

B Investments Holding

"S.A.E."

Condensed Separate Interim Financial Statements

For the three months ended March 31, 2020

Together with Limited Review Report

Translation of Review
Report Originally Issued in Arabic

Limited Review Report on the condensed separate interim financial statements

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

Introduction

We have reviewed the accompanying condensed separate interim financial statements of B investments Holding- S.A.E which comprise the condensed separate interim statement of financial position as of March 31, 2020 and the related condensed separate interim statements of profit or loss, 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 condensed separate interim financial statements in accordance with Egyptian Accounting Standard No. (30) "Interim financial statements". Our responsibility is to express a conclusion on these condensed separate 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 separate 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 separate interim financial statements do not present fairly in all material respects the separate financial position of the entity as at March 31, 2020, and of its separate financial performance and its separate 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 Delf, ACCA
F.E.S.A.A (R.A.A. 13485)
FRA Register No. "373"



Translation of financial statements

Originally Issued in Arabic

B Investments Holding S.A.E.

Separate 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>			
Investments in subsidiaries (net)		9 453 732	9 453 732
Investments in joint ventures (net)		331 652 325	331 652 325
Investments in associates (net)		153 856 436	153 856 436
Available for sale investments		141 262 077	141 262 077
Investment properties (net)		94 613 978	95 046 535
Loans to associates	(4)	104 598 880	103 932 539
Deferred tax assets		2 335 917	-
Total-non current assets		837 773 345	835 203 644
<u>Current assets</u>			
Notes receivable		1 122 143	1 920 993
Treasury bills (net)	(5)	429 736 378	368 486 593
Due from related parties (net)	(6)	2 006 233	2 043 042
Other debit balances (net)	(7)	56 153 889	12 214 329
Cash at banks	(8)	17 644 287	70 388 197
Total current assets		506 662 930	455 053 154
Total assets		1 344 436 275	1 290 256 798
<u>Equity and liabilities</u>			
<u>Equity</u>			
Issued and paid-up capital	(10)	800 122 080	800 122 080
Treasury stocks	(11)	(100 937)	-
Reserves		258 300 840	254 876 193
Retained earnings		197 807 558	132 739 271
Net profit for the period / year		50 321 069	68 492 934
Total equity		1 306 450 610	1 256 230 478
<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	(9)	4 635 057	4 691 395
Accounts payable and other credit balances		6 995 791	7 953 630
Current income tax		24 314 166	14 448 097
Provisions		2 040 651	2 040 651
Total current liabilities		37 985 665	29 133 773
Total equity and liabilities		1 344 436 275	1 290 256 798

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

Chief Financial Officer

Ahmed Abdel Monem Madbouly



- Review's report attached.

Chief Executive Officer

Dr. Mohamed Abdel Monem Omran

Chairman

Mohamed Hazem Adel Barakat



B Investments Holding S.A.E.

Separate condensed interim Statement of profits and losses for the three months ended on March 31, 2020

	<u>Note</u>	<u>March 31, 2020</u>	<u>March 31, 2019</u>
		<u>EGP</u>	<u>EGP</u>
<u>Income and profits</u>			
Dividends income from investment in associate	(14)	43 771 353	-
Rental income of investment properties		975 000	-
Finance income	(15)	17 137 344	22 643 266
Reversal of impairment in other debit balances		65 000	-
		61 948 697	22 643 266
<u>Expenses and losses</u>			
Depreciation of investment properties		(432 557)	(91 718)
Management fees	(16)	(4 640 402)	(4 589 408)
Consulting fees and other expenses		(928 579)	(1 476 236)
Board of directors allowances		-	(49 392)
Foreign currencies exchange differences		(2 988 485)	(6 043 481)
Net profit for the period before income tax		52 958 674	10 393 031
Income tax		(9 866 069)	(3 778 273)
Deferred tax	(17)	7 228 464	1 324 561
Net profit for the period		50 321 069	7 939 319
Basic and diluted earnings per share	(12)	0.31	0.05

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

B Investments Holding S.A.E.

Separate 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	50 321 069	7 939 319
Other comprehensive income	-	-
Total other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>50 321 069</u>	<u>7 939 319</u>

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

B Investments Holding S.A.E.
Separate 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>Legal reserve</u>	<u>Capital issuance costs</u>	<u>Retained earnings</u>	<u>Net profit for the period</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>
Balance as of January 1, 2019		800 122 080	-	255 456 922	(4 111 018)	147 029 450	70 605 783	1 269 103 217
<u>Items of other comprehensive income</u>								
Net profit for the period		-	-	-	-	-	7 939 319	7 939 319
Other comprehensive income		-	-	-	-	-	-	-
Total Other Comprehensive income		-	-	-	-	-	7 939 319	7 939 319
<u>The company's shareholders transactions</u>								
Transferred to legal reserve		-	-	3 530 289	-	(3 530 289)	-	-
Transferred to retained earnings		-	-	-	-	70 605 783	(70 605 783)	-
Total Company's shareholders transactions		-	-	3 530 289	-	67 075 494	(70 605 783)	-
Balance as of March 31, 2019		800 122 080	-	258 987 211	(4 111 018)	214 104 944	7 939 319	1 277 042 536
Balance as of January 1, 2020		800 122 080	-	258 987 211	(4 111 018)	132 739 271	68 492 934	1 256 230 478
<u>Items of other comprehensive income</u>								
Net profit for the period		-	-	-	-	-	50 321 069	50 321 069
Other comprehensive income		-	-	-	-	-	-	-
Total Other Comprehensive income		-	-	-	-	-	50 321 069	50 321 069
<u>The Company's shareholders transactions</u>								
Transferred to legal reserve		-	-	3 424 647	-	(3 424 647)	-	-
Treasury stocks	(11)	-	(100 937)	-	-	-	-	(100 937)
Transferred to retained earnings		-	-	-	-	68 492 934	(68 492 934)	-
Total Company's shareholders transactions		-	(100 937)	3 424 647	-	65 068 287	(68 492 934)	(100 937)
Balance as of March 31, 2020		800 122 080	(100 937)	262 411 858	(4 111 018)	197 807 558	50 321 069	1 306 450 610

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

B Investments Holding S.A.E.

Separate condensed interim statement of cash flows for the three ended on March 31, 2020

	<u>Note</u>	<u>March 31, 2020</u> <u>EGP</u>	<u>March 31, 2019</u> <u>EGP</u>
<u>Cash flows from operating activities</u>			
Net profit for the period before income tax		52 958 674	10 393 031
<u>Adjusted by :</u>			
Dividends income from investments in associates		(43 771 353)	-
Unrealized foreign currencies exchange differences		2 988 485	6 043 481
Used provisions		-	(946 044)
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)	-
Depreciation of investment properties		432 557	91 718
Operating loss before changes in working capital		(4 593 981)	(7 061 080)
Decrease in notes receivables		798 850	-
Increase in other debit balances		(45 101 346)	(2 044 708)
Decrease in due to related parties		(56 338)	(617 498)
Decrease in accounts payable and other credit balances		(957 839)	(296 709)
Net Cash flows used in operation		(49 910 654)	(10 019 995)
<u>Cash flows from investment 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 deposits		49 938 872	866 612
Net proceeds from redemption and sales (Payments) of treasury bills		(395 915 699)	3 488 163
Net cash flows used in investment activities		(344 713 965)	(2 727 198)
<u>Cash flows from financing activities</u>			
Treasury stock		(100 937)	-
Net cash flows used in by financing activities		(100 937)	-
Net change in cash and cash equivalents during the period		(394 725 556)	(12 747 193)
Cash and cash equivalents at the beginning of the period	(8)	57 093 742	431 286 479
Effects of foreign exchange rate changes		1 077 397	37 301
Cash and cash equivalents at the end of the period	(8)	(336 554 417)	418 576 587

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

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

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

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

The separate 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 separate financial statements issued for the year ended December 31, 2019.

4. 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, taking into consideration the foreign currency revaluation loss by an amount of EGP 1 874 279.

5. 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>

6. Due from related parties (net)

	<u>Relationship nature</u>	<u>Account nature</u>	<u>March 31, 2020</u>	<u>December 31, 2019</u>
			<u>EGP</u>	<u>EGP</u>
Red Sea venture for solar energy	Joint venture	Current ac.	1 149 958	1 149 958
Infinity Solar B.V 1	Associate	Current ac.	666 312	678 574
Infinity Solar B.V 2	Associate	Current ac.	679 480	691 984
Infinity Solar B.V 3	Associate	Current ac.	654 441	666 484
Less: Impairment loss on due from related party balances			(1 143 958)	(1 143 958)
			<u>2 006 233</u>	<u>2 043 042</u>

The decrease in the balance is due to the recognition of foreign currency revaluation loss by an amount of EGP 36 809.

7. 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.

8. 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	1 655 104	82 961
Time deposits - foreign currencies	5 102 142	61 948 691
	<u>17 644 287</u>	<u>70 388 197</u>

For purpose of preparing separate 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	17 644 287	79 243 231
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>(336 554 417)</u>	<u>418 576 587</u>

9. Due to related parties

	<u>Type of relationship</u>	<u>Account nature</u>	<u>March 31, 2020 EGP</u>	<u>December 31, 2019 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>

10. 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.

11. 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.

12. Basic and diluted profits 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>March 31, 2020 EGP</u>	<u>March 31, 2019 EGP</u>
Net profit for the period	50 321 069	7 939 319
Weighted average number of shares	160 024 416	160 024 416
Basic and diluted earnings per share (EGP/Share)	<u>0.31</u>	<u>0.05</u>

13. Significant related parties' transactions

Related parties transactions occurred during the period on current accounts nature represented mainly in management fees and the expenses related to the Company or expenses the paid by the Company on behalf of related parties.

<u>Related party</u>	<u>Type of relationship</u>	<u>Type of transactions</u>	<u>Value of transaction</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

14. Dividends income from investment in associate

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
	<u>EGP</u>	<u>EGP</u>
Madinet Nasr for Housing and Development "MNHD"	43 771 353	--
	<u>43 771 353</u>	<u>--</u>

15. Finance income

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
	<u>EGP</u>	<u>EGP</u>
Credit interest on time deposits and bank current accounts	166 076	872 730
Credit interest from 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.

16. Management agreement

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.

17. 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	6 807 589
Impairment in due from related parties	1 143 957	1 143 957
Impairment in other debit balance	2 954 500	2 954 500
	<u>46 551 867</u>	<u>51 318 805</u>

18. 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.

19. 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 country, 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.