Bn in Dec-19.

II. KEY OPERATIONAL HIGHLIGHTS

1. Brokerage

During Q3-20, the Egyptian market index, EGX30, inched up 2.1% Q-o-Q to 10,989 points as of Sep 30, 2020, yet the unfavorable macroeconomic implications of the partial lockdown and the uncertainties concerning the outbreak of the COVID-19 pandemic caused a 23% Y-o-Y drop in EGX30 index, compared to 14,257 points as of Sep 30, 2019. Total market turnover reached EGP 175.2Bn during Q3-20, up 28% & 32.5%, Q-o-Q and Y-o-Y; respectively. Company turnover retreated by 1.9% Q-o-Q yet jumped 43.8% Y-o-Y to EGP 4Bn, on the back of an execution of an OTC transaction.

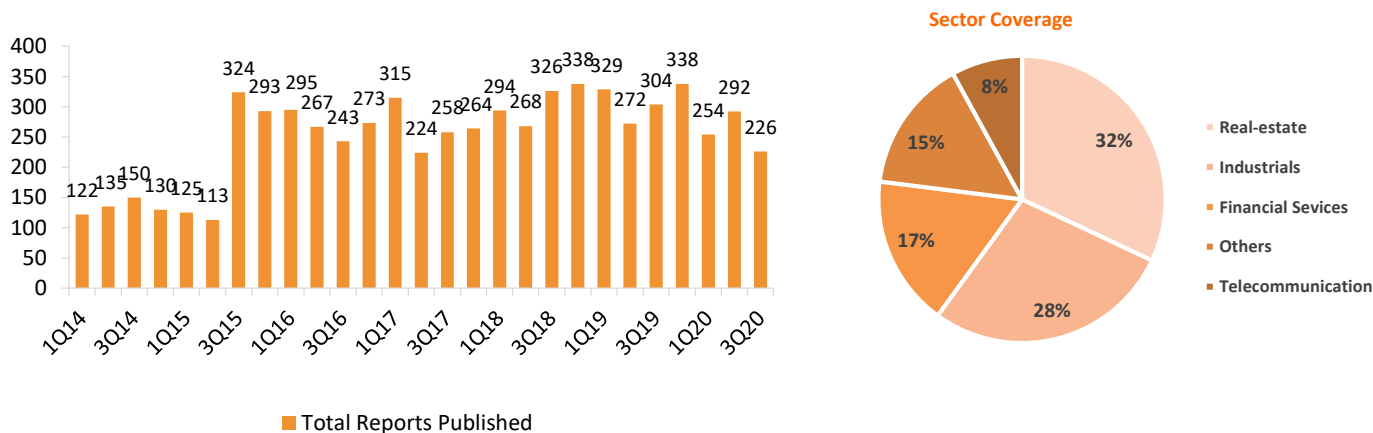
		Q3-20	Q2-20	Q3-19	Q-o-Q	Y-o-Y	9M-20	9M-19	Y-o-Y
Egypt	EGX Turnover (000 EGP)	175,237,754	137,220,867	132,252,833	27.7%	32.5%	416,705,710	337,238,910	23.6%
	Company Turnover (000 EGP)	3,985,834	4,062,960	2,772,482	-1.9%	43.8%	11,104,866	9,308,209	19.3%
	Market Share	2.3%	3.0%	2.1%			2.7%	2.8%	

Over the 9 months' period ending September 2020, NAEEM Brokerage Egypt's (NBE) turnover reached EGP 11.1Bn up 19.3% Y-o-Y, translating to a market share of 2.7%. Nevertheless, total revenues from brokerage activities inched lower 1% to USD 1.68Mn in 9M-20, versus USD 1.7Mn in 9M-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 Q3-20, NAEEM Research issued 226 reports in both Arabic and English, bringing in total Research reports to 772 during 9M-20.



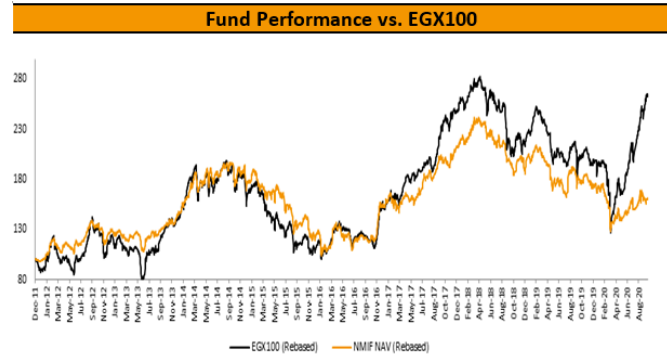
The Research department covers all major sectors in the MENA region including Real estate, Petrochemicals, Oil & Gas, Building materials, Telecommunications, Financial services, and other sectors. The department also offers a wide range of products covering both fundamental as well as technical research.

3. Asset Management

NAEEM's total Assets under Management (AUMs) stood at USD 347.6Mn as of Sep-20. On a dollar basis, NAEEM's listed equities were slightly up 1.4% Q-o-Q, yet retreated 6.6% Y-o-Y.

A. Listed Equities

The Central Bank of Egypt (CBE) decided to cut the overnight deposit rate & the overnight lending rate by 50 basis point at 8.75% and 9.75%, respectively; during its meeting in September-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. This decision comes in line with the decline in annual inflation which fell to 3.7 % in September from 5.6 % in June-20 and versus 7.2% in Jan-20. During Q3-20, total AUM's were slightly up by 1% & 2.2%, Q-o-Q and Y-o-Y; respectively. Despite some redemptions, the number of client portfolios increase by 3.4% & 20% Q-o-Q and Y-o-Y; respectively. Egypt based AUMs, retreated by 1% & 9.1%, Q-o-Q and Y-o-Y, respectively.



During Q3-20, total asset management fees increased 5% Q-o-Q, yet retreated 36% Y-o-Y, on the back of weaker equity markets which translated into weak performance fees. The latter constituted 27% of total fees while management fees contributed 73% during the same quarter. As of Q3-20, Asset Management clients' base was 84% individuals and 16% institutional clients.

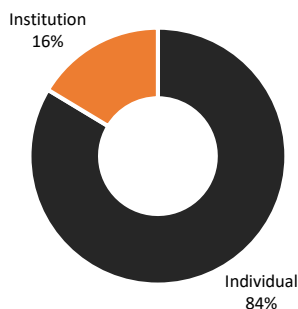
Al Baraka Bank Fund

During Q3-20, AlBaraka Fund ranked first among open ended Islamic Balanced funds with NAV of EGP 91.04 as of September 30, 2020; up 6.2% Q-o-Q, yet down 2% Y-o-Y.

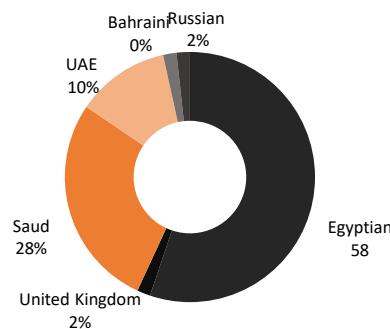
NAEEM Misr Islamic Fund (NMIF)

NAEEM Misr Islamic Fund ranked sixth among open ended Islamic funds during the same period with NAV EGP 160.39 as of September 30, 2020; up 6.1% Q-o-Q, yet down 11.7% Y-o-Y.

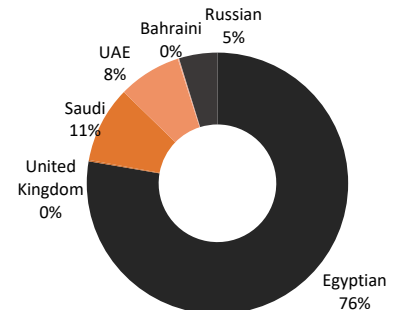
Q3-20 Portfolio Allocation by Client Type



Q3-20 Portfolio & Funds Number Breakdown by Nationality



Q3-20 AUM Value Breakdown by Nationality



B. Egyptian Gulf Bank (EGBank)

Income Statement (000 EGP)	Q3-20	Q2-20	Q3-19	Q-o-Q%	Y-o-Y%	9M-20	9M-19	Y-o-Y%
Net interest income	627,948	726,087	472,936	-13.5%	32.8%	1,964,802	1,382,263	42%
Fees and commissions	77,000	73,439	78,849	4.8%	-2.3%	250,468	242,268	3%
Other income	51,240	31,004	29,132	65.3%	75.9%	134,299	76,849	75%
Net operating income	243,053	259,705	245,758	-6.4%	-1.1%	754,070	736,086	2.4%
Provisions	(138,760)	(144,431)	(58,496)	-3.9%	137.2%	(437,207)	(149,377)	192.7%
Net profit after tax	149,143	160,470	166,912	-7.1%	-10.6%	466,175	478,440	-2.6%

Balance Sheet (000 EGP)	Q3-20	Q2-20	Q3-19	Q-o-Q%	Y-o-Y%	9M-20	9M-19	Y-o-Y%
Cash and marketable securities	6,349,586	3,282,987	5,933,516	93.4%	7.0%	6,349,586	5,933,516	7.0%
Total loans	22,123,335	21,142,370	23,268,221	4.6%	-4.9%	22,123,335	23,268,221	-4.9%
Total Assets	76,394,574	71,117,341	65,710,100	7.4%	16.3%	76,394,574	65,710,100	16.3%
Total deposits	61,288,807	58,149,278	57,343,151	5.4%	6.9%	61,288,807	57,343,151	6.9%
Shareholders Equity	5,024,635	4,909,808	4,331,780	2.3%	16.0%	5,024,635	4,331,780	16.0%

Key ratios	Q3-20	Q2-20	Q3-19	Q-o-Q%	Y-o-Y%	9M-20	9M-19	Y-o-Y%
NIM (%)	2%	3%	1%	(0.6)	1.1	6.4%	2.9%	1.1
Loan to deposits (%)	36.1%	36.4%	40.6%	(0.3)	(4.5)	36.1%	40.6%	(4)
Growth in deposits	5.4%	-5.2%	3.7%	10.6	1.7	6.9%	-0.7%	1.7
Growth in loans	5%	-3%	-4.6%	7.6	9.2	-4.9%	-10.9%	9.2
NPL / gross loans	4.2%	4.5%	4%	(0.3)	0.2	4%	4%	0.2

EGBank reported net operating income of EGP 754.1Mn in 9M-20, up 2.4% Y-o-Y on the back of a 42% surge in net interest income due to lower funding costs Y-o-Y; fees and commissions income¹ and other operational income increased by 3% and 75%; respectively. Nevertheless, the increase in provisions costs and the higher tax rates offset that increase in operating income and resulted in net profit after taxes falling 2.6% Y-o-Y to EGP 466.2Mn from EGP 478.4Mn. Provisions soared 192.7% Y-o-Y to EGP 437.2Mn amid COVID-19 negative implications and partial country lockdown.

As for Q3-20, net operating income retreated 6.4% & 1.1%, Q-o-Q and Y-o-Y, respectively; to EGP 243Mn. Net profit after taxes followed suit, retreating 7.1% & 10.6%, Q-o-Q and Y-o-Y, respectively to EGP 149.1Mn. Provisions booked during Q3-20 amounted to EGP 138.8Mn, retreating 3.9% Q-o-Q, yet up 137.2% Y-o-Y, compared to EGP 144.4Mn in Q2-20 and EGP 58.5Mn, pre-COVID-19 in Q3-19.

Customer deposits witnessed strong growth in Q3-19, growing 5.4% & 6.9%, Q-o-Q and Y-o-Y; respectively to EGP 61.3Bn. Loans portfolio were up 4.6% Q-o-Q to EGP 22.1Bn, yet down 4.9% Y-o-Y; translating into a loan to deposits ratio of 36.1% as of Sep-20 versus 40.6% in Sep-19. NPL to Gross Loans ratio slightly retreated to 4.2% in Q3-20 versus 4.5% in Q2-20 and 4% in Q3-19.

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

C. REACAP Financial Investments (REACAP)

REACAP reported consolidated results for 9M-20 with total operating revenues soaring 385% to EGP 149.6Mn versus EGP 30.9Mn mainly on the back of strong sales performance and units' delivery in project LINX. Revenues from sale of projects and buildings owned by REACAP's subsidiary - SVREICO for real-estate investment "SVREICO", had the lion's share contributing 92% to operating revenues, followed by rental income and coupons' revenues accounting for 6% and 2%; respectively. As for non-operational revenues, the EGP appreciation resulting in FX gains amounting to EGP 0.6Mn in 9M-20 versus gains of EGP 3.5Mn in 9M-19. As a result, net profit after taxes amounted to EGP 25.2Mn, up 31% Y-o-Y versus EGP 19.3Mn in 9M-19.

SVREICO continued to drive REACAP's profitability and boost its asset base in terms of receivables reflecting buildings and units' sales. REACAP receivables amounted to EGP 261.3Mn as of Sep-20, up 5% versus EGP 248.5Mn in Dec-19. In Q3-20, the company delivered 59 units in project LINX projects, representing 41% of the project. As a result, projects under development fell 36% to EGP 284Mn as of Sep-20 versus EGP 441Mn in Dec-19. Total assets recorded EGP 1.14Bn, slightly up 0.3% versus EGP 1.13Bn in Dec-19.

Operational Highlights:

SVREICO delivered 41% of LINX project units during Q3-20 as detailed in the table below. Remaining units' revenues will be recognized upon delivery in Q4-20 & 2021

Project	Sold area in sqm	Value in EGP	Description
LINX	8,652.18	233,869,240	41% of the units were delivered, remaining 31% reported as reserved units
ARC	6,536	208,876,786	Reserved units

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.

4. Investment Banking

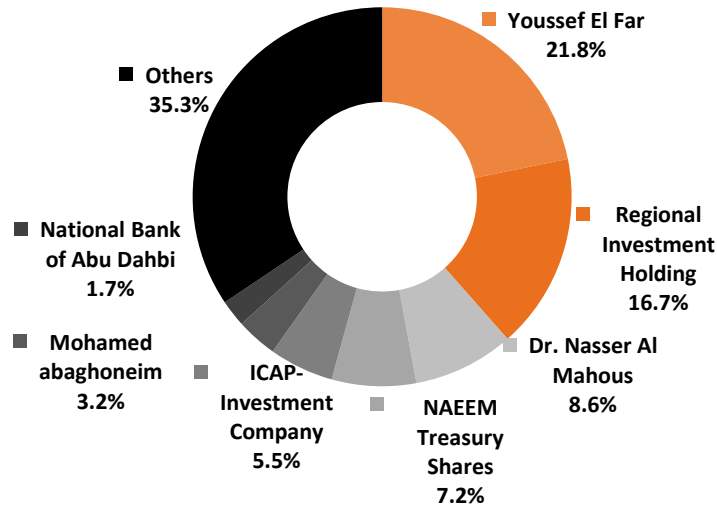
Leveraging on NAEEM Group's MENA presence, the Investment Banking division has generated a diversified pipeline for FY20. NAEEM IB continued to pitch new clients across several sectors including:

1. Education
2. Food & Beverage
3. Industrial
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 September 2020



Note: NAHO free float shares amount to 44%

NAEEM in Figures

10%

Y-o-Y Reduction in G&A in 9M-20

4,000

Number of Institutional & Retail Shareholders as of Sep-20

USD 301Mn

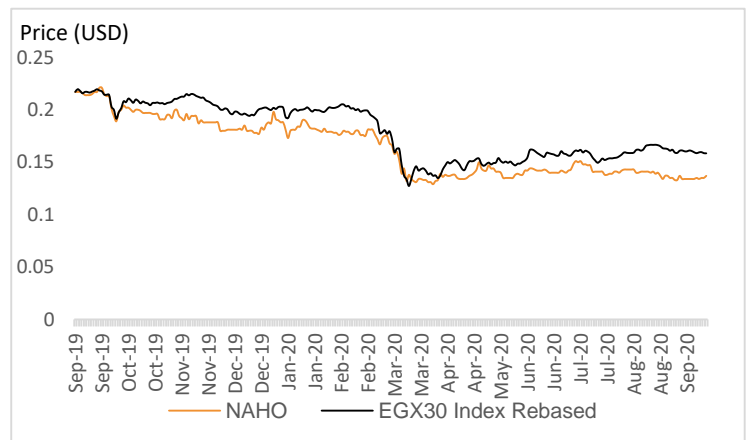
Total Assets as of Sep-20

On a standalone basis, NAEEM's operating revenues totaled USD 418K in 9M-20 versus USD 3Mn in 9M-19. This decline is mainly due to a change in accounting methods, where stock dividends are no longer reported in revenues. During Q3-20, interest expenses soared to USD 812K, up 194% Y-o-Y after the expiration of the CBE initiative to postpone payments for six months. As a result, NAEEM reported a net loss of USD 1.1Mn in Q3-20 and USD 2.3Mn in 9M-20 versus a loss of USD 1.3Mn in 9M-19.

Company Snapshot

Ticker:	NAHO EY NAHO - DU
Mkt Cap (USD Mn):	51
Shares Outstanding (Mn):	377.857
Share Price (USD):	0.135

*As of September 30th 2020





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

