Detailed analysis of accumulated losses

Date:	28-02-2021
Listed Company Name:	NAEEM Holding
Define the period of the financial statements	Financial Year 2020
Accumulated losses:	USD 55,240,048
Accumulated losses to capital ratio:	20.88%
The main reasons leading to these accumulated losses and their history:	NAEEM Holding operational revenues jumped 153% Y-o-Y to USD 14Mn, during 2020, driven by revenues from real estate, the latter contributed 80% to overall revenues. Despite these positive results, accumulated losses ratio is still 20.88% due to the negative implications byCovid-19, causing low liquidity in equity markets hence decreasing revenues from commissions in both securities brokerage and asset management business lines as well as revenues from dividends distribution. Accumulated losses ratio retreated compared to the same ratio in Q1-20 (20.99%) As for historical losses, they are due to: - Change in accounting standards, namely leasing - Floating the EGP and FX volatility, affecting loans and investments in foreign currency - General fluctuations in financial investment field and the financial sector
Measures to be taken to address accumulated losses:	- Restructuring some subsidiaries and investments (under execution) - Rescheduling debts and decreasing interest expenses (under execution) - Accessing new sectors for investments - Expanding investment scope abroad

Deputy Chairman & Chief Executive Officer

Authorized to signatory

Youssef El Far

NAEEM
INVESTOR RELATION DEPT.