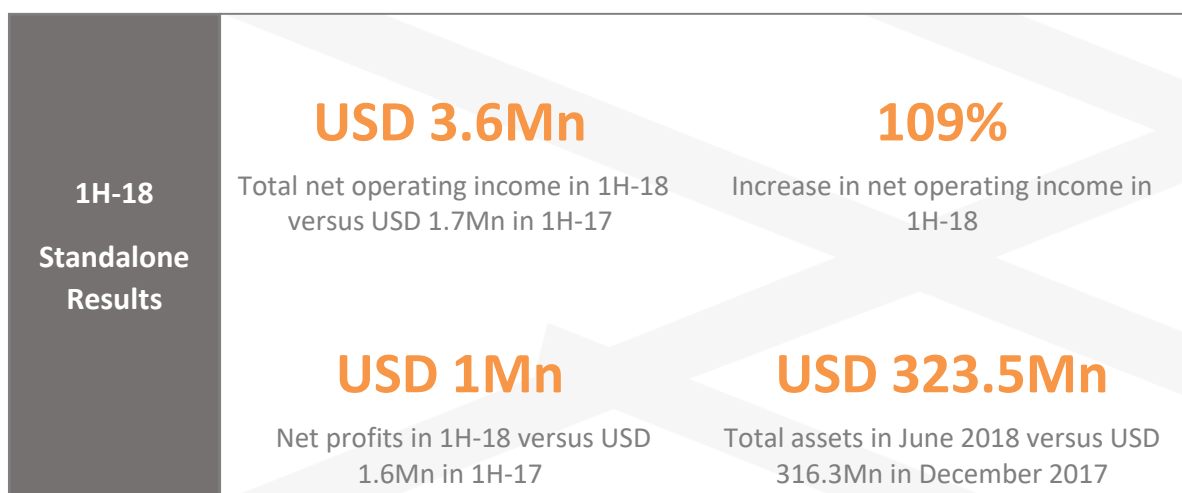
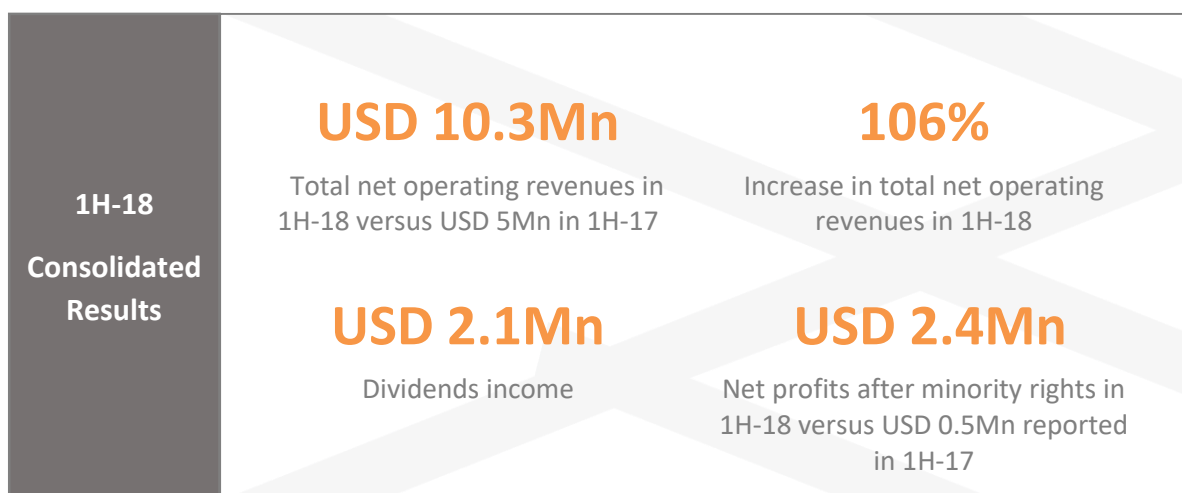


NAEEM Holding for Investments “NAEEM” reports 1H-18 consolidated results

Cairo, August 14th 2018, NAEEM reported its 1H-18 results with total net consolidated operating revenues of USD 10.3Mn, an EBITDA of USD 4.7Mn and net income after minority interest of USD 2.4Mn.



I. KEY FINANCIAL HIGHLIGHTS

Adjusted Net Operating Revenues Breakdown (000 USD)	Q2-18	Q1-18	Q2-17	Q-o-Q %	Y-o-Y %	1H-18	1H-17	Y-o-Y %
Adjusted Securities Brokerage *	996	1,092	847	-8.8%	17.5%	2,088	1,979	5.5%
Asset Management	85	63	115	34.1%	-26.5%	148	151	-2%
Others	0	0	8	N/M	N/M	0	8	N/M
Total Business Line Contribution	1,081	1,156	971	-6.5%	11.3%	2,236	2,144	4.3%

	Q2-18	Q1-18	Q2-17	Q-o-Q %	Y-o-Y %	1H-18	1H-17	Y-o-Y %
NAEEM's Operations & Investments	1,494	2,139	1,995	-30.1%	-25.1%	3,633	1,629	123%
REACAP Financial Investments	1,802	2,775	324	-35.1%	456.8%	4,577	1,066	329.3%
Other Income (losses)	(25)	(151)	(115)	N/M	N/M	(176)	(181)	N/M
Total Investments Contribution	3,271	4,763	2,204	-31.3%	48.4%	8,034	2,515	219.5%
Grand Total Adjusted Net Operating Revenues	4,351	5,919	3,175	-26.5%	37.1%	10,270	4,651	120.4%

*Due to an internal restructuring, NAEEM no longer consolidates NAEEM Shares and Bonds (NSB), as it is now fully owned by Etihad Capital, NAEEM Group's investment arm in the UAE. As a result, comparable year figures have been adjusted.

On a consolidated level, during 1H-18, total net operating revenues witnessed a whopping growth of 120.4% Y-o-Y, mainly boosted by REACAP revenues (contributing USD 4.6Mn to the total consolidated net operating revenues) as well as a 123% increase in NAEEM's operations and investments¹, where the latter climbed to USD 3.6Mn versus USD 1.6Mn in 1H-17 on the back of real estate investment gains and custody revenues.

REACAP reported consolidated operating revenues amounting to EGP 80.2Mn during 1H-18, up 316% versus EGP 19.3Mn in 1H-17, mainly on the back of sales of its existing buildings in Smart Village. As a result, net profit after taxes jumped 833% Y-o-Y to EGP 48.9Mn versus EGP 5.2Mn in 1H-17. During Q2-18, sales were driven by REACAP's subsidiary, SVREICO for Real Estate Investment "SVREICO", it resumed sales in project LINX with total BUA sold to date amounting to 7,622 sqm since its launch in Q4-17.

Regarding profitability, the aforementioned surge in net operating revenues coupled with lower costs driven by the recent restructuring of NSB, translated into an EBITDA of USD 4.7Mn in 1H-18, versus a loss of USD 0.1Mn in 1H-17, and a net income after minority interest amounting to USD 2.4Mn up 423% Y-o-Y

On a standalone basis, NAEEM reported operating income of USD 3.6Mn in 1H-18, climbing 108.8% Y-o-Y with dividends income being the main contributor. EBITDA jumped 239.4% Y-o-Y to USD 2.5Mn mainly on the back of USD 1.5Mn gain on assets available for sale. During 1H-18, there was no significant change in SG&A, yet interest expenses more than doubled to USD 1.2Mn versus USD 0.6Mn in 1H-17 pressuring net income to retreat 36.6% Y-o-Y to USD 1Mn.

During Q2-18, on the consolidated level, NAEEM reported total adjusted net operating revenues of USD 4.4Mn, down 26.5% Q-o-Q yet up 37.1% Y-o-Y. REACAP was the main contributor with USD 1.8Mn followed by NAEEM's operations & investments and NAEEM securities brokerage with USD 1.5Mn and USD 1Mn respectively. On a standalone level, net operating revenues soared by 766.5% in Q2-18 on the back of dividends income, yet retreated by 12.3% Y-o-Y. EBITDA inched lower 8.5% Q-o-Q yet net profits were up 47.2% during the same period to USD 0.6Mn on higher FX gains versus an early loss during the previous quarter.

¹ Includes custody, margin trading revenues, real estate investments sales and NAEEM's trading portfolio

Over the year, profits were down 35% due to a 67% Y-o-Y increase in interest expenses.

On the operational level, during 1H-18, NAEEM's business lines revenues contributed 21.8% to the group's consolidated operating revenues versus 46% in 1H-17, while NAEEM's proprietary investments contributed with the remaining 78.2% and 54% in 1H-18 and 1H-17 respectively. This shift is attributed to the strong positive performance of both REACAP and NAEEM's operations and investments' revenues.

Securities Brokerage was the main contributor to the group's business lines revenues with 93.4% in 1H-18. During Q3-17 NAEEM underwent a restructuring plan that resulted in NAEEM Shares and Bonds' (NSB) ownership to be transferred to Etihad Capital, NAEEM Group's investment arm in the UAE. As a result, brokerage business line performance figures have been normalized in the comparative years accordingly.

Asset Management contributed with the remaining 6.4% to the group's business lines revenues in 1H-18. Performance fees were the major driver to revenues as it constituted 62.2% to total fees while management fees and dividends income generated 26.7% and 11.1%, respectively.

On the prop investments level, REACAP reported consolidated operating revenues amounting to EGP 80.2Mn during 1H-18, up 316% versus EGP 19.3Mn in 1H-17, mainly on the back of sales of its existing buildings in smart village. As a result, net profit after taxes jumped 833% Y-o-Y to EGP 48.9Mn versus EGP 5.2Mn in 1H-17. During Q2-18, sales were driven by REACAP's subsidiary, SVREICO for Real Estate Investment "SVREICO", as the latter resumed sales in project LINX with total BUA sold to date amounting to 7,622 sqm since its launch in Q4-17.

II. KEY OPERATIONAL HIGHLIGHTS

1. Brokerage

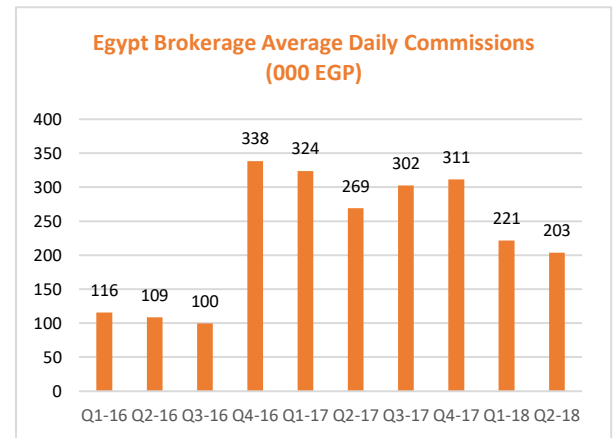
During 1H-18, Egyptian market turnover witnessed 13% growth Y-o-Y, while the company turnover was relatively unchanged Y-o-Y. Revenues from brokerage activities amounted to USD 2.1Mn in 1H-18 up 5.5% Y-o-Y. Numbers were normalized after omitting NSB due to its ownership transfer to Etihad Capital.

		Q2-18	Q1-18	Q2-17	Q-o-Q%	Y-o-Y%	1H-18	1H-17	Y-o-Y%
Egypt	EGX Turnover (000 EGP)	155,499,797	180,958,227	122,570,826	-14.1%	26.9%	336,458,023	297,803,602	13%
	Company Turnover (000 EGP)	4,410,111	5,734,839	3,798,506	-23.1%	16.1%	10,144,950	10,198,740	-0.5%
	Market Share	2.8%	3.2%	3.1%			3%	3.4%	
UAE	UAE Turnover (000 AED)	48,867,481	58,864,955	65,018,304	-17%	-24.8%	107,732,435	196,205,489	-45.1%
	Company Turnover (000AED)	58,052	100,008	204,477	-42%	-71.6%	158,060	857,560	-81.6%
	Market Share	0.1%	0.2%	0.3%			0.1%	0.4%	

Egypt

EGX main market turnover reached EGP 155.5Bn during Q2-18 down 14.1% and 26.9% Q-o-Q and Y-o-Y respectively. NAEEM Brokerage Egypt (NBE) and Al Tawfeek Brokerage (AT) combined turnover reached EGP 4.4Bn retreating by 23.1% Q-o-Q, yet up 16.1% Y-o-Y. NBE & AT ended Q2-18 with combined market share of 2.8%, ranking 9th among brokerage houses in Egypt in terms of turnover.

During 1H-18, EGX main market turnover reached EGP 336.5Bn up by 13% Y-o-Y while NAEEM Brokerage Egypt (NBE) and Al Tawfeek Brokerage (AT) combined turnover reached EGP 10.1Bn marginally retreating by 0.5% Y-o-Y translating into a market share of 3%. Average daily Commission reached EGP 203k in Q2-18.



UAE (NSB is now under the umbrella of Etihad Capital)

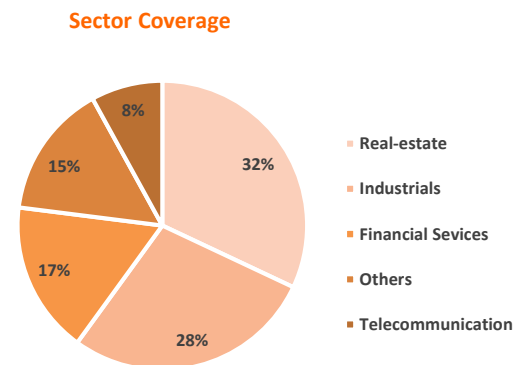
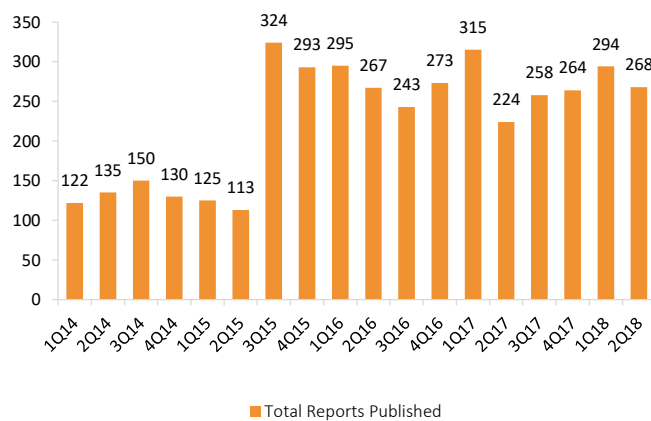
NAEEM Shares & Bonds underwent a restructuring phase that began in Q2-17 which resulted in the transfer of ownership from NAEEM Holding to Etihad Capital, NAEEM Group's investment arm in the UAE. NSB's operations were disrupted by the restructuring of the company.

In 1H-18, NSB's turnover recorded AED 158.1Mn.

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 Q2-18, NAEEM Research issued 268 report in both Arabic and English, bringing in the total reports issued in 1H-18 to 562.



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 380Mn as of June 28th 2018.

A. Listed Equities

In June-18, Egyptian government increased fuel prices by up to 66.6% resuming the implementation of the IMF loan program. The central bank kept its benchmark interest rate unchanged in June-18, after easing the overnight deposit and lending rates by 100 basis points in Feb-18. Egypt's core inflation rate recorded 10.9 % in June compared to 14.35% in Jan-18. EGX30 index ended Q2-18 at 16,348.6 down 6% Q-o-Q yet up 22% Y-o-Y.

Q2-18 witnessed a couple of redemptions as well as new equity portfolios, resulting in a net increase in the number of clients' portfolios by 4% Q-o-Q. Egypt based AUMs retreated by 6.2% Q-o-Q yet were up 3.4% Y-o-Y during Q2-18. From a dollar perspective, NAEEM's AUMs retreated by 7.3% Q-o-Q however increased by 4.4% Y-o-Y.

During Q2-18, management & performance fees witnessed a 8% growth Q-o-Q however retreated by 26.5% Y-o-Y. On an annual basis, management & performance fees reported a marginal decline of 2% in 1H-18. Performance fees were the major driver to revenues as it contributed 62.2% to total fees while management fees and dividends income generated 26.7% and 11.1%, respectively.

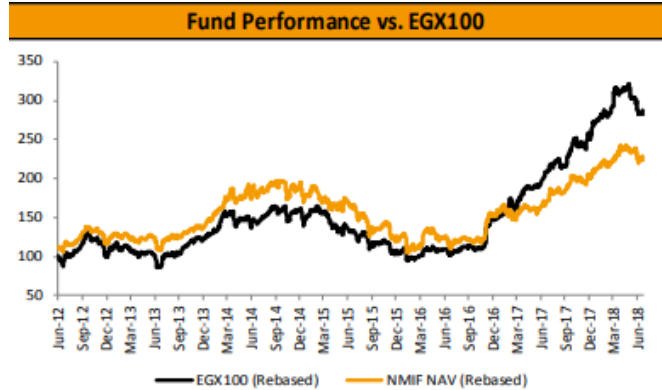
As of Q2-18, the Asset Management clients' base was 82% individual clients and 18% institutional clients.

NAEEM Misr Islamic Fund (NMIF)

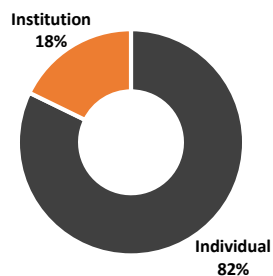
NMIF certificate price recorded EGP 226.86 on June 28th 2018, down 4.3% Q-o-Q yet up 6.7% YTD to outperform the EGX100 benchmark index, which retreated by 7.9% Q-o-Q however up 4.6% YTD. NMIF was recognized for its 35.7% return in FY17; ranking it among the top 3 best performing Islamic Funds in the Egyptian market.

Al Baraka Bank Fund

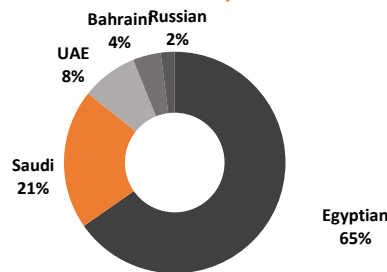
The fund certificate price reached EGP 104.85 on June 28th 2018, ending 1H-18 with a NAV of EGP 22.2Mn versus EGP 22.14Mn in Q4-17.



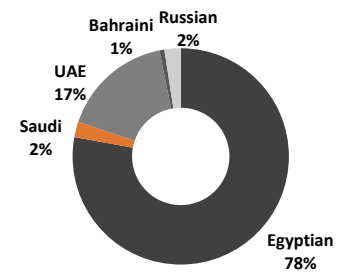
Q2-18 Portfolio Allocation by Client Type



Q2-18 Portfolio & Funds Number Breakdown by Nationality



Q2-18 AUM Value Breakdown by Nationality



B. Egyptian Gulf Bank (EGBank)

Income Statement (000 EGP)	Q2-18	Q1-18	Q2-17	Q-o-Q%	Y-o-Y%	1H-18	1H-17	Y-o-Y%
Net interest income	424,554	436,052	403,105	-2.6%	5.3%	860,607	829,785	3.7%
Fees and commissions income	66,590	73,359	63,291	-9.2%	5.2%	139,949	166,555	-16%
Other income	17,138	22,799	12,629	-24.8%	35.7%	39,937	89,445	-55.4%
Provisions	(27,617)	(45,659)	(28,486)	N/M	N/M	(73,276)	(219,781)	N/M
Net operating income	245,328	236,525	234,645	3.7%	4.6%	481,853	444,424	8.4%
Net profit after taxes	147,145	136,536	139,487	7.8%	5.5%	283,681	260,600	8.9%

Balance Sheet (000 EGP)	Q2-18	Q1-18	Q2-17	Q-o-Q%	Y-o-Y%	6M-18	6M-17	Y-o-Y%
Cash and marketable securities	19,741,177	11,438,758	12,241,864	72.6%	61.3%	19,741,177	12,241,864	61.3%
Total loans	25,860,257	25,033,918	24,302,136	3.3%	6.4%	25,860,257	24,302,136	6.4%
Total Assets	64,326,758	63,701,361	55,785,112	1%	15.3%	64,326,758	55,785,112	15.3%
Total deposits	56,063,409	55,827,863	50,464,361	0.4%	11.1%	56,063,409	50,464,361	11.1%
Shareholders' Equity	3,465,910	3,530,379	2,615,398	-1.8%	32.5%	3,465,910	2,615,398	32.5%

Key ratios	Q2-18	Q1-18	Q2-17	Q-o-Q%	Y-o-Y%	6M-18	6M-17	Y-o-Y%
NIM (%)	0.8%	0.8%	0.8%	(0.1)	(0.1)	1.5%	1.6%	(0.1)
Loan to deposits (%)	46.1%	45%	48.2%	1.3	(2)	46.1%	48.2%	(2)
Growth in deposits	0.4%	20%	4%	(19.7)	(3.2)	11.1%	61.5%	(3.2)
Growth in loans	3.3%	3.7%	8.1%	(0.3)	(4.8)	6.4%	92.9%	(4.8)
NPL / gross loans	0.9%	1%	2%	(0.1)	(1.1)	0.9%	2%	(1.1)

EGBank reported net operating income of EGP 481.9Mn in 1H-18 up 8.4% Y-o-Y on the back of a 3.7% increase in net interest income coupled with a 66.7% decline in provisions. Fees and commissions income² retreated by 16% Y-o-Y during the same period; other income, which is mainly generated from trading activity, decreased by 55.4% Y-o-Y. EGBank bottom line amounted to EGP 283.7Mn, up 8.9% Y-o-Y.

As for Q2-18, net operating income amounted to EGP 245.3Mn, up 3.7% & 4.6% Q-o-Q and Y-o-Y, respectively; As the bank continued to book lower provisions offsetting the drop in operating revenues on a quarterly basis. Net interest income, fees & commissions income, other income retreated by 2.6%, 9.2% and 24.8% Q-o-Q respectively, yet were up 5.3%, 5.2% and 35.7% Y-o-Y respectively.

The bank announced that customer deposits amounted to EGP 56.1Bn in June-18, up 0.4% and 11.1% Q-o-Q & Y-o-Y, respectively; while its loan portfolio reached EGP 25.9Bn, up 3.3% and 6.4% Q-o-Q and Y-o-Y respectively; translating into a loan to deposits ratio of 46.1% as of June-18. NPL to Gross Loans was relatively stable at 1%, yet showing improvement in loans quality on a yearly basis compared to 2% in Q2-17.

² Generated from credit commissions and fees as well as other banking operations fees

C. REACAP Financial Investments (REACAP)

Key Highlights:

REACAP resumed sales in project LINX, the first integrated complex business park in West Cairo that was recently launched in Q4-17, offering office space to small and medium enterprises with areas starting 70 sqm. The project spans across a land area of 3,000 sqm and BUA of 12,000 sqm with retail space approximating 20% of the aforementioned BUA. The company completed the sale of c. 80% of the project as of June 30th 2018.

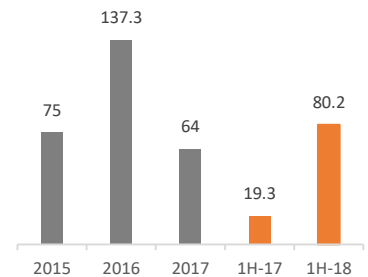
Following LINX's success, REACAP launched its second integrated business complex, ARC Business Park in 1H-18; with an estimated investment cost of EGP 260Mn. The project is a mixed use development offering retail and admin space with a total BUA of 12,000.

Financial Highlights:

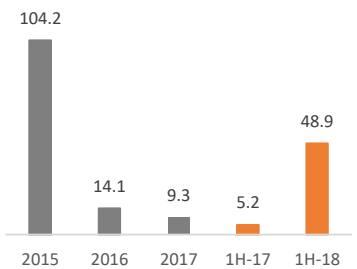
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During Q2-18, sales were driven by REACAP's subsidiary, SVREICO for Real Estate Investment "SVREICO", as the latter resumed sales in project LINX with total BUA sold to date amounting to 7,622 sqm since its launch in Q4-17.

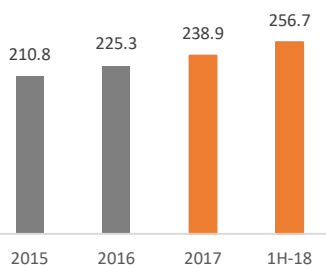
Total Operating Revenues in EGP Mn



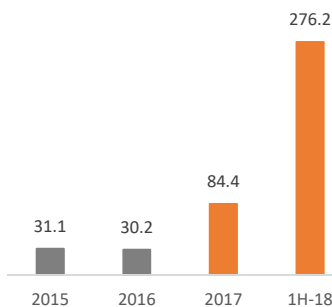
Net Profit after taxes in EGP Mn



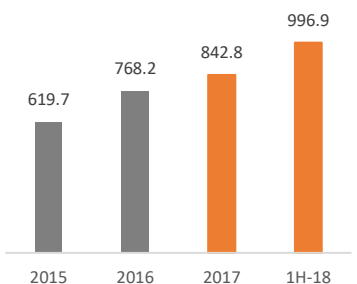
Project under development in EGP Mn



Total Receivables in EGP Mn



Total Assets in EGP Mn



D. Arab Sweeteners Company

Arab Sweeteners Company (ASC) – a fully owned subsidiary of NAEEM - is building a USD 145Mn wet corn milling facility in 10th of Ramadan, with daily grinding capacity of 1,500 tons of yellow corn yielding 300,000 tons of high fructose corn syrup annually in addition to other products.

During 1H-18, the company has resumed preliminary civil works at the site (fencing, soil tests and excavation works, etc.) that started in the previous quarter. Moreover, the company has awarded the project's civil and electromechanical designs, management and construction supervision to one of the reputable engineering consultancy firms operating in Egypt with a long track record in the management of similar projects.



4. Investment Banking

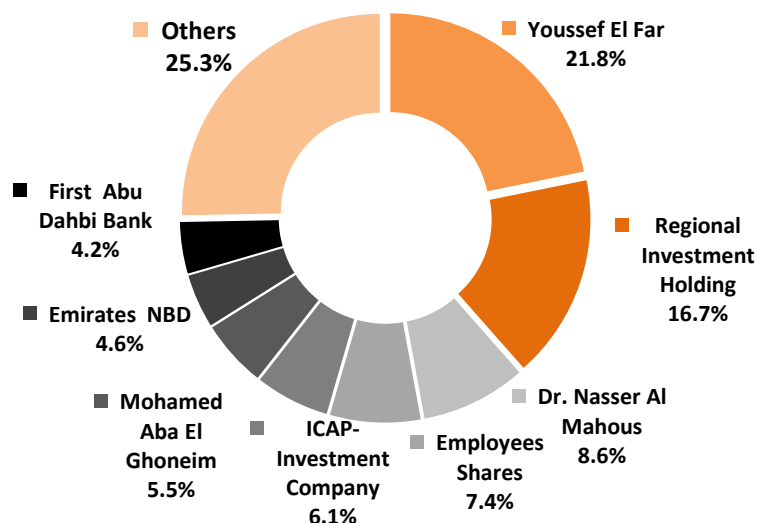
Leveraging on NAEEM Group's MENA presence, the Investment Banking division has generated a diversified pipeline for the FY18. NAEEM IB continued to pitch new clients across several sectors including:

1. Education
2. Food & Beverage
3. Agriculture
4. Advertising & Marketing
5. Financial services
6. Real Estate

This allowed NAEEM IB to increase the number of transactions in FY18 pipeline to a total of 9 transactions separated into External Clients Advisory Services and NAEEM Group Proprietary investments advisory.

III. NAEEM HOLDING STANDALONE

Shareholding structure as of 28-06-2018



Note: NAHO free float shares amount to 42%

USD 62Mn

Total distributed cash dividends to shareholders since inception

USD 1Mn

NAEEM standalone net profits in 1H-18

4,000

Number of Institutional & Retail Shareholders as of 31 Dec 2017

USD 323.5Mn

Total Assets as of June 30th 2018

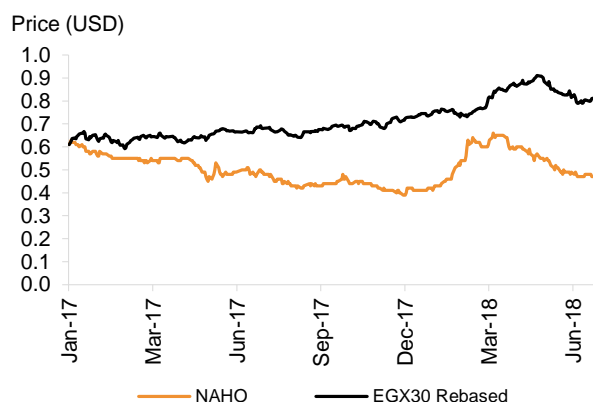
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During 1H-18, there was no significant change in SG&A, yet interest expenses more than doubled to USD 1.2Mn versus USD 0.6Mn in 1H-17 pressuring net income to retreat 36.6% Y-o-Y to USD 1Mn.

Company Snapshot

Ticker:	NAHO EY NAHO-DU
Mkt Cap (USD Mn):	146.77
Shares Outstanding (Mn):	312.28
Share Price (USD):	0.47
Q2-18 Share Perf:	-20%

*As of June 28th 2018



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 INVESTMENTAsset Management | Investment Banking
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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