

B Investments Holding

"S.A.E."

Consolidated Condensed Interim Financial Statements

For the three months ended March 31, 2020

Together with Limited Review Report

Limited review report on the consolidated condensed interim financial statements

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

Introduction

We have reviewed the accompanying consolidated condensed interim financial statements of B investments Holding – S.A.E which comprise the consolidated condensed interim statement of financial position as of March 31, 2020 and the related consolidated interim statements of profits or losses, comprehensive income, changes in equity and cash flows for the three 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 consolidated condensed interim financial statements in accordance with Egyptian Accounting Standard No. (30) "Interim financial statements". Our responsibility is to express a conclusion on these consolidated 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 consolidated 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 consolidated condensed interim financial statements do not present fairly in all material respects the consolidated financial position of the entity as at March 31, 2020, and of its consolidated financial performance and its consolidated cash flows for the three months' period then ended in accordance with Egyptian Accounting Standard No. (30) "Interim financial statements".

Cairo, June 14, 2020

Samy Habib

Samy Habib Deif, ACCA
F.E.S.A.A (R.A.A. 13485)
FRA Register No. "373"



Translation of consolidated financial statements

Originally Issued in Arabic

B Investments Holding "S.A.E"

Consolidated condensed interim Statement of Financial Position as of March 31, 2020

	<u>Note</u>	<u>March 31, 2020</u>	<u>December 31, 2019</u>
		<u>EGP</u>	<u>EGP</u>
<u>Assets</u>			
<u>Non-current assets</u>			
Intangible assets (net)		2 446 391	2 399 772
Investments in associates (net)	(5)	435 089 094	456 790 500
Available for sale investments		141 262 077	141 262 077
Investments in joint venture (net)	(6)	534 640 755	527 602 112
Investment properties (net)		94 613 978	95 046 535
Loans to associate	(7)	104 598 880	103 932 539
Deferred tax assets		2 335 917	-
Total-non current assets		1 314 987 092	1 327 033 535
<u>Current assets</u>			
Inventory (net)		-	-
Accounts receivable (net)		-	-
Notes receivable		1 122 143	1 920 993
Due from related parties (net)		3 575 616	3 640 965
Other debit balances (net)	(8)	56 153 899	12 214 329
Treasury bills (net)	(9)	429 736 378	368 486 593
Cash at banks	(10)	17 661 921	70 452 489
Total current assets		508 249 957	456 715 369
Total assets		1 823 237 049	1 783 748 904
<u>Equity and liabilities</u>			
<u>Equity</u>			
Issued and paid-up capital	(12)	800 122 080	800 122 080
Treasury stocks	(13)	(100 937)	-
Reserves		274 216 373	272 743 406
Retained earnings		667 252 048	497 438 259
Net profit for the period / year attributable to shareholders of the Parent Company		37 757 089	173 238 436
Equity attributable to shareholders of the parent company		1 779 246 653	1 743 542 181
Non-controlling interests		5 637 677	5 807 869
Total equity		1 784 884 330	1 749 350 050
<u>Non-Current liabilities</u>			
Deferred tax liabilities		-	4 892 547
Total non- current liabilities		-	4 892 547
<u>Current liabilities</u>			
Due to related parties	(11)	4 635 057	4 691 395
Accounts payable and other credit balances		7 362 845	8 326 164
Current income tax		24 314 166	14 448 097
Provisions		2 040 651	2 040 651
Total current liabilities		38 352 719	29 506 307
Total equity and liabilities		1 823 237 049	1 783 748 904

- The attached notes form an integral part of the consolidated 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's report attached




B Investments Holding "S.A.E"**Consolidated condensed interim statement of profits or losses for the three months ended on March 31, 2020**

	Note	March 31, 2020	March 31, 2019
		EGP	EGP
<u>Revenues & profits</u>			
Group's share of profits of associates & joint venture entities	(16)	35 906 768	27 379 019
Finance income	(17)	17 137 344	22 643 266
Other income		1 067 658	225 810
Reversal of impairment in other debit balances		65 000	-
		54 176 770	50 248 095
<u>Expenses & losses</u>			
Management fees	(18)	(4 640 402)	(4 589 408)
Consulting fees and other expenses		(963 649)	(1 539 364)
Tax expenses on dividends income from investment in associates		(4 863 484)	-
Board of directors allowances		-	(49 392)
Depreciation of Investment property		(432 557)	(91 718)
Foreign currencies exchange losses		(2 988 485)	(6 043 481)
Net profit for the period before tax		40 288 193	37 934 732
Current Income tax		(9 866 069)	(3 778 273)
Deferred tax	(19)	7 228 464	1 324 561
Net profit for the period		37 650 588	35 481 020
<u>Attributable as follow:</u>			
Attributable to the shareholders' of the Parent Company		37 757 089	35 175 099
Non-controlling interests		(106 501)	305 921
Net profit for the period		37 650 588	35 481 020
Basic and diluted earnings per share (EGP/share)	(14)	0.24	0.22

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

Translation of consolidated financial statements

Originally Issued in Arabic

B Investments Holding "S.A.E"

Consolidated condensed interim Statement of comprehensive income for the three months ended on March 31, 2020

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
	<u>EGP</u>	<u>EGP</u>
Net profit for the period	37 650 588	35 481 020
<u>Other comprehensive income</u>		
Translation reserve difference of subsidiaries' financial statements in presented foreign currencies	(159 228)	185 906
Company`s shares in Other comprehensive income items in joint venture entities' financial statements	(1 318 393)	(2 814 605)
Total other comprehensive income for the period	<u>(1 477 621)</u>	<u>(2 628 699)</u>
Total comprehensive income for the period	<u>36 172 967</u>	<u>32 852 321</u>
Distributed as follows:		
Interests attributable to shareholders of the parent company	36 343 159	32 472 038
Non-controlling interests	(170 192)	380 283
Total comprehensive income for the period	<u>36 172 967</u>	<u>32 852 321</u>

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

B Investments Holding "S.A.E"**Consolidated condensed interim statement of changes in equity for the three months ended on March 31, 2020**

<u>Note</u>	<u>Issued and paid-up capital</u>	<u>Treasury stock</u>	<u>Capital issuance costs</u>	<u>Legal reserve</u>	<u>Company's share in the change of the associates' equity accounts</u>	<u>The Group's share in the combination reserve of joint ventures</u>	<u>Translation reserve of subsidiaries financial statements</u>	<u>The Group's share in the other comprehensive income of in joint venture entities' financial statements</u>	<u>Retained earnings</u>	<u>Equity attributable to shareholders of the Parent Company in net profit of the period</u>	<u>Total Equity attributable to shareholders of the Parent Company</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Balance as of January 1, 2019	800 122 080	-	(4 111 018)	255 456 922	-	(4 522 300)	8 232 146	25 150 217	388 477 481	193 856 740	1662 662 268	5 082 911	1667 745 179
Net profit of the period	-	-	-	-	-	-	-	-	-	35 175 099	35 175 099	305 921	35 481 020
Items of other comprehensive income													
Translation reserve difference of subsidiaries' financial statements in presented foreign currencies	-	-	-	-	-	-	111 544	-	-	-	111 544	74 362	185 906
Company's shares in Other comprehensive income items in joint venture entities' financial statements	-	-	-	-	-	-	-	(2 814 605)	-	-	(2 814 605)	-	(2 814 605)
Total Other Comprehensive income	-	-	-	-	-	-	111 544	(2 814 605)	-	35 175 099	32 472 038	380 283	32 852 321
The company's shareholders transactions													
Transferred to legal reserve	-	-	-	3 530 288	-	-	-	-	(3 530 288)	-	-	-	-
Transferred to retained earnings	-	-	-	-	-	-	-	-	193 856 740	(193 856 740)	-	-	-
Total company's shareholders transactions	-	-	-	3 530 288	-	-	-	-	190 326 452	(193 856 740)	-	-	-
Balance as of March 31, 2019	800 122 080	-	(4 111 018)	258 987 210	-	(4 522 300)	8 343 690	22 335 612	578 803 933	35 175 099	1 695 134 306	5 463 194	1 700 597 500
Balance as of January 1, 2020	800 122 080	-	(4 111 018)	258 987 211	-	(4 522 300)	8 533 194	13 856 319	497 438 260	173 238 435	1 743 542 181	5 807 869	1 749 350 050
Net profit of the period	-	-	-	-	-	-	-	-	-	37 757 089	37 757 089	(106 501)	37 650 588
Items of other comprehensive income													
Translation reserve difference of subsidiaries' financial statements in presented foreign currencies	-	-	-	-	-	-	(95 537)	-	-	-	(95 537)	(63 691)	(159 228)
Company's shares in Other comprehensive income items in joint venture entities' financial statements	-	-	-	-	-	-	-	(1 318 393)	-	-	(1 318 393)	-	(1 318 393)
Total Other Comprehensive income	-	-	-	-	-	-	(95 537)	(1 318 393)	-	37 757 089	36 343 159	(170 192)	36 172 967
The company's shareholders transactions													
Transferred to legal reserve	-	-	-	3 424 647	-	-	-	-	(3 424 647)	-	-	-	-
Transferred to retained earnings	-	-	-	-	-	-	-	-	173 238 435	(173 238 435)	-	-	-
Company's share in the change of the associates' equity accounts	(5)	-	-	-	(537 750)	-	-	-	-	-	(537 750)	-	(537 750)
Treasury stocks	(13)	-	(100 937)	-	-	-	-	-	-	-	(100 937)	-	(100 937)
Total company's shareholders transactions	-	(100 937)	-	3 424 647	(537 750)	-	-	-	169 813 788	(173 238 435)	(638 687)	-	(638 687)
Balance as of March 31, 2020	800 122 080	(100 937)	(4 111 018)	262 411 858	(537 750)	(4 522 300)	8 437 657	12 537 926	667 252 048	37 757 089	1779 246 653	5 637 677	1 784 884 330

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

B Investments Holding "S.A.E"**Consolidated condensed interim statement of cash flows for the three months ended on March 31, 2020**

Note	March 31, 2020	March 31, 2019
	EGP	EGP
<u>Cash flows from operating activities</u>		
Net profit for the period before tax	40 288 193	37 934 732
<u>Adjustments to reconcile net profit to cash flows from operating activities</u>		
Group's share of profits of associates & joint venture entities	(35 906 768)	(27 379 019)
Tax expenses on dividends income from investment in associates	4 863 484	-
Depreciation of investment properties	432 557	91 718
Unrealized foreign currencies exchange differences	2 988 485	6 043 481
Credit interest - treasury bills	(14 430 648)	(19 433 339)
Credit interest	(2 706 696)	(3 209 927)
Reversal impairment losses on other debit balances	(65 000)	-
Used of the provision	-	(946 044)
Operating loss before changes in working capital	(4 536 393)	(6 898 398)
Decrease / (Increase) in due from related parties	28 540	(312 329)
Decrease in notes receivable	798 850	-
(Increase) in other debit balances	(45 101 346)	(1 939 680)
(Decrease) in due to related parties	(56 338)	(617 498)
(increase) in accounts payable and other credit balances	(1 090 625)	(347 312)
Net cash flows used in operating activities	(49 957 312)	(10 115 217)
<u>Cash flows from investing activities</u>		
Proceeds from credit interest	1 262 862	15 952 062
Payments to acquire investments in joint ventures	-	(17 500 000)
Payments for project under construction	-	(5 534 035)
Change in long term time deposits	49 938 872	866 610
Net proceeds from redemption and sale of (Payments for) treasury bills	(395 915 699)	3 488 163
Net cash flows used in investing activities	(344 713 965)	(2 727 200)
<u>Cash flows from financing activities</u>		
Treasury stocks	(100 937)	-
Net cash flows used in by financing activities	(100 937)	
Net change in cash and cash equivalents during the period	(394 772 214)	(12 842 417)
Cash and cash equivalents at the beginning of the period	57 158 034	431 453 206
Effects of exchange rate changes on balances of cash held in foreign currencies	1 077 397	37 301
Cash and cash equivalents at the end of the period	(10) (336 536 783)	418 648 090

- The attached notes form an integral part of the consolidated 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 – 1st 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 consolidated condensed interim financial statements for the three months ended March 31, 2020 issue on June 14, 2020.

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

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

3. Basis for preparation of the consolidated condensed interim financial statements

The consolidated condensed interim financial statements have been prepared using the same accounting policies applied in the last year. This interim financial statements are to be read in conjunction with consolidated financial statements issued for the year ended December 31, 2019.

4. Subsidiaries companies

The Company currently holds the following direct and indirect interests in its subsidiaries:

	Country of Domicile	Ownership %
Beard AG Company "Beard"	Switzerland	60

5. Investments in associates (net)

	<u>No. of Shares</u>	<u>Ownership %</u>	<u>March 31, 2020 EGP</u>	<u>December 31, 2019 EGP</u>
Al Retail For Trade and Investment	727 526	22.79%	352 361	340 116
Madinet Nasr for Housing and Development "MNHD"	108 077 416	7.5%	419 614 573	440 925 833
Metalar		51.92%	62 797 537	62 291 404
Infinity Solar 1 B.V	246	24.6%	--	--
Infinity Solar 2 B.V	175	17.5%	--	--
Infinity Solar 3 B.V	175	17.5%	--	--
Less: Impairment loss on investments			(47 675 377)	(46 766 853)
			435 089 094	456 790 500

The decrease in the investment in associates is mainly due to the decrease in the cost of investment in Madinet Nasr for Housing and Development "MNHD", by an amount of EGP 48 634 837, before tax deductions which represents the company's share in dividends distributed, considering the group's recognized share of profit of investment in associate "MNHD" of EGP 27 861 327 in the statement of profit or loss. (Note 16)

6. Investments in joint Venture (net)

	<u>Ownership %</u>	<u>No. of Shares</u>	<u>March 31, 2020 EGP</u>	<u>December 31, 2019 EGP</u>
Inergia Technologies for Information Systems "Inergia"	68.04	5 532 124	236 757 347	237 726 399
Red Sea Venture for Solar Power	49.5	7 425	5 727 150	5 727 150
Ebtikar Holding for Financial Investments	20.25	1 180 593	154 897 968	155 454 294
Gourmet Egypt .com Foods*	52.9	3 127 950	109 281 610	100 717 589
Payments under capital increase in Gourmet Egypt.Com Foods S.A.E.	--	--	33 703 830	33 703 830
Less: ; Impairment in investments (Red Sea Venture for Solar Energy)			(5 727 150)	(5 727 150)
			534 640 755	527 602 112

The increase in the investment in joint venture is mainly due to:

- The increase in the investments of Gourmet Egypt .com Foods by an amount of EGP 8 564 021 which represents the group's recognized share of profit of joint venture in the statement of profit or loss (note 16).
- The decrease in the investments of Ebtikar Holding for Financial Investments "Ebtikar" by an amount of EGP 556 294 which represents the group's recognized share of loss in the statement of profit or loss (note 16).
- The decrease in the investments of Inergia Technologies for Information Systems "Inergia" by an amount of EGP 1 318 3929 which represents the group share in the foreign currency translation loss which charged at the change in equity statement, considering that the group's recognized share of profit in the statement of profit or loss by an amount of EGP 349 341 (note 16).

7. Loans to associates

	<u>March 31, 2020</u>	<u>December 31, 2019</u>
	<u>EGP</u>	<u>EGP</u>
Infinity Solar 1 B.V	31 210 004	31 011 182
Infinity Solar 2 B.V	52 361 661	52 028 095
Infinity Solar 3 B.V	21 027 215	20 893 262
	<u>104 598 880</u>	<u>103 932 539</u>

The increase in the account balance is due to the recognition of the accrual of interest income by an amount of EGP 2 540 620, considering the foreign currency revaluation loss by an amount of EGP 1 874 279.

8. Other debit balances (Net)

	<u>March 31, 2020</u>	<u>December 31, 2019</u>
	<u>EGP</u>	<u>EGP</u>
Deposits held with others	46 795	46 795
Accrued interest	1 959	1 096 786
Accrued rental income	2 889 500	2 954 500
Accrued dividends income	43 771 353	--
Prepaid expenses	561 987	118 717
Withholding tax receivable	547 500	547 500
Withholding tax on treasury bills	10 485 136	10 135 329
Advance payment to suppliers	232 254	221 350
Other debit balances	506 915	47 852
Less : Impairment loss on other debit balances	(2 889 500)	(2 954 500)
	<u>56 153 899</u>	<u>12 214 329</u>

The increase in the balance is mainly due to accrued dividends income from investments in associates by an amount of EGP 43 771 353.

9. Treasury bills

	<u>March 31, 2020</u>	<u>December 31, 2019</u>
	<u>EGP</u>	<u>EGP</u>
Treasury bills –with maturities of more than 3 months	413 600 000	352 875 000
Treasury bills –with maturities of less than 3 months	40 625 000	50 075 000
Less: unrealized interest	(24 488 622)	(34 463 407)
	<u>429 736 378</u>	<u>368 486 593</u>

10. Cash at banks

	<u>March 31, 2020</u>	<u>December 31, 2019</u>
	<u>EGP</u>	<u>EGP</u>
Current accounts - local currency	10 887 041	8 356 545
Current accounts - foreign currencies	1 672 738	147 253
Time deposits - foreign currencies	5 102 142	61 948 691
	<u>17 661 291</u>	<u>70 452 489</u>

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

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
	<u>EGP</u>	<u>EGP</u>
Cash at banks	17 661 921	79 314 734
Treasury bills – less than three months	40 319 908	408 962 076
Less: Treasury bills – more than three months	(389 416 470)	--
Less: Time Deposits – More than three months	(5 102 142)	(69 628 720)
	<u>(336 536 738)</u>	<u>418 648 090</u>

11. Due to related parties

	<u>Type of relationship</u>	<u>Account nature</u>	<u>March 31, 2020</u>	<u>December 31, 2019</u>
			<u>EGP</u>	<u>EGP</u>
BPE Partners S.A.E	Management Company	Management fees / other expenses	4 635 057	4 691 395
			<u>4 635 057</u>	<u>4 691 395</u>

12. 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.

13. Treasury stocks

On March 26, 2020 the Board of Directors approved purchase treasury stocks with a maximum number of 1,600,244 shares, which represents 1% of the total shares of the company through the open market, for the period of three months with a maximum amount EGP 12 Million.

14. 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 period.

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>March 31, 2020</u>	<u>March 31, 2019</u>
	<u>EGP</u>	<u>EGP</u>
Net profit for the period	37 757 089	35 175 099
Weighted average number of outstanding shares	160 024 416	160 024 416
Basic and diluted earnings per share	<u>0.24</u>	<u>0.22</u>

15. 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 payments on behalf of those Parties.

The significant transactions during the year 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> <u>EGP</u>
BPE Partners S.A.E.	Management company	Management fees	(4 640 402)
Infinity Solar 1 B.V	Associate	Credit interest	758 065
Infinity Solar 2 B.V	Associate	Credit interest	1 271 821
Infinity Solar 3 B.V	Associate	Credit interest	510 734

16. Group's share of profits / (loss) of investment in associates and joint venture entities

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
	<u>EGP</u>	<u>EGP</u>
Madinet Nasr for Housing and Development "MNHD"	27 861 327	21 712 780
Inergia Technologies for Information Systems "Inergia"	349 341	3 583 008
Metalar	(323 840)	602 119
Al Retail for Trade and Investment	12 245	14 056
Gourmet Egypt .com Foods	8 564 021	2 045 769
Ebtikar Holding for finance investment	(556 326)	(578 713)
	<u>35 906 768</u>	<u>27 379 019</u>

17. Finance income

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
	<u>EGP</u>	<u>EGP</u>
Credit interest for time deposits and bank current accounts	166 076	872 730
Credit interest for loans to associates	2 540 620	2 337 197
Return on treasury bills	14 430 648	19 433 339
	<u>17 137 344</u>	<u>22 643 266</u>

The decrease in finance income during the period is mainly due to the decrease of return on treasury bills by an amount of EGP 5 M.

18. Management agreements

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 transactions 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 good performance fees, the good performance fees will be due to the management Company only on the exit of investments entered into by the Company. The Good performance fees is calculated based on the difference between cash proceeds, distributions (dividends, interest, or rent) after taxes and fees which the Company's incurred for investment disposal, and the adjusted accumulated cost of existing investments. The adjusted cost is the historical accumulated cost of the investment using a 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.

Good performance fees is calculated for the new investments entered into by the Company using 15% of investment gain that calculated as the difference between the cash proceeds and distribution (dividend, interest, or rent) of the investment and the Company's costs that that incurred regarding the investment disposal, and the adjusted accumulated cost of investment.

19. Deferred tax Assets

	<u>Temporary difference</u>	<u>Deferred tax Asset / (liability)</u>
	<u>EGP</u>	<u>EGP</u>
<u>Deferred tax liability form the depreciation of investment properties</u>		
Balance at December 31, 2019 - Liability	(1 918 707)	(431 709)
Movement during the period (allocated to the statement of profits and losses)	(111 995)	(25 199)
Balance at March 31, 2020 - Liability	<u>(2 030 702)</u>	<u>(456 908)</u>
<u>Deferred tax Asset from unrealized foreign exchange difference</u>		
Balance at December 31, 2019 - Liability	(19 825 949)	(4 460 838)
Movement during the period (realized foreign exchange difference and allocated to the statement of profits and losses)	30 364 223	6 831 950
Movement during the period (allocated to the statement of profits and losses)	1 874 279	421 713
Balance at March 31, 2020 - Asset	<u>12 412 553</u>	<u>2 792 825</u>
Net deferred tax balance at December 31, 2019 - Liability	<u>(21 744 656)</u>	<u>(4 892 547)</u>
Net deferred tax balance at March 31, 2020 - Asset	<u>10 381 851</u>	<u>2 335 917</u>
Movement in profit or losses at March 31, 2020		<u>7 288 464</u>

The deferred tax assets were not recognized on the following items due to insufficient assurance to realize them in the future.

	<u>March 31, 2020</u>	<u>December 31, 2019</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
Impairment in Investment in subsidiaries	27 412 102	27 412 102
Provisions	2 040 651	2 040 651
Impairment in due from related parties	1 143 958	1 143 958
Impairment in other debit balance	2 889 500	2 954 500
	<u>46 486 868</u>	<u>46 551 868</u>

20. Significant Events During the period

During the first quarter of 2020, the world has been exposed to the spreading of the COVID-19, which was characterized by its rapid spreading all over the world, till it was declared an emergency state health by the World Health Organization on January 30, 2020 and then declaring this virus a global pandemic on March 11th, 2020, the spread of the virus has had a negative impact on many countries' economies which was reflected on the performance of financial markets and the world trade volume.

On March 19, 2020, the international airlines has been suspended and on March 25, 2020, the Egyptian Government has declared a curfew for two weeks and it was renewed for another two weeks which has affected negatively on the Egyptian economy in general.

It is expected that this pandemic will affect the operations and commercial transactions of different economic sectors, and with respect to the economic sectors that the company invest in, there are slow down indicators in the real estate sector while observing a positive impact on the technological, electronic payments and consumable goods and food sectors. The company performed an assessment to evaluate potential business risks and their impact on the company's investments in different sectors; and concluded that there are no indications for a permanent decrease in the value of its investments portfolio. The ongoing and rapid changes in relation to the pandemic still impose an uncertainty condition and an inability of accurate prediction due to the continuing economic repercussions of the Coronavirus crisis.

The management is closely monitoring the situation and modify its plans whenever necessary in response to ongoing repercussions respectively and if the situation continued to evolve for a longer period.

21. Subsequent Events after the Financial Statements Date

On April 8, 2020, the Egyptian government has officially declared to prohibit the commute or movement of the citizens all over the republic, all over the roads from 8 P.M till 6 P.M, excluded from the application of the article no.1 from this decision which is related to the curfew, the supermarkets located outside shopping malls, emergency services of electricity companies and electricity generation sectors as well as vehicle refueling machines located in the fuel stations, international information network operators services and telecommunications networks, online purchases applications, ATMS Cards, all food, beverage and goods delivery services for customers whether the order was through an online application or other, all workers in these sectors are excluded with adhering to all necessary medical precautions, which may impact positively on the group's business in future periods.