

**B Investments Holding**

**"S.A.E."**

**Condensed Interim Financial Statements**

**For the Six months ended June 30, 2021**

**Together with Limited Review Report**

Translation of Review  
Report Originally Issued in Arabic

**Review REPORT**

**To: The Board of Directors of B Investments Holding "S.A.E."**

**Introduction**

We have reviewed the accompanying condensed interim financial statements of B investments Holding S.A.E. which comprise the condensed interim statement of financial position as of June 30, 2021 and the related interim statements of profits or losses, comprehensive income, changes in equity and cash flows for the six months' period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of the condensed interim financial statements in accordance with Egyptian Accounting Standard No. (30) "Interim financial statements". Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with Egyptian Standard on Review Engagements (2410) "Review of Interim Financial Statement Performed by the Independent Auditor of the Entity". Review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements do not present fairly in all material respects the financial position of B Investments Holding S.A.E. as at June 30, 2021, and of its financial performance and its cash flows for the six months' period then ended in accordance with Egyptian Accounting Standard No. (30) "Interim financial statements".

Cairo, August 15, 2021



**B Investments Holding "S.A.E"**  
**Condensed interim Statement of Financial Position as of June 30, 2021**

	Note	June 30, 2021 EGP	December 31, 2020 EGP
<b>Assets</b>			
<b>Non-current assets</b>			
Investments in associates (net)	(4)	424 179 618	455 623 991
Investments available for sale	(5)	369 915 468	369 915 468
Investments in joint venture (net)	(6)	578 082 076	548 971 746
Investment properties (net)		92 607 178	93 296 112
Loans to associate	(7)	107 383 906	112 258 055
Loans to Joint ventures	(8)	11 234 610	11 234 610
Notes receivable (net)	(9)	9 043 213	9 891 217
<b>Total-non current assets</b>		<b>1 592 446 069</b>	<b>1 601 191 199</b>
<b>Current assets</b>			
Loans to Joint ventures	(8)	12 376 693	11 234 610
Notes receivable (net)	(9)	2 648 195	3 740 374
Due from related parties (net)	(10)	--	2 003 173
Other debit balances (net)	(11)	34 516 672	11 788 733
Treasury bills (net)	(12)	422 648 527	460 757 645
Cash at banks	(13)	41 216 118	179 256 649
<b>Total current assets</b>		<b>513 406 205</b>	<b>668 781 184</b>
<b>Total assets</b>		<b>2 105 852 274</b>	<b>2 269 972 383</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Issued and paid-up capital	(16)	800 122 080	800 122 080
Treasury stocks	(17)	--	(5 471 154)
Reserves		277 005 159	264 158 112
Available for sale investment revaluation reserve		189 220 998	189 220 998
Retained earnings		680 471 776	602 309 689
Net profit for the period /year attributable to shareholders of the Parent Company		72 510 240	287 905 313
<b>Total equity</b>		<b>2 019 330 253</b>	<b>2 138 245 038</b>
<b>Non-Current liabilities</b>			
Deferred tax liabilities	(15)	65 624 795	65 385 105
<b>Total non- current liabilities</b>		<b>65 624 795</b>	<b>65 385 105</b>
<b>Current liabilities</b>			
Due to related parties	(14)	4 645 620	21 667 649
Accounts payable and other credit balances		4 269 100	4 192 612
Current income tax		9 941 855	38 441 328
Provisions		2 040 651	2 040 651
<b>Total current liabilities</b>		<b>20 897 226</b>	<b>66 342 240</b>
<b>Total equity and liabilities</b>		<b>2 105 852 274</b>	<b>2 269 972 383</b>

- The attached notes form an integral part of the condensed interim financial statements , and to be read therewith.

Chief Financial Officer  
Ahmed Abdel Monem Madbouly

Chief Executive Officer  
Dr. Mohamed Abdel Monem Omran

Chairman  
Mohamed Hazem Adel Barakat

- Review report attached.

Translation of Condensed financial statements  
Originally Issued in Arabic

**B Investments Holding "S.A.E"**  
**Condensed interim Statement of Profits and Losses**  
**For six months ended June 30, 2021**

	Note	The period six months ended		The period three months ended	
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
		EGP	EGP		
<b>Revenues &amp; profits</b>					
Dividends income from investment available for sale		20 201 805	38 075 645	20 201 805	38 075 645
Company's share of profit / (loss) of associates and joint venture entities	(20)	28 417 383	71 546 693	(11 374 717)	35 639 925
Finance income	(21)	38 886 486	35 738 205	18 409 789	18 600 861
Rental income of investment properties		2 047 500	1 950 000	1 023 750	975 000
Other income		9 378 000	120 060	9 378 000	27 402
Reversal of impairment loss on other debit balances		--	90 000	--	25 000
		<b>98 931 174</b>	<b>147 520 603</b>	<b>37 638 627</b>	<b>93 343 833</b>
<b>Expenses &amp; losses</b>					
Investment manager fees		(9 229 810)	(9 280 804)	(4 640 402)	(4 640 402)
Consulting fees and other expenses	(22)	(2 867 028)	(2 468 824)	(1 761 032)	(1 505 175)
Tax expense on dividends income from investment in associates		(2 431 742)	(4 863 484)	(2 431 742)	--
Board of directors allowances		(151 800)	--	(151 800)	--
Investment properties' depreciation		(893 866)	(865 114)	(448 640)	(432 557)
Foreign exchange loss		(665 143)	(202 394)	(187 055)	2 786 091
<b>Net profit for the period before tax</b>		<b>82 691 785</b>	<b>129 839 983</b>	<b>28 017 956</b>	<b>89 551 790</b>
Income tax		(9 941 855)	(13 523 735)	(6 149 334)	(3 657 666)
Deferred tax	(15)	(239 690)	6 615 461	17 528	(613 003)
<b>Net profit for the period</b>		<b>72 510 240</b>	<b>122 931 709</b>	<b>21 886 150</b>	<b>85 281 121</b>
<b>Attributable as follow:</b>					
Attributable to the shareholders' of the Parent Company		72 510 240	123 331 000	21 886 150	85 573 911
Non-controlling interests		--	(399 291)	--	(292 790)
<b>Net profit for the period</b>		<b>72 510 240</b>	<b>122 931 709</b>	<b>21 886 150</b>	<b>85 281 121</b>
Basic earnings per share	(18)	<b>0.45</b>	<b>0.77</b>	<b>0.14</b>	<b>0.53</b>
Diluted earnings per share	(18)	<b>0.45</b>	<b>0.77</b>	<b>0.14</b>	<b>0.54</b>

- The attached notes form an integral part of the condensed interim financial statements , and to be read therewith.



**B Investments Holding "S.A.E"**

**Condensed interim Statement of Comprehensive Income**

**For six months ended June 30, 2021**

	<u>The period six months ended</u>		<u>The period three months ended</u>	
	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
<b>Net profit for the period</b>	<b>72 510 240</b>	<b>122 931 709</b>	<b>21 886 150</b>	<b>85 281 121</b>
<b>Other comprehensive income</b>				
Translation reserve difference of subsidiaries' financial statements	--	( 138 772)	--	20 456
Company's shares in Other comprehensive income items in joint venture entities' financial statements	155 183	( 912 687)	( 57 871)	405 706
<b>Total other comprehensive income for the period</b>	<b>155 183</b>	<b>(1 051 459)</b>	<b>( 57 871)</b>	<b>426 162</b>
<b>Total comprehensive income for the period</b>	<b>72 665 423</b>	<b>121 880 250</b>	<b>21 828 279</b>	<b>85 707 283</b>
<b>Distributed as follows:</b>				
Interests attributable to shareholders of the parent company	72 665 423	122 335 050	21 828 279	85 991 891
Non-controlling interests	--	( 454 800)	--	( 284 608)
<b>Total comprehensive income for the period</b>	<b>72 665 423</b>	<b>121 880 250</b>	<b>21 828 279</b>	<b>85 707 283</b>

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B Investments Holding "S.A.E."  
Condensed Interim Statement of Changes in Equity  
For six months ended June 30, 2021

Note	Issued and paid-up capital	Treasury stocks	Shares Issuance Reserve	Available for sale investment revaluation reserve	Legal reserve	The Group's share in the other comprehensive income of in associates' financial statements		The Group's share in the translation reserve of in subsidiaries' financial statements	The Group's share in the other comprehensive income of in joint venture entities' financial statements		Retained earnings	Equity attributable to shareholders of the Parent Company in the Profit of the period		Total Equity attributable to shareholders of the Parent Company	Non-controlling interest	Total equity
						EGP	EGP		EGP	EGP		EGP	EGP			
Balance as of January 1, 2020	800 122 080		(4 111 018)		258 987 211			8 533 194	13 856 319		497 438 260	173 238 435	123 331 000	1743 542 181	5 807 869	1749 350 050
Net profit of the period																
Items of other comprehensive income																
Translation reserve of subsidiaries' financial statements																
The Group's share in translation reserve in joint venture financial statements																
<b>Total Other Comprehensive Income</b>																
<b>The company's shareholders transactions</b>																
Transferred to legal reserve					3 424 647						(3 424 647)					
Transferred to retained earnings											173 238 435					
Dividends distributions											(64 942 359)					(64 942 359)
The Group's share in the change in equity associates companies																
Purchase treasury stocks		(5 471 154)														
Total company's shareholders transactions		(5 471 154)														
Balance as of June 30, 2020	800 122 080	(5 471 154)	(4 111 018)		262 411 858			8 449 931	12 943 632		104 871 429	173 238 435	123 331 000	1 793 905 041	5 355 069	1 799 258 110
Balance as of January 1, 2021	800 122 080	(5 471 154)	(4 111 018)	189 220 998	262 411 858				11 938 249		602 309 689	287 906 313	72 510 240	2 138 245 038		2 138 245 038
Net profit of the period																
Items of other comprehensive income																
The Group's share in translation reserve and actuarial losses for employee benefits in joint venture financial statements																
<b>Total Other Comprehensive Income</b>																
<b>The company's shareholders transactions</b>																
Transferred to legal reserve					11 133 187						(11 133 187)					
Transferred to retained earnings											287 905 313					
The Group's share in the change in equity associates companies											514 958					2 073 635
Dividends distributions											(203 786 520)					(203 786 520)
Selling treasury stocks											4 802 263					10 273 417
Retained earnings adjustments from joint venture entities											(140 740)					(140 740)
Total company's shareholders transactions					11 133 187						78 162 087					(191 560 208)
Balance as of June 30, 2021	800 122 080		(4 111 018)	189 220 998	273 545 045				12 093 432		680 471 716	287 906 313	72 510 240	2 019 330 253		2 019 330 253

- The attached notes form an integral part of the condensed interim financial statements, and to be read therewith.

**B Investments Holding "S.A.E"**  
**Condensed interim Statement of Cash Flows**  
**For six months ended June 30, 2021**

	<u>Note</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
		<u>EGP</u>	<u>EGP</u>
<b><u>Cash flows from operating activities</u></b>			
Net profit for the period before tax		82 691 785	129 839 983
<b><u>Adjustments to reconcile net profit to cash flows from operating activities</u></b>			
Company's share of profit / (loss) of associates and joint venture entities		(27 808 214)	(71 546 693)
Dividends income from investment available for sale		(20 201 805)	(38 075 645)
Tax expense on dividends income from investment in associates		2 431 742	4 863 484
Depreciation of investment properties		893 866	865 114
Foreign exchange loss		665 143	202 394
Credit interest - treasury bills		(32 691 017)	(30 304 707)
Credit interest		(6 804 638)	(5 433 498)
Reversal of impairment loss on other debit balances		--	( 90 000)
<b>Operating loss before changes in working capital</b>		<b>( 823 138)</b>	<b>(9 679 568)</b>
Decrease in loans to associate companies		9 811 359	--
Decrease in notes receivable		2 000 000	798 850
(Increase) in other debit balances		(3 770 069)	(1 530 920)
Decrease in balances due from related parties		2 003 173	--
(Decrease) in balances due to related parties		(17 022 029)	( 58 201)
(Decrease) in accounts payable and other credit balances		( 236 512)	( 850 142)
Income tax paid during the period		(26 458 200)	(1 109 488)
Proceeds from dividends income from available for sale investments		20 201 805	38 075 645
Proceeds of dividends income from joint ventures investments		15 262 098	14 915 451
<b>Net cash flows generated by in operating activities</b>		<b>968 487</b>	<b>40 561 627</b>
<b><u>Cash flows from investing activities</u></b>			
Proceeds from credit interest		16 967 020	5 032 198
Payments to acquire investments in joint ventures		(16 404 500)	--
Payments to acquire investment properties		( 204 847)	--
Change in long term deposits		3 137 290	61 028 273
Net proceeds from redemption and sale (Payments) of treasury bills		54 203 104	(77 986 653)
<b>Net cash flows (used in) / generated by investing activities</b>		<b>57 698 067</b>	<b>(11 926 182)</b>
<b><u>Cash flows from financing activities</u></b>			
Proceeds from/ (Purchase) treasury stocks		10 273 417	(5 471 154)
Dividends paid		(203 473 520)	(64 159 167)
<b>Net cash flows used in financing activities</b>		<b>(193 200 103)</b>	<b>(69 630 321)</b>
Net change in cash and cash equivalents during the period		(134 533 549)	(40 994 876)
Cash and cash equivalents at the beginning of the period		174 557 359	57 158 034
Effects of exchange rate changes on balances of cash held in foreign currencies		( 369 692)	( 14 099)
Cash and cash equivalents at the end of the period	(13)	<b>39 654 118</b>	<b>16 149 059</b>

**Non-Cash transaction:**

The following non-cash transactions were eliminated:

(1) Income taxes paid by deduction from debit tax accounts with an amount of EGP 11,897,453.

- The attached notes form an integral part of the condensed interim financial statements , and to be read therewith.



**1. General information**

B Investments Holding "S.A.E." (BPE Holding for Financial investments -formerly) "The Company" was established under the provisions of Law No 95 for 1992 and its executive regulations. The Company was registered on December 31, 2005 under No 52455 at South Cairo Commercial Register pursuant to the Capital Market Authority License No. 348 dated April 11, 2006. Then the Company registered on October 24, 2012 under No 63264 at South Cairo Commercial Register.

The company's new Location is 24 Talaat Harb Street, Cinema Radio Building – 1<sup>st</sup> Floor - Cairo. The necessary legal procedures are going on to register the company's new location in the commercial register.

The Company's purpose is to participate in incorporation of other entities, which issue securities, or increase their capital. The Company may have interest or participate in any form with corporate companies pursuing similar activities, or which may assist it in realizing its purpose in Egypt or abroad. The Company may also merge, purchase or become a subsidiary to companies according to the provisions of law and its executive regulation. The Company's duration is 20 years commencing from the Commercial Register date.

The Company's primary business activity is investing in other entities, in accordance with its established investment policy. The Company aims to identify, research, negotiate, make and monitor the progress of and sell, realize and exchange investments and distribute proceeds of such investments with the principle objective of providing shareholders with a high relative overall rate of return by means of both income, capital growth and exit.

On January 11, 2016 the Company's extraordinary general assembly decided to change the Company name to be BPE Holding for Financial Investments, the change was registered in the Company's commercial register on February 24, 2016.

On May 8, 2018 the Company's extraordinary general assembly decided to change the Company name to be B investments Holding, the change was registered in the Company's commercial register on July 8, 2018.

The Board of Directors authorized these condensed interim financial statements for the six months ended June 30, 2021 issue on August 15, 2021.

**2. Statement of compliance for the condensed interim financial statements**

The condensed interim financial statements have been prepared in accordance to the Egyptian Accounting Standard No. (30)" Interim financial statements".

The company has prepared the condensed interim financial statements using the equity method to recognize investments in associate companies and joint ventures, because investments in subsidiaries (Beard SA) were disposed on December 31, 2020, and it was the only subsidiary owned by the company, accordingly in accordance with Egyptian accounting standards, separate or consolidated financial statements are not required where the company has no a subsidiary company, and issue financial statements using the equity method for investments in associate companies and joint ventures.



### 3. **Basis for preparation of the condensed interim financial statements**

The condensed interim financial statements have been prepared using the same accounting policies applied in the last year. The interim financial statements are to be read in conjunction with consolidated financial statements issued for the year ended December 31, 2020.

#### **Initial application of new Egyptian Accounting Standards "EAS"**

On March 18, 2019, the Minister of Investment and International Cooperation introduced amendments to some provisions of the Egyptian Accounting Standards issued thereby by virtue of Decree No. 110 of 2015, which include some new accounting standards as well as introducing amendments to certain existing standards which was issued by decision of the minister of investment No. 96 for 2019 and published in the official gazette on 07 April 2019.

As for the Egyptian Accounting Standards - newly created - numbers (47) - financial instruments and (48) - revenue from contracts with clients and (49) - leasing contracts, the date of applying these standards has been postponed to start on January 1, 2021, according to the announcement of the Financial Supervision Authority, by virtue of a decision. Prime Minister No. 1871 of 2020 issued on September 20, 2020.

On May 9, 2021, the Committee agreed to postpone the application of the Egyptian Accounting Standard (47) - Financial Instruments until the end of the year ending December 31, 2021.

The most prominent amendments are as follows:

<b>New or Amended Standards</b>	<b>A Summary of the Most Significant Amendments</b>	<b>Possible effect on the financial statements</b>	<b>Date of Implementation</b>
The new Egyptian Accounting Standard No. (47) "Financial Instruments"	<p>1-The new Egyptian Accounting Standard No. (47), "Financial Instruments", supersedes the corresponding related issues included in the Egyptian Accounting Standard No. (26), "Financial Instruments: Recognition and Measurement". Accordingly, Egyptian Accounting Standard No. 26 was amended and reissued after cancelling the paragraphs pertaining to the issues addressed in the new Standard No. (47) and the scope of the amended Standard No. (26) Was specified and intended to deal only with limited cases of Hedge Accounting according to the choice of the enterprise.</p> <p>2- Pursuant to the requirements of the Standard, financial assets are classified based on their subsequent measurement whether at amortized cost, or fair value through other comprehensive income or at fair value through profit or loss, in accordance with the enterprise business model for managing financial assets and the contractual cash flow characteristics of the financial asset.</p>	The management assess the impact for preparation of the implementation until the latest date of preparing the financial statements at the end of 2021.	This standard No. (47) applies to financial periods beginning on or after January1st, 2021, The application has been postponed until the latest date of preparing the financial statements at the end of 2021 and the early implementation thereof is permitted; provided that the amended Egyptian Accounting Standards No.(1), (25), (26) and (40) are adjusted together on 2019 at the same date to be simultaneously applied. -These amendments are effective as of the date of implementing Standard No. (47)

3-When measuring the impairment of financial assets the Incurred Loss Model is replaced by the Expected Credit Loss (ECL) Models, which requires measuring the impairment of all financial assets measured at amortized cost and financial instruments measured at fair value through other comprehensive income from their initial recognition date regardless whether there is any indication of the occurrence of loss event.

4- based on the requirements of this standard the following standards were amended:

-Egyptian Accounting Standard No. (1)

"Presentation of Financial Statements" as amended in 2019.

-Egyptian Accounting Standard No. (4) -"Statement of Cash Flows".

-Egyptian Accounting Standard No. (25) - "Financial Instruments: Presentation.

-Egyptian Accounting Standard No. (26) - "Financial Instruments: Recognition and Measurement".

- Egyptian Accounting Standard - EAS No. (40) - "Financial Instruments: Disclosures "

The new Egyptian Accounting Standard No. (48) - "Revenue from Contracts with Customers"

1-The new Egyptian Accounting Standard No. (48) "Revenue from Contracts with Customers" shall supersede the following standards and accordingly such standards shall be deemed null and void:

a. Egyptian Accounting Standard No. (8) - "Construction Contracts" as amended in 2015.

b. Egyptian Accounting Standard No. (11) – "Revenue" as amended in 2015.

2- For revenue recognition, Control Model is used instead of Risk and Rewards Model.

3- incremental costs of obtaining a contract with a customer are recognized as an asset if the enterprise expects to recover those costs and the costs of fulfilling the contract are to be recognized as an asset when certain conditions are met

4- the standard requires that contract must have a commercial substance in order for revenue to be recognized

5- Expanding in the presentation and disclosure requirements.

Management has applied this standard.

has this

This Standard No (48) applies to financial periods beginning on or after January1st, 2021, and the early implementation thereof is permitted.



<p>The new Egyptian Accounting Standard No. (49) "Lease Contracts"</p>	<p>The new Egyptian Accounting Standard No. (49) "Lease Contracts" shall supersede and revoke Standard No. (20)," Accounting Rules and Standards related to Financial Leasing" issued in 2015.</p> <p>The Standard introduces a single accounting model for the lessor and the lessee where the lessee recognizes the usufruct of the leased asset as part of the company's assets and recognizes a liability that represents the present value of the unpaid lease payments under the company's liabilities, taking into account that the lease contracts are not classified in respect of the lessee as operating I or finance lease contracts.</p> <p>As for the lessor, he shall classify each lease contract either as an operating lease or a finance lease contract.</p> <p>As for the finance lease, the lessor must recognize the assets held under a finance lease contract in the Statement of Financial Position and present them as amounts receivable with an amount equivalent to the amount of the net investment in the lease contract.</p> <p>As for operating leases, the lessor must recognize the lease payments of operating lease contracts as income either based on the straight-line method or based on any other regular basis</p>	<p>Management has applied the standard.</p>	<p>This standard No. (49) Applies to financial periods beginning on or after January 1st, 2021, and the early implementation thereof is permitted if Egyptian Accounting Standard No. (48) "Revenue from Contracts with Customers" for year 2019 is simultaneously applied. Except for the above-mentioned date of enforcement, Standard No. (49) applies to lease contracts for year 2019 that were subjected to Finance Lease Law No. 95 of 1995 and its amendments and were treated according to Egyptian Accounting Standard No. 20,"Accounting rules and standards related to financial leasing", as well as the finance lease contracts that arise under and are subjected to Law No. 176 of 2018 to the effect of regulating both financial leasing and factoring activities starting from the beginning of the annual reporting period in which Law No. (95) Of 1995 was revoked and Law No. (176) of 2018 was issued.</p>
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#### 4. Investments in associates (net)

<u>Company Name</u>	<u>No. of Shares</u>	<u>Ownership</u>	<u>June 30, 2021</u>	<u>December 31,</u>
		<u>%</u>	<u>EGP</u>	<u>2020</u>
			<u>EGP</u>	<u>EGP</u>
Al Retail for Trade and Investment S.A.E.	727 526	22.79%	400 746	377 752
Madinet Nasr for Housing and Development "MNHD" S.A.E.	112 400 513	7.5%	423 778 872	455 246 239
Infinity Solar 1 B. V.	246	24.6%	--	--
Infinity Solar 2 B. V.	175	17.5%	--	--
Infinity Solar 3 B. V.	175	17.5%	--	--
			<b>424 179 618</b>	<b>455 623 991</b>

The main reason for the decrease in the investments in associates is due to the decrease in the cost of investment of Madinet Nasr for Housing and Development "MNHD", by an amount of EGP 48 634 837, which represents the company's share in dividends distributed before tax deductions.



**5. Investments available for sale**

<u>Name of Company</u>	<u>No. of Shares</u>	<u>Ownership</u>	<u>June 30, 2021</u>	<u>December 31, 2020</u>
			<u>EGP</u>	<u>EGP</u>
Total Egypt LLC "Total"	330 248	6.375%	369 915 468	369 915 468
			<b>369 915 468</b>	<b>369 915 468</b>

The Company's management made an assessment to measure the fair value of the investment in Total Egypt LLC "Total" on June 30, 2021 and concluded that value does not differ from that measured value on December 31, 2020, and the company has considered effect of the new Corona virus (COVID-19) Which has a negative impact on the economies of many countries, which was reflected on the performance of the capital market and the volume of global trade, as well as any other influences until the date of issuance of the financial statements.

**6. Investments in joint Venture (net)**

	<u>Ownership</u>	<u>No. of Shares</u>	<u>June 30, 2021</u>	<u>December 31, 2020</u>
	<u>%</u>		<u>EGP</u>	<u>EGP</u>
Inergia Technologies for Information Systems "Inergia" S.A.E.	68.04	5 532 124	277 369 464	257 375 823
Red Sea Venture for Solar Power S.A.E.	49.5	7 425	5 727 150	5 727 150
Ebtikar Holding for Financial Investments S.A.E.	20.25	1 233 247	160 805 584	155 151 438
Gourmet Egypt .com Foods S.A.E.	52.9	3 722 261	125 393 147	124 197 375
Payments under capital increase in Gourmet Egypt.Com Foods S.A.E. *			--	11 234 610
Basata Financial Holding S.A.E.	20.25	121 516	14 513 881	1 012 500
<b>Less:</b>				
Impairment in investments (Red Sea Venture for Solar Energy)			(5 727 150)	(5 727 150)
			<b>578 082 076</b>	<b>548 971 746</b>

The increase in the investments in joint ventures is mainly due to:

- The Company's recognized share of profit in the statement of profit or loss of Inergia Technologies for Information Systems by an amount of EGP 19 838 458 (Note No.20).
- The Company's recognized share of profit in the statement of profit or loss of Ebtikar Holding for Financial Investments by an amount of EGP 529 486 (Note No.20), in addition to the amount paid of Company's share in the capital increase of Ebtikar Holding for Financial Investments of EGP 5 265 400.
- The company's recognized share of profit in the statement of profit or loss of Basata Financial Holding by an amount of EGP 2 362 281 (Note No.20), in addition the paid amount of Company's share in the capital increase of Basata Financial Holding by an amount of EGP 11 139 100.
- The company's recognized share of loss in the statement of profit or loss in the investments of Gourmet Egypt .com Foods by an amount of EGP 9 429 669 (Note No.20).

\* On July 10, 2020, the company and the shareholders of Gourmet Egypt.com S.A.E signed an appendix to the shareholders' agreement signed on September 18, 2018, according to which some of the terms of that agreement related to B Investments Holding Company (an Egyptian joint stock company) acquisition of a share in the capital of Gourmet Egypt.com S.A.E are amended, which is related to capitalizing the credit balance of the company in the books of Gourmet Egypt.com in light of the targeted business results of Gourmet Egypt.com Company.

On May 6, 2021 the board of directors of Gourmet Egypt.com approved to increase the company's capital by an amount of EGP 11 234 610 and the increase was registered in the investee company register on June 27,2021.

**7. Loans to associates**

	<u>June 30,2021</u>	<u>December 31, 2020</u>
	<u>EGP</u>	<u>EGP</u>
Infinity Solar (1) B.V.	31 100 029	33 495 330
Infinity Solar (2) B.V.	53 967 426	56 195 804
Infinity Solar (3) B.V.	22 316 451	22 566 921
	<u>107 383 906</u>	<u>112 258 055</u>

The decrease in the balance is due to collection made with an amount of EGP 9 811 359 from the due balance during the period and the unrealized foreign currency revaluation loss by an amount of EGP 295 451, in addition to an accrued interest by an amount of EGP 5 232 661 for the period.

**8. Loans To joint ventures**

	<u>June 30,2021</u>	<u>December 31, 2020</u>
	<u>EGP</u>	<u>EGP</u>
Current portion of loans to joint ventures -	12 376 693	11 234 610
Non-current portion of loans to Joint ventures -	11 234 610	11 234 610
	<u>23 611 303</u>	<u>22 469 220</u>

The increase in the balance is due to the recognition of the accrued interest income during the period by an amount of EGP 1 142 083.

**9. Notes receivable (net)**

	<u>June 30, 2021</u>	<u>December 31, 2020</u>
<b>Description</b>	<u>EGP</u>	<u>EGP</u>
Current notes receivable	3 000 000	4 000 000
<b><u>Less:</u></b>		
Present value of the current portion	(351 805)	(259 626)
<b>Short term notes receivable (net)</b>	<u>2 648 195</u>	<u>3 740 374</u>
Non-curent portion of notes receivable	14 000 000	15 000 000
<b><u>Less:</u></b>		
Present value of the non-current portion	(4 956 787)	(5 108 783)
<b>Long term notes receivable (net)</b>	<u>9 043 213</u>	<u>9 891 217</u>

The decrease in the balance is due to collection made with an amount of EGP 2 million during the period.

**10. Due from related parties (net)**

	<u>Relationship nature</u>	<u>Account nature</u>	<u>June 30, 2021</u>	<u>December 31, 2020</u>
			<u>EGP</u>	<u>EGP</u>
Red Sea venture for Solar Energy	Joint venture	Current account	1 143 958	1 149 958
Infinity Solar (1) B.V.	Associate	Current account	--	665 293
Infinity Solar (2) B.V.	Associate	Current account	--	678 440
Infinity Solar (3) B.V.	Associate	Current account	--	653 440
<b>Less:</b>				
Impairment in due from related parties			(1 143 958)	(1 143 958)
			<u>--</u>	<u>2 003 173</u>

The decrease in the balance is mainly due to collection made for due balances from Infinity Solar (1) B.V, Infinity Solar (2) B.V. and Infinity Solar (3) B.V. during the period.

**11. Other debit balances (net)**

	<u>June 30, 2021</u>	<u>December 31, 2020</u>
	<u>EGP</u>	<u>EGP</u>
Accrued dividends income	30 940 998	--
Withholding tax on treasury bills	1 833 238	10 381 829
Withholding tax receivable	61 425	89 212
Accrued rental income	2 804 500	2 804 500
Advance payment to suppliers	952 149	998 413
Prepaid expenses	532 490	207 645
Deposits held with others	46 795	46 795
Accrued interest	11 640	16 987
Other debit balances	137 937	47 852
<b>Less:</b>		
Impairment loss on other debit balances	(2 804 500)	(2 804 500)
	<u>34 516 672</u>	<u>11 788 733</u>

The increase in the other debit balance (net) is mainly due to accrued portion of dividends income from investments in associates (Madinet Nasr for Housing and Development "MNHD" S.A.E.) by an amount of EGP 30 940 998, taking into consideration the decrease in the withholding tax of treasury bills and withholding tax receivable as a result of using the opening balance during the period to pay part of the tax liability accrual for the prior year.

**12. Treasury bills (net)**

	<u>June 30, 2021</u>	<u>December 31, 2020</u>
	<u>EGP</u>	<u>EGP</u>
Treasury bills – maturity of more than three months	442 325 000	499 325 000
<b>Less:</b>		
Unrealized interest	(19 676 473)	(38 567 355)
	<u>422 648 527</u>	<u>460 757 645</u>



**13. Cash at banks**

	<u>June 30, 2021</u>	<u>December 31, 2020</u>
	<u>EGP</u>	<u>EGP</u>
Current accounts in local currency	28 606 352	27 814 933
Current accounts in foreign currencies	11 047 766	146 742 426
Time deposits at banks in foreign currencies	1 562 000	4 699 290
	<u>41 216 118</u>	<u>179 256 649</u>

For purpose of preparing condensed interim cash flow statement, the cash and cash equivalents are comprised of the following:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
	<u>EGP</u>	<u>EGP</u>
Cash at banks	41 216 118	21 372 556
<b>Less:</b>		
Time Deposits – More than three months	(1 562 000)	(5 223 497)
	<u>39 654 118</u>	<u>16 149 059</u>

**14. Due to related parties**

	<u>Relationship</u>	<u>Account nature</u>	<u>June 30, 2021</u>	<u>December 31, 2020</u>
	<u>nature</u>		<u>EGP</u>	<u>EGP</u>
BPE Partners S.A.E.	Management company	Management fees and incentive fees	4 645 620	20 655 149
Basata Financial Holding S.A.E.	Joint venture	Current account	--	1 012 500
			<u>4 645 620</u>	<u>21 667 649</u>

**15. Deferred tax liabilities**

	<u>December 31, 2020</u>	<u>Movement during the period</u>	<u>June 30, 2021</u>
	<u>asset / (liability)</u>	<u>asset/(liability) charged to</u>	<u>asset / (liability)</u>
	<u>EGP</u>	<u>statement of profit and loss</u>	<u>EGP</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Deferred tax liability arising from the depreciation of investment properties	(540 777)	(37 779)	(578 556)
Deferred tax liability arising from unrealized foreign Currency exchange	2 840 207	(201 911)	2 638 296
Differences in valuation of available for sale investments at fair value	(67 684 535)	--	(67 684 535)
	<u>(65 385 105)</u>	<u>(239 690)</u>	<u>(65 624 795)</u>

The deferred tax assets were not recognized on the following items due to insufficient assurance to realize them in the future, the temporary differences are related to the following items:

	<u>June 31, 2021</u>	<u>December 31, 2020</u>
	<u>EGP</u>	<u>EGP</u>
Impairment in joint venture investment	5 727 150	5 727 150
Impairment in Investment in associate	7 273 507	7 273 507
Provisions	2 040 651	2 040 651
Impairment in due from related parties	1 143 958	1 143 958
Impairment in other debit balance	2 804 500	2 804 500
	<u>18 989 766</u>	<u>18 989 766</u>

#### 16. Capital

The Company's authorized capital amounted to EGP 2.4 billion, and the issued and paid-up capital amounted to EGP 800 122 080 divided into 160 024 416 shares of EGP 5 par value each.

#### 17. Treasury stocks

The Board of Directors, in its meeting held on February 3, 2021, approved the sale of the total treasury shares owned by the company, which amount to 801 289 shares, and the total shares were sold in a trading session on February 4, 2021 and a recognized net profit by an amount EGP 4 802 263 was charged to the retained earnings.

#### 18. Basic and diluted earnings per share

**Basic:** Basic earnings per share is calculated by dividing the net profit attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

**Diluted:** Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all convertible financial instruments and share options. The net profit is adjusted by omission of the cost of convertible debt instruments taking tax effect into consideration. As there are no debt instruments that are convertible to shares, so diluted and basic earnings per share are equal.

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
	<u>EGP</u>	<u>EGP</u>
Net profit for the period attributable to the shareholders of the Parent Company	72 510 240	123 331 000
Weighted average number of shares	160 024 416	160 024 416
<b>Basic and diluted earnings per share</b>	<u>0.45</u>	<u>0.77</u>
<b>Earnings per share after adding the treasury shares as flows:</b>		
Weighted average number of shares after selling treasury shares	159 501 215	159 773 058
<b>Diluted earnings per share</b>	<u>0.45</u>	<u>0.77</u>

#### 19. Significant related parties' transactions

Transactions made during the financial period consist of accounts of an ongoing basis in management fees and expenses paid on behalf of the Company or the Company's payment on behalf of those Parties and interest charges to related parties.

The significant transactions during the period are as follows:

<u>Company name</u>	<u>Type of relation</u>	<u>Type of transaction</u>	<u>Value of transaction for the period</u>
BPE Partners S.A.E.	Management company	Management fees	(9 229 810)
		Payment incentive fees	15 963 754
Infinity Solar (1) B.V.	Associate	Credit interest income	1 518 446
Infinity Solar (2) B.V.	Associate	Credit interest income	2 624 224
Infinity Solar (3) B.V.	Associate	Credit interest income	1 089 991
Gourmet Egypt .com Foods	Joint venture	Credit interest income	1 142 083

#### 20. Company's share of profit / (loss) of investment in associates and joint venture entities

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
	<u>EGP</u>	<u>EGP</u>
Madinet Nasr for Housing and Development	15 093 833	32 037 810
Inergia Technologies for information systems	19 838 458	21 798 978
Metalar co.	--	(1 033 415)
Al Retail for Trade and Investment	22 994	23 416
Gourmet Egypt .com Foods *	(9 429 669)	18 087 195
Ebtikar Holding for Financial Investment	529 486	632 709
Basata Financial Holding	2 362 281	--
	<u>28 417 383</u>	<u>71 546 693</u>

\* The Company's share of the interest income on loans to Joint venture (Gourmet Egypt .com Foods) was excluded, so, the Company's share of loss was reduced by an amount of EGP 609 169, which represents related transactions between the company and Joint venture (Note 21).

#### 21. Finance income

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
	<u>EGP</u>	<u>EGP</u>
Credit interest on time deposits and bank current accounts	429 894	320 226
Credit interest for loans to associates	5 232 661	5 113 272
Credit interest for loans to Joint venture *	532 914	--
Return on treasury bills	32 691 017	30 304 707
	<u>38 886 486</u>	<u>35 738 205</u>

The increase in finance income during the period is mainly due to the increase of return on treasury bills by an amount of EGP 2 386 310.

\* In addition to the credit interest income from Gourmet Egypt .com Foods S.A.E. loan by an amount of EGP 1 142 083, and for the purpose of presenting investments in joint venture in the financial statements an amount of EGP 609 169 was excluded from the credit interest income on loans for joint ventures and the Company's share of loss from investment in Gourmet Egypt .com Foods (Note 20).



**22. Investment manager fees**

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
	<u>EGP</u>	<u>EGP</u>
Management fees	9 229 810	9 280 804
	<u>9 229 810</u>	<u>9 280 804</u>

On 19 July 2017, The Company signed a new management agreement with BPE Partners SAE, the new management agreement became effective on the date of completion of listing the company's shares on the EGX. The trading on the company's shares started on March 29, 2018.

Pursuant to the terms of the new management agreement, the management company is entitled to a management fees of 2% of the company's paid up capital up to EGP 600 million and 1.5% of any capital increase (Included share premium) of more than EGP 600 million Up to EGP 1.2 billion and 1% on any capital increase of more than EGP 1.2 billion.

Additionally, the management company is entitled to a performance fee, the performance fee will be due to the management company only on the exit of investments entered into by the Company. Performance fees for existing investments are accrued for the management company and calculated as the difference between cash proceeds net of taxes and fees received from the disposal and distribution (dividend, interest, or rent) of the investment and the adjusted cost of the existing investment. The adjusted cost is the historical cost of the investment at an acceptable rate of return on investment (10% annually) for each year following the acquisition date of the investment until the date on which the new management agreement takes effect.

Performance fees on new investments entered into by the Company starting from the date on which the new management agreement takes effect will be 15% of the gain on the investment calculated as the difference between the cash proceeds net of taxes and fees received from the disposal and distribution (dividend, interest, or rent) of the investment and the aggregate cost of such investment.

**23. Dividends distribution**

On April 29, 2021 the shareholders ordinary general assembly meeting of the Company approved dividends for the year ending December 31, 2020 to the shareholders of EGP 1.25per share with a total amount of EGP 200 030 520 and an amount of EGP 3 756 000 to the members of the Board of Directors.

**24. Significant Events during the period**

The spread of the epidemic of emerging coronavirus (COVID-19) during the year 2020 had a negative impact on the performance of financial markets and the volume of global trade countries of the world, including the Arab Republic of Egypt till now.

The governments of world's countries, including the Egyptian government, have taken several actions of precautionary measures to limit the spread of this epidemic, and as a result, the industrial and commercial operations of various economic activities were affected, which led to a state of economic slowdown at the global and local levels. The company has conducted a study for the purpose of evaluating the potential risks and the management evaluation included the following factors:

- The risk of impairment of real estate assets and investment portfolio.

- Risks of not being able to collect debit balances and loans due from debtors and related parties on the maturity date.
- The risk of not being able to pay obligations owed to creditors on maturity.
- Risks that may arise from any claims resulting from lawsuits

The management concluded that there is no impact on the company's work that could lead to a decrease in the value of real estate assets and investment portfolio in addition to debit balances and loans due from debtors and related parties, and the company pays all its obligations on the due date as well.

And the continuous and accelerating changes associated with that pandemic still impose a state of uncertainty and the inability to accurately predict due to the continuing economic repercussions of the Coronavirus crisis.

The administration closely monitors the situation and adjusts the necessary plans to face these repercussions, by extension, if the situation continues to evolve for a longer period of time.

## **25. Comparative figures**

The Company has prepared condensed interim financial statements by recognizing investments in associate companies and joint ventures using the equity method. For this reason, the comparative figures for the consolidated financial statements were presented as the investments in associate companies and joint ventures were recognized using the equity method, which is similar to the current interim financial statements.